

Medicare Beneficiaries with Serious Physical or Cognitive Limitations (PCI)

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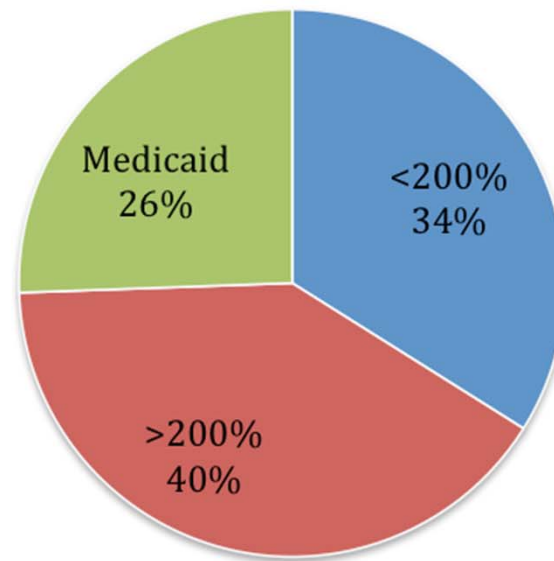
OVERVIEW

- **Medicare beneficiaries with serious physical and/or cognitive impairment need both medical care and long-term services and supports (LTSS)**
 - **28% of community-dwelling Medicare beneficiaries with PCI plus 5% of elderly Medicare beneficiaries in nursing homes**
 - **Medicare spending and out-of-pocket spending**
 - **Risk of nursing home placement**
 - **Risk of spending down to Medicaid**
- **Policies to Improve Coverage and Care**
 - **Medicare Help at Home: A policy proposal to cover home and community-based care under Medicare**
 - **Integrated Care Organizations: an extension of ACOs accountable for integrating medical and LTSS services**
 - **Innovative models of care delivery in the home and community**
- **Conclusion**

One-third of Medicare Beneficiaries with PCI not Covered by Medicaid

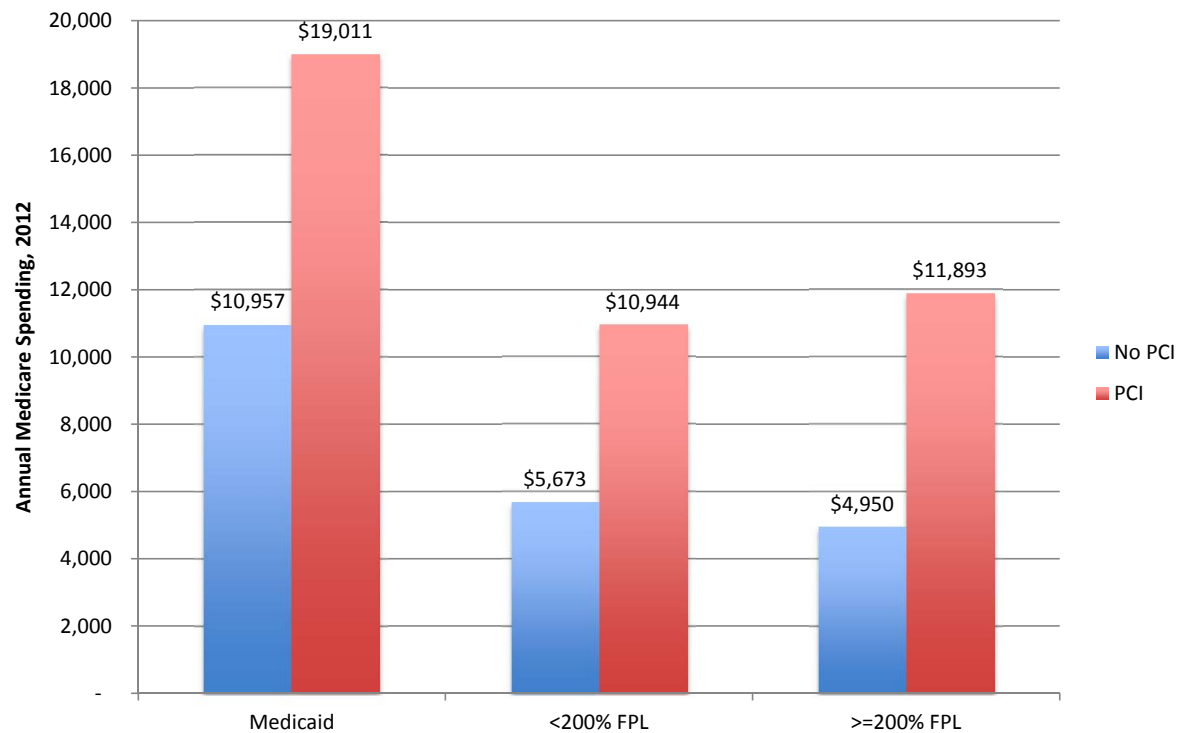
Poverty Distribution of those with Integrated Care Needs

19% of Medicare Beneficiaries Have Integrated Care Needs

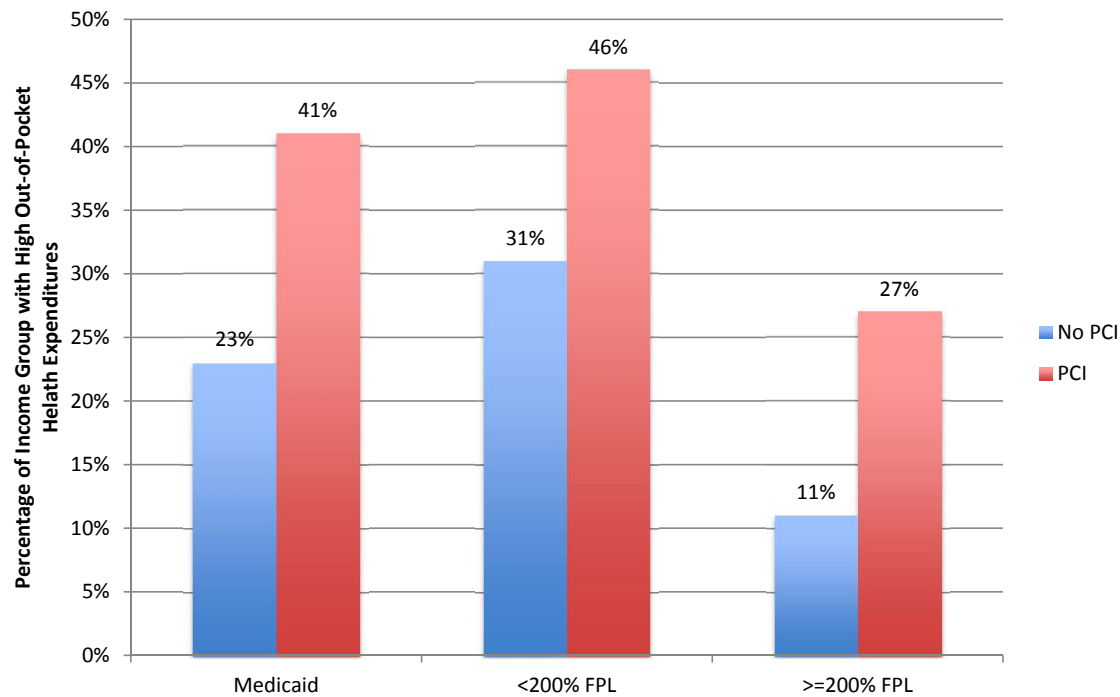


Source: Karen Davis, Amber Willink, Cathy Schoen, Medicare Help at Home, *Health Affairs*, April 13, 2016.

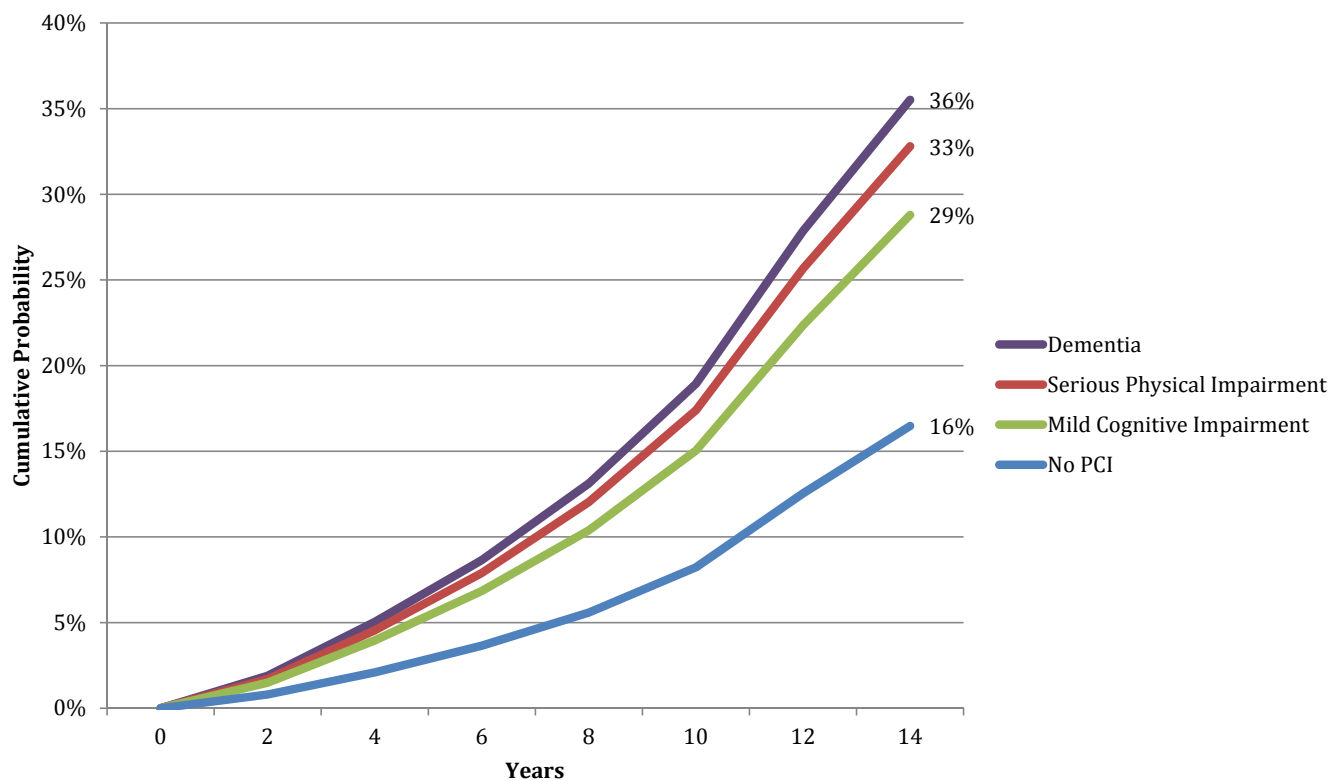
MEAN ANNUAL MEDICARE SPENDING FOR MEDICARE BENEFICIARIES WITH PCI AND WITHOUT PCI, BY INCOME, 2016



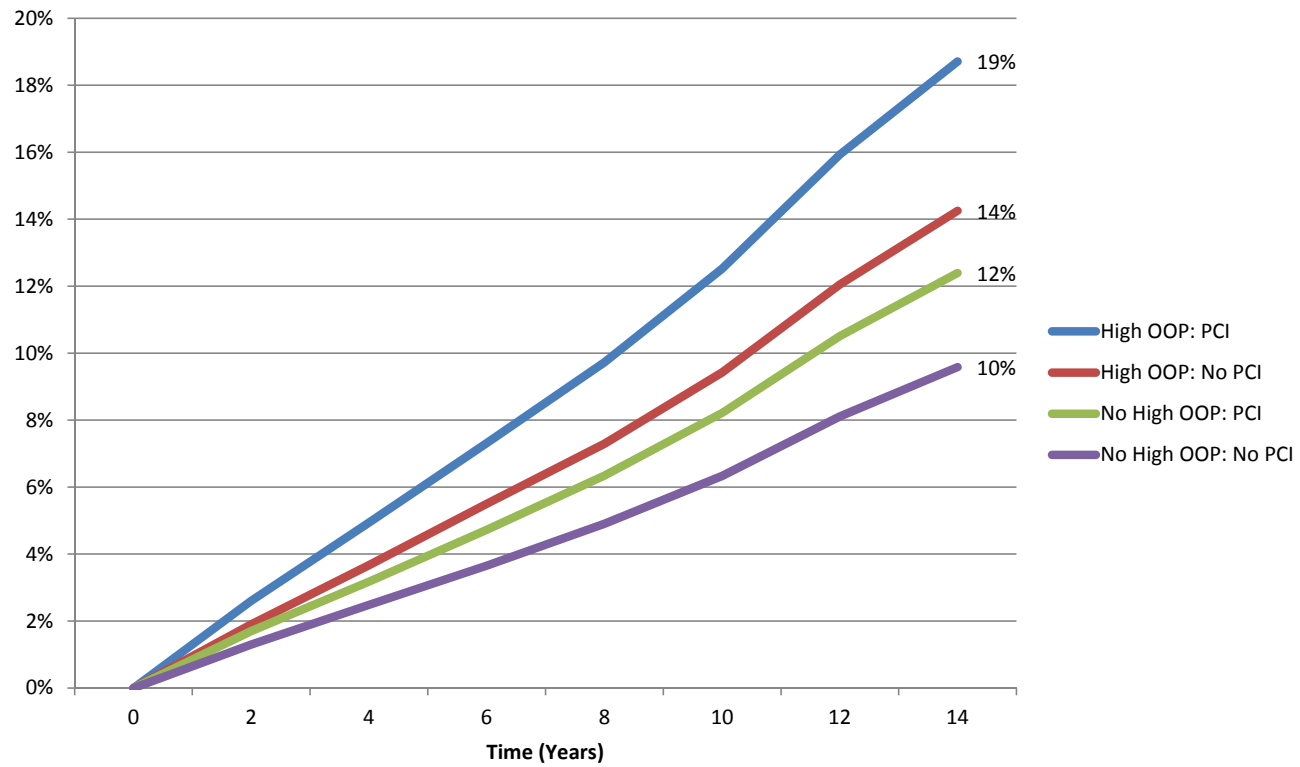
PERCENTAGE OF THOSE WITH HIGH OUT-OF-POCKET SPENDING AS A PERCENT OF INCOME FOR MEDICARE BENEFICIARIES WITH PCI AND WITHOUT PCI, 2016



ADJUSTED CUMULATIVE PROBABILITY OF BEING PLACED IN A NURSING HOME OVER THE FOURTEEN YEAR FOLLOW-UP PERIOD BY BASELINE PCI STATUS



ENTRY INTO MEDICAID OVER TIME BY PCI AND HIGH OUT-OF-POCKET SPENDING AMONG MEDICARE BENEFICIARIES AGES 65 AND OLDER IN 1998



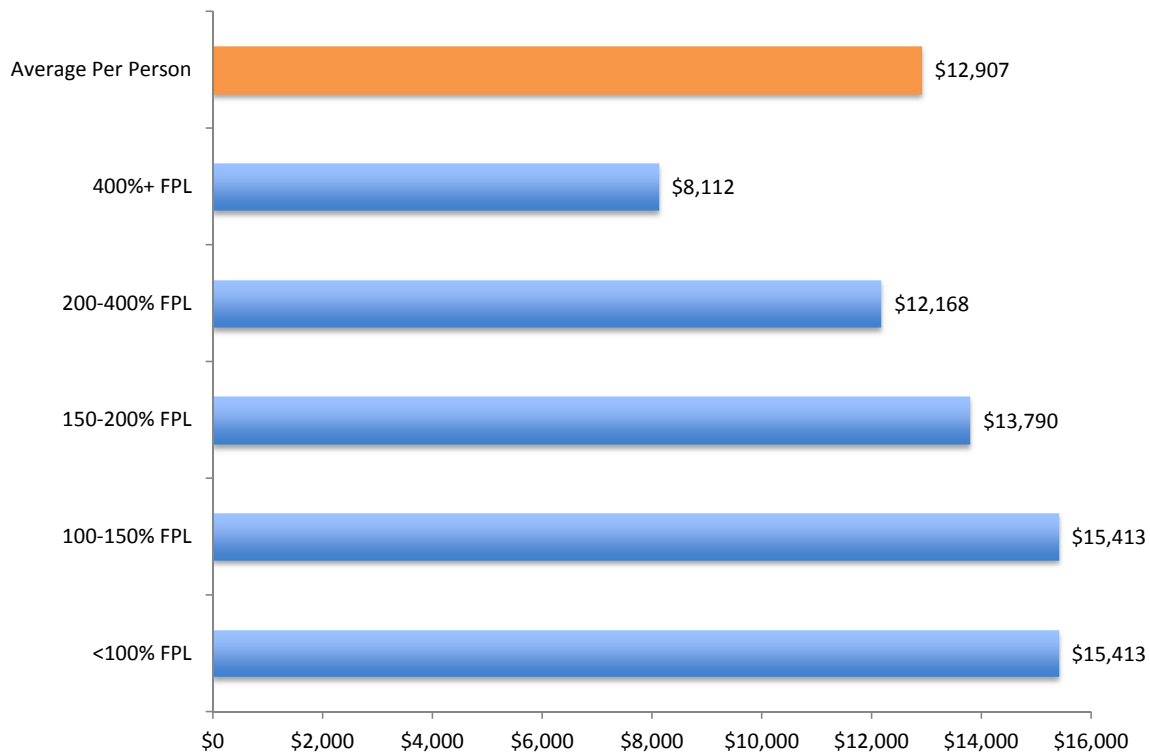
POLICIES TO IMPROVE COVERAGE AND CARE FOR MEDICARE BENEFICIARIES WITH PCI

- **Medicare Help at Home: A policy proposal to cover home and community-based care under Medicare**
- **Integrated Care Organizations: an extension of ACOs accountable for integrating medical and LTSS services**
- **Innovative models of care delivery in the home and community**

New Home and Community Care Benefit for Medicare Beneficiaries with Integrated Care Needs

	Integrated Coordinated Care Benefit Option
Target group:	Living at home or community with significant physical or cognitive impairment, end-of-life, temporary debilitating conditions
Estimated population at risk	17% of Medicare beneficiaries in community. Target the two-thirds at risk not on Medicaid
Coordinated integrated care benefit	20 hours per week of personal care or alternatively up to \$400 weekly for home and community-based care; individualized care plan; support for family caregivers
Financing	<ul style="list-style-type: none"> • Income-related cost-sharing (5% to 50%) • Medicare beneficiary premium of \$42 per month • Payroll tax financing (0.4 percent on employers and on employees)
Care Redesign	Integrated Care Organizations Innovative Home and Community-based Care Delivery

MEDICARE HELP AT HOME AVERAGE BENEFIT FOR THOSE PARTICIPATING BY INCOME

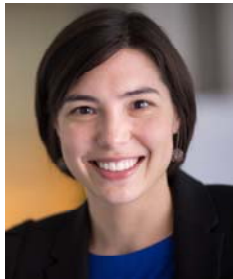


Conclusion

- **Current Medicare benefit structure poorly suited to beneficiaries with serious physical or cognitive impairment who require both medical care and long-term services and supports (LTSS)**
- **About 9 million Medicare beneficiaries with integrated care needs account for 17% of all beneficiaries and 32% of Medicare spending**
- **Less than a third of Medicare beneficiaries with integrated care needs are dual eligibles; others with modest incomes are at high risk for future Medicaid eligibility and nursing home placement**
- **Need for expanding Medicare benefits to include home and community-based services for beneficiaries with integrated care needs to support independent living and family caregivers, and prevent nursing home placement**
- **Integrated Care Organizations (ICOs) providing home and community-based services to Medicare beneficiaries with integrated care needs living at home; adoption of innovative delivery models; ICOs eligible for shared savings from reduced nursing home placement**



Acknowledgments



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