U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation
Office of Disability, Aging and Long-Term Care Policy

MEDICAID-FINANCED INSTITUTIONAL SERVICES:

PATTERNS OF CARE FOR RESIDENTS OF NURSING HOMES AND INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES IN 2008 AND 2009

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MEDICAID-FINANCED INSTITUTIONAL SERVICES: Patterns of Care for Residents of Nursing Homes and Intermediate Care Facilities for Individuals with Intellectual Disabilities in 2008 and 2009

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ACRONYMS

The following acronyms are mentioned in this report and/or appendices.

ASPE	U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation
BOE	Basis of Eligibility
CMS	Centers for Medicare and Medicaid Services
FFS	Fee-For-Service
FY	Fiscal Year
HCBS	Home and Community-Based Services
ICF/IID	Intermediate Care Facility for Individuals with Intellectual Disabilities
ID	MSIS Individual Identifier
ID/DD	Intellectual and/or Developmental Disabilities
ILTC	Institutional Long-Term Care
KCMU	Kaiser Commission on Medicaid and the Uninsured
LT	MAX Long-Term Care File
LTSS	Long-Term Services and Supports
MAS	Maintenance Assistance Status
MAX	Medicaid Analytic eXtract
MDS	Minimum Data Set
MSIS	Medicaid Statistical Information System
PACE	Program of All-Inclusive Care for the Elderly
PS	MAX Person Summary File
SNF	Skilled Nursing Facility
SSI	Supplemental Security Income
USCF	University of California, San Francisco

EXECUTIVE SUMMARY

Through an analysis of Medicaid enrollment and long-term care claims data, this report seeks to provide researchers and policymakers with information on the characteristics of institutionalized enrollees, their stays, and the interaction of institutional services and home and community-based services (HCBS).[1] To better understand the population of Medicaid enrollees living in nursing homes or intermediate care facilities for individuals with intellectual disabilities (ICFs/IID), we analyzed data from the Medicaid Analytic eXtract from 2008 and 2009 to address the following two sets of research questions:

1. What are the characteristics of enrollees remaining in nursing homes and ICFs/IID and their stays?
    - How many enrollees had new spells of nursing home care or ICF/IID care?
    - How did the number of enrollees with new spells of nursing home care change over time?
    - What were the demographic characteristics of enrollees who used nursing home or ICF/IID care?
    - How did enrollees residing in nursing homes or ICFs/IID become eligible for Medicaid?
    - How long do spells of Medicaid-financed nursing home or ICF/IID care last?
    - How long do enrollees live in nursing homes before Medicaid coverage begins?
    - Did enrollees receiving nursing home or ICF/IID care also use HCBS before or after their institutional stay?
    - How many enrollees used both nursing home and ICF/IID care?

2. How does the length of institutional spells vary at the state level with changes in state constraints and policies? State-level variables examined included the following:
    - The percentage of Medicaid long-term care spending allocated to HCBS.
    - The percentage of Medicaid long-term care recipients using HCBS.

Key findings from the analysis of enrollees living in nursing homes included the following:

- In 2008-2009, among the 12.5 million aged or disabled Medicaid enrollees in our analysis sample, 12 percent received Medicaid-financed nursing home care between July 2008 and December 2009. Of those enrollees receiving nursing home care during this period, about 46 percent started new nursing home spells. Relative to the 2001-2002 period studied by Wenzlow et al. (2008) and the

[1] This study builds upon earlier work of Ballou et al. (2013) and Wenzlow et al. (2008).

2006-2007 period studied by Ballou et al. (2013), the number of Medicaid enrollees with new nursing home spells in 2008-2009 declined.

- Most enrollees with Medicaid-financed nursing home stays tended to have either stays that lasted less than three months (35 percent) or stays that lasted for over a year (40 percent), indicating a mix of residents some of whom likely needed only temporary care (for example, post-acute cases) and others who required long-term access to nursing and medical services. Additional analysis indicates that a small percentage of new nursing home spells were covered under the Medicare skilled nursing facility benefit, introducing a slight downward bias in the length of Medicaid-financed nursing home spells.

- A significant number of enrollees with new spells (30 percent) were not enrolled in Medicaid prior to the beginning of their Medicaid-financed spell, at which point approximately half (49 percent) qualified for benefits under "other" eligibility criteria--which include the 300 percent rule--while most others qualified under cash assistance-related or medically needy provisions. One possible explanation for this finding is that many enrollees had incomes that were higher than the Supplemental Security Income standard prior to beginning their Medicaid-financed spells, and some were already residing in the nursing home, paying for services through Medicare, private insurance, or out-of-pocket. Further investigation of the length of spells based on facility admission dates (rather than Medicaid coverage start dates) supports this theory. We found that nursing home admission dates preceded the start of Medicaid coverage for nursing home care for some spells in the 35 states that reported facility admission dates, with about 21 percent of nursing home spells starting more than three months prior to the start of Medicaid coverage.

- We also found that a substantial minority of enrollees with new spells also used HCBS at some point during 2008 or 2009. Among those with spells of six months or less, 31 percent used HCBS prior to receiving nursing home services, while more than one in four used HCBS following discharge. This suggests the possibility that a significant number of enrollees with nursing home stays used HCBS and institutional care in an integrated fashion and therefore that single-point of entry or "no wrong door" approaches to allowing individuals to access long-term services and supports--as embodied by the Aging and Disability Resource Centers and other approaches--could be particularly valuable in helping individuals and their family members navigate the system of long-term care as their needs change over time.

- Although the percentage of nursing home spells lasting three months or less was generally higher in states with larger investments in HCBS relative to nursing homes and higher HCBS utilization rates, these associations were not especially large. The small associations are not surprising, given the many variables that determine both length-of-stay and HCBS use that were not considered here. It is likely that further analysis of the relationship between patterns of HCBS and

nursing home use at the person level, as explained by individual enrollees' distinct characteristics and needs, will yield results with a clearer interpretation.

Key findings from the analysis of enrollees living in ICFs/IID included the following:

- New ICF/IID spells are not as common as new spells of nursing home care. Of the over 90,000 Medicaid enrollees with ICF/IID spells of care during the study period, only 9 percent had new spells of care. States varied in the number of spells and the number of new spells, with three states reporting less than ten enrollees in an ICF/IID, and Texas reporting over 12,000. These state-level differences reflect not only population differences, but also different state policies with respect to long-term care. The majority (72 percent) of new ICF/IID stays lasted more than one year, and more than 40 percent used HCBS either before or after their first new spell.

- ICF/IID enrollees differ from nursing home enrollees, in that they are more likely to be male, under 65, and eligible for Medicaid via the cash assistance pathway, and enrolled in Medicaid prior to their first spell of ICF/IID care. We did not find a statistically significant relationship between lengths of ICF/IID spells and state policy variables.

- Medicaid enrollees that use ICFs/IID often use HCBS before or after their stay. About 39 percent of new spells beginning in 2009 were preceded by Medicaid HCBS use in 2008. Looking at 2009 stays that ended June 30, 2009, 41 percent used HCBS after discharge.

- Overall, our findings based on 2009 data are consistent with the results reported based on 2006 data, even though these two reports are based on a slightly different mix of states. We did see notable decreases in percentage of enrollees with first new ICF/IID spell followed by a nursing home spells and in HCBS use among aged or enrollees with disabilities.