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Enabling Conflict-Free Case Management

The importance of independently assessing need for long-term services and supports

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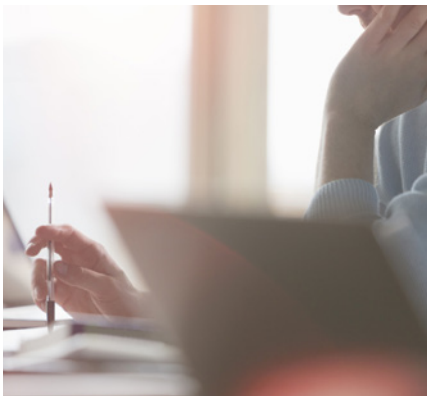

One of today's biggest healthcare challenges is addressing the need for long-term services and supports, or LTSS. Demand for these services is surging as our population ages and the number of people with disabilities increases. Meeting their diverse needs requires a continuum of LTSS services. One of the most important is effective and efficient conflict-free and person-centered case management.

Case management can include actions such as developing service plans, arranging services, resolving crisis situations, developing or managing budgets, monitoring services or, in some cases, acting as gatekeepers. But the most important function involves performing assessments and identifying a participant's needs and strengths.

Causes of Conflicts

As LTSS programs became more widespread over the last few decades, a number of service providers expanded their operations with case management agencies. However, having case managers and providers in the same organization can increase the risk for conflicts of interest. An assessor employed by a provider has an incentive to recommend more expensive treatments and care options, whether they are necessary or not – or, in some cases, not recommend what a participant needs in order to reduce costs.

This risk is high even when the case management and service units are separate but grouped within the same organization. For example, one state noticed that a significant number of program participants were assigned to group homes even though some could have functioned well in independent living settings. Some administrators thought that the provider was influencing the participants' choices. This was not an isolated case; throughout the years, there have been reports of self-referral and decisions more aligned with a provider's financial performance than a participant's needs. Some of these conflicts were not necessarily conscious decisions but a consequence of an organization's incentives or penalties that may not support a participant's best interests.

Addressing the Issue

The Centers for Medicare & Medicaid Services (CMS) has recognized common areas for this type of conflict of interest. The discoveries have shaped national health policy. The Affordable Care Act authorizes a Balancing Incentive Program to qualifying states that requires them to provide "conflict-free" case management. Additionally, both Sections 1915 (i) (HCBS State Plan Option) and 1915(k) (Community First Choice Option) include requirements to establish conflict of interest standards for functional need assessment as well as independent evaluation and assessment. These provisions target conflicts of interest that may occur when the entity being paid for services employs the person who makes service determinations. CMS has published guidelines on how states can comply with these requirements.

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Ideally, a conflict-free system should include:

- A separate clinical or non-financial eligibility determination.
- No relationship by blood or marriage to the participant.
- Robust monitoring and oversight with state engagement.
- A clear, well-known and accessible grievance and/or appeal process.
- The ability to track grievances, complaints, appeals and resulting decisions.
- A meaningful stakeholder engagement process.

There are a number of ways to prevent potential conflicts of interest. CMS guidance suggests three basic options:

- The state retains control of the assessment.
- The state contracts with an outside independent entity. The company providing the initial assessment must not have any financial interest in the amount or type of long-term services the beneficiary chooses.
- The state allows assessment and services to coexist in one organization if the organization establishes firewalls separating the two units.

The trend among states to move LTSS participants to managed care is fueling the debate as to how to provide unbiased, informed and independent assessments. At least 25 states are considering moving to a managed care model. Most of these plans are taking on risk and have some financial interest in the outcomes.

How will Medicaid managed care plans remove conflict of interest from case management and assessments? Most plans favor the firewall option as it requires the least change from the current system.

But will interior firewalls eliminate conflicts of interest? And will participants trust them?

Reducing Worry and Improving Perception

There may be disagreement over the best approach, but an independent assessment from an impartial outside entity is the best option. It is unbiased and leaves participants and their families with a detailed document of the participant's needs, strengths and goals. This report provides a solid foundation for measuring provider or plan performance. And it reduces worry that care decisions might be driven by factors unrelated to the participant's well-being.

In other markets, when financial institutions need an audit or patients need a second opinion from specialists, the best choice is always the most independent. Companies don't certify audits internally; they hire an outside CPA. If someone needing surgery wants a second opinion, they go to a doctor not affiliated with the attending physician. Why wouldn't we want the same for seniors and individuals with disabilities who are seeking services and supports?

Though many states are opting for the firewall approach, some are choosing independent entities for eligibility assessments. This is a good first step, but it needs to go further. Programs should provide participants and their families with solid recommendations for needs, goals and options – not just a stamp that says, "You are eligible for services." People should be empowered and provided the information to make unbiased choices.

The long-term care system today needs to enable more social and active lives for its participants. Caring for them should not be a burden, but rather an opportunity to improve their lives. Providing independent assessments is a crucial step in the journey to make this happen.

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