

Dual Eligibles: Coordinating Care for People with Medicare and Medicaid

This is New Directions in Healthcare, the Commonwealth Fund's podcast, and today we're talking about one of the biggest challenges to health care reform—how to care for people who qualify for both Medicare and Medicaid.

These people tend to be frailer, older, certainly poorer and sicker than the average person in either program.

That's Stuart Guterman, Vice President for Payment and System Reform at the Commonwealth Fund. He and Dr. Mary Jane Koren, vice president for the Picker-Commonwealth Fund Long-Term Quality Improvement Program, say so-called Dual Eligibles are an expensive group to cover:

While they account for about 21 percent of the overall Medicare population, they actually account for 36 percent of all the spending, and we find the same thing for Medicaid. They account for about 15 percent of the Medicaid population, but almost 40 percent of the spending.

There are about 9 million dual eligibles in this country. Often they have multiple chronic conditions. Some are depressed or suffer some cognitive disorder, and Guterman says they may struggle to make sense of their health coverage:

Many people have trouble telling the difference between Medicare and Medicaid, but if you're in the program and you're sick, being able to understand what Medicare covers, and what Medicaid covers, how the two are coordinated, and even finding someone who's familiar with both programs is very difficult.

Dr. Koren adds that care may not be ideal, because the two programs that cover dual eligibles are misaligned:

Many times people go to hospitals, because they can't afford nursing home care, and in order for Medicare to pay for nursing homes, you have to stay in a hospital for three days, so if let's say you just needed some wound care or you needed something very simple, but you couldn't afford a nursing home, because it wasn't covered, you'd end up in a hospital. So there's a huge cost right there.

And Guterman says there's duplication between programs, driving the costs of care up:

An elderly person who is frail and in a nursing home gets sick and is sent to the hospital. When the person leaves the nursing home, Medicare covers the hospital stay. Medicaid generally covers the nursing home stay. Medicaid continues paying the nursing home to reserve the bed for when the patient has to come back to the nursing home. So clearly there's some duplication of services, plus keeping patients out of the hospital would be better for both the patient and certainly for the Medicare program.

It might be possible to reduce the number of hospitalizations by providing improved medical care in nursing homes, but there's no financial incentive for Medicaid to do that, because it's Medicare that would benefit:

Since Medicaid is run by the states, and Medicare is a federal program. What it looks like for Medicaid is they have to spend more money to provide more care in the nursing home to keep patients from having to bounce back to the hospital to save Medicare money.

That's a problem that the new Federal Coordinated Healthcare Office may address. As part of health care reform, it's supposed to improve the quality of care for dual eligibles. The office might also encourage enrolling Dual eligibles in primary practice medical homes that could better track and coordinate the services they need, looking for ways to eliminate duplication and cost. Again, Mary Jane Koren:

Pretty much people end up being their own care managers, because care management is not a covered service, and so it just doesn't happen. So what we're really trying to do is we're trying to coordinate the way the benefits work and coordinate the way the services happen, and some of this is happening through what are called Medicare Advantage Special Needs Plans, and they were created specifically to do that. The trouble is, we're not sure that from the beneficiaries' perspective they see a clear value added, but it's an area that people are working really hard on.

The Coordinated Healthcare Office is also taking a closer look at assisted living for Dual Eligibles who don't want to live in nursing homes. About 150,000 people have chosen that option, but Eric Carlson, an attorney with the National Senior Citizens Law Center, says some assisted living organizations are not able to care for people with multiple chronic diseases and disabilities:

Assisted living doesn't have any standard definition. It varies from state to state, so you could have facilities that present themselves more as a Mom and Pop, room and board operation, or you could have something much larger and much more prepared to care for people with significant needs. The fact that an assisted living facility is licensed by the state doesn't give you any solid quality of care assurance. It could be someplace that has fairly significant nurse staffing and a high level of competence, or there may be very limited competence. For example in California, the direct care training requirement is only 12 hours of initial training.

Carlson, who received a research grant from the Commonwealth Fund to study this subject, thinks the nation should have basic requirements for assisted living centers receiving Medicaid money, and he hopes the federal government will provide consumer protection to assisted living residents. For example, people who live in nursing homes cannot be easily evicted.

Written notice has to be given 30 days in advance of the proposed eviction. The notice has to list the alleged justification for the eviction—non-payment or danger to others in the facility or needing a level of care that can't be provided, and then also the resident can ask for an appeal and get an appeal and have a decision made by a neutral decision maker appointed by the state.

But residents of assisted living have no such protection, and Dual Eligibles are sometimes forced to leave when they run out of money and qualify for Medicaid:

A person in an assisted living facility spends down his or her resources -- 20, 40, \$80,000 to the assisted living facility, becomes Medicaid eligible, and then expects to stay in the assisted living facility because it's certified to accept Medicaid, and nonetheless have the assisted living facility say, "Sorry, I don't want Medicaid from you. Given our current resident census, we're trying to attract more private pay people," so you have to leave.

Carlson believes certification for Medicaid should obligate long-term care facilities to be fair to the low-income population they serve. Dr. Koren adds that both Medicaid and Medicare must continue to look at ways of supporting home care for Dual Eligibles:

Eighty percent of all long-term care is provided by families, and they're really the glue that can hold the system together, so we need to concentrate not just on the beneficiaries themselves but also their families, their relatives, and their informal support systems, because that's what's going to enable them to survive in the community.

Because nursing home care is so expensive, high-quality home care and assisted living are keys to getting costs for dual eligibles under control, and Eric Carlson says we need to act now:

This is absolutely the wave of the future. That's where the federal government is going. That's where the state governments are going. That's where the population is going. everyone is agreed that an alternative to a nursing home is a good thing, but we haven't seen a whole lot of attention placed on exactly how these programs are designed or how it plays out, and it is important, because particularly in times of limited budget (and that's obviously the era that we're in right now) you don't want programs designed purely to save money.

And the Commonwealth Fund's Stuart Guterman adds that dual eligibles could serve as poster children for successful healthcare reform:

In the spirit of health reform, we like to think of reduced cost and better care as going hand in hand, and the dual eligible population is a perfect example of how, by improving the coordination of care across these two programs and across the providers that provide care to this population, that one could spend money better and therefore provide better care at lower cost.

You've been listening to New Directions in Healthcare, the Commonwealth Fund's podcast. For more information on dual eligibles, visit The Fund's Web site, commonwealthfund.org. Eric Carlson's study of dual eligibles and assisted living is at MedicaidALseries.org and Dr. Koren recommends theconsumervoic.org to long-term care residents, their families and advocates. For The Commonwealth Fund, I'm Sandy Hausman.