



The Hilltop Institute

analysis to advance the health of vulnerable populations

Rhode Island Rebalancing Model

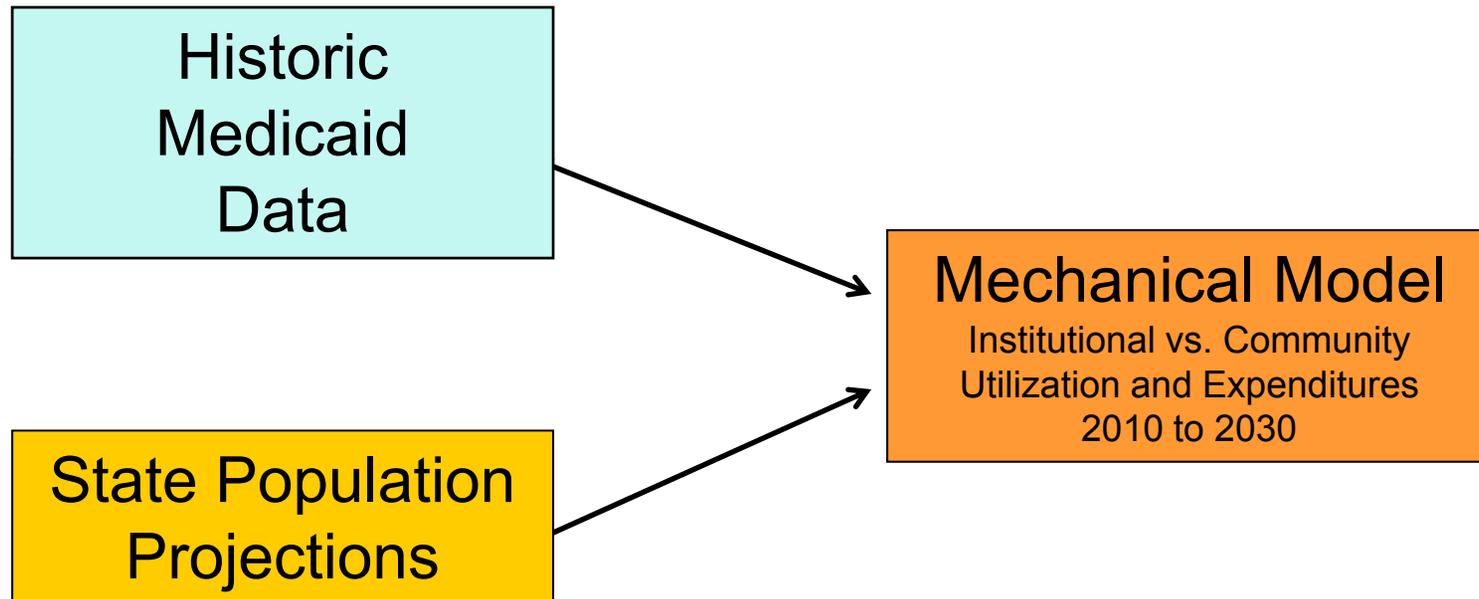
April 14, 2010

Ian Stockwell
Aaron Tripp

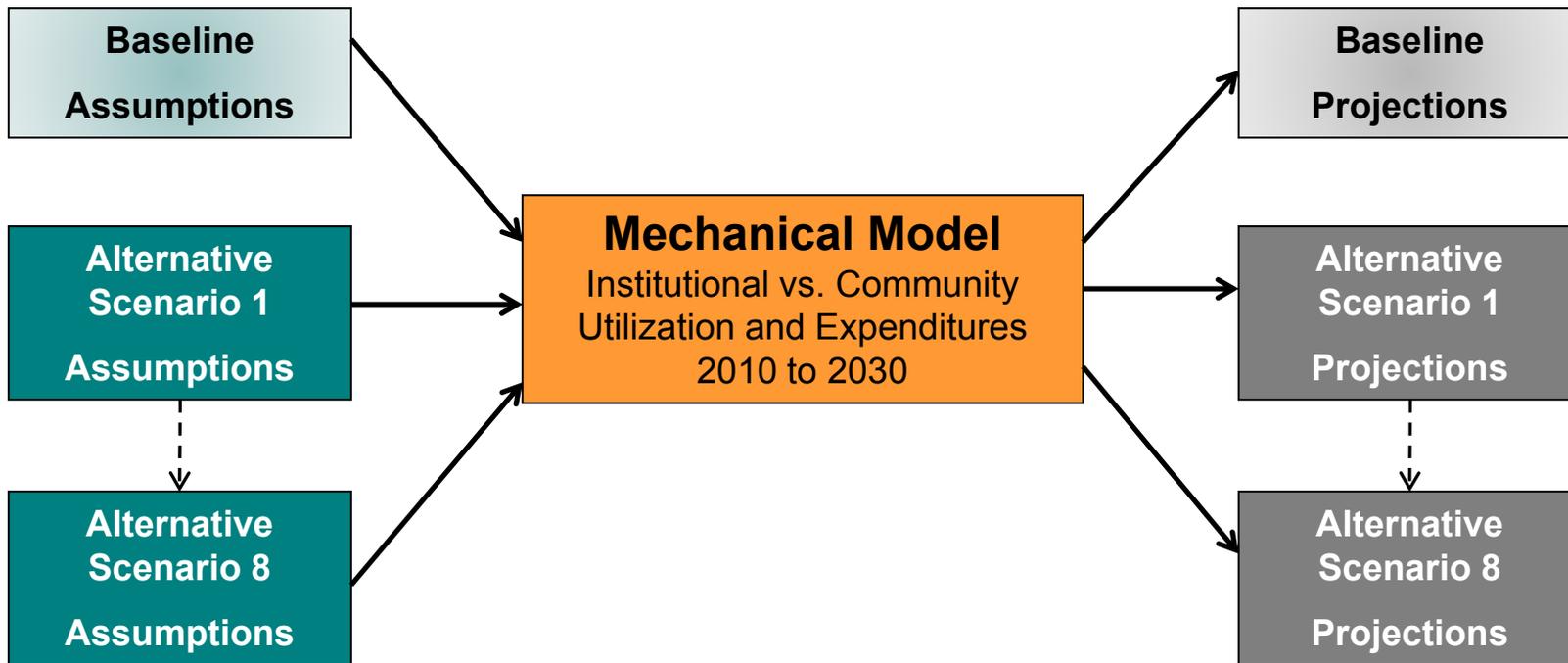
Rebalancing Model: Goals

- Project utilization and expenditures for Medicaid institutional services versus Medicaid HCBS based on historic utilization and future projections
- Aid the state in modeling the effects of demographic changes as well as proposed programs and policies that are likely to affect demand for Medicaid LTSS

First Step: Develop the Mechanical Model



Second Step: Develop Scenarios



Data Sources for the Rebalancing Model

- Medicaid MMIS data, FY 2006 - FY 2008
(with service groupings developed with the state)
- Population projections from RI Department of Administration
- Research literature

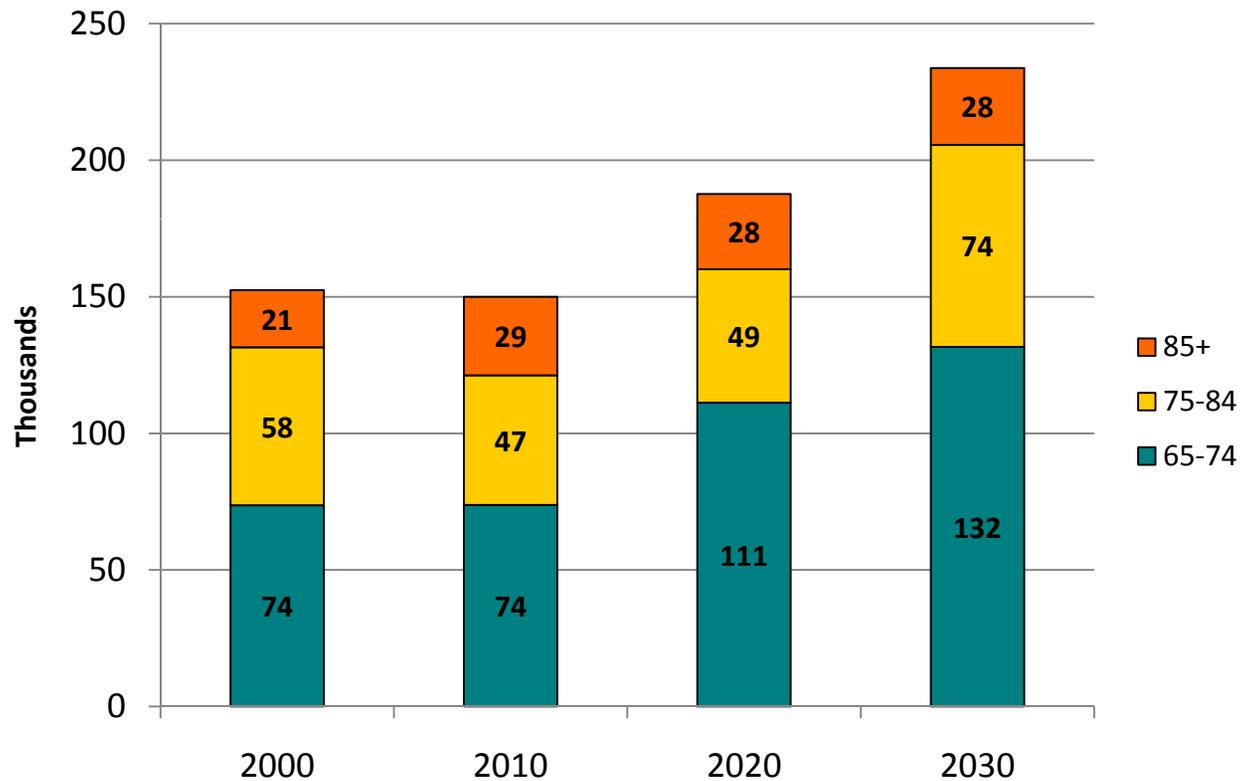
Rebalancing Model Assumptions

- **Baseline Projection:** shifts in LTSS use based on reasonable assumptions about demographics and changes in service utilization and expenditures; assumes current trends in rebalancing continue
- **Alternative Scenarios:** incorporate different assumptions for key elements in Baseline Projection Model

Baseline Projection Model

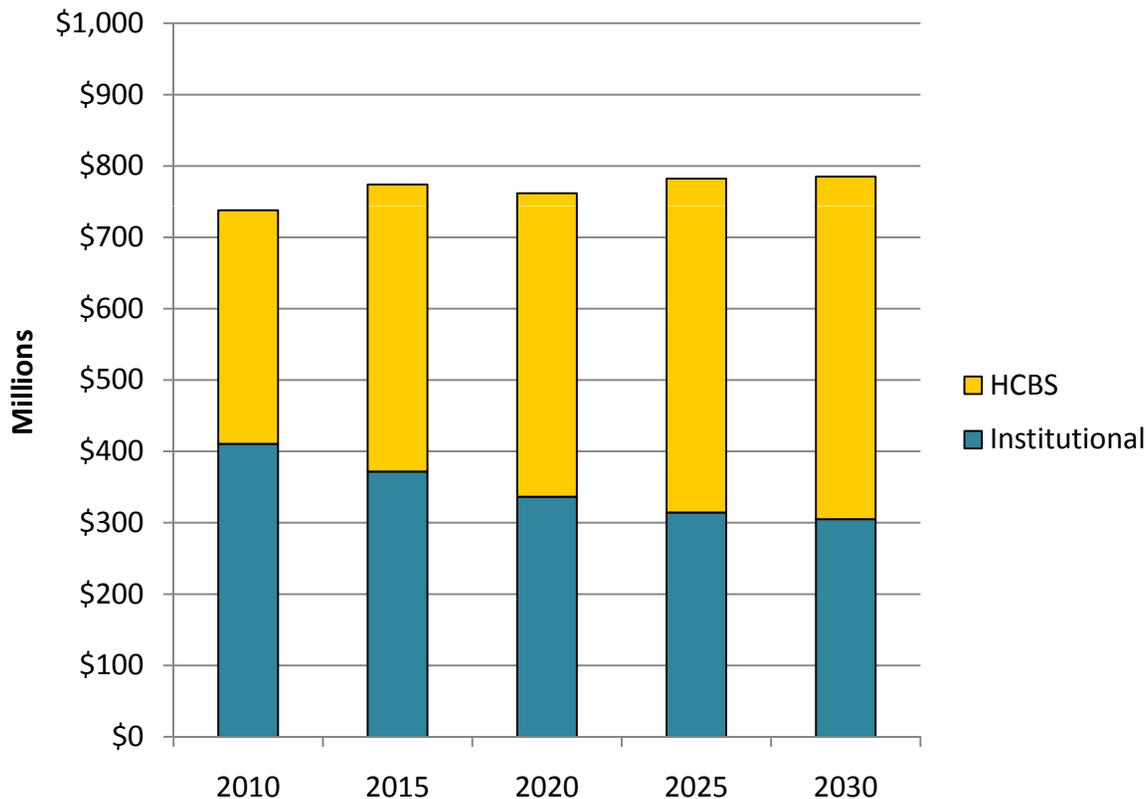
- Assumes the current trend in rebalancing continues (less use of nursing homes, more HCBS)
- Incorporates some “woodwork” effect for HCBS
- Average acuity of nursing home clients and HCBS clients increases as more individuals are transitioned to the community

Projected Growth in 65 and Over Population in Rhode Island, 2010 - 2030



Source: Rhode Island population projections: State, county, and municipal 2000 – 2030. (Statewide Planning Program Technical Paper Number 154). Providence, RI: Rhode Island Department of Administration.

Baseline Projection: Projected Expenditures for Medicaid LTSS, 2010 - 2030 (FY 2008 Dollars)



Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Model Walkthrough

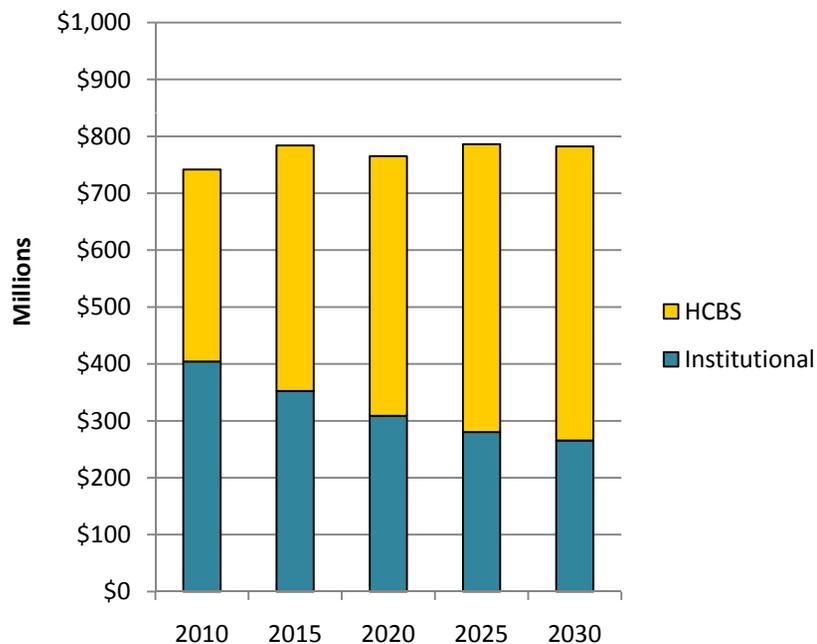
Alternative Scenarios

Faster Rebalancing

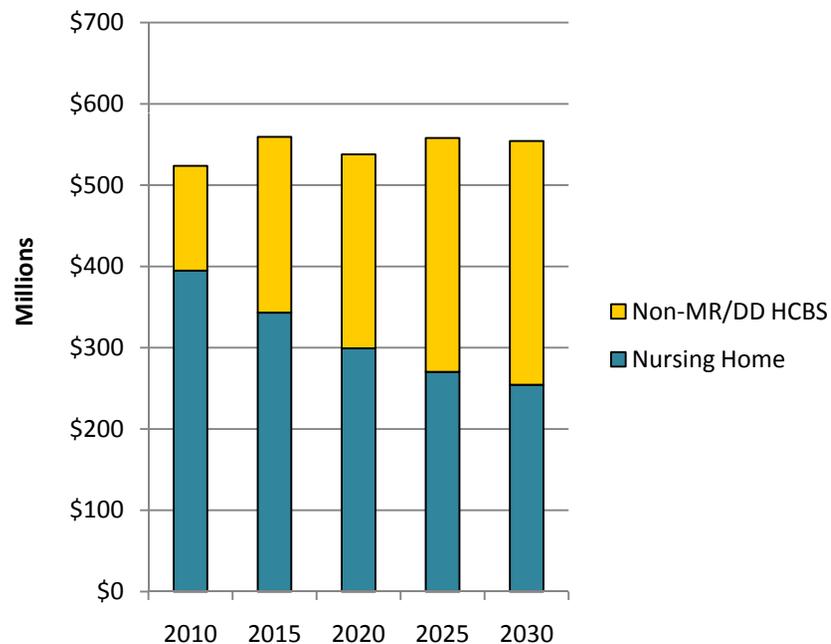
- Decrease in Nursing Home User Rate increases to simulate faster rebalancing
- User rate for non-MR HCBS increases more rapidly as a result
- Intensity factors reflect more rapid rebalancing

Faster Rebalancing continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



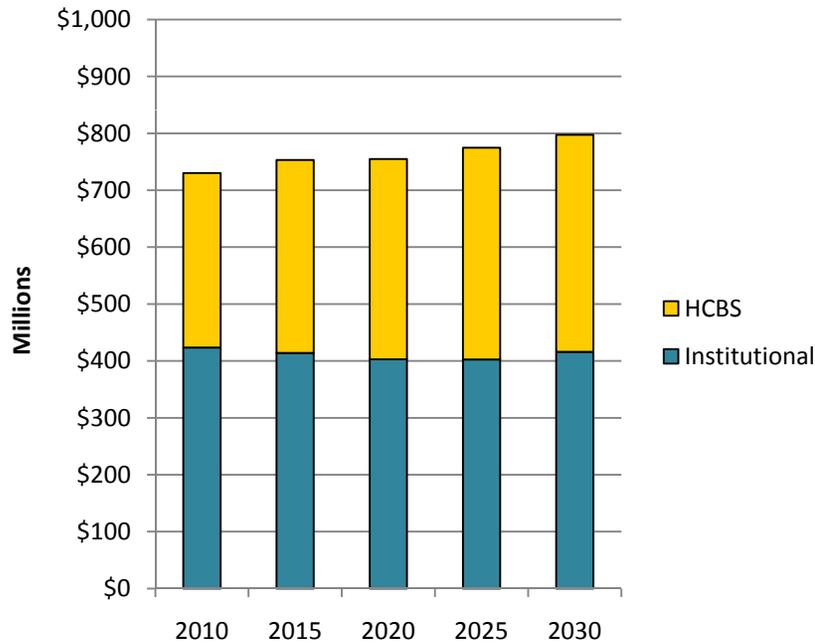
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Slower Rebalancing

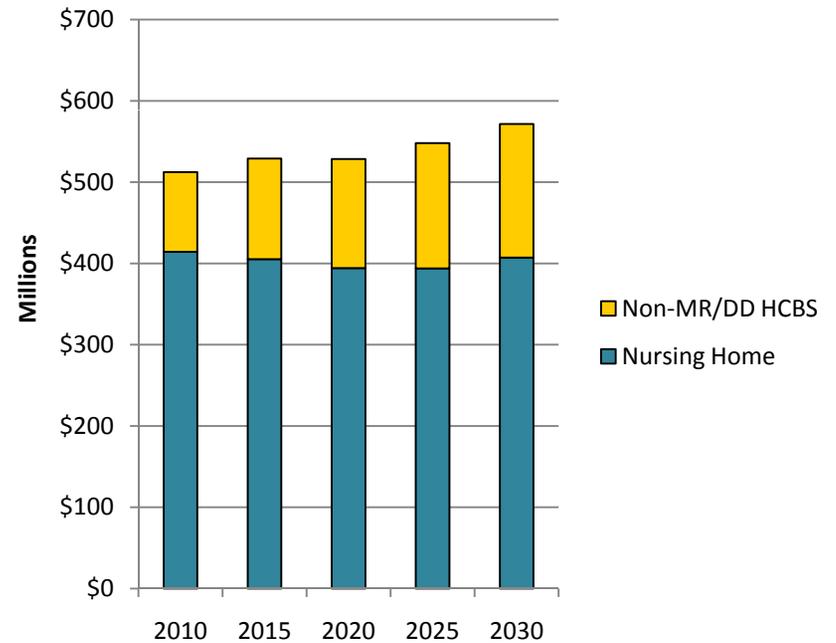
- Decrease in Nursing Home User Rate decreases to simulate slower rebalancing
- User rate for non-MR HCBS is slower than baseline projections
- Intensity factors reflect slower rebalancing

Slower Rebalancing continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



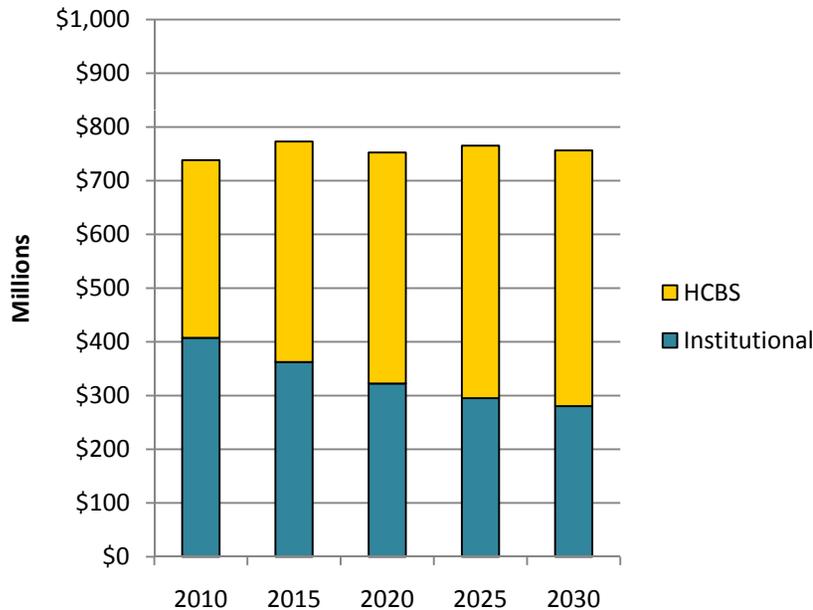
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Slower Growth in Use of Medicaid LTSS Because of Demographic Trends (Age 65+)

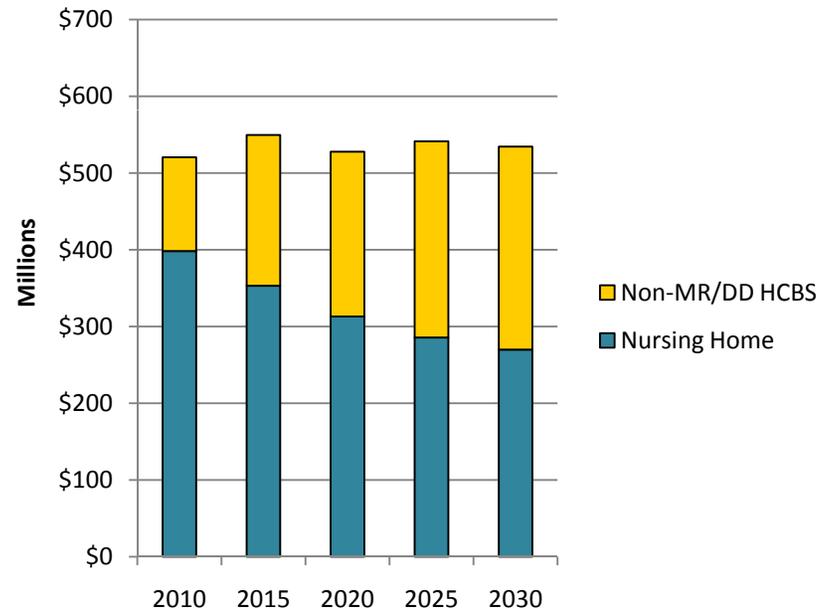
- User Rates among older adults gradually decline to reflect lower rates of eligibility due to decreases in age-specific disability rates, increasing income and assets, or a combination of these factors

Slower Growth in Use of Medicaid LTSS Because of Demographic Trends (Age 65+) continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



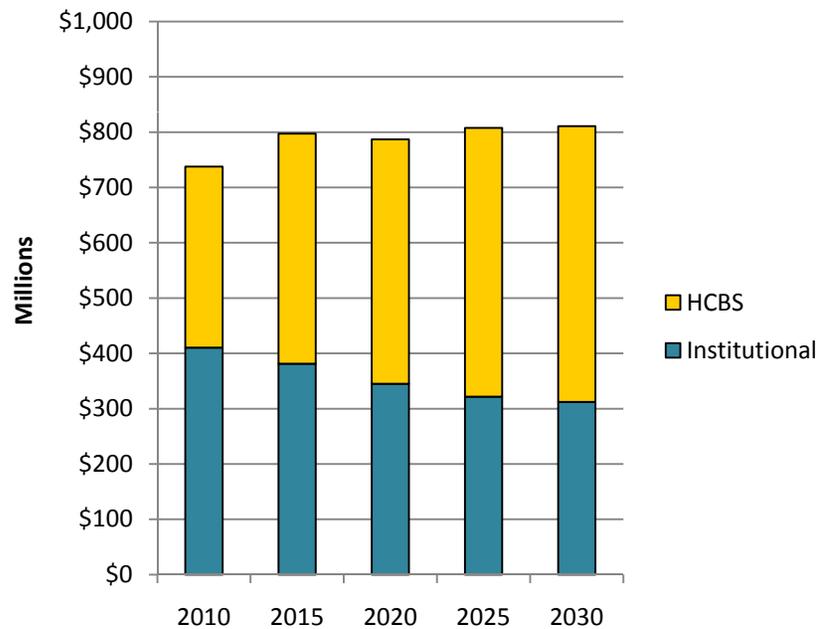
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Potential Health Reform Expansion of Medicaid Eligibility

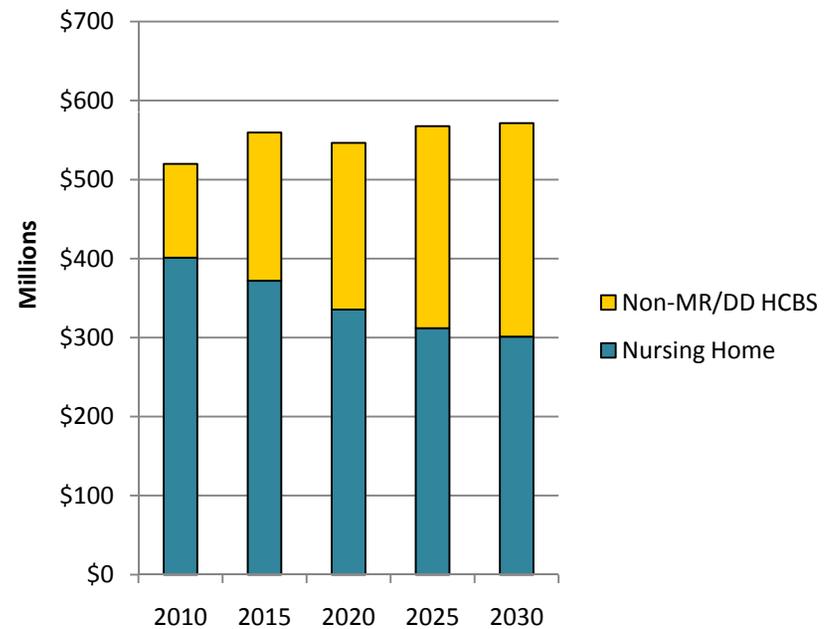
- Increases User Rates among the 18-64 population to estimate effects of expanding eligibility for Medicaid
- Slightly expanded User Rates for the 65 and older population to account for eligibility increases due to spousal impoverishment changes

Potential Health Reform Expansion of Medicaid Eligibility continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



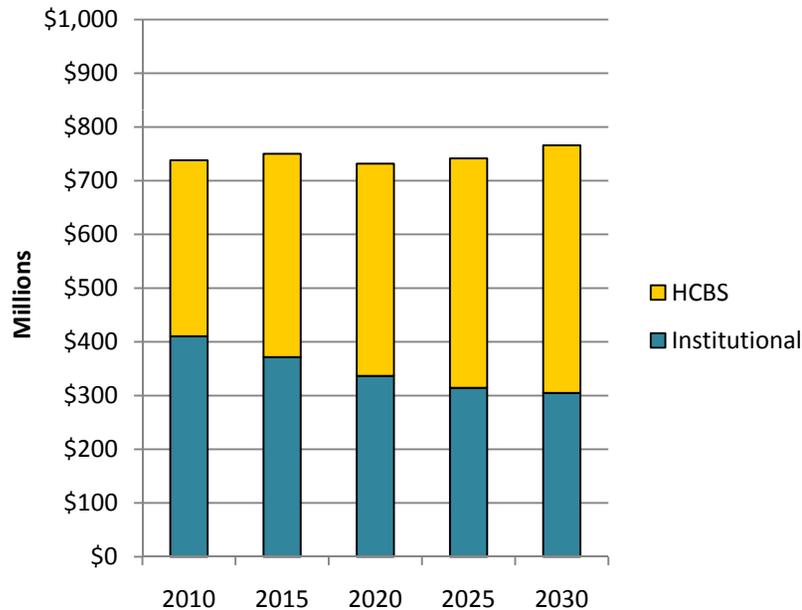
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Smaller “Woodwork” Effect

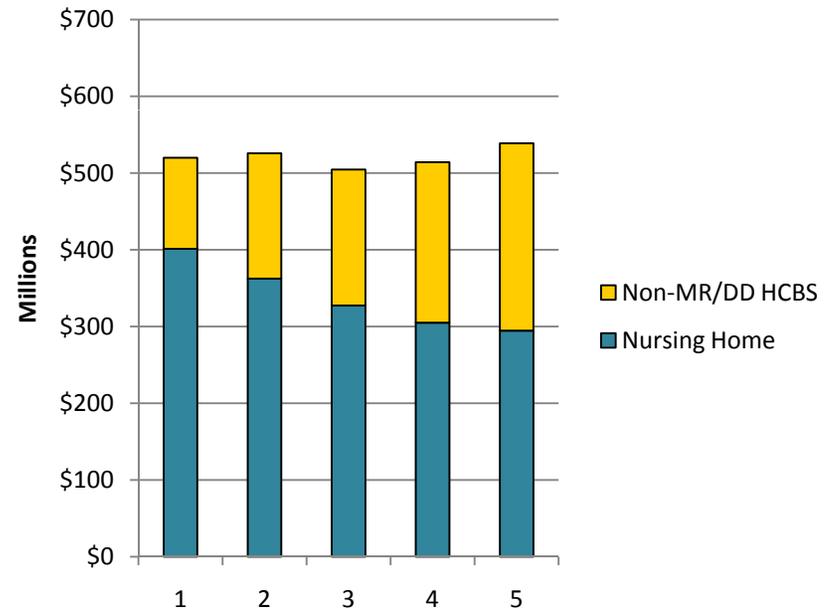
- Assumes a smaller “Woodwork” Effect than the baseline to simulate effective targeting of services to those with greatest institutional risk
- Slows the “Woodwork” Effect over time to represent a more developed HCBS system

Smaller “Woodwork” Effect continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



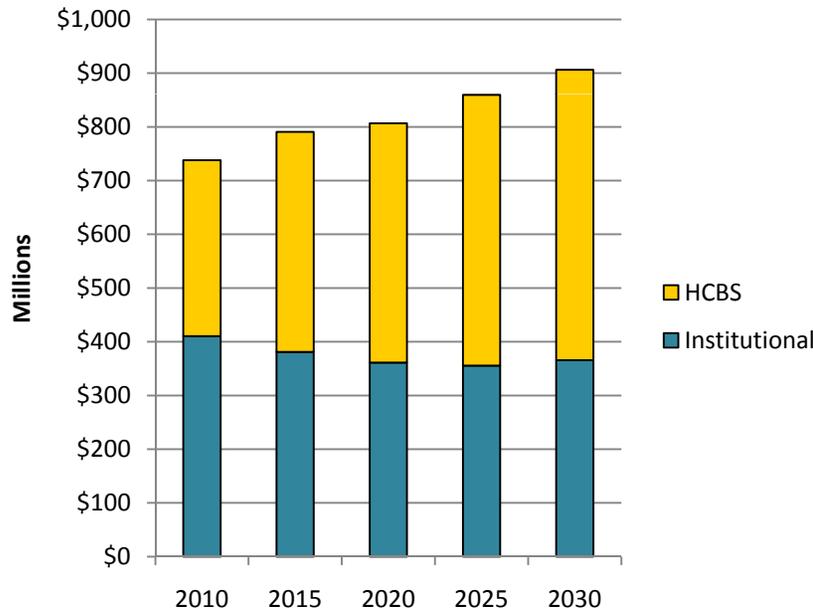
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Increased Disability Among the Under Age 65 Population

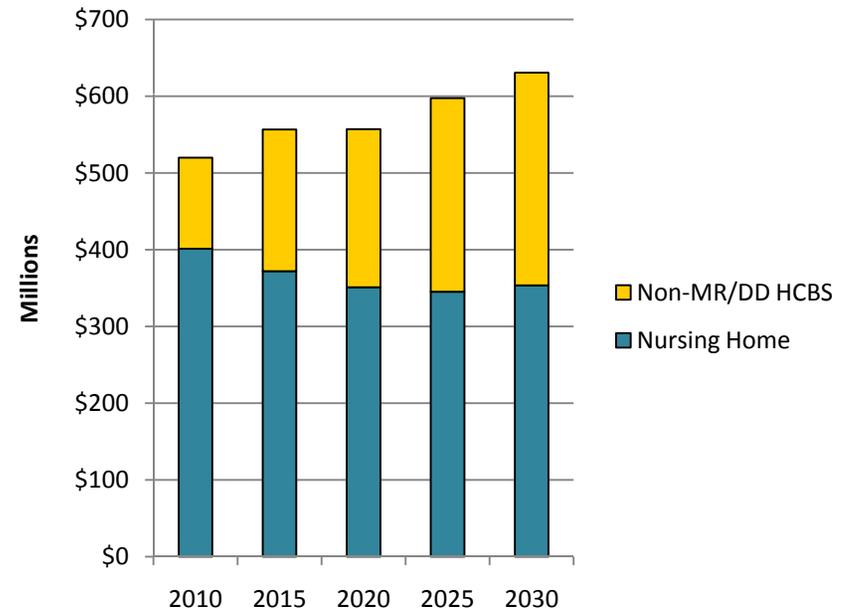
- Increases User Rates to reflect an assumption of increasing disability under age 65
- As disabled population ages, scenario increases User Rates for 65 and older population as well

Increased Disability Among the Under Age 65 Population continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



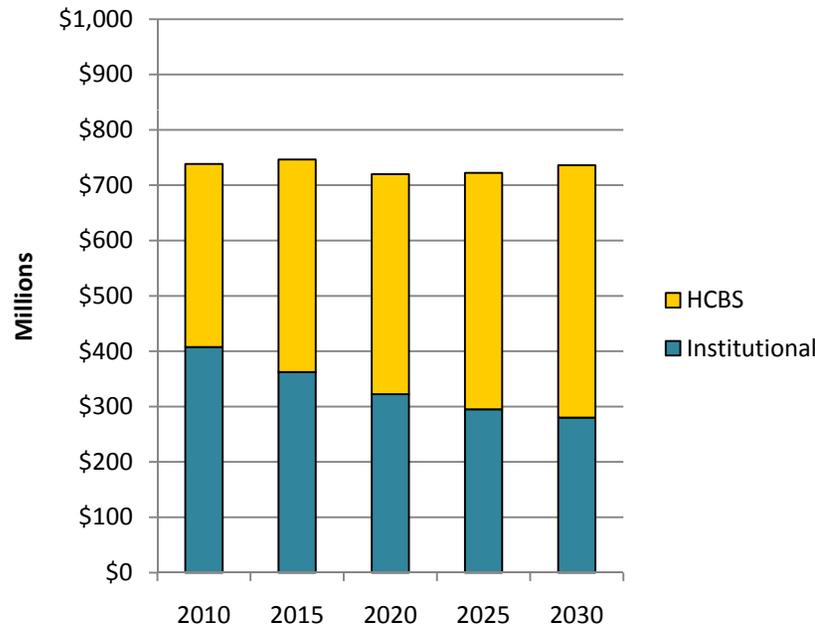
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Combined “Best” Scenarios

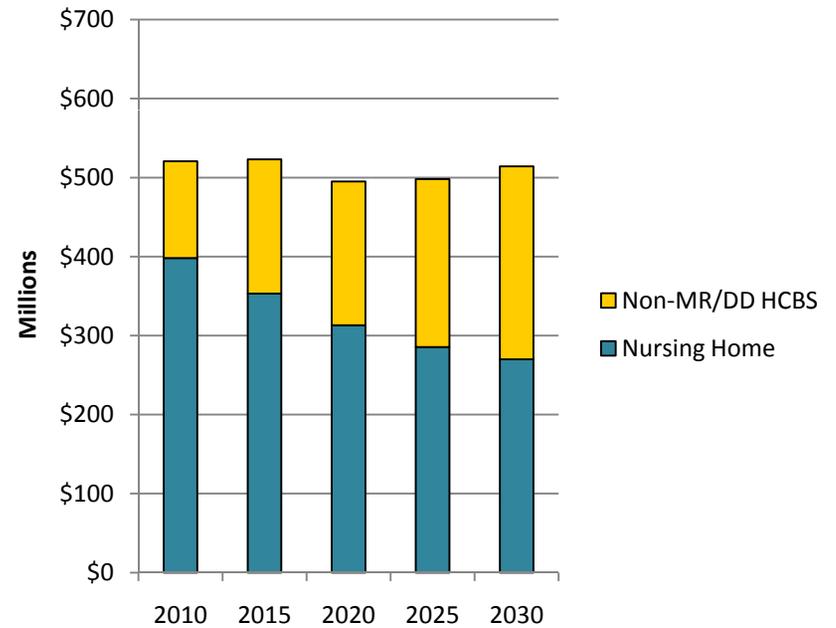
- Combines the most optimistic scenarios from the perspective of controlling spending for LTSS
- Specifically:
 - Slower growth in use of Medicaid LTSS
 - Smaller “woodwork” effect

Combined “Best” Scenarios continued

Total Medicaid LTSS Spending



Non-MR/DD Medicaid LTSS Spending



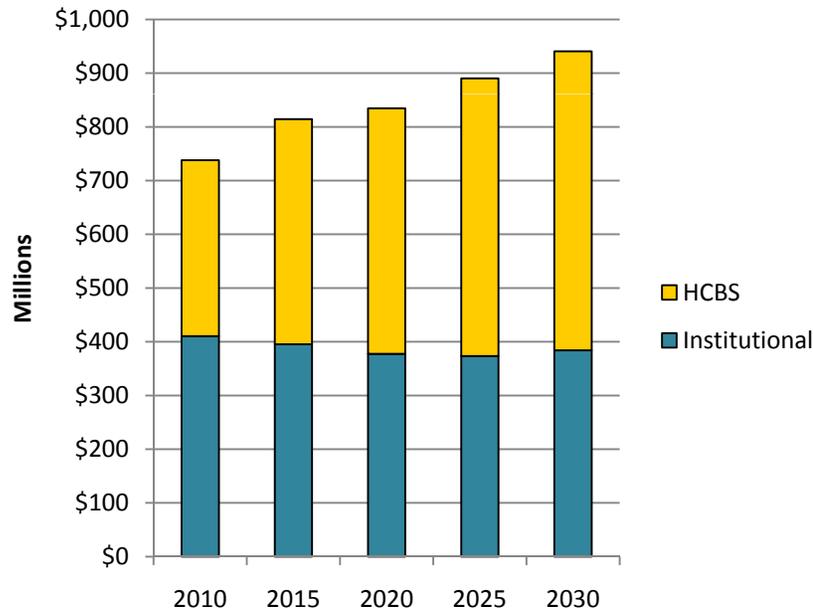
Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Combined “Worst” Scenarios

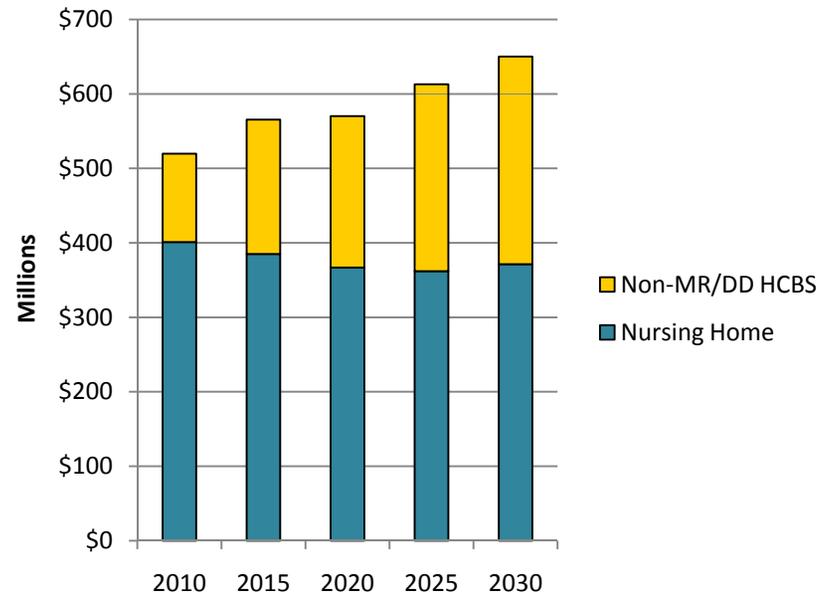
- Combines the scenarios that lead to the highest spending for LTSS
- Specifically:
 - Potential health reform expansion of Medicaid eligibility
 - Increased disability among the under age 65 population

Combined “Worst” Scenarios continued

Total Medicaid LTSS Spending

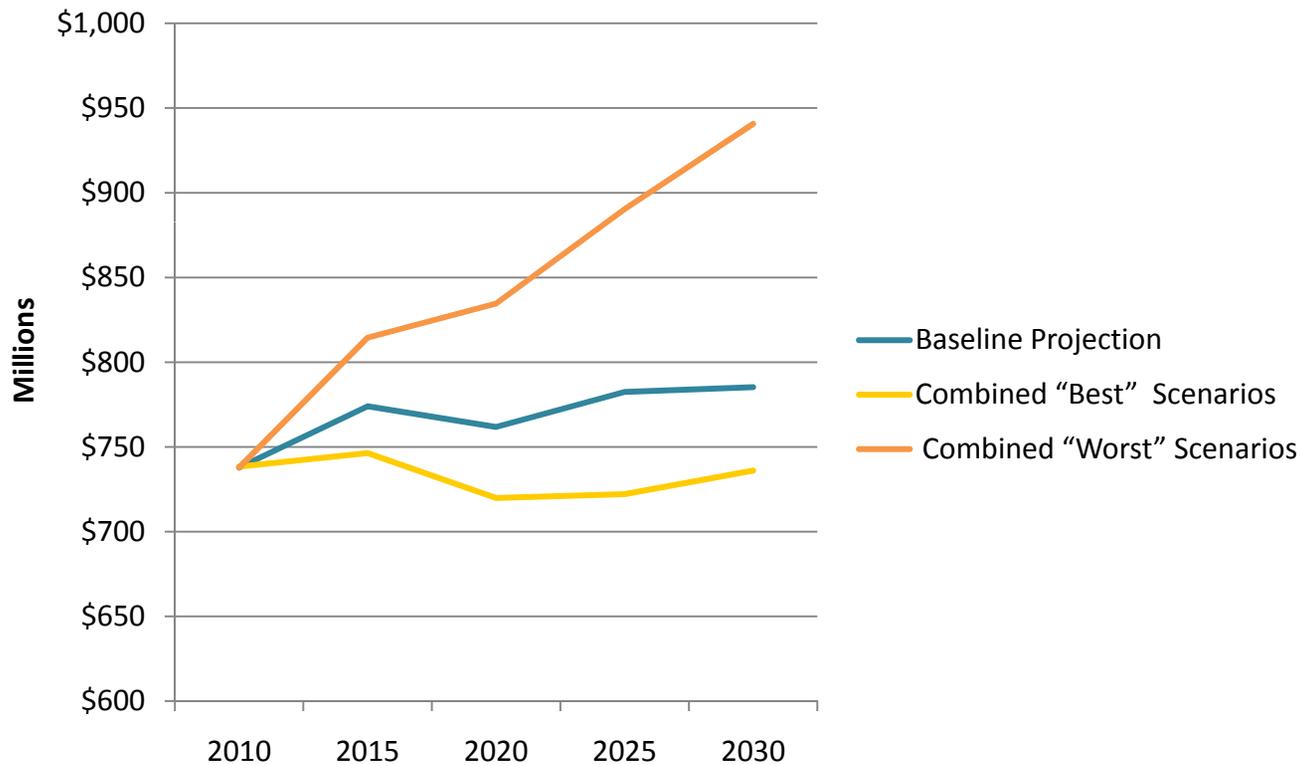


Non-MR/DD Medicaid LTSS Spending



Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.

Alternative Scenarios: Projected Medicaid Expenditures (FY 2008 Dollars)



Source: The Hilltop Institute, UMBC, projections. FY 2008 dollars.