

## Spotlight: Highlights from MedPAC and MACPAC June 2017 Reports to Congress

### MedPAC Examines Hospital and Skilled Nursing Facility Use by Long-Stay Nursing Facility Residents

In Chapter 9 of its [June 2017 Report to the Congress](#), the Medicare Payment Advisory Commission (MedPAC) describes the Commission's recent work to better understand variations in use of hospital and Medicare skilled nursing facility (SNF) care among Medicare beneficiaries who are long-stay residents of nursing facilities (NFs) – about two-thirds of whom are covered by Medicaid. Three MedPAC activities may be of interest to states seeking to integrate care for dually eligible beneficiaries:

- **Initiatives and Strategies to Reduce Hospital Use by NF Residents.** MedPAC interviewed staff from NFs that use tools to reduce hospitalizations, including those participating in the Center for Medicare and Medicaid Innovation and Medicare-Medicaid Coordination Office [Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents](#). Staff members described strategies to reduce these admissions, including: (1) adding nursing staff; (2) increasing staff communication; (3) improving staff training; (4) conducting medication reviews; and (5) using advance care planning. (pp. 269-273)
- **Developing Measures of Hospital and SNF Use for NF Residents.** MedPAC developed an all-cause hospital admission measure, a potentially avoidable hospital admission measure, a combined emergency department and observation visit measure, and a measure of SNF use by long-stay NF residents. MedPAC then applied these measures and found wide variation in all-cause and potentially avoidable hospitalization and SNF day rates across facilities. For example, for-profit facilities had more hospital admissions and SNF days, rural facilities had a disproportionate share of hospital admissions, and small facilities and low frequency of physician visits were associated with higher admission rates. (pp.273-279)
- **Considerations for Future Policy.** MedPAC identified several options and considerations for future policy, including developing quality measures for hospital and SNF use by NF residents, examining aberrant patterns of hospital and SNF use among residents of specific NFs, exploration of best practices across facilities, and research on palliative and end-of-life care for NF residents. The Commission also plans to focus on the care coordination models being used in the CMS Financial Alignment Initiative, and to compare hospital and SNF use by NF residents in Medicare fee-for-service with those in Medicare Advantage (MA) managed care plans, as MA encounter data become available and appropriately validated for analysis. (pp. 279-281).

### MACPAC Looks at Program Integrity Issues in Managed Care

The Medicaid and CHIP Payment and Access Commission (MACPAC) [June 2017 Report to Congress](#) examines policy issues related to: (1) mandatory and optional enrollees and services in Medicaid; (2) Medicaid and opioids; and (3) program integrity in Medicaid managed care.

**Program Integrity in Medicaid Managed Care.** States overseeing managed care programs for dually eligible beneficiaries may be interested in the following topics contained in MACPAC's analysis of program integrity activities:

- **Impact of new Medicaid managed care program integrity regulations:** MACPAC describes the program integrity requirements that apply to Medicaid managed care organizations (MCOs) and state oversight efforts pursuant to the updated Medicaid managed care regulations. It is still

too early to gauge the impact of these regulations, MACPAC says, since few of the provisions have gone into effect. MACPAC noted in particular that it is unclear if program integrity practices and standards will be sufficient for MCOs operating LTSS programs, an area that has been identified as being especially vulnerable to fraud and abuse. (pp. 114-115, 117-118)

- **Program integrity coordination:** MACPAC highlights the need to increase coordination between administrators within states as well as between federal agencies at the federal-state level. Examples include coordinating separate state managed care, fraud control, and program integrity staff and harmonizing activities between states and separate federal offices. State and MCO staff told MACPAC interviewers that CMS guidance on successful collaboration activities could be helpful to states interested in improving coordination. (pp. 112, 114)
- **Encounter data quality and availability:** MACPAC notes that states and federal entities reported continuing challenges in obtaining accurate, complete, and timely encounter data from MCOs. State and MCO staff said that CMS guidance and technical assistance tools, such as examples of enforceable encounter data contract language and data quality benchmarks and data validation protocols, would help states obtain better encounter data. (pp. 113-114)
- **Variation in state and MCO program integrity activities:** Considerable variation exists in program integrity activities both between MCOs and states and across states. MCOs and states, for example, may have somewhat different resources, incentives, and priorities in dealing with program integrity activities, which can create challenges for oversight agencies. Many states also have not yet fully developed their program integrity activities for managed care, which can present rate-setting, oversight, and information-sharing challenges that states should address. Many states believe that opportunities to promote cross-learning between states and information on best practices would be helpful. (pp. 111-113)

#### **ABOUT THE INTEGRATED CARE RESOURCE CENTER**

The *Integrated Care Resource Center* is a national initiative of the Centers for Medicare & Medicaid Services to help states improve the quality and cost-effectiveness of care for individuals dually eligible for Medicare and Medicaid. The state technical assistance activities are coordinated by Mathematica Policy Research and the Center for Health Care Strategies. For more information, visit <http://www.integratedcareresourcecenter.com>

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