Strengthening Post-Acute Care towards Meeting the Goals of AHEAD

Focus Group Meeting - Access and Costs
March 16, 2026

Will identify/address missing issues, but focus is on generating recommendations.

AGENDA

- Roll call
- Brief overview of AHEAD regulatory working group multi-agency work plan and post-acute care topic
- Access and costs
  - Hospital discharge barriers
  - Levels of care
  - Reimbursement mechanisms
- Next session will address issues related to value

Roll Call

Brief Overview of Multi-Agency Work Plan and Post-Acute Care Topic

Work Plan Overview

- Last September, Governor Moore issued a directive creating a working group of State regulatory agencies to develop a workplan identifying priority topics to be addressed that have implications for Maryland's performance under the AHEAD Model.
- Working group submitted plan in October including following topics:
  - Cost-shifting policy
  - Medicare Advantage Market Stabilization
  - Choice and Competition
  - Workforce and Graduate Medical Education
  - ***Post-Acute Care***
  - Total Cost of Care and Primary Care Targets

Post-Acute Care Topic

- Post-acute care spending included in total cost of care under AHEAD Model and PAC has implications for other types of spending
- For instance, work plan noted challenges in efficiently discharging patients to clinically-appropriate post-acute care settings
  - This causes patients to remain in the hospital which increases total cost of care
  - Other issues such as hospital admissions/readmissions from post-acute care
- Work plan called for identifying opportunities for alignment across existing programs and policies such as value-based purchasing and hospital readmission payment policies

Post-Acute Care Topic

- Report also required to provide recommendations related to post-acute care:
  - Quality
  - Access
  - Cost savings
  - Impact of mergers and acquisitions
- Working closely with HSCRC given work of ED Wait Times Commission
  - Wait times affected by hospital bed availability, sometimes caused by patient discharge delays
- Draft report due June 2026, final report in Fall 2026
- Possible program implementation (depending on resulting recommendations) to be effectuated starting in Fall 2026 through CY 2027

Hospital Discharge Barriers

Hospital Discharge Barriers - Summary of the Issue

- Example: Challenges for placing patients in clinically-appropriate post-acute care
  - Perception that there is insufficient bed capacity at nursing homes and insufficient assisted living facility capacity
  - Concerns about accepting certain patients such as those with:
    - Aggressive behavior and behavioral health issues
    - High drug costs
    - Obesity
    - Health care needs that certain facilities are not equipped to address
  - Post-acute care prior authorization denials
  - Delays in Medicaid eligibility determinations affecting access to certain services
  - Staffing shortages (widespread, at all levels)

Hospital Discharge Barriers - Discussion Questions

- Question Set 1
  - During and post-COVID, acute and post-acute health care facilities have experienced significant staffing shortages. Is there an actual shortage of nursing home beds or is the inability to get nursing homes to accept complex patients related to other issues such as staffing shortages or not wanting to accept high cost, high need patients? What would be needed to identify what is causing the perceived shortage?

- Question Set 2
  - To the extent that access issues are driven by staffing shortages, are staffing shortages having broader implications for quality of care?

Hospital Discharge Barriers - Discussion Questions

- Question Set 3
  - To what extent are shortages due to the labor market versus choices being made by facilities to reduce costs? What can be done to address this?
- Question Set 4
  - To the extent access issues are driven by concerns regarding reimbursement levels for certain types of patients, how should this be addressed in the context of a challenging state budget environment where increasing reimbursements is likely unrealistic? Would risk adjusting payments to account for factors that make it more or less costly to care for certain types of patients be applicable?

Hospital Discharge Barriers - Discussion Questions

- Question Set 5
  - To what extent are certain patients being discharged to settings that are not equipped to handle their health care needs, or vice versa, to high acuity settings equipped to provide a level of care in excess of what the patient needs? How can these situations be addressed?

- Question Set 6
  - How frequently do post-acute care prior authorization denials occur and under what circumstances? Are there policy options at the state level that could prevent inappropriate denials or otherwise expedite such authorizations?

Medicaid Eligibility Determination Process

- To apply for Medicaid, an individual must:
  - Be a Maryland resident and US citizen (or qualified non-citizen)
  - Meet income and asset limits
  - Fall into special categories (pregnant, income ≤ 138% of the poverty level, children, etc.)
  - Meet technical eligibility (e.g., age) and medical eligibility (e.g., required level of care) requirements
- Application process
  - Applicants must verify income, identity, US citizenship or immigration status, residency, and social security number
    - Proof of income must include 30 days of pay stubs or an employer letter or most recent W-2
  - Assets are verified through an Asset Verification System discussed on next slide
  - Medicaid has 45 days to review the application
- PAC services covered: nursing facility, intermediate care facilities, some chronic hospital/long-term acute hospital care, most home health services, assistance with activities of daily living, durable medical equipment, adult medical day care, case management

Medicaid Asset Verification

- Social Security Act requires an Asset Verification System (AVS)
  - Asset verification requests must be sent to financial institutions identified by the applicant AND institutions other than those identified by applicant
  - Verification must include open and closed accounts going back up to 5 years
  - Must prove the process was completed even if no accounts are found
  - AVS does not have a relationship with all possible financial institutions so applicants must occasionally provide documentation
- AVS can take up to 1 week to return results
  - Items not covered by AVS are dependent on applicant–extensions can be requested
- Intent of AVS is to
  - Ensure only members truly eligible receive benefits
  - Reduce cost
  - Reduce staff time

Hospital Discharge Barriers - Discussion Questions

- Question Set 7
  - To what extent are Medicaid eligibility determinations contributing to delays in hospital discharges or otherwise affecting access to certain types of services such as home and community based services, and what opportunities might there be to further expedite such determinations?

Levels of Care

Levels of Care - Summary of the Issue

- Example of varying levels of care
  - Home (self-care)
  - Home with home health (private duty vs. skilled)
  - Home with adult medical day care or other community supports
  - Assisted living
  - Nursing home (Long Term Care or Skilled Nursing Facility)
  - Residential treatment centers
  - Acute rehab centers and inpatient rehabilitation facilities
  - Chronic care hospitals
  - Hospice (at home or facility)

Levels of Care - Summary of the Issue

- Hospitals must find appropriate levels of care for patients discharged with varying health care needs
- Availability of clinically appropriate services also has implications for affordability and patient's quality of life
- Patients may only have access to a nursing home but be just as well-served by community-based options (home health)
  - A community-based option may have a similar outcome to a nursing home
  - Nursing homes are one of the most expensive post-acute care settings and patients must pay co-pays starting on day 21 of their skilled stay

Levels of Care - Discussion Questions

- Question Set 1
  - Maryland has one of the lowest average lengths of stay for hospice patients in the nation and there are concerns that patients are entering hospice too late in the process for them to receive the full benefit of hospice care. To the extent the hospice benefit is being underutilized, what factors may be contributing to this and how can they be overcome?
- Question Set 2
  - The number of Chronic Care Hospitals that provide long-term care to patients with complex medical conditions has been shrinking (now 5 down from 8), and there are 15 inpatient rehab facilities (or facilities with dedicated rehab beds) providing short-term therapy services post-discharge from acute care hospitals. Both types of facilities fill niches often not addressed by other post-acute care providers. Why have the number of Chronic Care Hospitals been disappearing and how can this be addressed? Are there any other alternatives to bridge between acute care hospitals and nursing homes for medically complex individuals? Are there a sufficient number of inpatient rehab facilities, and if not, why not?
- Question Set 3
  - Are there other levels of care issues in PAC that you are aware of that should be addressed?

Reimbursement Mechanisms

Reimbursement Mechanisms - Summary of Issue

- Medicaid benefits and associated reimbursement mechanisms do not currently exist for every form of post-acute care such as:
  - At-home medical adult day care
    - Medicare certified home care is only a short-term solution for home-based care
    - Private duty must be paid for out-of-pocket
  - Palliative care, including home- and community-based palliative care
- Payment is fragmented across settings (e.g., Medicaid passthrough)
  - PAC settings have different fee-for-service systems which makes it challenging to coordinate care (e.g., nursing homes use a daily rate, home health uses a 60-day episode payment)
  - Medicare Part A will pay for either nursing home or hospice care but not both simultaneously

Reimbursement Mechanisms - Summary of Issue

- Certain policies can result in increased spending for patients
  - For example, federal Medicare policy requires a 3-day inpatient stay in a hospital prior to admission to a skilled nursing facility. This can result in patients staying in the hospital (a high cost setting) longer than necessary.
- Also lack of reimbursement or awareness of reimbursement mechanisms for supports such as:
  - Health care and social service navigators
  - Housekeeping and related types of instrumental ADLs
  - Home safety and accessibility assessment performed by EMS professionals

Reimbursement Mechanisms - Discussion Questions

- Question Set 1
  - What other types of services and supports might lack reimbursement other types of financing mechanisms?
- Question Set 2
  - To what extent might reimbursement mechanisms or other sources of funding exist to pay for the types of services and supports listed on the last slide? To the extent that there is lack of awareness that such financing mechanisms exist, what could be done to build greater awareness?

Reimbursement Mechanisms - Discussion Questions

- Question Set 3
  - Might lack of funding for any of these types of services and supports contribute to increased health care spending? Is there published evidence indicating this might be the case?

- Question Set 4
  - When a nursing home resident is covered by both Medicare and Medicaid and chooses hospice, only the hospice provider must bill for services (including room and board). Medicaid must reimburse 95% of the nursing home's room and board rate to the hospice, and the hospice must "pass through" payment to the nursing home. Are there opportunities to modify this billing process?

Reimbursement Mechanisms - Discussion Questions

- Question Set 5
  - What types of reimbursement policies might be unduly burdening patients and/or affecting the type of care they receive that could be addressed by state policy?
- Question Set 6
  - Are there state policies that could address these cost sharing issues? What is the role of managed care in overcoming cost sharing issues?

Thank you!

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