

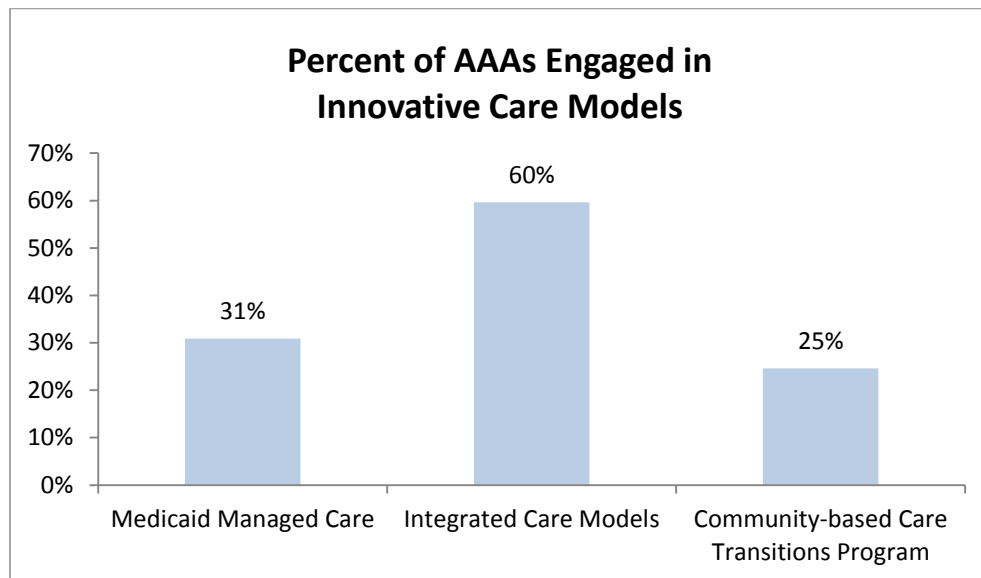


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Information and Planning Issue Brief *Innovative Service Delivery*

Introduction

The U.S. health care system is undergoing dramatic change as it shifts from one focused on volume to one focused on value. As health care entities look for ways to reduce costs and improve quality, Area Agencies on Aging (AAAs) are carving out an essential niche as key players that can help health care entities meet their goals of better health, better care and lower cost. AAAs are experts at providing services that address the social determinants of health and are increasingly engaging in innovative models of service delivery that bridge the gap between acute care and home and community-based services. This issue brief highlights how AAAs are innovating and engaging in integrated care models with a focus on three main initiatives: Medicaid managed care, integrated care, and the Community-based Care Transitions Program. Data for this report was gathered through the 2014 AAA National Survey.¹ Data from the 2016 AAA National Survey, to be published in summer 2017, was included when possible.



¹ <http://www.n4a.org/files/AAA%202014%20Survey.pdf>

About These Models

Medicaid Managed Care is a health care delivery approach organized to manage cost, utilization and quality. In a managed care system, state Medicaid programs contract with managed care organizations (MCOs) to then coordinate and deliver a wide range of Medicaid services for consumers/beneficiaries.² In 2016, 39 states and the District of Columbia had entered into Medicaid contracts with MCOs as part of their transition from fee-for-service to Medicaid managed care.³ AAA participation in Medicaid managed care appears to be increasing. In 2012, 16 percent of AAAs reported being actively involved in planning or implementing their state's Medicaid managed care.⁴ In one year, the number of AAAs playing a role doubled to 30.9 percent of AAAs.

Integrated care is a broad approach to health care implemented through a variety of health initiatives that combines service delivery, management and organization across multiple systems such as behavioral health, long-term services and supports, and acute care in order to achieve a more holistic and person-centered approach to care. Several integrated care initiatives have been launched through the Affordable Care Act; similar efforts have also been taken up by the Department of Veterans of Affairs. More than 50 percent of AAAs (56.9 percent) are involved in at least one integrated care initiative. The most common initiatives that AAAs are involved in are [Veteran-Directed Home and Community-Based Services](#) (VD-HCBS; 31.9 percent), [State Duals Demonstration](#) (Financial Alignment initiative) (28.2 percent), [Section 1115 Medicaid Demonstration Waiver](#) (21.8 percent), [CMS Services Innovation Grant](#) (21.8 percent), [Health Homes](#) (16.2 percent) and [Accountable Care Organizations](#) (14.4 percent).

Another integrated care opportunity was the **Community-based Care Transitions Program (CCTP)**, authorized under Section 3026 of the Affordable Care Act and administered by the Centers for Medicare and Medicaid Services (CMS). CCTP was targeted to provide care transitions for high-risk Medicare beneficiaries from the hospital to other setting, to reduce hospital readmissions. CCTP agreements were awarded to 101 community-based organizations.⁵ A CMS-funded evaluation reported that the typical participating organization was a AAA or a AAA/Aging & Disability Resource Center (ADRC).⁶ Through CCTP, AAAs provided non-medical community health support to patients and families once they returned home from a hospital, services which include coaching, home-delivered meals, medication management and caregiver education.

AAAs Participating in These Programs have Larger Budgets and More Staff

AAAs participating in CCTP, Medicaid managed care and integrated care models tend to have significantly larger budgets and significantly more staff, (particularly full-time staff), as well as a

² <https://www.medicaid.gov/medicaid/managed-care/index.html>

³ <https://www.hhs.gov/about/news/2016/04/25/hhs-issues-major-rule-modernizing-medicaid-managed-care.html>

⁴ <http://www.hhs.gov/about/news/2016/04/25/hhs-issues-major-rule-modernizing-medicaid-managed-care.html>

⁵ <https://innovation.cms.gov/Files/reports/CCTP-AnnualRpt1.pdf>

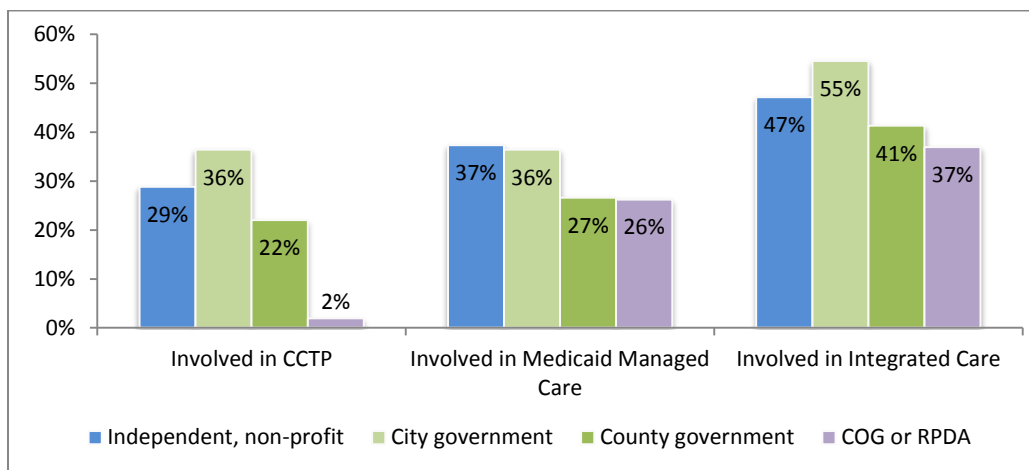
⁶ <https://innovation.cms.gov/Files/reports/CCTP-AnnualRpt1.pdf>

modest number of more volunteers than AAAs overall. The capacity that larger organizations have in terms of staff and financial resources may allow them to expand their services lines and assume greater risk at a quicker pace than smaller organizations.

	Involved in CCTP	Involved in Medicaid Managed care	Involved in Integrated Care	AAAs Overall
Budget (millions)	\$17.5	\$13.0	\$12.8	\$9.4
Full-time staff	68	55	56	41
Part-time staff	24	31	34	22
Volunteers	185	193	175	167

AAA Structure Has a Modest Effect on Participation

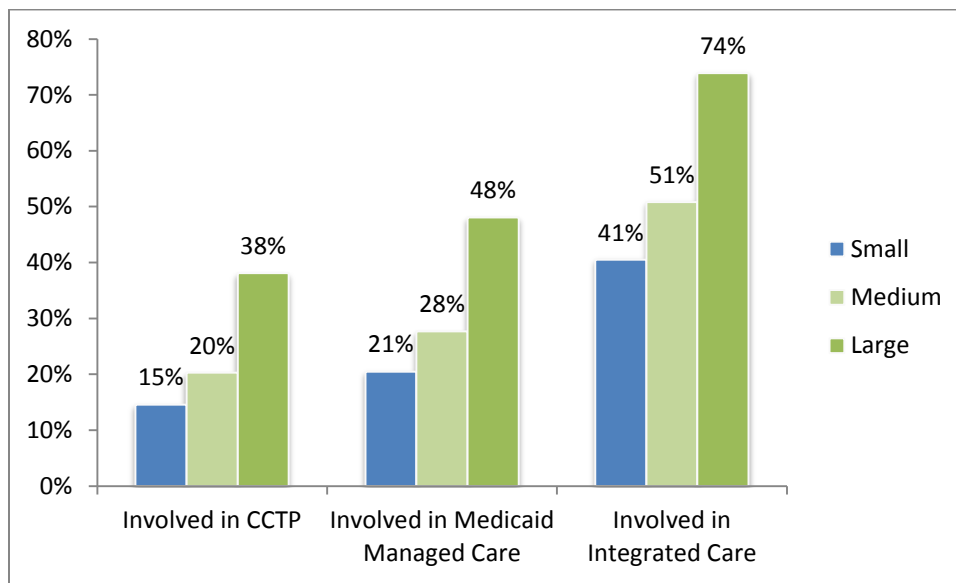
AAAs that are part of city government are most likely to have participated in CCTP and integrated care initiatives, and also have high rates of participation in Medicaid managed care. Independent non-profit AAAs are most likely to participate in Medicaid managed care. Few AAAs that are part of Councils of Government (COGs) or Regional Planning and Development Agencies (RPDAs) were involved in CCTP, however they do have a significant involvement in Medicaid managed care and integrated care models. However, it should be noted that according to the 2014 AAA National Survey,⁷ only 3 percent of AAAs across the country are housed within city government. The majority of AAAs are independent non-profits (39 percent), part of county government (28 percent) or part of COGs/RPDAs (26 percent). The remainder are classified as other (4 percent).



⁷ <http://www.n4a.org/files/AAA%202014%20Survey.pdf>

AAA Size Significantly Impacts Involvement

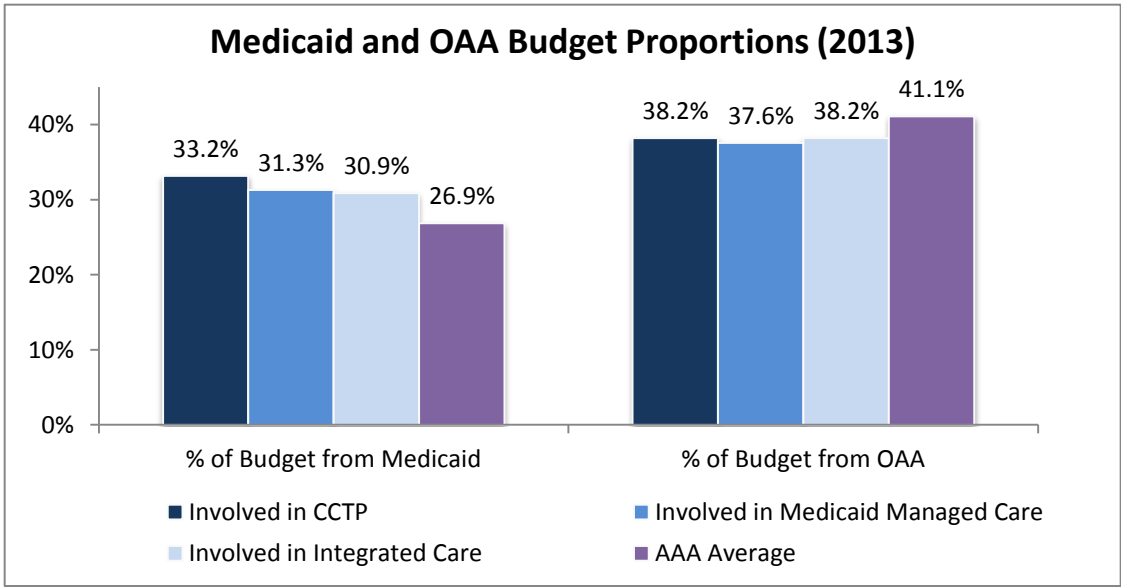
Involvement in innovative care programs illustrates an example of when AAA size matters. AAA size in this context is based on budget. Large AAAs received grants to participate in CCTP at approximately twice the rate of small and medium-sized AAAs. They also participate in Medicaid managed care and integrated care models significantly more than small and medium-sized AAAs.



Medicaid and OAA Budget Proportions Change With Participation

AAAs that are involved in each of the care delivery models have a larger percentage of their budget from Medicaid and a smaller percentage of their budget from OAA than the average AAA. This is of note since AAAs are seeing decreases or stagnation among traditional funding: 93 percent of AAAs reported in 2014 that their OAA funds had decreased or stagnated.⁸ While the percentage differences are modest, it indicates incremental changes occurring in revenue streams for participating AAAs.

⁸ <http://www.n4a.org/files/AAA%202014%20Survey.pdf>



Summary

With health care entities looking for ways to reduce costs and improve quality of care, AAAs are key players in helping the health care sector address the social determinants of health. Data gathered through the AAA surveys indicate that growing proportions of AAAs are involved in Medicaid managed care and integrated care initiatives nationally. AAA participation in these activities does appear to be somewhat impacted by AAA structure with AAAs housed in non-profits or city government being more likely to be involved, although AAAs that are part of city government structures represent only a small portion of AAAs across the country. AAAs size also appears to play a role in participation with AAAs with large budgets being most likely to be involved in the three activities described, which is likely related their ability to take risk and participate in contracted services.

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