

**LONG TERM CARE (LTC) E- NEWSLETTER – July-August 2014: Volume 12, Number 7**

The [LTC E-Newsletter](#) is a monthly electronic newsletter of the [Long Term Care Community Coalition](#). Note to Readers: To go directly to an article, click on its page number in the Table of Contents. Once you are at the article, click on any underlined text for a link to more information or to send a message in “Spotlight on Advocacy.”

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## GAO: Increased Oversight Needed to Ensure Integrity of Managed Care Expenditures

Many states, including New York, are moving their Medicaid program services from the traditional “Fee For Service (FFS)” model to managed care. Under managed care, rather than paying providers directly for the care they give, states give private insurance plans a set rate for each individual and then the private plan is responsible for arranging and paying for care. From a state’s financial perspective, this arrangement provides a way to contain costs.

Little is known as to how this major change will impact consumers (in terms of quality of care and access to appropriate services) or Medicaid program integrity (in terms of fraudulent or other misuse of taxpayer funds allocated to pay for care). Thus, this new study by the US Government Accountability Office (GAO) on Medicaid managed care program integrity is important. Seven states were the focus of this study, in which both state agency leaders responsible for ensuring program integrity and their federal counterparts were interviewed. The states included were: California, Florida, Maryland, New Jersey, New York, Ohio, and Texas.

As the GAO notes in its letter to US Senate Finance Committee leaders,

[i]n fiscal year 2013, the Medicaid program provided health care coverage to about 71.7 million individuals at a cost of approximately \$431.1 billion. ...The size and diversity of the Medicaid program make it particularly vulnerable to improper payments—including payments made for treatments or services that were not covered by program rules, that were not medically necessary, or that were billed for but never provided. The Centers for Medicare & Medicaid Services (CMS)... estimated that \$14.4 billion (5.8 percent) of federal Medicaid expenditures for fiscal year 2013 were improper payments.

Following are some of the major findings from the [GAO report](#):

- Neither the states nor the federal government are well positioned to identify improper payments made to managed care organizations (MCOs).
- Neither the states nor the federal government are able to ensure that MCOs are taking appropriate actions to identify, prevent, or discourage improper payments.
- **“Managed Care Presents a Gap in Medicaid Program Integrity Efforts.”** Most state and federal program integrity officials interviewed told GAO “that they did not closely examine Medicaid managed care payments, but instead primarily focused... on FFS claims. Moreover, federal entities have taken few steps to address Medicaid managed care program integrity.”
- “MCOs have responsibility for identifying improper payments to providers within their plans; however, state officials suggested that MCOs might not have an incentive to identify and recover improper payments. Officials from two of the seven state PI [public

integrity] units we spoke with told us that they believed **MCOs were not consistently reporting improper payments to the state** to avoid appearing vulnerable to fraud and abuse. Further, officials from three PI units described a **potential conflict of interest** because when MCOs report improper payment recoveries, future capitation rates could be reduced because of any improper payments identified.”

- **Conclusion:** “Until CMS takes steps to ensure the integrity of Medicaid managed care, **state and federal Medicaid dollars remain vulnerable to fraud, waste, and abuse.**”

[Emphases added.]

[<http://www.gao.gov/products/GAO-14-341>]

### **USA Today: “Seniors’ use of potent meds via Medicare staggering”**

According to a June 10 article in [USA Today](#),

The number of senior citizens getting narcotic painkillers and anti-anxiety medications under Medicare's prescription drug program is climbing sharply, and those older patients are being put on the drugs for longer periods of time, a USA TODAY examination of federal data shows.

From 2007-2012, the number of patients 65 and older getting Medicare prescriptions for powerful opioid pain medications rose more than 30% to upward of 8.5 million beneficiaries, the data show. Use of some of the most commonly abused painkillers, such as hydrocodone and oxycodone, climbed more than 50%. And the supply of each narcotic provided to the average recipient grew about 15% to about three months.

The figures suggest that one in five of the nation's 43 million seniors get Medicare prescriptions to take pills like Vicodin or Percocet for their aches and pains, often on a long-term basis.

[[http://www.usatoday.com/story/news/nation/2014/06/10/senior-citizens-prescriptions-addiction/10088759/?utm\\_campaign=KHN%3A+Daily+Health+Policy+Report&utm\\_source=hs\\_email&utm\\_medium=email&utm\\_content=13151857&hsenc=p2ANqtz-89ZAzXObjwSmlmMDXM7mjO1lIQCujeF1u2O9i9NgZRSLKT3qnFAeHD6D\\_fUOPFEivv3FB5sKCOOC99oYUU02iolhqi6dA&hsmi=13151857](http://www.usatoday.com/story/news/nation/2014/06/10/senior-citizens-prescriptions-addiction/10088759/?utm_campaign=KHN%3A+Daily+Health+Policy+Report&utm_source=hs_email&utm_medium=email&utm_content=13151857&hsenc=p2ANqtz-89ZAzXObjwSmlmMDXM7mjO1lIQCujeF1u2O9i9NgZRSLKT3qnFAeHD6D_fUOPFEivv3FB5sKCOOC99oYUU02iolhqi6dA&hsmi=13151857)]

### **Managed Long Term Care Update for New York State**

On June 26, the New York State Department of Health announced that it was further delaying the requirement that people in need of Medicaid nursing home care join a managed care plan. According to the Department’s message, they “continue to negotiate the terms of this transition and therefore the implementation date has been extended to August 1, 2014.”

[Note: The large majority of nursing home residents in New York (and across the US) are Medicaid beneficiaries, either when they enter their nursing home or soon thereafter, due to the high cost of nursing home care.]

For “real time” updates on this and other New York State long term care issues join our free NY LTC Consumer Listserv by emailing [info@ltccc.org](mailto:info@ltccc.org).

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## **[Spotlight on Advocacy: Speak Out for Safe Staffing Standards in NY Nursing Homes](#)**

**New York is moving to Mandatory Managed Care for nursing home residents this year.** The state is saving money. The providers have powerful lobbyists in Albany to protect their interests. Who is looking out for nursing home residents? [Please send a message now](#) and let our state leaders know NY should not put profits over basic resident safety. As the GAO report discussed above found, there is little being done to ensure accountability in the move to managed care.

Forty percent of people who live to age 65 will need nursing home care at some point in their lives. If these issues are not important to you today, it is likely that they were important to someone you loved in the past, or will be in the future. **If we don't speak out for residents now, who will speak out for us in the future?**

**The message is simple:** Nursing home residents deserve to receive care that meets minimum standards for safety, dignity and quality of life. Providers must be held accountable when they fail to meet these standards, especially when residents are harmed or neglected. New York needs minimum staffing requirements for nursing homes to ensure that there are sufficient caregivers to provide the 24/7 care for which nursing homes are paid.

[Click here](#) for our action alert site where you can look up your state representatives and find easy contact information for them and for other state and federal officials.

If possible, we strongly recommend writing a note or a letter and sending copies to all of your state and federal representatives (including Senators Schumer and Gillibrand and President Obama's new HHS Secretary, Sylvia Matthews Burwell). Feel free to copy and use LTCCC's materials and to send us a copy of your letter.

You can also contact Governor Cuomo directly by: U.S. Mail: State Capitol, Albany, NY 12224; Phone: 518-474-8390 or E-Mail: <http://governor.ny.gov/contact/GovernorContactForm.php>.

## **[Save the Date for LTCCC's Annual Event!](#)**

LTCCC will be holding its annual event from 6-8pm on October 22, 2014 at the Alzheimer's Association in New York City. We are proud to be honoring Dr. Mary Jane Koren for her dedication to improving long term care and her support of initiatives to improve care for the

frail elderly and disabled at The Commonwealth Fund, The Fan Fox & Leslie R. Samuels Foundation and the NY State Department of Health (among her many contributions to the field).

**Last year was our most successful event ever!** Please help us continue the momentum by joining us as an attendee or event sponsor. For more information, contact Sara Rosenberg by email at [sara@ltccc.org](mailto:sara@ltccc.org) or phone 212-385-0355.

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## We're on the Web!

[www.ltccc.org](http://www.ltccc.org): Our main website, with access to all of our issues, policy briefs and research.

[www.assisted-living411.org](http://www.assisted-living411.org): For information on assisted living, including consumer issues and policies.

[www.nursinghome411.org](http://www.nursinghome411.org): For information on developments in nursing home care, regulation and policy issues.

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## LTCCC Links of Interest

[View](#) the latest enforcement actions against nursing homes in New York State.

[Read](#) the latest edition of LTCCC's quarterly newsletter, *The Monitor*.

LTCCC's dedicated [webpage on antipsychotic drugs and dementia care](#).

## LTCCC Reports & Resources

[\*\*\*Antipsychotic Drug Use in NY State Nursing Homes: An Assessment of Progress in the National Campaign to Reduce Drugs and Improve Dementia Care\*\*\*](#)

[\*\*\*NY State Nursing Homes in Managed Long Term Care\*\*\*](#)

[\*\*\*The New York State Long Term Care Ombudsman Program: An Assessment of Current Performance, Issues & Obstacles\*\*\*](#)

[\*\*\*Piecing Together Quality Long-Term Care: A Consumer's Guide to Choices and Advocacy in New York\*\*\*](#)

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