



Bureau of TennCare

TennCare II Extension (No. 11-W-00151/4)

Evaluation Design

**Submitted by the Bureau of TennCare
Revised November 16, 2018**

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Part I

Introduction and General Background Information about the Demonstration

I. Introduction and General Background Information about the Demonstration

TennCare I (1994-2002). TennCare I, the original TennCare demonstration waiver, was implemented on January 1, 1994. At the start of TennCare I, Tennessee moved all of its Medicaid eligibles and almost all of its Medicaid program into a managed care model. The managed care “penetration rate” in Tennessee Medicaid went from about 3 percent to 100 percent virtually overnight.

The original TennCare design was extraordinarily ambitious. It involved extending coverage to large numbers of uninsured and uninsurable people, who were allowed to enroll by filing simple one-page applications. Almost all benefits were delivered by Managed Care Organizations (MCOs) of varying size, operating at full risk. MCOs were given a good deal of discretion in how they delivered benefits to enrollees, with the assumption being that a true market-based strategy could work in a Medicaid environment much as it would in a business environment.

Several class action lawsuits were filed by public interest lawyers during this period, among them *John B.*, challenging the state’s delivery of EPSDT services to children; *Grier*, challenging the state’s medical service appeal procedures; and *Rosen*, challenging the state’s procedures for disenrolling demonstration eligibles. Consent Decrees or Agreed Orders were entered in each lawsuit, which significantly impacted the program’s operation.

TennCare II, first part (2002-2007). TennCare II, the new demonstration that started on July 1, 2002, revised the structure of the original program in several important ways.

The program was divided into “TennCare Medicaid” and “TennCare Standard.” TennCare Medicaid is for Medicaid eligibles, while TennCare Standard is for the demonstration population.

At the time that TennCare II began, several MCOs were either leaving the program or at risk of leaving the program, due to their inability to maintain financial viability. A Stabilization Plan was introduced under TennCare II whereby the MCOs were temporarily removed from risk. Pharmacy benefits and dental benefits were carved out of the MCO scope of services, and new single benefit managers were selected for those services. Enrollment of demonstration eligibles was sharply curtailed, with new enrollment being open only to persons with incomes below poverty and “Medicaid rollovers,” meaning persons losing Medicaid eligibility who met the criteria for the demonstration population.

In 2004, in the face of projections from an outside consultant¹ that TennCare was growing at a rate that would soon make it impossible for the state to both support TennCare and meet its obligations in other critical areas, Governor Phil Bredesen

¹ McKinsey & Company, “Achieving a Critical Mission in Difficult Times—TennCare’s Financial Viability,” December 11, 2003.

proposed a TennCare Reform package to accomplish goals such as “right sizing” program enrollment and reducing the dramatic growth in pharmacy spending. With CMS’s approval, the state began implementing these modifications in 2005.

TennCare II extension (2007-2010). The TennCare II extension approved in 2007 made additional revisions in the program, allowing the state to open a new demonstration category and requiring that demonstration children with incomes under 200 percent of poverty be classified as Title XXI children. The extension mandated a new cap on supplemental payments to hospitals, setting an annual limit for these payments of \$540 million.

It was during this extension period that TennCare began its first implementation of Managed Long-Term Services and Supports (MLTSS), carving nursing facility services and home and community based services (HCBS) for older adults and adults with physical disabilities into the managed care program. (The populations had previously been in managed care for physical and behavioral health benefits, but their LTSS had been delivered outside the managed care program.) This MLTSS program was entitled, CHOICES in Long-Term Services and Supports. The program was the result of comprehensive long-term care reform legislation: The Long-Term Care Community Choices Act of 2008, passed unanimously by both houses of the Tennessee General Assembly. There were three primary objectives for the CHOICES program: 1) improve quality and coordination of care; 2) expand access to and utilization of more cost-effective HCBS as an alternative to nursing facility care; and 3) rebalance LTSS expenditures for older adults and adults with physical disabilities.

Subsequent three (3)-year TennCare II extensions (2010-2013, 2013-2016)

At the onset of the next extension period, TennCare concluded statewide implementation of the CHOICES MLTSS program, transitioning LTSS for 23,076 individuals receiving services in a nursing facility, and 4,861 individuals enrolled in a Section 1915(c) waiver into the managed care delivery system.

The success of the CHOICES program in achieving its goals laid a foundation for the expansion of MLTSS to new populations. As the 2nd three (3)-year extension drew to a close, advocates asked TennCare to consider a MLTSS program for individuals with intellectual disabilities who faced a long waiting list in order to enroll in longstanding 1915(c) waivers, and for people with developmental disabilities, who theretofore, had not been defined among the target populations eligible for LTSS programs in Tennessee. The cost of HCBS in the existing 1915(c) waivers was high (roughly twice the national average) and offered opportunity to create a program that would support improved employment and other outcomes, while also using resources more cost-effectively in order to serve more people over time. Extensive stakeholder processes commenced in late 2013, leading to the design, approval, and implementation of the new program during the 3rd three (3)-year extension period on July 1, 2016: Employment and Community First CHOICES.

Employment and Community First CHOICES is an integrated MLTSS program for individuals with intellectual and developmental disabilities (I/DD) that fully comports with the HCBS Settings Rule and is specifically designed to promote and support integrated individual employment and integrated independent community living as the first and preferred option for individuals enrolled in the program. A comprehensive array of employment benefits, designed in consultation with stakeholders and with experts from the federal Office of Disability Employment Policy, help to create a pathway to employment, even for people with significant disabilities. Outcome-based reimbursement approaches align incentives to help support the achievement of individual employment goals, and increased independence over time in the employment setting.

TennCare today. The current TennCare II extension is effective from December 1, 2016 through June 30, 2021. As we look back over more than two decades of managed care experience, TennCare today has evolved and matured into a program barely recognizable from its early years. TennCare has weathered a number of legal and fiscal challenges, and the program today is characterized by stability, accountability, and innovation. All of the previously mentioned class action suits have ended, and although TennCare continues to operate in a litigious environment (with one new class action suit underway), the program is better positioned to avoid and defend against legal challenge. Managed Care Contractors (MCCs) are carefully chosen via a competitive procurement process and carefully monitored. All Managed Care Organizations (MCOs) are accredited by the National Committee for Quality Assurance (NCQA). Two of TennCare's three MCCs were the first health plans in the country to achieve NCQA's LTSS Distinction, by meeting certain evidence-based standards in the coordination of LTSS in areas such as conducting comprehensive assessments, managing care transitions, performing person-centered assessments and planning and managing critical incidents. The third is poised to do so in 2019. Enrollment and disenrollment procedures are well-established. Quality of care is measured and promoted with a variety of new mechanisms. There is a sophisticated appeals system in place to identify problems in service delivery and to handle complaints. And except for the longstanding fee-for-service 1915(c) waivers and a small remaining ICF/IID (Intermediate Care Facilities for Individuals with Intellectual Disabilities) benefit that currently remain outside of managed care, the program provides for an integrated and coordinated approach to the delivery of services and supports across the continuum. After 23 years of operation, TennCare has achieved a level of maturity where continuous performance improvement is a routine component of program operations.

Moreover, TennCare is now recognized as a national leader in Medicaid managed care, including MLTSS. Tennessee's comprehensive payment reform initiative is changing the landscape of service delivery in the state, aligning payment with improved quality outcomes and cost efficiency across payers and providers, including LTSS. TennCare consistently maintains medical trend rates at roughly half the national average for Medicaid programs and commercial plans², and TennCare health plans have the 3rd

² For Medicaid trend rates, see Kaiser Commission on Medicaid and the Uninsured at <http://files.kff.org/attachment/issue-brief-medicaid-enrollment-spending-growth-fy-2015-2016>. For cost

highest quality scores among the 11 states in the Southeast region.³ Most importantly, members are satisfied with the program, with satisfaction ranked at or above 90% for the 8th consecutive year.⁴

It is our intent that “TennCare tomorrow” will be even better, even stronger, and will continue to pave the way for innovation and effective implementation and oversight of Medicaid managed care programs across the country.

trend information for commercial insurers, see PwC Health Research Institute at <http://www.pwc.com/us/en/health-industries/health-research-institute/behind-the-numbers.html>

³ Based on comparisons of NCQA health plan ratings.

⁴ University of Tennessee, Boyd Center for Business & Economic Research (2016). The impact of TennCare: A survey of recipients. Available at <http://cber.haslam.utk.edu/tncare/tncare16.pdf>.

Part II

**Evaluation Questions
and Hypotheses**

II. Evaluation Question and Hypotheses

The Special Terms and Conditions (STCs) of the state's TennCare II demonstration specify that, "The state in its evaluation design shall focus its demonstration evaluation efforts on the CHOICES program, ECF CHOICES program and the state plan and demonstration populations enrolled in those programs. The state must include hypotheses and measures related to access to managed long term services and supports, improved health outcomes and beneficiary satisfaction for CHOICES and ECF CHOICES programs."

Accordingly, this evaluation will investigate how the CHOICES and Employment and Community First CHOICES MLTSS programs perform relative to fee-for-service programs (in the case of CHOICES, nursing facility services and the Section 1915(c) waiver that existed prior to the implementation of the program; and in the case of Employment and Community First CHOICES, the three Section 1915(c) waivers for individuals with intellectual disabilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities that continue to operate outside the demonstration) in achieving program objectives in these areas.

In order to identify baseline performance (i.e. prior to implementation of each MLTSS program component) and to measure performance improvement, TennCare created a baseline data plan for each program. The baseline data plan for each program identifies the key metrics that will be tracked over time for each program in order to determine whether program goals are being achieved.

Baseline Data Plan Approach: CHOICES Program

The CHOICES baseline data plan is organized around five key program objectives, all of which relate to access. In LTSS programs, access is a multi-faceted concept. The primary evaluation question is whether implementing the CHOICES MLTSS program has successfully expanded access to HCBS for older adults and adults with physical disabilities, as compared to the fee-for-service Section 1915(c) waiver that existed prior to the implementation of CHOICES. Secondarily, is whether design elements of the demonstration will help to ensure that improvements can be sustained over time, including as the demand for LTSS increases.

At the most basic level, data should support that a larger number of older adults and adults with physical disabilities have been able to access HCBS since implementation of the CHOICES program. At the program's inception, there was a waiting list for HCBS among these populations, with expanded capacity for enrollment contingent each year on new funding to support waiver program expansion. If the program, including the global budget approach in which money follows each person into the setting of their choice, is successful, the number of persons receiving HCBS should increase.

At the same time, however, when controlling for overall growth in the aging population, the number of people receiving services in a nursing facility should decline. This means

that more people are choosing HCBS and are able to access those HCBS in order to divert or transition from institutional settings into HCBS. Additional baseline measures help to track success in diversion and transition from institutional care.

A final facet of access in LTSS programs is cost. As a practical matter, states have a limited amount of Medicaid funding to support LTSS. Higher utilization of more expensive institutional services reduces the amount of program funding available to provide for increased access to HCBS. Because the ability to expand HCBS hinges on a rebalancing of long-term care expenditures, it is critical not just to track the number and percentage of people receiving HCBS versus institutional care, but also to track expenditures for HCBS relative to institutional care and to understand the relative average annualized cost of services in the two settings over time.

Baseline Data Plan Approach: Employment and Community First CHOICES Program

Like the CHOICES baseline data plan, the baseline data plan for Employment and Community First CHOICES is also organized around five key program objectives. However, in the case of Employment and Community First CHOICES, there are objectives and measures related to each of the program goals set forth in the STCs, including access to managed long term services and supports, improved health outcomes and beneficiary satisfaction.

The first evaluation question is whether implementing the Employment and Community First CHOICES MLTSS program will successfully expand access to HCBS for individuals with intellectual disabilities, for individuals with developmental disabilities, and across the I/DD population broadly, as compared to the fee-for-service Section 1915(c) waivers that existed prior to the implementation of Employment and Community First CHOICES. Secondly, is whether design elements of Employment and Community First CHOICES will help to ensure that improvements can be sustained over time, including as the demand for LTSS increases.

As with CHOICES, the program objectives and measures take into account the multi-faceted nature of access, but do not include measures related to diversion and transition since ICF/IID services remain outside the demonstration program. Data should support that a larger number of individuals with intellectual disabilities, a larger number of people with developmental disabilities, and a larger number of people across the I/DD population have been able to access HCBS since implementation of the Employment and Community First CHOICES program.

Also as with CHOICES, a critical facet of access in Employment and Community First CHOICES is cost. The higher average cost of services in the state's fee-for-service programs (ICF/IID and 1915(c) waiver) have made it difficult to provide services to all of the people who need them, and left no resources to provide services to people with developmental disabilities. It is thus critical to understand the relative average annualized cost of services in each program, in order to demonstrate that we are able to provide

services more cost-effectively, thereby expanding access for more of the people in the population who need LTSS. And even though institutional services are carved out of the demonstration, it is important to track expenditures for HCBS relative to institutional care and to ensure that we are continuing to focus investment in community-based, rather than institutional settings.

A second evaluation question for the Employment and Community First CHOICES program is whether implementing the new MLTSS program will successfully increase participation in integrated employment, earning at or above the minimum wage, as compared to the fee-for-service Section 1915(c) waivers that existed prior to the implementation of Employment and Community First CHOICES. This is the most critical health-related program goal. Employment status may have implications for an individual's health status. A study funded by CMS through a Medicaid Infrastructure Grant which included a review of the literature on the relationship between employment and health found "a consistent association between employment and better health and unemployment and poorer health," including for people with disabilities. The study suggested that, "One possible cost-effective way to increase the health of members of Managed Long Term Care Systems is to promote and support the competitive employment of members, and that "[W]hen evaluating quality of Managed Long Term Care Systems, members' employment status may become an important outcome that cannot be ignored."⁵

The final evaluation question for the Employment and Community First CHOICES program is whether the new MLTSS program will improve the overall quality of life of persons with I/DD who enroll in the program and receive HCBS.

⁵ Hartman, E. A literature review on the relationship between employment and health: How this relationship may influence managed long term care. Available at <https://www.uwstout.edu/svri/upload/The-relationship-between-employment-and-health-A-literature-review.pdf>.

Part III

Methodology

III. Methodology

Following the baseline data plan created for each MLTSS program, this evaluation will conduct pre- and post-measurement of specified data elements in order to investigate how the CHOICES and Employment and Community First CHOICES MLTSS programs compare to fee-for-service programs (in the case of CHOICES, nursing facility services and the Section 1915(c) waiver that existed prior to the implementation of the program; and in the case of Employment and Community First CHOICES, the three Section 1915(c) waivers for individuals with intellectual disabilities and ICFs/IID that continue to operate outside the demonstration) in achieving program objectives. For purposes of expenditure analysis, costs may be trended forward for the baseline period in order to better understand how the MLTSS programs have impacted expenditures the State would otherwise have incurred. Statistical analyses will include the absolute change and percentage (or relative) change from the baseline measurement for each demonstration year.

For purposes of measurement, participants will be included in the target population only if they are enrolled in the applicable program and received one or more of the HCBS benefits available to program participants. Persons who enrolled in the program and subsequently disenrolled without having received any program benefits, or persons who enroll in the program and receive only state plan (i.e., TennCare benefits other than LTSS) will be excluded. For some measures, data may be reported by benefit group (i.e., CHOICES Groups 2 and 3, and Employment and Community First CHOICES Groups 4, 5, and 6, and upon CMS approval and implementation, Groups 7 and 8) as well as across HCBS benefit groups in the program. Data related to integrated employment outcomes may be limited to individuals of working age or reported by age groups in order to provide for more meaningful interpretation of results. Except for identified exclusions, all measures will be collected and reported across the entirety of the applicable population, and will not use any sampling methodology.

Baseline Data Plan: CHOICES Program

CHOICES program objectives, together with the baseline measures and the data elements to be collected are provided below.

All of the baseline data elements will be collected on the basis of program participation and program expenditures prior to or at the start of the CHOICES program. The data source for each of these elements is the Medicaid Management Information System. All of the CHOICES data elements identified below will be collected annually, beginning at one year after implementation, and measured against the baseline data elements each year. Metrics related to persons receiving LTSS (nursing facility or HCBS) are collected and reported in two ways: 1) as of a point in time—generally, at implementation and the conclusion of each demonstration year thereafter; and 2) over the course of time—generally, one year prior to implementation, and over the course of each demonstration year.

CHOICES Program Objective #1: Expand access to HCBS for older adults and adults with physical disabilities.

CHOICES Program Objective 1.1

Increase the number and percentage of older adults and adults with physical disabilities actively receiving HCBS at a point in time and over the course of each demonstration year compared to the year prior to implementation.

CHOICES Program Objective 1.2

Decrease the number and percentage of persons receiving nursing facility services at a point in time and over the course of each demonstration year compared to the year prior to implementation.

Baseline data elements:

- Number of older adults and adults with physical disabilities actively receiving HCBS as the time of CHOICES implementation and annually thereafter
- Unduplicated number of older adults and adults with physical disabilities receiving HCBS during the 12 months prior to CHOICES implementation and annually thereafter
- Number of persons receiving NF services at the time of CHOICES implementation and annually thereafter
- Unduplicated number of persons receiving NF services during the first year after CHOICES implementation and annually thereafter

CHOICES Data Elements:

- Number of older adults and adults with physical disabilities actively receiving HCBS one year after CHOICES implementation and annually thereafter
- Unduplicated number of older adults and adults with physical disabilities receiving HCBS during the first year after CHOICES implementation and annually thereafter
- Number of persons receiving NF services one year after CHOICES implementation and annually thereafter
- Unduplicated number of persons receiving NF services during the first year after CHOICES implementation and annually thereafter

CHOICES Program Objective #2: [Re]balance TennCare spending on long-term services and supports for older adults and adults with physical disabilities to increase the proportion that goes to HCBS.

CHOICES Program Objective 2.1

Increase HCBS expenditures for older adults and adults with physical disabilities (based on encounters, not capitation payments) as a percentage of total long-term care

expenditures for older adults and adults with physical disabilities during each demonstration year compared to the year prior to implementation.

CHOICES Program Objective 2.2

Decrease nursing facility expenditures for older adults and adults with physical disabilities (based on encounters, not capitation payments) as a percentage of total long-term care expenditures for older adults and adults with physical disabilities during each demonstration year compared to the year prior to implementation.

Baseline Data Elements:

- HCBS expenditures for older adults and adults with physical disabilities during the 12 months prior to CHOICES implementation
- HCBS expenditures for older adults and adults with physical disabilities during the 12 months prior to CHOICES implementation as a percentage of total long-term services and supports expenditures (excluding expenditures on LTSS for individuals with IDD)

Numerator: HCBS expenditures for older adults and adults with physical disabilities during the 12 months prior to CHOICES implementation

Denominator: Total LTSS expenditures (NF and HCBS for older adults and adults with physical disabilities) during the 12 months prior to CHOICES implementation

- NF expenditures during the 12 months prior to CHOICES implementation
- NF expenditures during the 12 months prior to CHOICES implementation as a percentage of total long-term care expenditures (excluding expenditures on LTSS for individuals with IDD)

Numerator: NF expenditures during the 12 months prior to CHOICES implementation

Denominator: Total LTSS expenditures (nursing facility and HCBS for older adults and adults with physical disabilities) during the 12 months prior to CHOICES implementation

CHOICES Data Elements:

- HCBS expenditures for older adults and adults with physical disabilities (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter
- NF expenditures (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter
- HCBS expenditures for older adults and adults with physical disabilities (based on encounters, not cap payments) during the first year following CHOICES

implementation and annually thereafter as a percentage of total long-term care expenditures (excluding expenditures for the population of persons with I/DD)

Numerator: HCBS expenditures for older adults and adults with physical disabilities (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter

Denominator: Total LTSS expenditures (NF and HCBS for older adults and adults with physical disabilities based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter

- NF expenditures (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter as a percentage of total long-term care expenditures (excluding expenditures for the population of persons with I/DD)

Numerator: NF expenditures (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter

Denominator: Total LTSS expenditures (NF and HCBS for older adults and adults with physical disabilities based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter

CHOICES Program Objective #3: Provide cost effective care in the community for older adults and adults with physical disabilities who would otherwise require NF care.

CHOICES Program Objective 3.1

Per person HCBS expenditures on older adults and adults with physical disabilities (based on encounters, not capitation payments) remain lower than per person NF expenditures on older adults with physical disabilities (based on encounters, not capitation payments) for each demonstration year.

Baseline Data Elements:

- Average per person HCBS expenditures for older adults and adults with physical disabilities during the 12 months prior to CHOICES implementation
- Average per person NF expenditures during the 12 months prior to CHOICES implementation

CHOICES data elements:

- Average per person HCBS expenditures for older adults and adults with physical disabilities (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter
- Average per person NF expenditures (based on encounters, not cap payments) during the first year following CHOICES implementation and annually thereafter

CHOICES Program Objective #4: Provide HCBS that will enable older adults and adults with physical disabilities who would otherwise be required to enter NFs to be diverted to the community.

CHOICES Program Objective 4.1

Increase the average length of stay in HCBS for each demonstration year compared to the year prior to implementation.

CHOICES Program Objective 4.2

Increase the percentage of new LTSS recipients admitted to HCBS during each demonstration year compared to the year prior to implementation

CHOICES Program Objective 4.3

Decrease the percentage of new LTSS recipients admitted to NFs during each demonstration year compared to the year prior to implementation.

Baseline data elements:

- Average length of stay in HCBS during the 12 months prior to CHOICES implementation
- Percent of new LTSS recipients admitted to NFs during the 12 months prior to CHOICES implementation

CHOICES Data Elements:

- Average length of stay in HCBS during the first year after CHOICES implementation and annually thereafter
- Percent of new LTSS recipients admitted to NFs during the first year after CHOICES implementation and annually thereafter

CHOICES Program Objective #5: Provide HCBS that will enable older adults and adults with physical disabilities receiving services in NFs to be able to transition back to the community.

CHOICES Program Objective 5.1

Decrease the average length of stay in NFs for each demonstration year compared to the year prior to implementation.

CHOICES Program Objective 5.2

Increase the number of persons who transitioned from NFs to HCBS during each demonstration year compared to the year prior to implementation.

Baseline data elements:

- Average length of stay in NFs during the 12 months prior to CHOICES implementation
- Number of persons transitioned from NFs to HCBS during the 12 months prior to CHOICES implementation

CHOICES data elements:

- Average length of stay in NFs during the first year after CHOICES implementation and annually thereafter
- Number of persons who transitioned from NFs to HCBS during the first year following CHOICES implementation and annually thereafter

Baseline Data Plan: Employment and Community First CHOICES Program

The baseline data plan for Employment and Community First CHOICES is also organized around five key program objectives. These objectives, together with the baseline measures and the data elements to be collected are provided below. All of the access-related measures will be collected on the basis of program participation and program expenditures prior to or at the start of the Employment and Community First CHOICES program, except as otherwise specified below.

The data source for each of the measures specified in objectives 1-3 is the Medicaid Management Information System. These data elements will be collected annually, beginning at one year after implementation, and measured against the baseline data elements each year. Enrollment data related to persons receiving HCBS are collected and reported in two ways: 1) as of a point in time—generally, at implementation and the conclusion of each demonstration year thereafter; and 2) over the course of time—generally, one year prior to implementation, and over the course of each demonstration year.

The data source for employment measures related to objective 4 is a standardized Employment Data Sheet (EDS), administered by the MCO for persons enrolled in MLTSS, and by the Department of Intellectual and Developmental Disabilities (the State I/DD agency) for persons enrolled in a 1915(c) waiver. TennCare collects employment data on all persons 62 years of age and under enrolled in MLTSS and in the 1915(c) service delivery system for people with intellectual disabilities. This data is collected on a calendar year, rather than demonstration year, basis. Typically these surveys are conducted during the annual person-centered planning meeting when updates are made to a person's support plan, but can also be conducted at other times, so long as it is conducted on an annual basis. The MCO Care/Support Coordinators and the DIDD Case Managers and Independent Support Coordinators complete the EDS survey and enter it into the State's FormStack system. Prior to the transition to FormStack, these surveys were entered into WuFoo, an online survey system with which the State held a subscription for the development and storage of survey data. EDS survey data will be the State's mechanism for collecting baseline employment measures. Calendar year 2016 (encompassing the six-month period prior to the start of program operations and the six-

month period immediately following program implementation) will be the baseline year. Data will be collected on an annual basis for each calendar year thereafter. The State can use this data to assess statewide trends, regional trends, trends by provider, by program, age of the person, MCO and employers.

Data pertaining to quality of life measures for objective 5 will be collected via a face-to-face assessment using the *National Core Indicators* (or comparable) survey tool. The tool will be administered by a neutral third party. Implementation of this survey in Employment and Community First CHOICES has been delayed because NASDDDS (the National Association of State Directors of Developmental Disabilities Services) has been unwilling to contract with TennCare (a State Medicaid Agency) to allow participation in the NCI. We hope to resolve this issue in order for NCI surveys to commence and to collect baseline data in 2019. If not, a comparable quality of life instrument will be used—the CAHPS Home and Community-Based Services Survey (HCBS CAHPS). The data will be collected on an annual basis thereafter.

ECF CHOICES Program Objective #1: Expand access to HCBS for individuals with intellectual and developmental disabilities.

ECF CHOICES Program Objective 1.1

Increase the number of individuals with ID actively receiving HCBS at a point in time and over the course of each demonstration year compared to the year prior to implementation.

ECF CHOICES Program Objective 1.2

Increase the number of individuals with DD actively receiving HCBS at a point in time and over the course of each demonstration year compared to the year prior to implementation.

ECF CHOICES Program Objective 1.3

Increase the number of individuals with I/DD actively receiving HCBS at a point in time and over the course of each demonstration year compared to the year prior to implementation.

Baseline data elements:

- Number of individuals with ID actively receiving HCBS at the time of Employment and Community First CHOICES implementation
- Unduplicated individuals with ID receiving HCBS during the 12 months prior to Employment and Community First CHOICES implementation

Employment and Community First baseline data elements:

- Number of individuals with ID actively receiving HCBS one year after Employment and Community First CHOICES implementation and annually thereafter
- Unduplicated number of individuals with ID receiving HCBS during the first year after Employment and Community First CHOICES implementation and annually thereafter

Data shall be reported for Employment and Community First CHOICES and across Medicaid HCBS programs including Section 1915 (c) waivers

Baseline data elements – Individuals with developmental disabilities (other than intellectual disabilities):

- Number of individuals with DD actively receiving HCBS at the time of Employment and Community First CHOICES implementation
- Unduplicated individuals with DD receiving HCBS during the 12 months prior to Employment and Community First CHOICES implementation

Employment and Community First CHOICES data elements – individuals with developmental disabilities (other than intellectual disabilities):

- Number of individuals with DD actively receiving HCBS one year after Employment and Community First CHOICES implementation and annually thereafter
- Unduplicated number of individuals with DD receiving HCBS during the first year after Employment and Community First CHOICES implementation and annually thereafter

Data shall be reported only for Employment and Community First CHOICES.

Baseline data elements – individuals with intellectual and developmental disabilities:

- Number of individuals with I/DD actively receiving HCBS at the time of Employment and Community First CHOICES implementation
- Unduplicated individuals with I/DD receiving HCBS during the 12 months prior to Employment and Community First CHOICES implementation

Employment and Community First CHOICES data elements – individuals with intellectual and developmental disabilities:

- Number of individuals with I/DD actively receiving HCBS one year after Employment and Community First CHOICES implementation and annually thereafter
- Unduplicated individuals with I/DD receiving HCBS during the first year after Employment and Community First CHOICES implementation and annually thereafter

Data shall be reported for Employment and Community First CHOICES and across Medicaid HCBS programs, including Section 1915(c) waivers.

ECF CHOICES Program Objective #2: Provide more cost-effective services and supports persons with intellectual and developmental disabilities.

ECF CHOICES Program Objective 2.1:

Decrease average per person LTSS expenditures on individuals with I/DD (based on encounters, not capitation payments, and fee-for-service expenditures) compared to the year prior to implementation.

Baseline data element:

- Average per person LTSS expenditures for individuals with I/DD during the 12 months prior to Employment and Community First CHOICES implementation

Employment and Community First CHOICES data element:

- Average per person LTSS expenditures on individuals with I/DD (based on fee-for-service payments and encounters, not cap payments) during the first year following Employment and Community First CHOICES implementation and annually thereafter

Data shall be reported for Employment and Community First CHOICES, Section 1915(c) waivers, ICF/IID services, and across Medicaid HCBS (including Section 1915(c) waivers and LTSS, including ICF/IID).

ECF CHOICES Program Objective #3: Continue balancing TennCare spending on long-term services and supports for individuals with intellectual and developmental disabilities to increase the proportion spent on HCBS.

ECF CHOICES Program Objective 3.1

Increase HCBS expenditures for individuals with I/DD (based on encounters, not capitation payments, and fee-for-service expenditures) as a percentage of total LTSS expenditures for individuals with I/DD during each demonstration year compared to the year prior to implementation.

ECF CHOICES Program Objective 3.2

Decrease ICF/IID expenditures as a percentage of total LTSS expenditures for individuals with I/DD (based on encounters, not capitation payments, and fee-for-service expenditures) during each demonstration year compared to the year prior to implementation.

Baseline data elements:

- HCBS expenditures for individuals with I/DD during the 12 months prior to Employment and Community First CHOICES implementation

- HCBS expenditures for individuals with I/DD during the 12 months prior to Employment and Community First CHOICES implementation as a percentage of total LTSS expenditures for individuals with I/DD

Numerator: HCBS expenditures for individuals with I/DD during the 12 months prior to Employment and Community First CHOICES implementation

Denominator: Total LTSS expenditures (ICF/IID and HCBS) for individuals with I/DD (based on fee-for-service payments and encounters, not cap payments) during the 12 months prior to Employment and Community First CHOICES implementation

- ICF/IID expenditures during the 12 months prior to Employment and Community First CHOICES implementation
- ICF/IID expenditures during the 12 months prior to Employment and Community First CHOICES implementation as a percentage of total LTSS expenditures for individuals with I/DD

Numerator: ICF/IID expenditures during the 12 months prior to Employment and Community First CHOICES implementation

Denominator: Total LTSS expenditures (ICF/IID and HCBS) for individuals with I/DD (based on fee-for-service payments and encounters, not cap payments) during the 12 months prior to Employment and Community First CHOICES implementation

Employment and Community First CHOICES data elements:

- HCBS expenditures for individuals with I/DD (based on fee-for-service payments and encounters, not cap payments) during the first year following Employment and Community First CHOICES implementation and annually thereafter
- ICF/IID expenditures during the first year following Employment and Community First CHOICES implementation and annually thereafter
- HCBS expenditures on individuals with I/DD (based on fee-for-service payments and encounters, not cap payments) during the first year following Employment and Community First CHOICES implementation, and annually thereafter, as a percentage of total LSS expenditures for individuals with I/DD

Numerator: HCBS expenditures on individuals with I/DD (based on encounters, not cap payments) during the first year following Employment and Community First CHOICES implementation, and annually thereafter

Denominator: Total LTSS expenditures (ICF/IID and HCBS) for individuals with I/DD (based on FFS payments and encounters, not cap payments) during the first year following Employment and Community First CHOICES implementation, and annually thereafter

- ICF/IID expenditures during the first year following Employment and Community First CHOICES implementation, and annually thereafter, as a percentage of total LTSS expenditures for individuals with I/DD

Numerator: ICF/IID expenditures on individuals with I/DD during the first year following Employment and Community First CHOICES implementation, and annually thereafter

Denominator: Total LTSS expenditures (ICF/IID and HCBS) for individuals with I/DD (based on FFS payments and encounters, not cap payments) during the first year following Employment and Community First CHOICES implementation, and annually thereafter

ECF CHOICES Program Objective #4: Increase the number and percentage of working age adults with intellectual and development disabilities enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage.

ECF CHOICES Program Objective 4.1

Increase the number and percentage of working age adults with I/DD enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage during each demonstration year compared to the baseline year.

Baseline data elements:

- Number of individuals with I/DD enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage at the time of Employment and Community First CHOICES implementation.
- Percent of individuals with I/DD enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage at the time of Employment and Community First CHOICES implementation.

Numerator: Number of individuals with I/DD enrolled in HCBS programs employed in an integrated setting earning at or above the minimum wage at the time of Employment and Community First CHOICES implementation

Denominator: Total number of individuals with I/DD enrolled in HCBS programs at the time of Employment and Community First CHOICES implementation

Employment and Community First CHOICES data elements:

- Number of individuals with I/DD enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage one year after Employment and Community First CHOICES implementation and annually thereafter
- Percent of individuals with I/DD enrolled in HCBS programs who are employed in an integrated setting earning at or above the minimum wage during the first

year following Employment and Community First CHOICES implementation and annually thereafter

Numerator: Number of individuals with I/DD enrolled in HCBS programs employed in an integrated setting earning at or above the minimum wage one year after Employment and Community First CHOICES implementation and annually thereafter

Denominator: Total number of individuals with I/DD enrolled in HCBS programs one year after Employment and Community First CHOICES implementation and annually thereafter

Data shall be reported for Employment and Community First CHOICES and across Medicaid HCBS programs including Section 1915(c) waivers.

ECF CHOICES Program Objective #5: Improve the quality of life of individuals with intellectual and developmental disabilities enrolled in HCBS programs.

ECF CHOICES Program Objective 5.1

Improve quality of life of individuals with I/DD during each demonstration year compared to the baseline year.

Baseline data element:

- Perceived quality of life of individuals with I/DD upon enrollment into Employment and Community First CHOICES as measured by the *National Core Indicators™* Survey

Employment and Community First CHOICES data element:

- Perceived quality of life of individuals with I/DD one year after enrollment into Employment and Community First CHOICES as measured by the *National Core Indicators™* Survey

Part IV

Methodological Limitations

IV. Methodological Limitations

The CHOICES program has been in existence for more than seven (7) years. While there is a comprehensive integrated *Quality Assessment and Performance Improvement Strategy* which encompasses the MLTSS programs, at the program's outset, the baseline measures of system performance for purposes of program evaluation were focused on expanded access to HCBS, taking into account factors such as cost and rebalancing which can significantly impact access in LTSS programs. While systems are now in place to collect satisfaction and quality of life data (using the newly implemented *National Core Indicators – Aging and Disability*TM survey tool), it would not be possible to go back in order to establish a baseline at inception or enrollment into the CHOICES program.

With respect to measurement of improved health outcomes, the most significant challenge in the CHOICES program is that roughly 90 percent of the persons enrolled are dual eligible beneficiaries, which means that Medicare and not Medicaid is primarily responsible for the delivery of preventive care and health outcomes such as the management of avoidable hospitalizations. While care coordinators in MLTSS programs can serve to help coordinate access to preventive care and assist in the identification and mitigation of factors that could lead to avoidable hospitalizations, as a practical matter, many of the Medicare providers are not in their networks, and even if they are, have little incentive under the Medicare payment structure to engage with MLTSS plans in these efforts.

Similar challenges in measuring health outcomes exist for individuals with I/DD in the Employment and Community First CHOICES program, except that the percentage of dual eligible beneficiaries is expected to be smaller (an estimated 70 percent if comparable with existing 1915(c) waiver participants). In that regard, focusing on employment as a critical health-related outcome measure helps to shift the focus to a measure not impacted by the often fragmented delivery of health care to the dual eligible population.

Coordination across systems is still important, however, since as in all states, the Vocational Rehabilitation agency plays a critical role in the delivery of employment services and supports. TennCare has worked with the State's VR Division to execute a Memorandum of Understanding that helps to delineate coordination across the two benefits structures in order to help ensure that MCOs are able to help members seamlessly access the employment supports they need to achieve employment outcomes.

Of note, employment data is collected on a calendar year, rather than demonstration year, basis. Calendar year 2016 (encompassing the six-month period prior to the start of program operations and the six-month period immediately following program implementation) will be the baseline year for ECF CHOICES Objective 4. Data will be collected on an annual basis for each calendar year thereafter.

One additional limitation in the Employment and Community First CHOICES program is that collection of quality of life data has not yet commenced. Implementation of this

survey in Employment and Community First CHOICES has been delayed because NASDDDS (the National Association of State Directors of Developmental Disabilities Services) has been unwilling to contract with TennCare (a State Medicaid Agency) to allow participation in the *National Core Indicators (NCI)*. We hope to resolve this issue in order for *NCI* surveys to commence and to collect baseline data in 2019. If not, a comparable quality of life instrument will be used. The data will be collected on an annual basis thereafter. Once we begin collecting baseline data, it will take time to gather sufficient survey data for evaluation purposes.