

Stalling Care Coordination: California's Move Backward and the Need for a Blueprint

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Bruce Chernof, MD, is President and CEO of The SCAN Foundation, dedicated to creating a society where older adults can access health and supportive services of their choosing to meet their needs. The Perspectives Series provides opinions and observations about transforming the way in which we age. Follow Dr. Bruce on Twitter [@DrBruce_TSF](https://twitter.com/DrBruce_TSF).

Last week, Governor Jerry Brown unveiled California's [proposed 2017-2018 budget](#) that included proposals to scale back the state's progress toward integrated care for high-need, high-cost older adults. California's Coordinated Care Initiative (CCI) created a basic – albeit limited – policy framework for creating a more organized and integrated approach to care and support for California's most vulnerable adults. It also set out aggressive savings targets.

Key elements of CCI include the following items:

- A substantial Medicare-Medicaid integration pilot
- Transition of long-term care services to managed care
- Creation of formal linkages between home care and the medical delivery system
- Development of a universal assessment to better understand adults with complex care needs
- An expectation of substantial state savings

The Governor's Budget dismantles CCI, arguing that it has not produced as much savings as expected, and costs in the In-Home Supportive Services (IHSS) program, in particular, have grown more than anticipated. While some important programs inside CCI are slated to continue, several key elements that foster a true system of care will not. This is a step backward, perpetuating siloed care that is both inefficient and ineffective for people, while failing to fully address cost drivers.

PERPETUATING SILOS IS NOT THE SOLUTION

California's long-standing siloed approach to meeting the needs of vulnerable older adults is out of date. Each major health, behavioral health, and long-term services and supports (LTSS) program operates almost entirely in a vacuum, reinforced by the state's traditional budgeting and operating structure. Inside the Health and Human Services Agency (HHS), major programs that serve the same set of older adults with complex care needs [are managed by different departments](#), which have limited incentive or accountability to work with each other. For people with significant health and daily living needs who rely on these programs – who are low income and some non-English speaking – this fragmentation often means they have to fend for themselves to cobble together a coordinated care plan. It is no wonder that these individuals and their families frequently express concern, and even fear, in the face of proposed changes to their health care.

In the big picture, organized care beats disorganized care and the state deserves to be commended for attempting a bold step with CCI. Yet, for major new programs to work, they need a guiding blueprint, an appropriate operating structure, achievable timelines, and realistic budget targets. Integrated care programs offer a real opportunity to improve health and daily-living outcomes for high-need, high-cost individuals while *also* lowering costs. But the latter is dependent on the programs being structured properly, held accountable, and given enough time to fully implement. No one would claim that the innovations through CCI are perfect in their current form, and certainly they have yet to fully deliver on the promise of better care and lower costs. Nevertheless, while there are many ways that both state officials and participating health plans leaders can improve California's duals demonstration called Cal MediConnect, early signs show that ***THE PROGRAM IS WORKING***.

After [four waves of interviews](#) with over 5,000 Medicare-Medicaid beneficiaries, people in Cal MediConnect report the following experiences:

- Increased satisfaction and confidence in their care
- Increased access to care
- Significantly less hospitalizations in the past year

The Governor's Budget action to remove important components of coordinated care ultimately works against the broader goal of better care at lower costs, particularly in Cal MediConnect. If IHSS costs are ballooning, simply carving it completely out of Cal MediConnect is a short-term and incomplete solution. In the long run, this action allows IHSS to continue operating without mandated connections to health care. Without a state vision and blueprint to integrate service delivery across health, behavioral health, and LTSS, programs like IHSS can authorize services disconnected from other providers and with little consideration of how to meet a person's overall constellation of need.

ASSESSMENT AND COORDINATION ARE KEYS TO BETTER CARE AT LOWER COSTS

Each older Californian with complex care needs is in fact fully “integrated” when they seek care and support – all of their problems and needs are rolled up inside one person. It is our current siloed system that breaks these high-need, high-cost individuals down into disorganized parts. If someone, for example, really needs a warm coat, there is not much point in enrolling them in a shoes program just because shoes are available. Yet, this is exactly what happens to people when the full ranges of their needs are not understood. A uniform assessment is the key to informing individualized care planning based on a person’s needs, and having active coordination and monitoring of needed supports across the delivery system, as well as guiding future population-level investments and program development at the state and county levels.

In 2012, the Legislature charged three departments in HHS to develop and pilot a uniform assessment tool for Medi-Cal funded LTSS. This important project has been halted as part of the governor’s termination of CCI. A budget summary released by the Department of Health Care Services (DHCS) described their interest in refining the purpose and intent of a uniform assessment tool. However on a departmental call with stakeholders, state officials denied plans to proceed with uniform assessment development, raising serious concerns about the lack of direction and will to plan for an aging California.

CALIFORNIA NEEDS A BLUEPRINT

Late last year, the California Legislative Analyst’s Office (LAO) released a comprehensive and startling [report](#) on the future of an aging California with four key findings.

- A rapidly growing older adult population and changing demographics in the state raise issues about California’s LTSS system.
- California’s population of older adults with disabilities is projected to grow faster than the state’s overall older adult population.
- On average, Californians turning age 65 right now are projected to spend 4.5 years with a disability.
- These state-specific projections offer a critical first step toward creating a comprehensive forward-looking strategy for our state’s growing older adult population.

These findings echo the call to action by the Senate Select Committee on Aging’s 2015 [report](#) that recommended the state appoint a long-term care Czar, establish a Department of Community Living within HHS, and then charge this department to develop a comprehensive plan. While the Legislature passed a bill last year to create a statewide strategy for an aging California, the governor vetoed it.

We deeply respect the governor’s fiscal prudence, as this is a time of constrained resources. However, without a clear blueprint, California’s pursuit of one-off federally-funded opportunities is less likely to achieve the improved care and reduced spending targets that are at the heart of all these models.

Each federal opportunity the state has obtained is unique, important, and has merit—Cal MediConnect, managed LTSS, Medicaid Health Homes, Whole Person Care Pilots, and the list goes on. It is now time to fit all of these program pieces into a sensible blueprint of care coordination with an articulated vision, mission, goals, and clear milestones for progress.

Other states like Minnesota and Mississippi have created a statewide blueprint that is guiding transformation of their aging and long-term care services. This blueprint has helped these states stay on course toward a “north star” regardless of political or budgetary changes they may face. It also helps delivery systems and consumer advocates feel confident in the state’s policy direction, which leads to these players staying in the process when times get tough.

Without a California blueprint, there is no way to assess the relative value and impact of these current programs, and more importantly, there is no basis for making policy determinations about how to prioritize and address future needs. What if California had a limited and possibly capped amount to spend in the Medi-Cal program, where should these dollars go for adults with complex care needs? Adult protective services? Community supports? Health care? Housing? IHSS? And worse, if California were faced with another substantial budget deficit as it did a few short years ago, and substantial cuts to an already fragile siloed system were required, where should they come from? Currently the state does not have a clear method to answer these questions, which can result in the use of blunt policy and fiscal instruments where people and programs get hurt.

IT IS NOT TOO LATE FOR A COURSE CORRECTION

The SCAN Foundation has worked on these issues for almost a decade and we see enormous opportunity for state leadership to continue on the path toward better, more integrated care and services. Here are five recommendations for advancing a substantially more effective and efficient system of care to meet the needs of vulnerable Californians.

- 1) **Create a comprehensive aging blueprint for California** that is responsive to the enormous challenges identified by both the Senate Select Committee on Aging and LAO.
- 2) **Create Agency-level leadership** within HHS that has interdepartmental responsibility and oversight of cross-cutting aging issues, as recommended by the Senate Select Committee.
- 3) **Work to make Medicare-Medicaid coordination a success** by not carving out major services and holding both DHCS and the health plans accountable for successful integration.
- 4) **Grow, and not reduce opportunities for essential care coordination** for those who need it the most.
- 5) **Complete and pilot a minimum viable uniform assessment tool**, possibly as part of a health plan’s health risk assessment, to support care planning and coordination across all models that serve older Californians with complex care needs.