



MEDI-CAL LONG-TERM CARE AT HOME BENEFIT DESIGN

BACKGROUND AND OVERVIEW

On May 22, 2020, the Department of Health Care Services (DHCS) and California Department of Aging (CDA) announced the development of a potential new Long-Term Care at Home benefit. While this new model of care was initially envisioned to address the need to decompress California's skilled nursing facilities (SNFs) in response to the COVID-19 public health emergency, DHCS believes that this benefit will provide a more holistic, coordinated, and bundled set of medical and home and community-based services, allowing qualifying Medi-Cal beneficiaries across the state an option to stay healthy at home. The following information provides an overview of Long-Term Care at Home, including its key goals, target populations, model of care, financing structure, Federal authority, and public stakeholder process.

Long-Term Care at Home is intended to support home care for qualifying Medi-Cal beneficiaries by allowing them to transfer from a hospital or SNF to their home, or by preventing SNF stay altogether. It will increase consumer and family choices in where to live and how to receive care. This benefit intends to increase the availability, affordability, and coordination of wrap-around health care services, allowing qualifying Medi-Cal beneficiaries to receive skilled nursing care at home, as an alternative to congregate residential facilities. The medical care and home and community based services (HCBS) provided under this benefit will be tailored to the needs of the individual based on a person-centered assessment and care plan. New Long-Term Care at Home agencies licensed by the State of California will be responsible for delivering or coordinating all applicable services for qualifying Medi-Cal beneficiaries.

DHCS intends to implement Long-Term Care at Home to the extent the State determines it is cost-effective and otherwise consistent with the quality and efficiency goals of the Medi-Cal program. DHCS intends to seek federal approval of this proposal from the Centers for Medicare and Medicaid Services (CMS) through Section 1915(i) of the federal Social Security Act¹. This benefit would be available statewide to qualifying beneficiaries in Medi-Cal's fee-for-service (FFS) and managed care delivery systems. DHCS will develop this benefit with input from

¹ 42 U.S.C. § 1396n(i).

California Department of Public Health (CDPH), Department of Social Services (DSS), Department of Developmental Services (DDS), CDA, the Master Plan for Aging Long-Term Services and Supports Subcommittee, and other valued stakeholders. At this time, DHCS anticipates completing the policy development stage of this effort in the third quarter of 2020 to allow for an implementation date in early 2021, subject to CMS approval and State authority.

KEY GOALS

Through the creation of Medi-Cal's Long-Term Care at Home benefit, DHCS intends to develop and implement a person-centered alternative care model that improves the patient experience by allowing qualifying Medi-Cal beneficiaries to live at home while receiving long-term care services. To this end, Long-Term Care at Home aims to accomplish the following key goals:

- Offer a new model of care through which a licensed Long-Term Care at Home agency coordinates all applicable services for qualifying Medi-Cal beneficiaries while they reside safely at home;
- Provide qualifying Medi-Cal beneficiaries and their families with more choices in living situations and long-term care settings;
- Allow qualifying Medi-Cal beneficiaries currently residing in SNFs licensed by the State to safely move from a facility to a home;
- Allow qualifying Medi-Cal beneficiaries that may require SNF services in the future to avoid institutionalization;
- Allow qualifying Medi-Cal beneficiaries to be discharged from a hospital to at home placement in lieu of a SNF stay; and
- Support efforts to decompress residency at SNFs licensed by the State.

These goals will guide DHCS, CDA, other State Departments, and participating stakeholders throughout the course of this effort.

TARGET POPULATIONS

Long-Term Care at Home will be available to qualifying Medi-Cal beneficiaries based on an individual, person-centered assessment, who would otherwise require skilled nursing or skilled therapy services to treat, manage, and/or observe a condition at a SNF. This includes those who are full-scope Medicaid eligible, and individuals 21 years of age or older who are enrolled

for benefits under Medicare Part A, Medicare Part B, or both, and are eligible for medical assistance under the Medi-Cal State plan.

Medi-Cal beneficiaries who receive this benefit will be able to transfer from a hospital to their home, transfer from a SNF to their home, or potentially avoid a SNF stay altogether. This model is designed for home care with wrap-around services and does not include transition to Community Care Licensed facilities such as, Residential Care Facilities for the Elderly (RCFE), Adult Residential Facilities (ARF), or privately operated 'Room and Board' housing.

DHCS has identified the below three primary categories of skilled nursing or skilled therapy care, which are furnished under the direction of a registered nurse in response to the attending physician or primary care provider's order, that may be provided at home through this new benefit:

- **Short-term skilled nursing** resulting from hospital-to-home transfers. This category may include more temporary/intermittent therapies or clinical services, for someone who is recovering from an illness, injury or surgery. This category includes unskilled assistance with activities of daily living (ADLs) and household tasks. This category may also include but not be limited to skilled care for dressing wounds, dispensing medications, monitoring vital signs, or providing physical, speech, or occupational therapies.
- **Long-term skilled nursing** resulting from hospital-to-home transfers, SNF-to-home transfers, or as a means to prevent a SNF stay. This category may include but not be limited to clinical personnel who provide continuous medical and nursing services, support, and equipment for prevention, diagnosis, or treatment of acute illness or injury for chronically ill patients whose primary need is for availability of more intensive skilled nursing care and/or skilled therapies on an extended basis.
- **Low-acuity skilled nursing** resulting from hospital-to-home transfers, SNF-to-home transfers, or as a means to prevent a SNF stay. This category may include but not be limited to clinical personnel who provide less intensive, time-limited and/or intermittent, medical and nursing services, support, and equipment for prevention, diagnosis, or treatment of acute illness or injury for ambulatory or non-ambulatory patients who may have recurring needs but who do not require availability of continuous skilled nursing care. This category may or may not include intensive skilled therapies.

Not all Medi-Cal beneficiaries who require long-term care services will be eligible for this benefit. Some may not have medical needs that meet the threshold for the skilled nursing level of care, while others may have high-acuity needs or conditions that will not be a good fit for this benefit, e.g., their condition is not suitable for home-based care due to safety or other similar concerns.

Since many of the long-term care services provided under this benefit may be available through other avenues and/or programs, DHCS will also evaluate and provide clear written policy guidance as to when it may exclude Medi-Cal beneficiaries. For example, a beneficiary of the Home and Community Based Alternatives 1915(c) Waiver services would not be eligible to receive this benefit. This same policy would apply to any other 1915(c) Home and Community-Based Waivers or 1915(i) State Plan Options currently operated by the State. Long-Term Care at Home policy may, therefore, exclude Medi-Cal beneficiaries who would concurrently receive other services that are the same in nature and scope regardless of source, including Federal, State, local and private entities to prevent potential duplication of services, though they may transition between programs as their care needs change. Similarly, DHCS will invest additional time and consideration to analyze and clearly articulate those instances in which it would be appropriate for dually eligible Medi-Cal beneficiaries, e.g., those with both Medicare, Part A and Part B, and Medicaid eligibility, to access and/or utilize this benefit to the extent any necessary federal approvals are obtained by the Department for this purpose.

DHCS and CDA will continue to refine the target populations of this new benefit through a thorough stakeholder engagement process, which is discussed further in this document.

MODEL OF CARE

This new model of care will provide a holistic, culturally appropriate, person-centered approach that is aimed at improving the overall Medi-Cal beneficiary experience by providing applicable services through designated agencies, licensed by California's Department of Public Health (CDPH), that will coordinate and oversee all aspects of care, in consultation with the beneficiary's primary care provider or other treating physician. Although many details are yet to be determined, DHCS conceptualizes this benefit as an analogous comparison to the bundled payment and service structure of Medi-Cal's existing Hospice benefit, minus the end of life component, whereby the state-licensed agency performs an assessment of the medical and psychosocial needs of the individual (including family members), and arranges for and/or directly provides skilled nursing care and related therapies as part of a suite of services.

Long-Term Care at Home will require a new and distinct CDPH licensure process for agencies that seek to enroll with Medi-Cal to provide the benefit. Throughout the stakeholder process, DHCS will solicit input regarding the types of agencies (e.g., Hospice, Home Health, Hospital, etc...) that may be best suited to provide this benefit when it is implemented in early 2021. Agencies that successfully complete the CDPH licensure process and become enrolled Medi-Cal providers will then be eligible to provide the benefit to Medi-Cal FFS beneficiaries through a direct relationship with DHCS, and to Medi-Cal managed care beneficiaries if contracted through provider network agreements with Medi-Cal managed care health plans (MCPs).

At this time, DHCS envisions a Long-Term Care at Home benefit that integrates four primary components: individual, person-centered assessment; transition service; care coordination; and

medical and HCBS. The Long-Term Care at Home agency will be responsible for providing and coordinating all components of the benefit through interdisciplinary care teams that work directly with qualifying Medi-Cal beneficiaries, and their families, caregivers, and PCPs.

Individual, Person-Centered Assessments

An individual, person-centered assessment will be conducted for each potential recipient through physician and/or managed care plan referrals to licensed Long-Term Care at Home agencies. These agencies will evaluate each individual's health care needs along with their social, emotional, and physical capacities to reside safely at home in their communities. Agencies will conduct assessments through standardized tools to ensure appropriate utilization of the benefit. If the level of care and other program requirements are met, the benefit will be provided at the option of the Medi-Cal beneficiary.

Transition Service

Qualifying Medi-Cal beneficiaries from residential facilities or other applicable settings who meet specific eligibility criteria through the assessment process may be eligible to receive transition services, as outlined below, to support transition from the residential facility to the home. Additional eligibility criteria will apply to these services, limiting them to more substantial transitions, such as Medi-Cal beneficiaries returning home from long-term SNF stays who require coordination, home placement, and/or home modifications.

For those who meet the additional eligibility criteria, Long-Term Care at Home agencies will coordinate with entities that specialize in and arrange for transition services who will conduct housing assessments for the appropriate level of community living, which may range from full to partial independence utilizing caregivers and other supports. Following the assessment, the agency will ensure that the transition service entity provides all medically necessary transition services such as wheelchair ramps, grab-bars, or other adjustments to the home that will enable each individual to safely remain at home while receiving their skilled nursing care and other applicable services. Transition services will not include monetary assistance to secure housing such as rent, security deposits, or the like. Transition services will be billed separately from the per diem rate by the appropriate entity or provider.

Since being a beneficiary of waiver services does not preclude someone from participating in the Money Follows the Person/California Community Transitions Grant (MFP/CCT) Program, when a qualified Medi-Cal beneficiary has met the requirement of a 90-day institutional stay, the agency will prioritize the coordination of transition services in accordance with the MFP/CCT Program for the higher reimbursement and services the MFP/CCT Program can provide. Similarly, these services will not be a part of the bundled rate, but still available to the qualified Medi-Cal beneficiary and coordinated through the Long-Term Care at Home agency.

Care Coordination

Following home placement, the agency will then be responsible for the Medi-Cal beneficiary's care coordination. The agency will utilize inter-disciplinary care teams consisting of physicians, nurses (RN/LVN), social workers (LCSW/MSW), and potentially personal care assistants to

coordinate medically necessary Medi-Cal services or designated social services. The care team will maintain an ongoing relationship with each individual and their PCP from the transition to home placement, and throughout the remaining course of care. After home placement, the care team will conduct home visits and connect the individual with culturally appropriate resources within their community.

Consistent with Medi-Cal requirements for individuals in a SNF, each person will have an individualized, person-centered care plan. Care plans for individuals who receive this benefit will be developed with input from the person, their family and/or caregivers, their circle of support, the person's care team, and their clinicians. The care plan must be approved and signed by a physician and should include the following considerations:

- Diagnosis, symptoms, complaints, and complications indicating the need for the benefit;
- Description of individual's functional level;
- Objectives;
- Orders for medication, treatments, restorative and rehabilitative services, activities, therapies, social services, diet and special procedures;
- Plans for continuing care; and
- Plans for discharge or, in this case, discontinuation of the benefit.

Medical and HCBS

The Long-Term Care at Home agency will coordinate all medically necessary services that can be provided in the home and community setting. For this reason, individuals who require care that cannot be provided or effectively coordinated under these circumstances may be considered ineligible for this benefit. Utilizing the assessment and person-centered care plan, the care coordination team may arrange for health care services that may include:

- Physician services
- Nursing services
- Physical, occupational, and speech therapy services
- Social worker services
- Medical equipment
- Medical supplies
- Personal care, transportation assistance, and homemaker services
- Short-term respite for caregivers
- Assistive and medical technology
- Dietary counseling and nutrition services
- Services for Mild-to-Moderate mental health conditions
- Family/Caregiver training
- Personal Emergency Response Systems
- Laboratory services

For individuals who qualify for In-Home Supportive Services (IHSS), the IHSS provider hours will be coordinated with the Long-Term Care at Home benefit through the development of the person-centered care plan. The county social service agency will continue to conduct assessments and reassessments for IHSS, and the Long-Term Care at Home Agency will coordinate with the county, the individual, and their providers regarding medically necessary services needed in addition to IHSS. This coordination process is similar to the approach used by Regional Centers for services under the 1915(c) waiver for individuals with developmental disabilities.

LONG-TERM CARE AT HOME AGENCY LICENSING

Once the Long-Term Care at Home Agency licensing category is established in statute, CDPH will begin working with stakeholders to develop licensure requirements for this new model of care and adopt emergency regulations. The process through which CDPH develops regulations will include several additional opportunities for stakeholder engagement.

Long-Term Care at Home services may be provided by a licensed Long-Term Care at Home Agency, or by a licensed hospice or Home Health agency (HHA) approved to provide these services. Existing HHAs or hospices seeking to add Long-Term Care at Home as a new business line will use existing processes to add new services to their license. The licensing requirements will establish the minimum care standards for the new model of care including the services listed in the section above. The licensing requirements will also establish care planning, quality assurance processes, patient's rights, visit and monitoring requirements as well as administrative and reporting requirements.

FINANCING AND COST

Once the benefit scope is sufficiently developed, based on the amount of benefits and intensity included, DHCS will seek to establish a FFS per diem payment in the Medi-Cal State Plan. The FFS per diem will be paid to licensed Long-Term Care at Home agencies to provide any of the medically necessary services enumerated in the benefit, as well as any care coordination for Medi-Cal benefits that are not covered under the per diem. DHCS will consider other financing nuances such as the potential of tiered acuity rates—either as a percent increase/multiplier in the established per diem or as a separately calculated and defined per diem for each acuity level. DHCS will use current FFS and waiver rates for similar services, including hospice and institutional rates, to inform an appropriate per diem. Long-Term Care at Home will be carved-in to DHCS' contracts with MCPs who will be responsible for the provision of the benefit to their members. MCPs will be expected to establish provider network agreements with licensed agencies. The impact of the benefit will be appropriately considered and accounted for in the development of MCP capitated rates.

DHCS considers clinically appropriate utilization management policies to be a critical component of this benefit, as a means to ensure qualifying Medi-Cal beneficiaries receive a level of care that is appropriate for their needs, dynamic to meet any changes in their condition, and cost effective. Further, Long-Term Care at Home is envisioned to be an alternative for skilled nursing home placement to give Medi-Cal members additional choices in their care while also being a cost effective option in lieu of institutional placement. At minimum, DHCS intends to apply criteria that limit this benefit to those Medi-Cal beneficiaries who require skilled nursing level of care. The benefit structure and all-inclusive rate is intended to provide any necessary routine care related to the person's condition that makes them eligible for skilled nursing level of care. This will limit the ability for service providers to separately bill for services included in the all-inclusive per-diem rate to avoid any duplication of benefits or reimbursement. The Long-Term Care at Home agency will be fully financially responsible for the benefits defined and will either directly provide or contract with service providers for the provision of covered benefits. Only those covered benefits not included in the all-inclusive per diem will be able to be separately billed; however, the Long-Term Care at Home agency will still be responsible for coordinating those "carved-out" wrap benefits for the patients they serve.

DHCS is exploring what services, if any, create risk volatility in establishing a per diem and therefore would be more appropriately reimbursed to the Long-Term Care at Home agency separately. This benefit is intended for those individuals who can safely reside within their own home with the support of these services, and is not intended for individuals whose condition requires them to remain in facilities. It is also important to note that Long-Term Care at Home benefit and the per diem will not fund services that are not Medi-Cal benefits such as rent, room and board, etc...

FEDERAL AUTHORITY

At this time, DHCS considers the Section 1915(i) State Plan as the preferred vehicle for obtaining the requisite federal approval for this concept. Section 1915(i) will allow Medi-Cal to offer a variety of services under a statewide HCBS State Plan benefit for both FFS and managed care beneficiaries, without capping the number of qualifying beneficiaries served. Individuals who meet state- and federally-defined eligibility criteria, based on need, may receive a combination of acute-care medical services (e.g., skilled nursing services) and long-term services (e.g., respite, case management, and environmental modifications) in home and community-based settings. In addition, the Section 1915(i) vehicle will provide DHCS the following flexibilities when developing the Long-Term Care at Home benefit:

- A benefit targeted towards one or more specific Medi-Cal populations;
- Expansion of the benefit to individuals who require less than institutional level of care and, therefore, are ineligible for HCBS under section 1915(c) waivers, in addition to serving individuals who have needs that would otherwise require institutionalization.

Section 1915(i) explicitly provides that State Plan HCBS may be provided without determining that individuals would require the level of care provided in a hospital, a nursing facility (NF), or an intermediate care facility for individuals with intellectual disabilities (ICF/IID).

Once approved, the Section 1915(i) authority does not require the State to subsequently renew the program, except when states choose to target the benefit to a specific population(s). When a state targets the benefit, approval periods are for five years, with the option to renew with CMS approval for additional five-year periods.

STAKEHOLDER ENGAGEMENT AND TIMELINE

Despite an ambitious timeline to develop this new benefit, DHCS and CDA will facilitate a thorough stakeholder process in coordination with the Master Plan for Aging Long-Term Services and Supports Subcommittee, other public stakeholders, and partner Departments within the Administration including but not limited to CDPH, DSS, DDS, and the Department of Rehabilitation. Other public stakeholders include but are not limited to consumer advocates, health care providers, health plans, counties, trade associations, and labor unions. DHCS and CDA will convene three public stakeholder meetings with the Long-Term Services and Supports Subcommittee and each will include an opportunity for comment by all members of the public. Telephone and webinar details and meeting materials will be posted on the websites of [DHCS](#), [CDA](#) and [CHHS's Master Plan for Aging page](#). In addition, DHCS will make itself available for ad hoc meetings and breakout sessions with valued stakeholders, to the extent possible, for iterative exchanges of feedback and recommendations.

The first phase of intensive stakeholder engagement is planned to occur during the months of June 2020 through August 2020. DHCS intends to finalize the Long-Term Care at Home policy by the end of the third quarter of 2020. DHCS will then post the 1915(i) State Plan Amendment for public comment and seek formal approval for this benefit from CMS in the Fall of 2020. During the winter months of 2020 and into early 2021, DHCS will engage stakeholders again to obtain feedback on the implementation stage of Long-Term Care at Home. This stage may include further policy development and outreach in the form of policy letters, provider manual updates, beneficiary notices, licensing guidance, and other public announcements. At present, DHCS intends for Long-Term Care at Home to go live in early 2021. After go live, DHCS will focus its activities on increasing Medi-Cal's statewide network of licensed Long-Term Care at Home agencies.

Questions about Medi-Cal's new Long-Term Care at Home benefit may be directed to LTCatHome@dhcs.ca.gov.