Increasing numbers of states are transitioning their Medicaid long-term services and supports (LTSS) systems from fee-for-service models to managed care models, raising concerns among stakeholders that services will be disrupted and consumer choices diminished. Recent managed care transitions in Kansas, New York, and Wisconsin were studied. The authors found that little changed for consumers during the transition period, and services were not disrupted. The findings are limited to the transition period studied. Longer-range impact on consumers of managed LTSS is unknown and should be monitored closely.

States increasingly are shifting from fee-for-service models to managed care models for Medicaid long-term services and supports (LTSS). The number of states with managed long-term services and supports (MLTSS) has grown from 8 in 2004 to 16 in 2012, and the number of people receiving Medicaid LTSS through managed care quadrupled during that period. Another 11 states plan to develop MLTSS programs this year.

This shift to managed care has raised concerns among stakeholders that LTSS will be interrupted during the initial transition to managed care and that services will be reduced over time as managed care contractors seek to lower costs. Stakeholders also have concerns about losing access to their providers.

From November 2012 through April 2013, Truven Health Analytics conducted a study for the AARP Public Policy Institute on consumer choices and continuity of care in Medicaid MLTSS. The study included analysis of contract provisions in 14 states and an in-depth review of how provisions were implemented during recent system transitions in Kansas, New York, and Wisconsin. The study also was informed by an AARP Public Policy Institute Innovation Roundtable meeting of national and state experts convened to discuss the findings.

Some of the findings:

- The three states studied established short-term “transition periods” designed to safely transfer LTSS consumers from one service delivery system to another without abrupt changes to the consumers’ experiences.

- In these recent implementations, LTSS consumers experienced little or no change as responsibility for their service plans segued from one service delivery system to another.
Protecting consumer choices within MLTSS programs is a high priority for stakeholders. A significant constraint on choice is the lack of sufficient or timely investment in consumer education to ensure informed decision making.

MLTSS practices continue to evolve. Emerging practices include the creation of transition periods, greater standardization of forms and processes across contractors, state-imposed provider rate structures, targeted outreach to LTSS stakeholders, continuation of existing consumer-provider relationships, and highly intensive monitoring of early program implementation.

The study was limited to short transition periods, during which existing individual service plans and LTSS providers remained largely in place. The policies and practices observed were effective at protecting consumer choices and continuity of care during the short transition periods, resulting in minimal disruption at the consumer experience level.

Although this study observed strong practices that protected consumer choices and continuity of care during the early implementation of MLTSS programs, it raises a longer-term question of how consumers will be affected over time as managed care entities are given greater discretion over provider contracting and service planning, especially given the goal of improving cost-effectiveness. As contractors gradually work with members to review and revise service plans where appropriate, and as they gain greater flexibility to manage their networks, the longer-range impact on choices and continuity is unknown and should be carefully monitored.