



The Texas Association of Health Plans

House Committee on Human Services Interim Charge 1: Aging Texans

December 15, 2015

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The Texas Association of Health Plans

The Texas Association of Health Plans (TAHP) is the statewide trade association representing private health insurers, health maintenance organizations, and other related health care entities operating in Texas.

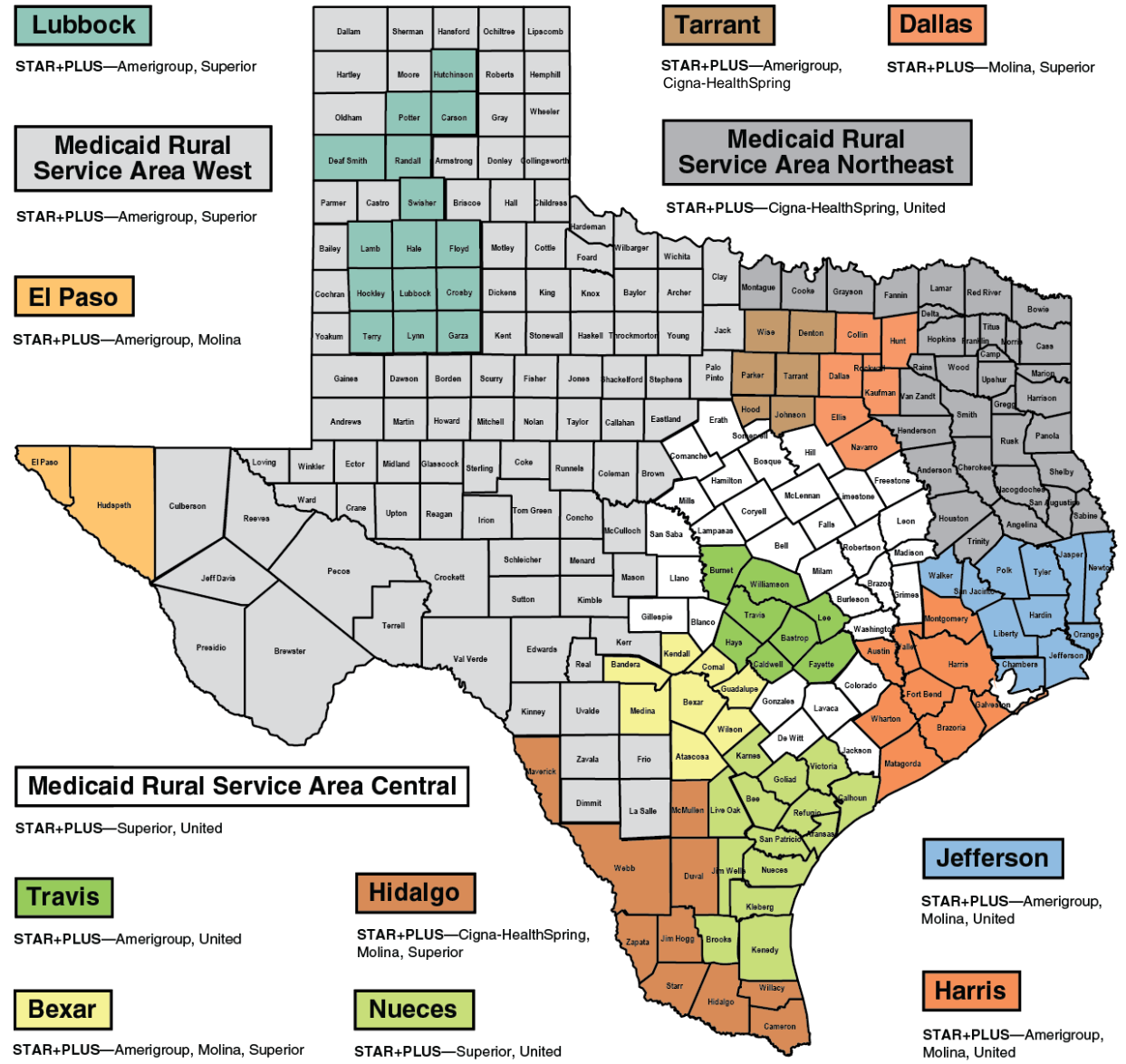
- Health Plans - Employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid.
- 28 Health Plan Members, including the 20 Medicaid Health Plans.
- 2 Dental Medicaid Managed Care Organizations
- TAHP advocates for public and private health care solutions that improve the affordability, access and accountability of health care for many Texans.

Interim Charge # 1

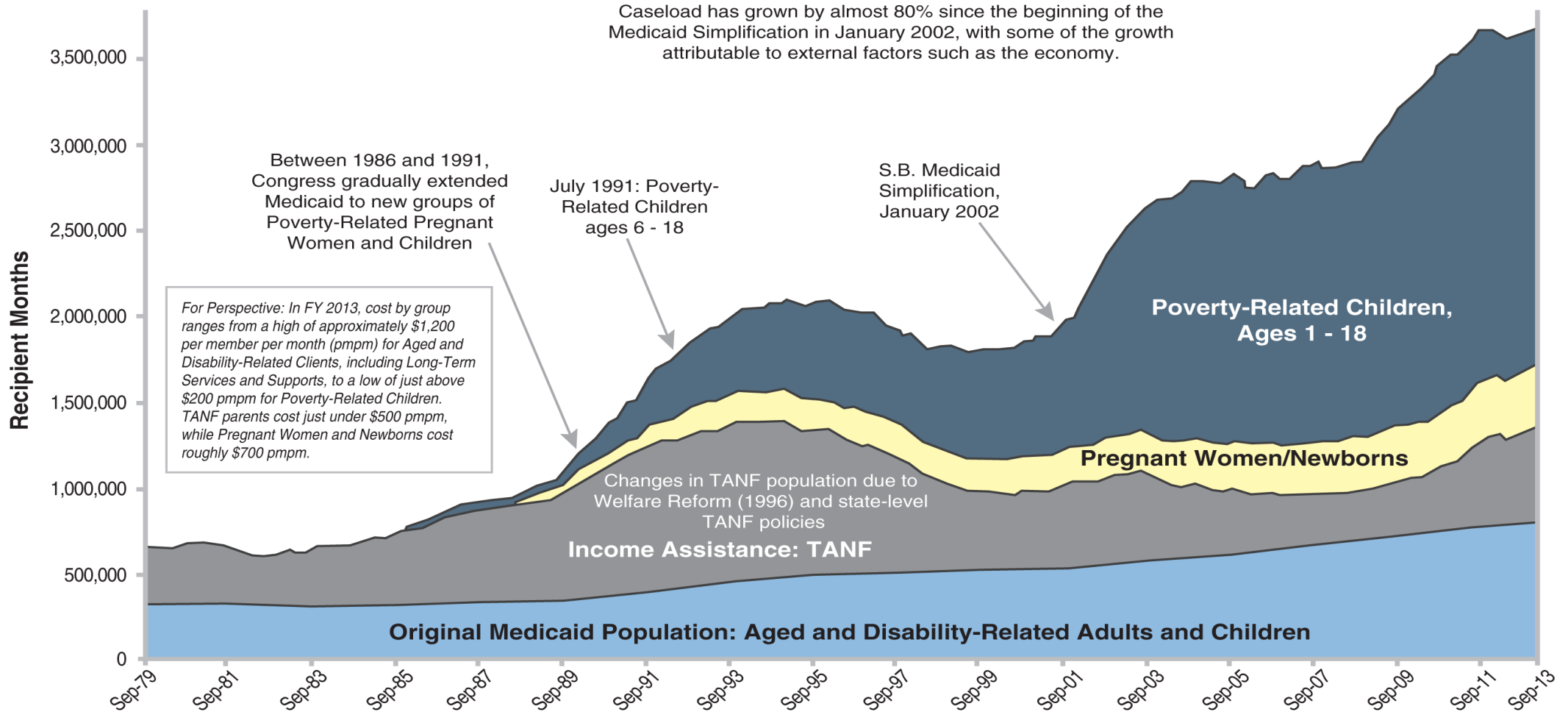
*Study the ten year anticipated growth, the geographic distribution, and the projected economic impact of aging Texans. **Review state services and programs available to seniors, including independent living services, and determine the capacity and effectiveness of the programs.** Determine if Texas is prepared for the increased demands of aging Texans. Invited and public testimony will be taken.*

STAR+PLUS

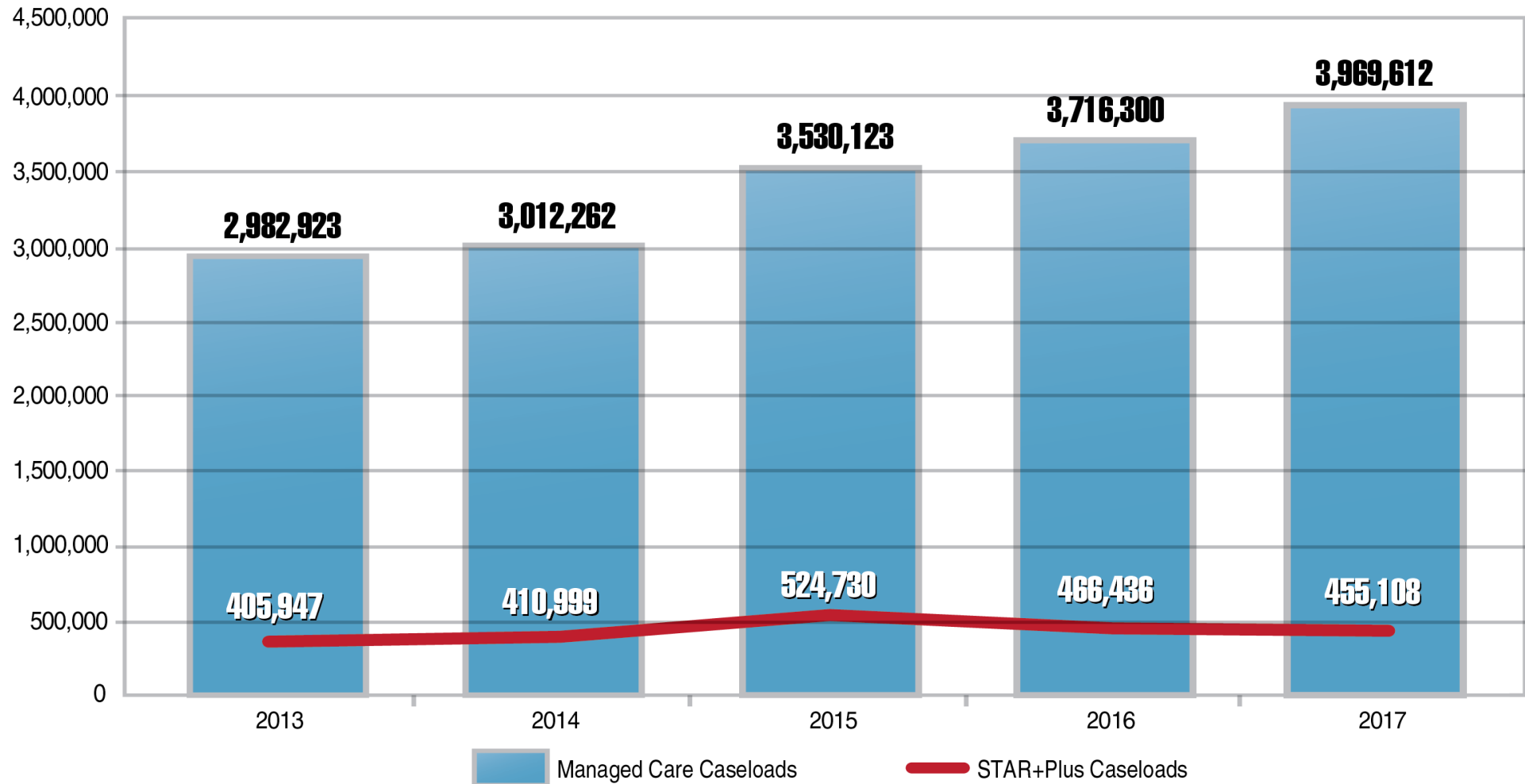
- Primary health care delivery model for individuals age 65 or older and individuals with disabilities in Medicaid
- Statewide as of Sept. 1, 2014
- Nursing homes carved-in March 1, 2015
- State pays premium: Full-risk, capitation
- Integrates acute care and long-term care to promote quality and access to care in the least restrictive, most appropriate setting
- Service coordinators
- Value-added benefits
- Flexibility: “Innovative Solutions”



Texas Medicaid Caseload by Group September 1979 - August 2013

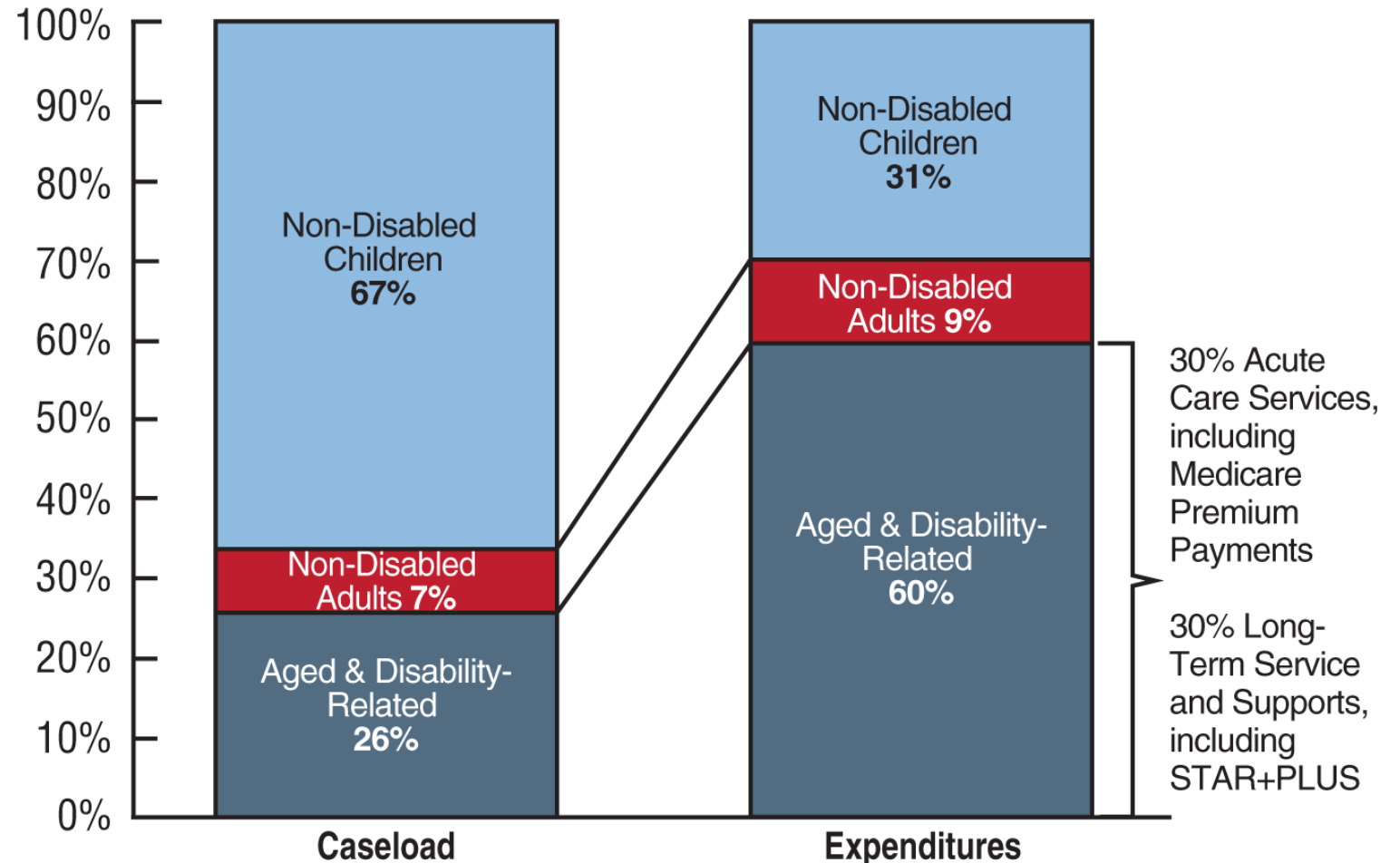


Texas Medicaid MCO & STAR+PLUS Caseloads



Medicaid Caseloads and Cost

- **Aged & Disability-Related:** Less than 1/3 of caseloads, but nearly 2/3 of costs
- **Aged & Disability-Related Costs:** 50% acute care, 50% long-term care
- **Elderly typically have more long-term care costs in Medicaid (Medicare pays acute care)**
- **Larger portion of acute care Medicaid costs are disability-related**



Health Plan Strategies for an Aging Population

Flexibility of Managed Care Allows MCOs to Use Innovative Strategies Based on Members' Needs:

- **Evidence-Based Programs**

- Care management and disease management for complex and chronic conditions
- Medication adherence programs
- Fall prevention
 - Number one cause of injury death for individuals 65 and older
 - Most common cause of non-fatal injuries and hospital admissions due to trauma for individuals 65 and older

- **Education**

- Caregiver supports (tips/information)
- Information on resources available in the community
- Special training for MCO staff regarding different demographics, including seniors

- **Technology**

- **Value-Added Services/Innovative Solutions**

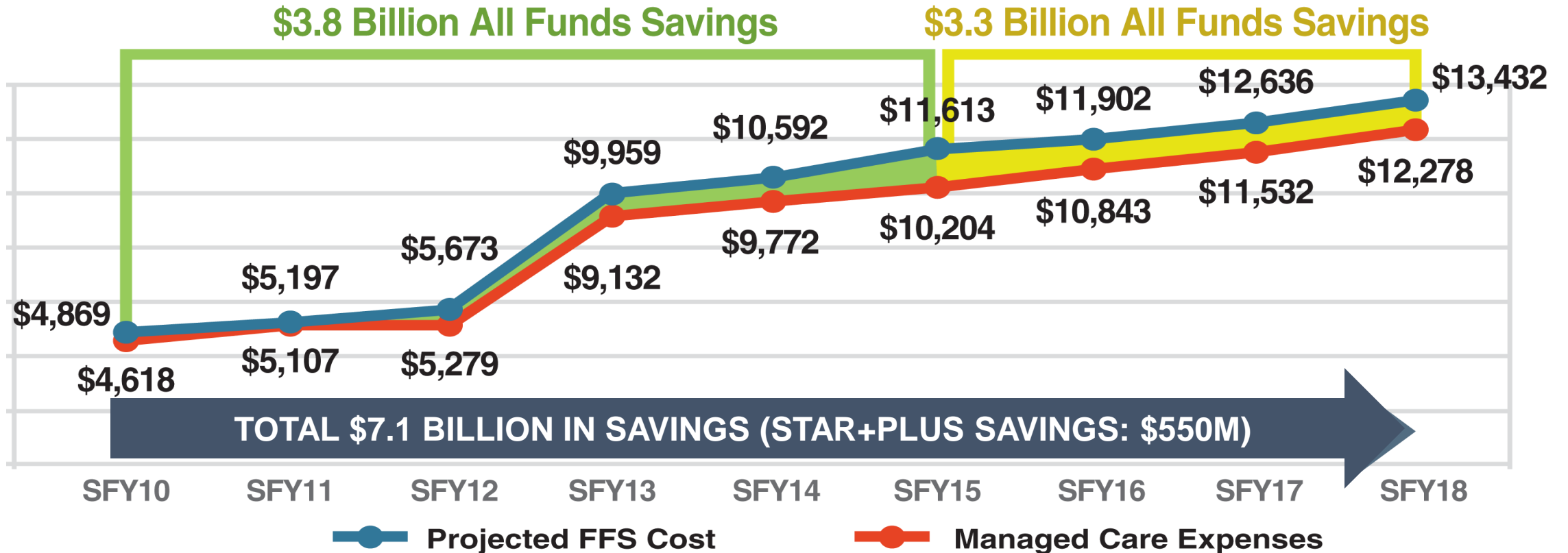
Health Plan Strategies for an Aging Population

Value-Added Services

- Toll-free 24 hours a day, 7 days a week Nurse Advice Line
- Additional dental, vision, podiatry, mental health
- Gift cards for adhering to recommended appointments and screenings related to diabetes, hypertension, and breast cancer
- 24 hour emergency response services
- Additional respite care for members' unpaid caregivers
- Additional allowance for over-the-counter medicines
- Vouchers for weight loss programs, free membership in smoking cessation programs
- Cell phone and monthly minutes
- Home Blood Pressure Monitoring Kit for members with cardiovascular disease
- In-home care or educational intervention for members with chronic diseases
- Pest control services
- Home-delivered meals for members getting out of the hospital or nursing facility
- Home Exercise Kit for diabetic members and members with BMI over certain thresholds

Texas Managed Care Savings

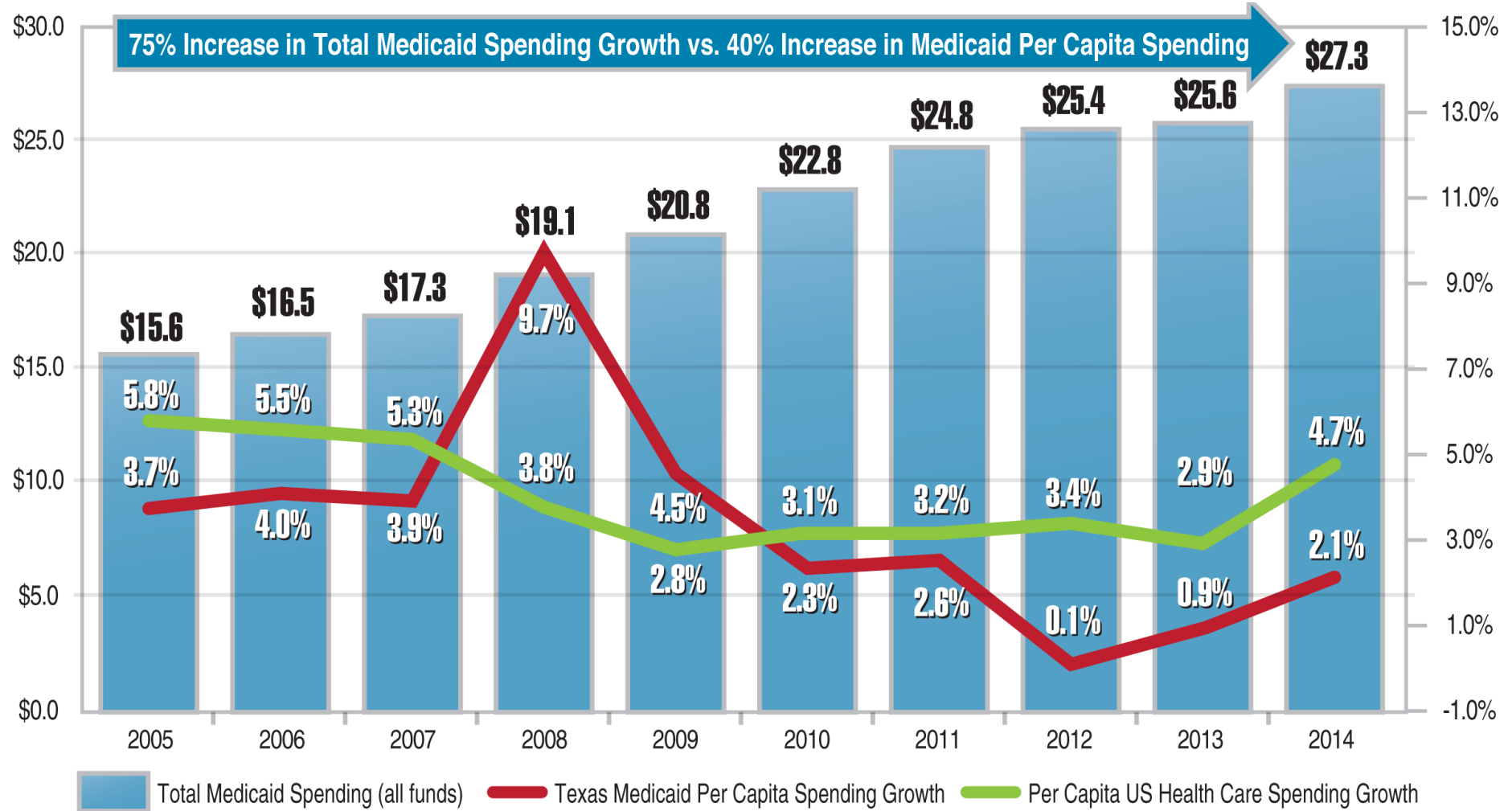
Managed Care vs. Fee for Service
(Dollars in Millions)



Source: Texas Medicaid Managed Care Cost Impact Study. Milliman. February 2015.

Texas Medicaid Spending vs. Per Capita Spending


- As use of managed care has increased, Medicaid per capita spending has decreased
- Medicaid per capita spending is usually lower than U.S. per capita spending
- Exception: Frew rate increases in 2007-2008



STAR+PLUS: Integration of Care Produced Savings and Quality


REDUCING THE HIGHEST COST DRIVERS IN MEDICAID

 **28%** Reduction in independent hospitalization

 **40%** Reduction in emergency room visits

KEEPING PEOPLE IN THEIR COMMUNITIES

 **70%** Increase in the use of community based services

 **38%** Increase in the use of adult day care services

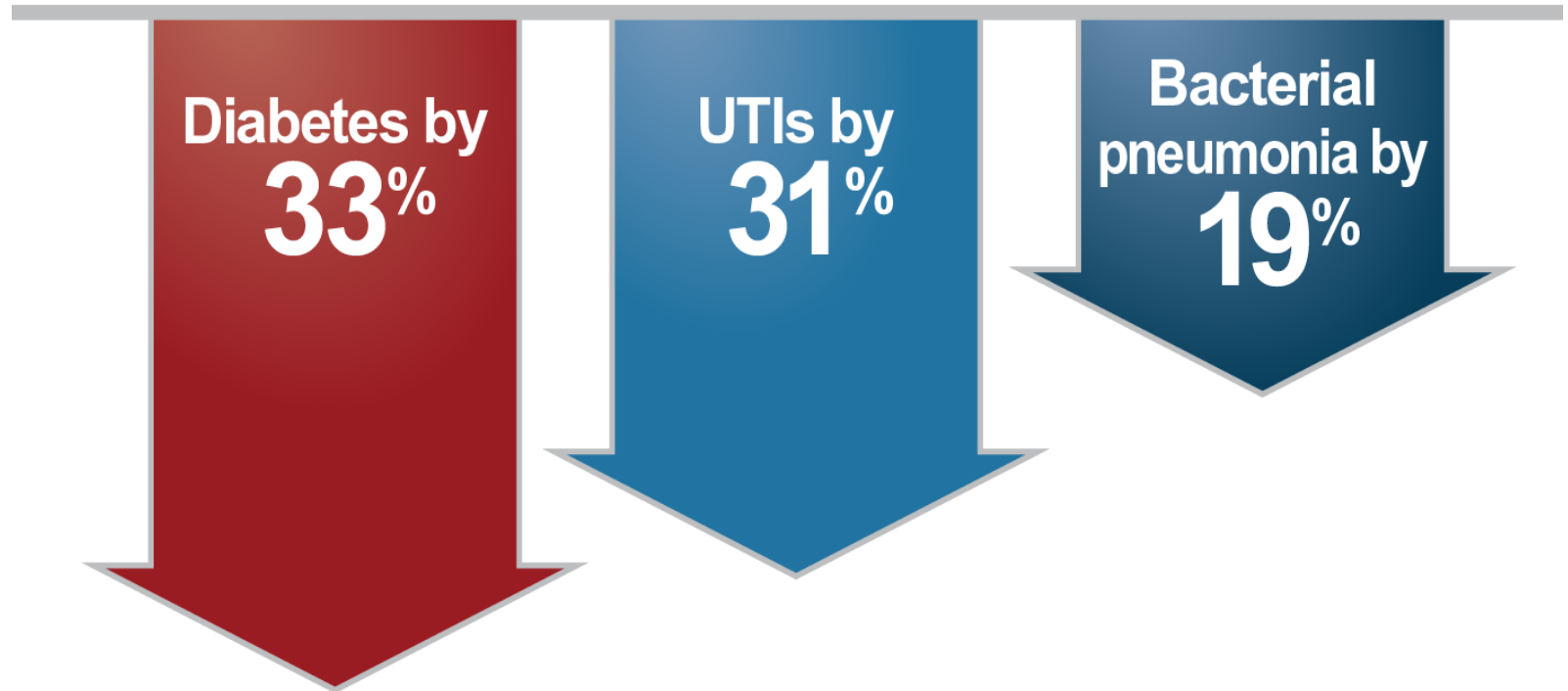
STAR+PLUS Improved Quality of Care

- **Double digit reductions in hospital admissions**

- **Quality initiatives:**

- Pay-for-Quality (P4Q)
- Network Access Improvement Program (NAIP)
- Quality Improvement Payment Program (QIPP)
- Dual Demonstration

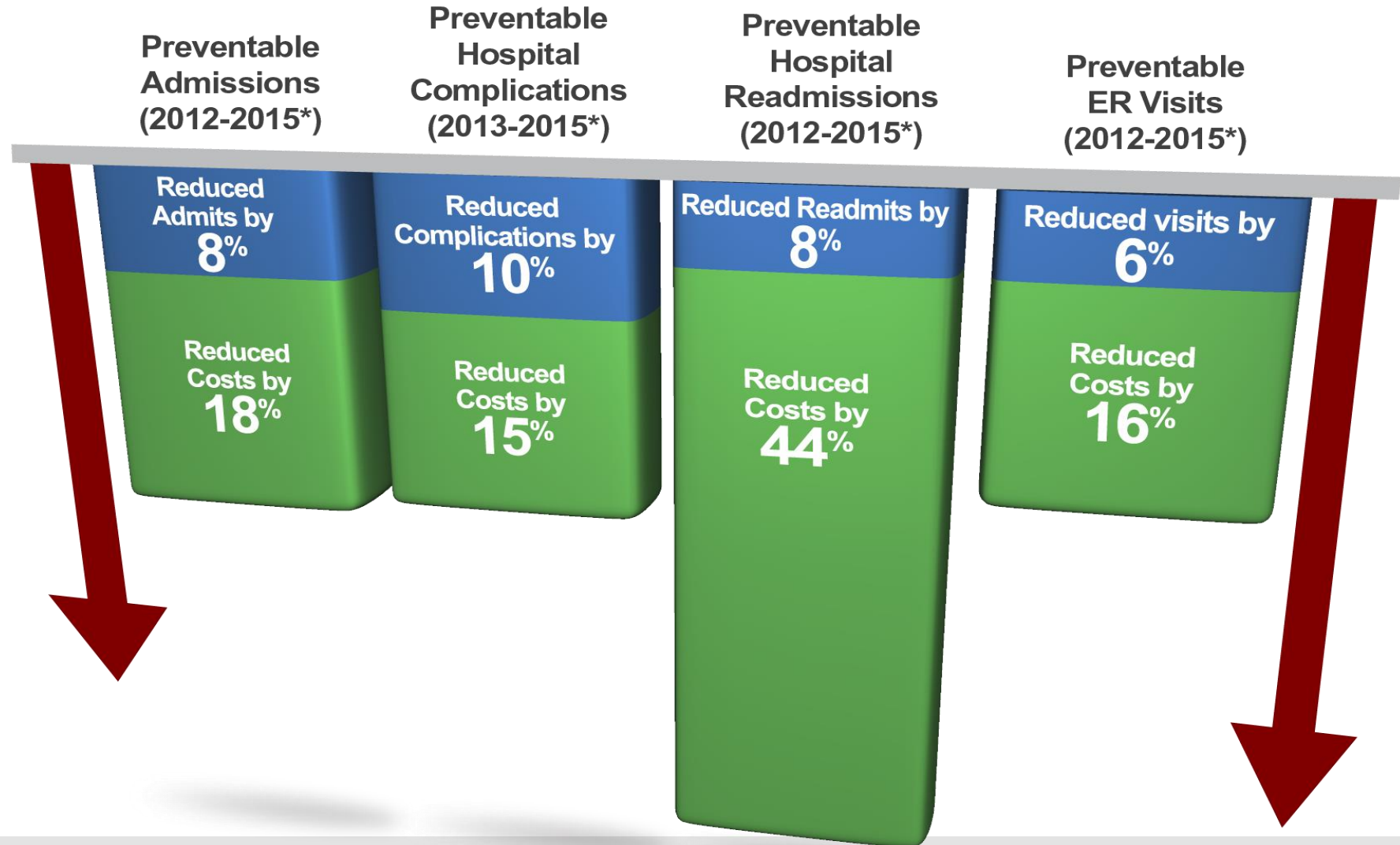
Between 2009 and 2011,
STAR+PLUS plans reduced hospital admissions for:



STAR+PLUS Plans Reduced Potentially Preventable Events and Costs

P4Q Program:

- 4% of MCO premium payments at-risk for quality
- Focus on reducing Potentially Preventable Events (PPEs)



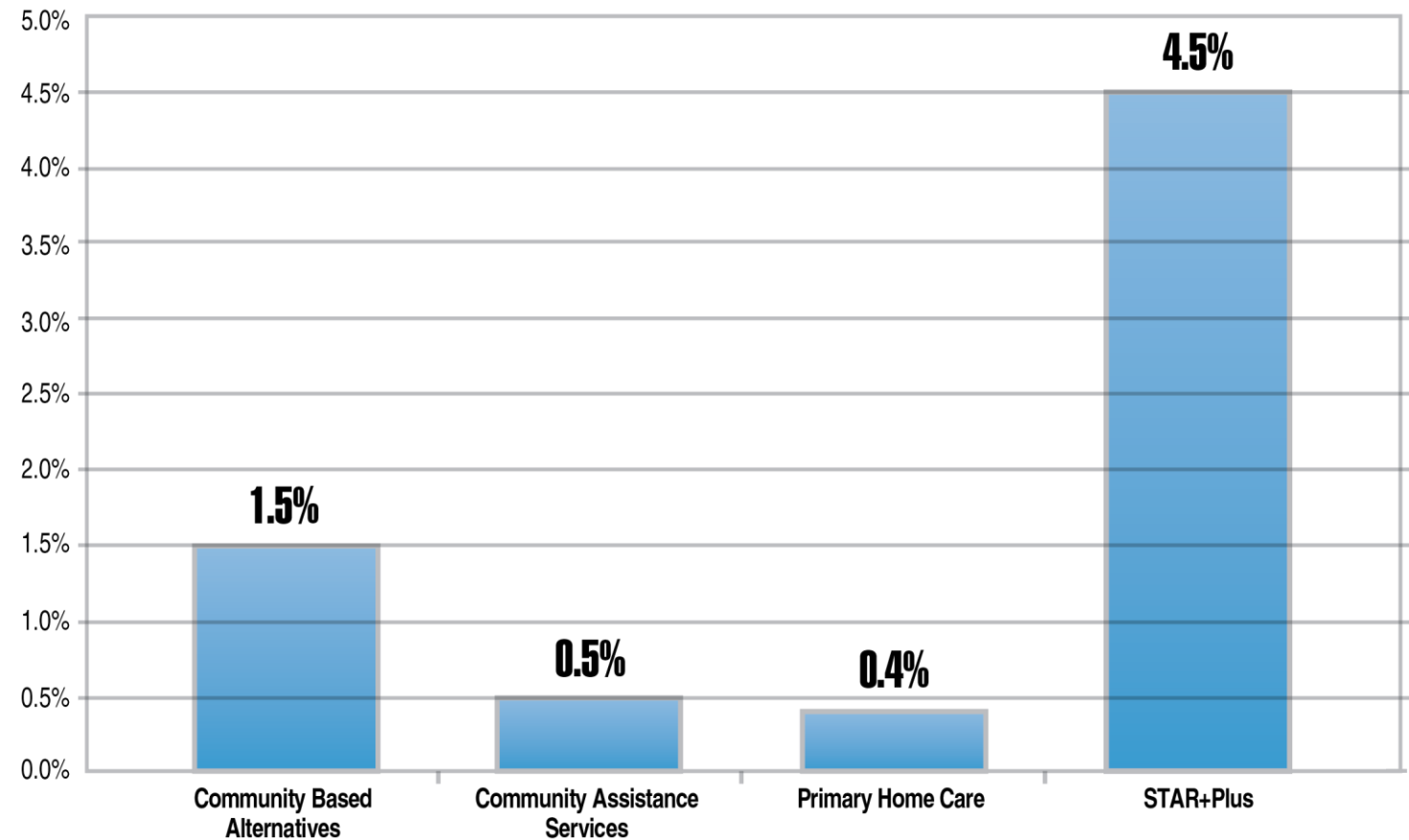
STAR+PLUS Consumer Satisfaction and Performance

- **Access to a Personal Doctor:** 82% - 85% of STAR+PLUS members report having access to a personal doctor (aged-only & duals)
- **Access to Prevention Services:** 87% of STAR+PLUS members had one preventive visit or ambulatory visit in 2011
- **Access to Routine Care:** 80% of STAR+PLUS members report being able to get care quickly and having good access to routine care
- **Strong Medication Adherence:** 88% of STAR+PLUS members received medication monitoring
- **Improved Medication Adherence:** Medication adherence for chronic lung diseases treatment and heart attack treatment improved over 45% from 2007-2010
- **Medication Adherence Stronger than FFS:** Medication adherence for chronic lung diseases treatment and heart attack treatment is stronger in MCO vs. FFS (2010) (COPD: 82% vs. 57.9%) (Heart Attacks: 74.2% vs. 44.8%)

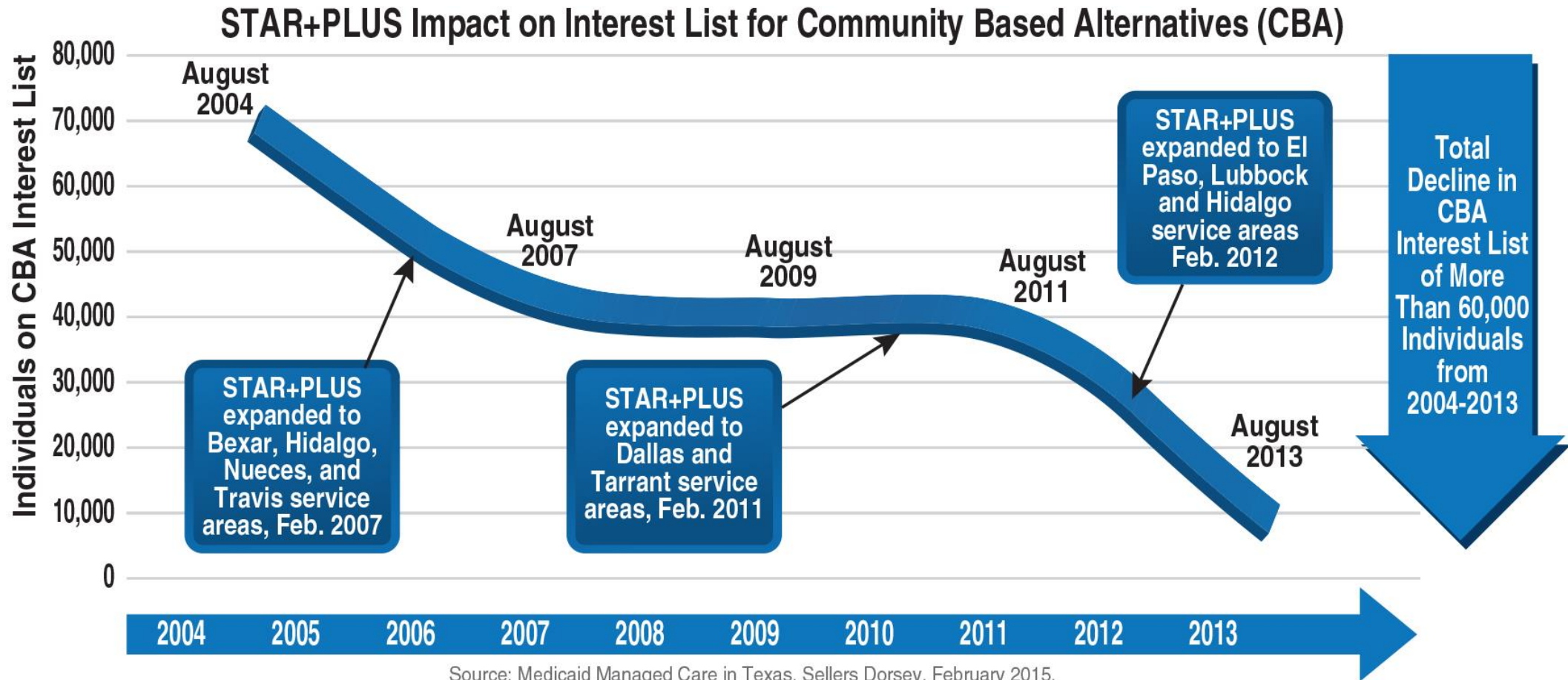
Increased Focus On Community Care and Maintaining Independence

- **Community care has increased significantly at no additional cost to the state, while nursing home caseloads have stayed relatively flat**
- **Nursing home caseloads:**
 - 2003: 60K
 - 2013: 56K
- **Consumer directed services (CDS) has increased under managed care**
 - Allows individuals to directly hire and manage the people who provide their services
- **Focus on community care through STAR+PLUS has helped Texas address growing needs, without substantially adding new costs**

Texas Medicaid: Consumer Directed Service Utilization in LTC Programs 2012



STAR+PLUS: Increased Access to Community Care



An Aging Population: Challenges Facing the Health Care System

- **Longer life span + baby boomers = double the population of Americans aged 65 years or older during the next 25 years**
 - By 2030, older adults will account for roughly 20% of the U.S. population
- **Chronic disease burden**
 - Two out of three older Americans have multiple chronic conditions
 - Chronic diseases can affect ability to perform activities of daily living
 - Increased need for caregivers, both professional and family members, and long-term services and supports
- **Increasingly diverse older population**
 - Language barriers, reduced access to health care, low socioeconomic status, differing cultural norms

An Aging Population: Challenges Facing the Health Care System

- **Cost Impact**

- More than two-thirds of all health care costs are related to treating chronic illnesses
- 95% of health care costs for older Americans are for chronic diseases
- Cost of providing health care for one person aged 65 or older is three to five times higher than for someone younger than 65
- 25% estimated increase in health care costs by 2030, primarily due to aging population

Additional Opportunities

- **Dental Health**

- Poor oral health may limit food choices, impair chewing efficiency, limit social contacts, affect speech, cause pain – all can negatively impact a person’s health and well-being
- Oral diseases can affect many aspects of general health, and some health conditions have an effect on oral health
- Medicaid clients age 21 and over who are not institutionalized do not have access to Medicaid dental benefit in Texas

- **Social Determinants of Health**

- Aspects of keeping people healthy that are not medical care (housing, employment, education, etc.)

- **Health Care Workforce Recruitment and Retention**

- Community Attendant Workforce: Backbone of community care and essential for STAR+PLUS to remain successful and for elderly individuals to maintain independence in the community

- **Medical Education and Training**

- Need to ensure that health care providers understand the needs of the aging population and have early exposure and training

Additional Opportunities

- **“Healthy Aging” as a Public Health Priority**

- Health-promoting behaviors, preventive services
 - Tobacco use remains the single largest preventable cause of disease, disability, and death in the U.S. - In 2010, 8.4% of adults aged 65 and older were still smoking cigarettes
 - Vaccinations – Although largely preventable, flu and pneumonia represent the 7th leading cause of death among U.S. adults aged 65 and older

- **Health Literacy**

- Nearly 9 out of 10 adults have trouble using everyday health information routinely available in health care facilities, retail stores, media, and in their communities
- Adults age 65 and older have the lowest percentage with proficient health literacy
- Individuals with lower health literacy are more likely to skip necessary medical tests, end up in emergency room more often, and have a harder time managing chronic conditions