

CONCERNS ABOUT ILLINOIS' PROPOSED MANAGED CARE PILOT

Overview of the Managed Care Pilot Proposal:

It is the Governor's intent to place services for aged, blind and disabled (ABD) adults who receive Medicaid funded services, into a managed care pilot no later than July 1, 2010, in 6 pilot areas: Lake, DuPage, Kane, Will and Kankakee Counties, and Suburban Cook County. The Department of Health Care and Family Services (HFS) stated the primary objective of the pilot program is to integrate the full spectrum of Medicaid services to improve health care quality and outcomes for adult aged, blind and disabled Medicaid recipients...while assuring efficient and effective use of state resources.

Issues and Concerns:

1. HFS staff has yet to provide any data to indicate examples of inefficient or ineffective use of Medicaid Home and Community Based Waiver resources supporting individuals with Developmental disabilities, yet this is one of the stated reasons for the move to managed care.
2. Comments from Tom Wilson, Access Living in Chicago:
"Of course saving money is a state goal but there is research that questions whether this is likely with for profit corporations running the show and it creates a barrier to accountability for consumers who might have some ability to move the state, but it is harder to move a corporation with no elections to respond to. I asked about access to doctors and specialists as well. Michael Gelder said that these would not be restricted **but it is the nature of HMOs to restrict access to doctors or to offer capitation rates too low for the higher quality providers.** He said that DMH, DD and ORS were helping to write the guidelines for the RFPs and I countered with the idea that I did not trust them to have the best interests of PwD (People with Disabilities) as their primary concern and I raised Nothing About US Without US as a principle and asked why hadn't people with disabilities been involved in the process".
3. According to Robert Gettings, (one of this nation's leading experts on public policy as it impacts people with developmental disabilities):
 - No other state has attempted a managed care initiative integrating primary health and long term care services for the entire Aged, Blind and Disabled population; typically Developmental Disability Services are carved out. The premise for achieving savings through better coordination of care works for populations with acute health issues. This is not the case for persons with developmental disabilities whose health care needs have an early onset and are of a chronic nature.
 - Managed Care has been demonstrated to be effective in Developmental Disability Services where resources are plentiful, there are no large, costly institutional settings, and where there are essentially no waiting lists for services. **None of these are true in Illinois** which has many costly state run hospitals, declining state revenues allotted for services and more than 18,000 people waiting for developmental disability services. Thus there are no high cost services to garner savings from to enroll the many thousands of eligible recipients who are waiting for services.
4. To super impose a managed care framework (at great cost) over an already under funded community service system will require people with disabilities to be denied or lose services to pay for it.
 - **Annual savings of \$1 billion and up to 10% of the current state Medicaid expenditure for services to the target population for performance bonuses are reportedly the budget goals for the project.**

5. Wisconsin-based Bethesda Lutheran Homes described their recent experience wherein Wisconsin's Managed Care Organization solicited providers willing to operate cheaper group home services. Bethesda Lutheran, unable to lower its costs, was forced to move their group home residents to the cheaper organization-away from their family and friends. The residents and their families were greatly distressed.

Anticipated Impact on Persons Served by AID:

HFS has estimated that approximately 40% of the targeted aged, blind and disabled population are dually eligible for Medicare/Medicaid and/or on spend down and therefore would be excluded from the project. AID estimates that between 400-600 individuals will have their service decisions moved from AID to a managed care organization **Services for these individual would be under state contract with a managed care organization (instead of AID) should the pilot program be implemented .**

This would include the following services and programs:

- Day Training (DT) for Developmentally Disabled (AID Workshops, Thompson, Keeler, Elgin, Batavia)
- Community Integrated Living Arrangements (CILA)-including all AID-operated group homes
- Intermittent CILA services (drop in support to those in apartments and family homes)
- Home Based Services (family controlled voucher program)
- Intermediate Care Facilities for Mentally Retarded-(ICFMR)-AID's TAC House, Zachary House and other facilities licensed as nursing homes (Marklund and Little Angels for example)
- Supported employment programs (including Job Placement & Vocational Development)
- Mental Health Residential Services: Sherman Apartments, Indian Trail Apts. [TLF] & Lilac Apts.
- Mental Health & Substance Abuse counseling (out patient services)
- Mental Health Skills Training (Psycho-social Rehab programs-PSR)
- Psychiatric Services and Crisis Services

Long standing charitable organizations like AID will be forced to bid against each other to continue serving their existing clientele, due to managed care organizations seeking to lower costs/increase profits. Many clients would be forced to change agencies, move from their current residences and service locations, not understanding what is happening to them. Community members who have invested in local service agencies will see their investments disappear. Yet Illinois has among the lowest investments in community services for persons with Mental Health and Developmental Disabilities, ranking 14th in per capita income, yet 47th per capita in service spending.*

Recommendations:

1. Slow the process down to permit adequate time to fully research, evaluate and learn lessons from other states who have implemented managed care for long term care services for people with mental health and developmental disabilities.
2. Carve-out Developmental Disabilities services from the pilot.
3. Research and possibly pilot other models of service management and funding based at the local rather than state level management.

*Sources:

1. Powers, Elizabeth T. & Nicholas J. (March 2007) *State Funding of Community Agencies for Services provided to Illinois. Residents with Mental Illness and/or Developmental Disabilities. Final Report to the Illinois General Assembly. Requesters Pursuant to Public Act 98-342. University of Illinois. Institute of Public & Governmental Affairs. p. 17.* Braddock, D., Hemp, R., Parish, S., Rizzolo, M. & Pomeranz-Essley. (2008). *The State of the States in Developmental Disabilities*: Boulder, CO: University of Colorado, The Coleman Institute for Cognitive Disabilities, Table 7, p. 26.
2. <http://www.infoplease.com/ipa>. : Per Capita Personal Income by State: 2007

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