



# Balancing Person-Centeredness and Utilization Management

*State experiences navigating the “fine balance”*

December 8, 2020



# Panel Introductions

- Pam Smith, RN - Director; Division of Community Alternatives, Kentucky Department of Medicaid Services
- Betsy Genz - Director; Bureau of Adult Programs and Policy, Wisconsin Division of Medicaid Services
- Molly Morris - Special Projects Manager at Applied Self-Direction
- **Moderator:** Jason Gerling – Associate Director, Guidehouse Consulting



# Session Objectives

- Review “cost effectiveness” regulations that govern HCBS plans vs. person-centered requirements
- Discuss strategies to balance utilization management to drive monitoring for cost-effectiveness with two states:
  - Kentucky: a program in early steps to “right the ship”
  - Wisconsin: a program that has evolved to individualized budgeting
- Discuss applicability to self-directed services and supports
- Question and answer

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# Relevance of Utilization Management

# Medicaid-Funded HCBS Requires a Balancing Act

## *Assuring Person-Centered Care AND Cost-Effective Service Plans*

### Person-Centeredness

42 CFR § 441.301(c)(2) states that an individual's written person-centered service plan be:

*“The person-centered service plan must **reflect the services and supports that are important for the individual** to meet the needs identified through an assessment of functional need, **as well as what is important to the individual with regard to preferences** for the delivery of such services and supports...”*



### Cost-Effectiveness

42 CFR § 441.301(c)(2)(xii) states that an individual's written person-centered service plan be:

*“...Commensurate with the level of need of the individual, and the scope of services and supports available under the State's 1915(c) HCBS waiver; the written plan must...**Prevent the provision of unnecessary or inappropriate services and supports.**”*

# State-Specific Considerations that Influence the Balance



Each state defines its own scope of goods and services for 1915(c) waivers



States define waiver-specific therapies and clinical supports, including the qualifications for continued receipt of services



States can allow employer vs. budget authority for self-directed service models



Implementation of electronic visit verification will improve data and tracking on personal care services



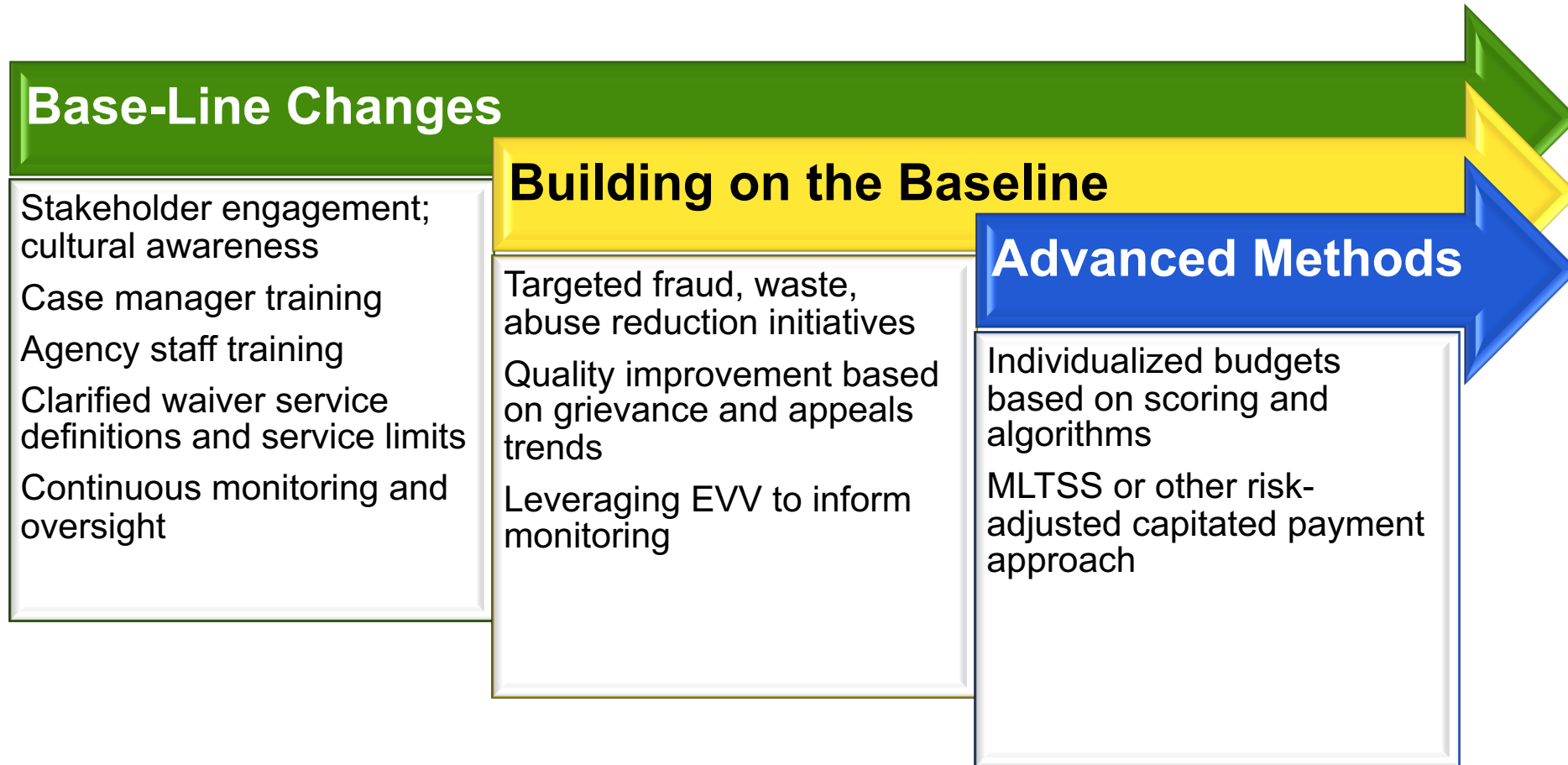
States with managed LTSS (MLTSS) typically assign utilization management functions to MCOs



The status of 1915(c) waiting lists, Medicaid budget shortfalls, etc. varies by State and is shifting during the pandemic... the more imbalanced supply vs. demand is – the greater the focus on effectively managing limited resources

# Continuum of State Response

*There is always somewhere to start within your current model to address the “balancing act”*



# **Kentucky: Taking Corrective Action to Update Utilization Management Practices**

**Pam Smith, RN – Director; Division of Community Alternatives, Kentucky Department of Medicaid Services**



# Why Was This Needed?



**Encourage objective utilization management of HCBS** using person-centered, individualized methods that consider a participant's needs and circumstances instead of the current medical model approach



Drive internal focus on HCBS efficiency and effectiveness by **reducing the cycle time between PCSP development and service initiation**

# Why Was This Needed?



**Use consistent utilization management approaches across waivers**



**Maximize use of the case manager's first hand insights as the professional with the most "on the ground knowledge" when service planning**

# Why Was This Needed?



**Tackle concerns about over- and under-resourcing of participants PCSPs** based on their assessed needs vs. person-centered plan goals

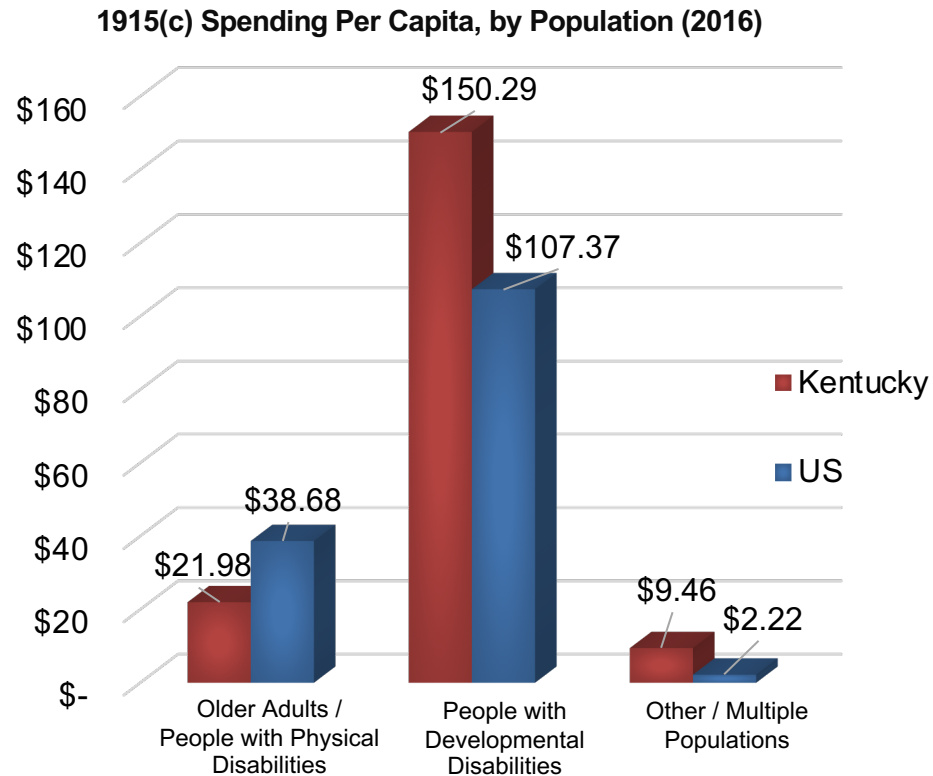


**Right-size waste and misuse of services** stemming from “one sized fits all” approaches methods for service allocation



Long-Term: **Address waiting lists**

# Service Utilization Trends



- Ky. spends about **40% more** per capita on People with Developmental Disabilities compared to the U.S. average.
- Ky. spends about **43% less** per capita on Older People / People with Physical Disabilities compared to the U.S. average.
- Ky. noticed a one-size fits all approach to service plans instead of plans that were person-centered.
- This comports with stakeholder feedback that there are “**haves**” and “**have-nots**” by disability population.

# SERVICE AUTHORIZATION SOLUTIONS



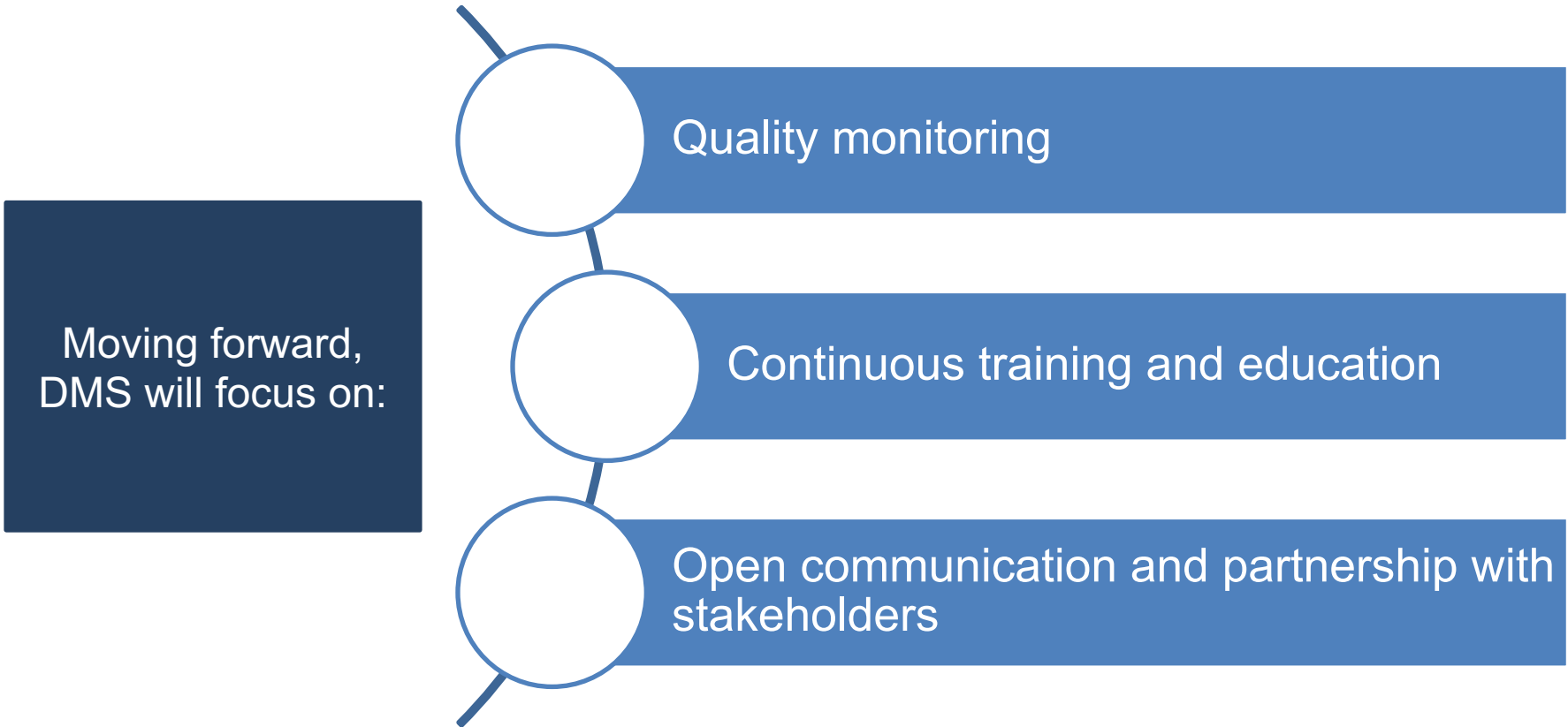
- ✓ Expectations and Impact Brief
- ✓ Training Deck
- ✓ Training Guide
- ✓ Quiz

- ✓ Webinar
- ✓ Live Training Recording
- ✓ Held Six Regional Town Halls

- ✓ Serves case managers across the state for service authorization requirements
- ✓ Staffed by Cabinet personnel
- ✓ Moved Review of High-Cost, High-Skilled Services from third-party to DMS

- ✓ Desk reference material, including Service Authorization Crosswalks
- ✓ MWMA Quick Reference Guides

# Lessons Learned



# Next Steps



# Balancing Person-Centeredness and Utilization Management within HCBS



Betsy Genz  
Director, Bureau of Programs and Policy  
Wisconsin Division of Medicaid Services  
December 8, 2020



# Background

- IRIS is a 1915c Medicaid waiver program administered by the Wisconsin Department of Health Services since 2008.
- IRIS is the stand-alone, fully self-directed long-term services and supports program option.
- Participants in IRIS have full employer and budget authority.

# Budget Setting

- The Long Term Care Functional Screen (LTCFS) is the tool used to determine a person's eligibility for LTC programs.
- In IRIS, the LTCFS, through a built in algorithm, also provides the participant's monthly budget.
- The budget allocation is used during the individualized services and support plan (ISSP) development.

# Benefits of an Allocated Budget

- Provides broad authority for participants to determine their long term care outcomes and the services they need to achieve their outcomes.
- Empowers participants to exercise full budget and employer authority.
- Gives choice and control to participants.

# Challenges of an Allocated Budget

- Budget allocation method does not consider all individualized needs.
- Participants decisions may be affected by having a dollar allocation.
- Participants must monitor their services.

# Overcoming Challenges

- A budget amendment process is available when the budget allocation does not meet the participant's needs.
  - Budget amendments are reviewed by state staff.
- In the past, budget allocations have been shared at the Aging and Disability Resource Centers. Starting 1/1/21, budget allocation amounts will be provided by IRIS consultants during the ISSP development process.

# Overcoming Challenges

- Participants receive a monthly budget statement. The statement shows the payments made from their budget each month.

# Balancing Person- Centeredness and Utilization Management within HCBS

Molly Morris, Special Projects Manager

[www.appliedselfdirection.com](http://www.appliedselfdirection.com)

# Considering the Balance within Self-Direction

- Does involvement in self-direction somehow exempt participants from state oversight?
  - Not at all! While self-direction provides individuals with increased flexibility and choice, it does not provide a ‘free pass’ to ignore state requirements, budget limits, etc.
- Let’s discuss:
  - What is self-direction anyway?
  - Is this program widely available?
  - How do these programs successfully balance person-centeredness and utilization management?



# Traditional Services



# Self-Directed Services



# Two Models of Self-Direction

- Employer Authority
  - Participant recruits, hires, supervises, and manages worker
  - Participant must fulfill employer/payroll related tasks
  - Participant or agency may serve as the common law employer
  - Generally includes only one waiver service
- Budget Authority
  - Participant manages a budget
  - Free to make various decisions about purchasing other goods and services
  - Generally includes more than one service

# Ensuring Choice with Oversight

## Counselor

- Embraces paradigm shift
- Explains the program
- Completes enrollment
- Collaborates with participant to complete the assessment, service plan, spending plan, and reassessments
- Offers skills training
- Partners with participant

## FMS

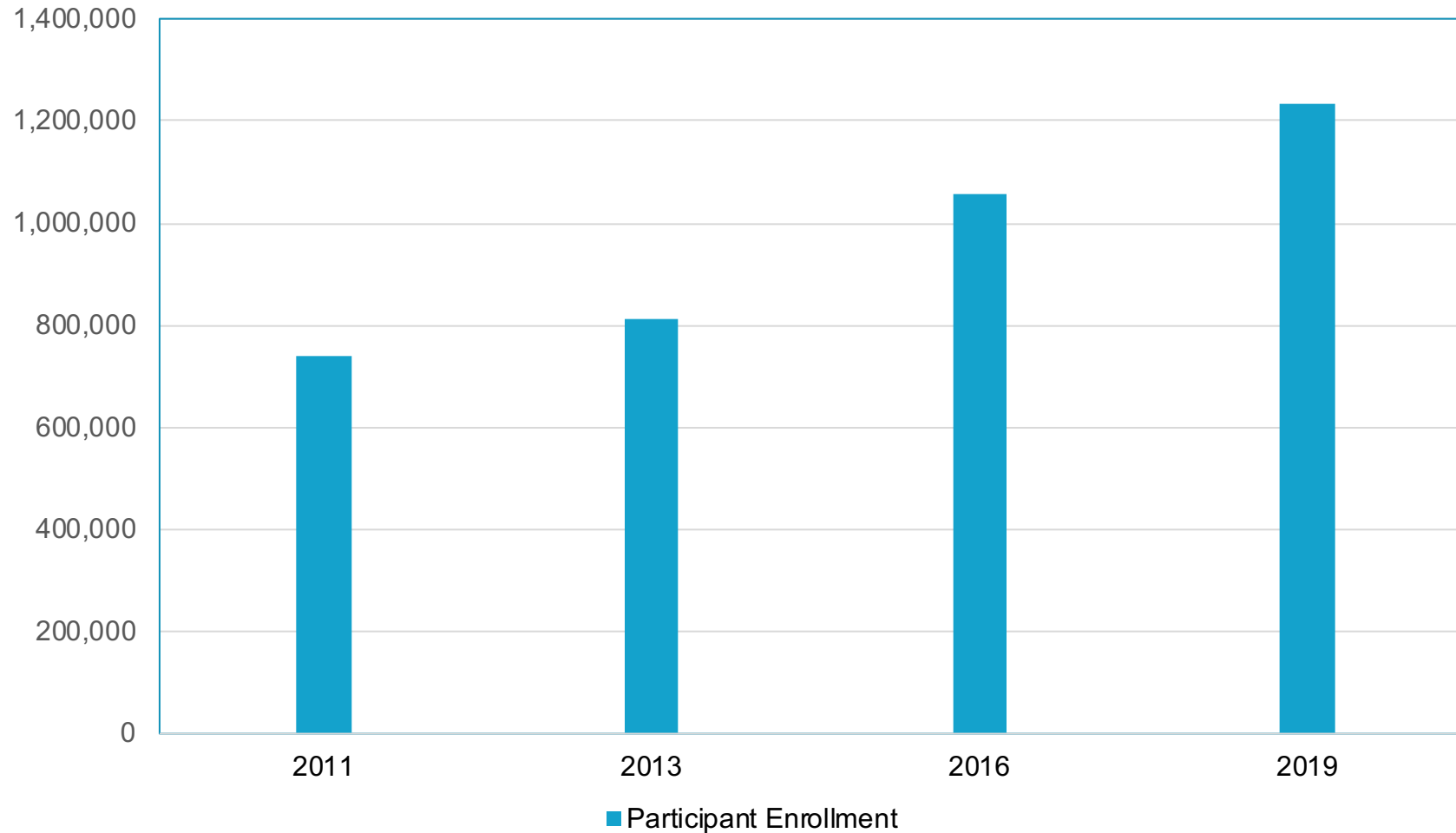
- Assures that spending plan is followed
- Pays invoices including timesheets
- Figures tax liability and pays taxes
- Maintains savings
- Provides accounting reports

## Participant

- Makes decision based on individual budget
- Hires, manages, and dismisses workers
- Sets tasks
- Trains (or arranges for training) of workers
- Evaluates worker performance
- Determines goods and services to be purchased

# Self-Direction is Increasingly Widely Available

Self-Direction National Enrollment Over Time



# Balancing Person-Centeredness & Utilization Management

- Striking the balance
  - New and growing flexibility in response to COVID
  - Cost is always balanced with flexibility
  - As programs grow, it can make flexibility harder. Adapt program design to accommodate.
  - Examples from states

# Questions and Answer

# Contact

**Jason Gerling, MSG**

Associate Director

[jason.gerling@guidehouse.com](mailto:jason.gerling@guidehouse.com)

(404) 772-1861

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**Jennifer Kolbe**

Managing Consultant

[jennifer.kolbe@guidehouse.com](mailto:jennifer.kolbe@guidehouse.com)

(312) 573-5644

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**Tamyra Porter**

Partner

[tporter@guidehouse.com](mailto:tporter@guidehouse.com)

(202) 973-3138

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