CareStar

Testimony presented before the Ohio Senate Finance-Health and Medicaid Subcommittee

Pamela E. Zipperer-Davis,MHA, FACHE, FACMPE, President, CareStar, Inc.

May 17, 2017

- ✓ **CareStar, Inc., 5566 Cheviot Road, Cincinnati, OH 45247 (Corporate Headquarters)**
- ✓ **CareStar, Inc., 2760 Airport Drive, Suite 130, Columbus, OH 43219**
- ✓ **CareStar, Inc., 4141 Rockside Road, Suite 150, Seven Hills, OH 44132**
- ✓ **CareStar, Inc., 422 Main Street, Suite 202, Zanesville, OH 43702**

Chairman Hackett, Vice-Chair Tavares, members of the Ohio Senate Finance Health and Medicaid Subcommittee, my name is Pamela Zipperer Davis and I am the President of CareStar, Inc. CareStar employs approximately 330 individuals throughout the State of Ohio since 1998 (19 years). Therefore, we have a unique and comprehensive perspective of LTSS and HCBS in the State of Ohio.

We are opposed to long-term supports services (LTSS) moving to managed long-term support services (MTLSS) at the present time for the following reasons.

1. The movement of LTSS into managed care creates a conflict of interest. Managed care plans make profits by decreasing medical costs, which can result in denied services, delayed care, denied claims, significant burdens for prior authorizations and additional administrative and transactional costs. Please see the following link for information produced by Medicaid regarding LTSS transition to MLTSS. https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Delivery-Systems/Downloads/Transitioning-LTSS.pdf
2. The transition of MyCare to managed care in the State of Ohio has not gone well. The MyCare transition is two and a half years into a five-year measurement period and issues are pervasive.
3. The 1915i/SRS Program transition to managed care has not gone smoothly. This transition began July 1, 2016, and the problems have been voluminous. CareStar is a provider for the SRS Program with all five managed care plans currently contracted. The problems are significant, and we do not support the movement of a third population into managed care, until all problems with the MyCare and 1915i Program are resolved. Every managed care plan presented different language, different program requirements, etc. The variance among the managed care plans has added an

5566 Cheviot Road • Cincinnati, Ohio 45247 • 513-618-8300 • Fax 513-618-8319 • www.carestar.com

administrative burden, increased staffing in the case management agencies and delayed needed services. Some managed care plans have affiliated companies that handle the behavioral health programs. Therefore, 1915i requires that the case management agency not only work with the managed care plan, but also their subcontracted behavioral health entity. This adds an additional layer of rules, pre-authorizations, provider manuals, etc. CMAs have increased liability due to the lack of consistency and expediency with the managed care plans.

4. Having reviewed the testimony of the Office of Health Transformation, we find that there are several flaws in the representations. The current MyCare transition to managed care has only occurred in 29 counties representing the Toledo, Columbus, Cincinnati and Youngstown areas. These are all urban areas and statewide conclusions cannot be drawn for 88 counties when only considering 29 counties located in all urban areas. Once again, as the only case management agency serving all 88 counties, we can attest to the fact that there is wide variation in provider networks, services offered and other considerations among the counties. Drawing conclusions by measuring data from 29 of our 88 counties is not valid. Conclusions cannot be made about HEDIS measures for the same reasons. The sample size was obtained from 29 urban counties.
5. Included in the link below are the results from a survey conducted by legislators in Iowa, with more than 400 providers responding. Iowa is another Midwestern state and probably more like Ohio than other states such as Texas, Minnesota, New York, Massachusetts, etc. where MLTSS data has been presented. I have included a link below for the article.
   http://www.thegazette.com/subject/news/health/survey-iowa-medicaid-providers-not-getting-paid-on-time-running-into-billing-issues-20160725

   Some highlights from the provider survey are:
   - 423 providers responded.
   - 46% of providers will or are planning to decrease services.
   - 80% have seen an increase in the rates of denials, since privatization began.
   - 19% said their organization or clients have successfully appealed denials, while 45% have not.
   - 61% said privatization has reduced the quality of services they can provide (Wow, 61% of providers).
   - 38% said Iowa Medicaid patients are not able to continue seeing their specialty providers out of network.
   - 90% said Medicaid privatization has increased their administrative costs.
   - 28% of providers have been forced to take out loans to cover their expenses while waiting for payment.
   - 66% said reimbursed rates have been lower than their contractual rates.
   - 79% of providers said they are not getting paid on time.
6. Consistent with the above data from Iowa, CMS has produced data contained in the link below for nine states, and this study is dated March 1, 2017.

https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/CareCoordinationIssueBrief508032017.pdf

Many of the same points found in the Iowa provider survey are outlined in this survey with some of the findings detailed as follows:

- MCPs had difficulty finding, retaining and training appropriate staff. CareStar has been in business since 1988 and already has well-trained staff. HB49 does not require the utilization of private case management agencies. While Ms. Davidson, Chief Executive Officer for UnitedHealthcare, Community Plan of Ohio, testified on March 21, 2017 that UnitedHealthcare plans to use private case management agencies, the MLTSS Program does not require the use of private case management agencies, and it should. There is already trained staff in our agency, many have been taking care of individuals in the LTSS Program for more than 10 years, that can provide these services.
- Other findings from this report include:
    - Under Section 2.5, data systems are discussed. Currently, CareStar Information Systems(CSIS) provides a singular platform for all Ohio Home Care (OHC) individuals being served. There is no current requirement that a single data system be utilized or selected in HB49. This will reduce the data available for the state, individuals, managed care plans, case management agencies, and providers. Case management services are not the core business of managed care plans, and their very large systems do not have software to accommodate case management. Even CareSource, in the State of Ohio, utilizes the state system.

7. A U.S. Department of Health and Human Services report was released regarding LTSS moving to MLTSS, and the link is copied below.
https://aspe.hhs.gov/basic-report/how-have-long-term-services-and-supports-providers-fared-transition-medicaid-managed-care-study-three-states

Some of the significant findings are:

- Contracting is much more complex with the MCPs, and a standard contract was not developed by the states. This has also been the experience in Ohio with MyCare and SRS contracting. The MCPs were confused, CPTs were not loaded in the system, fee schedules were not loaded and claims denied. 100% of the claims that CareStar submitted for the 1915i/SRS Program which was transitioned to managed care in July, 2016 denied. 100%! Many of those claims are still outstanding, resulting in cashflow issues for CareStar. Billing software had to be acquired or billing must be outsourced to a third-party. Rather than the billing being directly between the CMA and the Department of Medicaid, case management agencies must bill all managed care plans.

- In addition, MyCare claims are still not paid correctly, eligibility lists have many errors, preauthorization is required and slows down services and there are still many other issues.
- The report further speaks to preauthorization and how it has slowed care to individuals. Just as other reports have stated, that has been the MLTSS experience of MyCare and 1915i. We should not move any more LTSS to managed care until the preauthorization issue is resolved. Preauthorizations should not be allowed, since there is an assessment and independent entity review already in place.
- The report also shows that payments are slow, incorrect and providers' cashflow has been affected. The Iowa study showed the same result.
- While the testimony of the Office of Health Transformation touts a high percentage of claims being paid within 90 days, performance is still in violation of the prompt pay Ohio code. I have included the reference below for prompt payment, and it is being violated with claims payment for MyCare and 1915i/SRS. Indicating that claims have been paid correctly within 90 days, is unacceptable. The claims should be paid within 30 days as required by SB4-Ohio Revised Code (ORC) Section 3901.381.3901.3814.

8. Managed care is complicated, and it will be tough to navigate for those with complex health conditions and chronic and permanent disabilities.
    - There is no segregation of duties required in the legislation. If LTSS moves to MLTSS, managed care with be the entity that is responsible for completing assessments, reviewing the assessments as the independent entity, writing care and service plans, case managing those plans and overseeing appeals, should individuals disagree with the plan's decision. Mandating that private case management agencies be used for assessment and the case management, at least introduces a second, objective party to the evaluation.
    - Allowing for a standard database would allow better reporting and more state oversight.

CareStar stands ready to serve on any study or work group that could craft appropriate legislation with all necessary elements included. Until all the above matters are addressed; however, LTSS should not move to MLTSS.

Thank you for your time and consideration of this very complex matter.