Balancing Incentive Program

Section 10202 of the Affordable Care Act

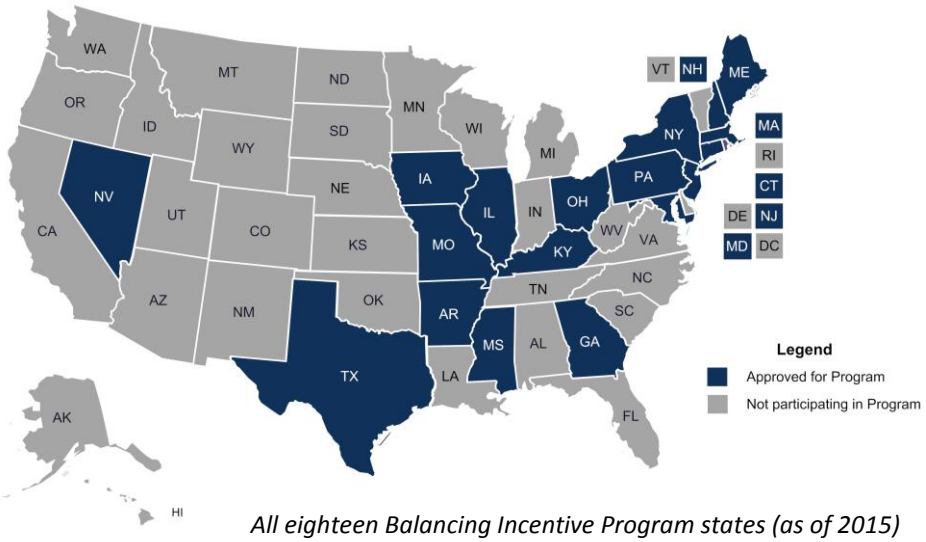
Summary Report | August 2015

Introduction

The Balancing Incentive Program, authorized by Section 10202 of the 2010 Affordable Care Act (ACA), aims to improve access to community-based long-term services and supports (LTSS). Through September 30, 2015, participating states receive enhanced Federal Medical Assistance Percentage (FMAP) on eligible services. States that spent less than half of their total LTSS dollars on community LTSS in 2009 receive 2% enhanced FMAP; states that spent less than 25% receive 5% enhanced FMAP.

Participation

States began applying to the Program on a rolling basis in 2011. New Hampshire, the first to enroll, began receiving payments in April 2012. Eighteen states are participating in the Program as it comes to a close in 2015. Over the life of the Program, states will earn approximately $2.5 billion of the $3 billion allocated by the ACA.



All eighteen Balancing Incentive Program states (as of 2015)

Requirements

As part of the Program, participating states are required to undertake three **structural changes**:

- **No Wrong Door (NWD) system** to streamline access to community LTSS
- A **Core Standardized Assessment (CSA)** that informs comprehensive and standardized care planning and eligibility determination processes
- **Conflict-free case management** to ensure services are driven by individuals' needs and choice, as opposed to providers' convenience or financial gain

States are also required to **spend Program funds** on activities that enhance community LTSS for the Medicaid population, including the above structural changes or the direct expansion of services (e.g., additional waiver slots).

Finally, by the end of the Program, states should **meet the "Balancing Benchmark,"** i.e., spend a certain percentage of total LTSS dollars on community LTSS (25% or 50% depending on the 2009 starting point).

Structural Changes

Balancing Incentive Program states are required to complete three structural changes by the end of the Program on 9/30/2015. State requirements and progress are described below.

No Wrong Door (NWD) System

The NWD system aims to provide individuals with information on community long-term services and supports (LTSS) and support the eligibility determination and enrollment processes. NWD entry points include an **established system of physical NWD entities**, an operational **toll-free number**, and a functioning **informational website**. In addition, states are required to use a **Level I screen** to systematically refer individuals to the next phase in the assessment process.

Many states are meeting these requirements by expanding the capacity of their Aging and Disability Resource Centers (ADRCs) – adding physical locations, rebranding current websites and toll free numbers, and training staff so they can address the needs of all community LTSS populations (IA, NJ, NY, TX). In addition, states are building NWD IT systems that capture Level I screening and Level II functional assessment data, while facilitating case management and referrals (AR, CT, IL, KY, MD, MS, PA, NH, NJ, NY, TX). Several of these systems are linked to states' Medicaid enrollment portals and health insurance exchanges, facilitating the coordination of the financial and functional assessments (PA, TX). In addition, most states are including Level I self-screens on their websites, linking individuals to resources based on responses. Due to lengthy procurement processes, several states will finalize their ambitious NWD IT systems after the end of the Program, but will meet NWD system minimum requirements (toll-free number, website, and Level I screen) by the deadline (IL, NH, NJ, NY).

Core Standardized Assessment (CSA)

States are required to develop CSA instruments for determining eligibility for community LTSS and/or developing individuals' plans of care. Within a given population, the CSA instrument and assessment process must be standardized. In addition, the CSA must include a Core Data Set (CDS) of required domains and topics. Some states have added questions to their existing tools in order to address all of the required domains and topics (GA, MA, ME, NH, NV, PA, TX), while other states are adopting new instruments (AR, CT, IA, IL, KY, MD, MS, NJ, NY, OH).

Conflict-Free Case Management (CFCM)

To control service utilization and ensure beneficiary choice of provider, participating states are required to reduce conflict of interest in the provision of community LTSS. If the same entity that provides community LTSS also conducts case management or performs assessments and eligibility determination, the state must implement mitigation strategies, including state oversight and administrative firewalls. Aging and developmental disability waivers are primarily conflict-free across all states, in that separate entities conduct each function. For the behavioral health population, on the other hand, in many states, one entity (e.g., community mental health centers) performs all functions. Therefore, states are implementing oversight activities, such as auditing a sample of assessments and surveying beneficiary satisfaction, and requiring that these functions operate out of separate departments within the entity.

Balancing Benchmark

By the end of the Program, states must meet the balancing benchmark, with either 25% or 50% of total LTSS expenditures spent on community LTSS. Eleven out of the 18 participating states have met the balancing benchmark as of 3/31/2015. Of the states that have not met the benchmark, GA, KY, NV and IL are within approximately two percentage points. IL and NJ have made significant progress since 2009, increasing the share of total LTSS spent on community LTSS by 20 percentage points.

State	2009	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
NH	41.2%	46.2%	45.6%	53.9%	59.3%	46.2%	53.8%	57.4%	53.3%	40.0%	47.4%	56.0%	54.1%
MD	36.8%		53.6%	52.1%	53.4%	53.0%	50.9%	54.8%	54.4%	60.3%	57.7%	58.9%	60.6%
GA	37.4%			N/A	46.4%	50.0%	49.1%	49.2%	49.1%	49.0%	49.2%	47.5%	48.5%
MO	40.7%			54.8%	51.2%	54.7%	55.6%	55.7%	52.7%	56.6%	56.1%	56.6%	60.6%
IA	39.8%				48.0%	48.2%	50.2%	50.0%	52.0%	48.0%	49.7%	51.1%	52.4%
MS*	14.4%				28.7%	30.1%	28.9%	27.4%	28.8%	30.9%	30.3%	30.4%	31.0%
TX	46.9%				59.8%	53.1%	56.4%	59.7%	59.3%	58.6%	56.9%	58.8%	58.5%
AR	29.8%						52.1%	48.7%	48.7%	53.9%	53.8%	49.7%	53.3%
CT	44.1%						45.2%	37.8%	47.3%	53.3%	48.1%	43.6%	49.0%
NJ	26.0%							38.5%	36.4%	42.5%	42.9%	46.1%	45.2%
NY	46.7%							54.3%	54.9%	56.3%	56.9%	58.8%	58.7%
IL	27.8%							30.8%	39.7%	43.0%	42.9%	44.4%	48.9%
OH	32.5%							42.7%	49.5%	51.1%	61.9%	60.5%	61.6%
ME	49.1%							53.2%	55.1%	55.8%	54.2%	56.8%	52.5%
KY	31.1%									41.5%	44.6%	49.5%	47.8%
NV	41.6%										48.3%	48.8%	47.5%
MA	44.8%										65.0%	65.1%	64.4%
PA	33.0%											45.1%	45.9%

= Did not participate in the Program long enough to submit a progress report.

Source: Attachment C of Balancing Incentive Program Instruction Manual; Program Progress Reports

** Mississippi is the only state with a balancing benchmark of 25%.*

Use of Enhanced FMAP

States are also required to spend the enhanced FMAP earned through the Program on initiatives that enhance access to community LTSS. States are spending their enhanced FMAP in the following areas:

Use of Funds	State
Support the **NWD System** through:	
Automation of the Level I screen, Level II assessment, care management, and referrals	AR, GA, IA, IL, ME, MO, MS, NH, NV, NY, TX
Purchase of tablets or laptops for assessors	MD, NV
Toll-free phone number. This work primarily entails enhancing the capacity of a pre-existing call center, so staff can administer the Level I screen and meet the needs of all community LTSS populations	IA, IL, MA, MD, ME, NH, NV, TX
Informational website development; some include tools that provide community LTSS resources based on individuals' needs	IA, MA, MO, NH, NV
Stakeholder engagement	AR, IL
Expansion of the NWD System, so physical entities have statewide reach	IA, MS, NY, TX
Increased capacity of NWD entities, so they are better equipped to support community LTSS for all populations	GA, IA, IL, MA, MD, MS, NY, TX
Advertisement campaigns to promote the NWD system and make individuals aware of community LTSS options	AR, IA, IL, MA, MS, NV
Develop and implement **Core Standardized Assessment** components:	
Level I screen	AR, GA, IA, IL, ME, MO, MS, NH, NV, TX
Level II assessment	AR, GA, IA, IL, MD, ME, MS, NV, NY
Assessor training	AR, IA, MA, MD, NH, NV
Single independent agency that conducts all assessments	IA, ME
Resource allocation strategy based on assessment findings	IA, MD, NH, TX
Evidence-based criteria to identify those at risk for institutional placements	NY
Promote **Conflict-Free Case Management** through:	
Identification and implementation of new policies	IA, ME, MS, NH, NY
Expand **Community LTSS** through:	
New services	CT, GA, IL, MD, ME, NJ, NY, OH, TX
New 1915(i) services or 1915(i) for new populations, such as individuals with mental health issues or ID/DD	CT, IA, MS, NY
Inclusion of new populations in waivers (e.g., mental health)	AR, CT, GA, MS
Support for Community First Choice	CT, MD, NY, TX

Use of Funds	State
Additional waiver slots	CT, GA, IA, IL, KY, MD, ME, MO, MS, NY, OH, PA,TX
Assistive technologies	NY
Support for community transitions from nursing homes or psychiatric hospitals	NY, TX, MA, MS, NJ
Access to substance abuse rehabilitation services	CT, IL, MS, TX
Increase Rates or conduct **Rate Studies** of various services**:**	
General	GA, IA, ME, MS, NY, TX
Nurse monitoring	MD
Case management	MD
Home health	GA, IA
Family care services	NY
Direct care workers	MA
Train:	
Direct care workers and case managers	MA, ME, MS, NH, NV
Care providers and first responders for the mental health population	NY
Discharge planners	NY
Award and support **Stakeholder and Provider Innovations:**	
New and innovative community LTSS models and services from providers	MD, NH, NY
Support **Additional Community LTSS Initiatives:**	
Program of All-Inclusive Care for the Elderly (PACE)	NY, OH, PA
Health Homes	NY
Employment initiatives	IL, NY
Managed LTSS (MLTSS) efforts, including building the capacity of providers to become networked	NJ, NY
Services for crisis reduction (e.g., 24/7 crisis response system, crisis stabilization team)	IL, MS, NY
Peer support	CT, IL, MS
Demonstrations related to Money Follows the Person (MFP)	CT
Olmstead Planning/Placements	ME
Development of Incident Management Reporting Systems	NV
Elder Home Care Service Utilization Enhancement	MA