

## Features

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# Financial Flexibility Could Be Key to Helping Seniors

by David Gorn, California Healthline Sacramento Bureau

San Mateo County has one of the highest numbers of seniors per capita in California. To Susan Ehrlich, CEO of San Mateo County Medical Center, that was a challenge that became an opportunity.

The medical facility's Senior Care Center focuses on integrated care for seniors.

"There is no clinic, public or private, that does what we do," Ehrlich said. "There are just a zillion things that are critical for this population, and we take care of all of it."

About two-thirds of the Senior Care Center's patients are eligible for benefits under Medicare and Medi-Cal, California's Medicaid program. That's precisely the population California health care officials are targeting with a demonstration pilot effort to begin the transition of about 1.1 million dual-eligible Californians into managed care. The goal is to improve care and save money.

Jane Ogle, deputy director at the state Department of Health Care Services, said San Mateo's goals and efforts are similar to the state's.

"San Mateo [County Medical Center] has a model that has pulled a lot of the pieces of senior care together, they're pretty far down the road," Ogle said, "A lot of it is very similar to our duals demonstration project, what we want to do."

But taking care of that population is expensive, Ehrlich said, and there is one obstacle her team keeps running into, over and over again: financing. The money for an integrated system often has to be spent in a non-integrated way, Ehrlich said.

"We designed this clinic as a place to manage critical patients, so that those patients get the right service at the right time," Ehrlich said. "These are people with 10 to 15 medical problems, and 10 to 15 medications, and many of them are non-English speaking, so they need a lot of resources."

Ehrlich is working on an innovative financing model that allows flexible funding. The program is awaiting federal approval before it can launch, Ehrlich said.

### Funding Senior Care

Maya Altman, CEO of the Health Plan of San Mateo, said integrating care for seniors can be tricky because the funding sources vary, so the requirements that need to be met for tapping that money also vary. Health Plan of San Mateo is the community health plan used at the county medical center.

Altman is excited at the prospect of launching CareOptions -- the program awaiting federal approval -- as a way of addressing the high cost of senior care and at the same time keeping seniors home. The key is consolidating funding sources, Altman said.

CareOptions aims to integrate funding to create an innovative model of care that combines Medi-Cal home and community-based care with acute and long-term care into a single system of care. To do that, it would consolidate several funding sources -- In-Home Supportive Services, Multipurpose Senior Service Program (MSSP), Community Based Adult Services (CBAS, formerly known as Adult Day Health Care) and skilled nursing services.

Under CareOptions, all of that funding would flow through the Health Plan of San Mateo, which would take on the financial risk for all health services, including nursing home stays.

"The vision for CareOptions was that we'd integrate funding -- IHSS, MSSP, ADHC, those are the three services that have been funded through Medi-Cal -- and offer a service that blends those options," Altman said.

For instance, the money that would be spent on expensive nursing home care might be better spent on trying to keep seniors in their own homes, Altman said. The flexibility to shift that money around has been missing in the current system.

"Those services, in the past, have always been offered silo fashion," Altman said. "Our vision was always to integrate home care with acute services."

The most important goal, she said, is to improve care and quality of life by helping seniors stay at home and out of nursing homes. And since nursing homes are so costly, it is potentially a cost-saver, as well.

"It costs roughly \$100,000 [a year] to stay in a nursing home, so this program is a lot less than paying for a nursing home," Altman said. "In terms of cost, this [program] wouldn't have immediate savings -- but over time, there would be significant savings."

### **Waiting for Approval**

CMS needs to sign off on that kind of financial flexibility, and federal officials would not comment on when that approval or denial might come.

It may possibly be tied to the state's duals project at this point, Ogle said, since the state also needs CMS approval for how it combines Medicare and Medicaid funding for dual-eligible beneficiaries.

"I imagine it would be part of the whole," Ogle said. "It would be very similar to what we're doing."

At the root of better senior care, Altman said, is keeping elders out of institutions. "We do a lot of care coordination, with an eye toward reducing emergency room visits and hospitalizations."

With the fragmented reimbursement system now in place for long-term nursing care, she said, "the financial incentives aren't aligned."

The CareOptions program would fix that, she said. "What we proposed is, take the current spending and spread that across all of our reimbursement rates for SPDs (seniors and persons with disabilities), so that there's a higher reimbursement for people not in the nursing home. That would realign our funding to make more sense."

The plan has been 10 years in the making, including the past couple of years in discussion with the state. Altman is confident the federal government will agree to it.

"CMS has signed off on long-term care integration plans in the past," she said, "and we're hoping they'll agree to this soon."