REPORT TO THE TWENTY-NINTH STATE LEGISLATURE 2018

PURSUANT TO HCR 161, SESSION LAWS OF HAWAII 2017, REQUESTING THE CONVENING OF A WORKING GROUP RELATING TO COMPLEX PATIENTS

MED-QUEST DIVISION
DEPARTMENT OF HUMAN SERVICES
DECEMBER 2017

Executive Summary

The Hawaii State Legislature requested the Med-QUEST Administrator to create a working group to discuss the issue of complex patients who are waitlisted in hospitals because of medical or behavioral issues. The group was tasked with looking at potential solutions, including an add-on incentive payment to Medicaid long-term care per diem reimbursements when serving this population. The group had representation from the public, hospital, long-term care, and health plan sectors. In addition, each county was represented.

The group identified that complex patients experience delays in their facility discharges in two settings: hospitals *and* long-term care settings. Further, on top of medical and behavioral needs, complex patients also often have social needs. Moreover, much of the time these issues are co-occurring, thus making placement of a patient very difficult. A survey sent to a large group of providers, insurers, and agencies found that the top five issues are:

- Mental Health, Including Substance Use;
- Safe Discharges;
- Insurance Reimbursement and Coverage;
- Homelessness; and
- Guardianship.

There were robust discussions about the interplay of these conditions and how they make placement decisions difficult for complex patients. The discussions led to possible solutions such as specialization of facilities and community resources to address the complex needs. However, there was insufficient time to discuss the necessary details of feasibility and implementation logistics. In sum, there is important momentum for this group; the group has agreed to continue to meet to find workable solutions to the issue of complex patients.

History of Group

HCR 161, Session Laws of Hawaii (SLH) 2017, requested the Med-QUEST Administrator (the administrator) to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of their medical or behavioral health issues and to consider solutions – including, potentially, incentive or add-on payments – to encourage the transfer of patients out of hospitals and into more appropriate settings.

HCR 161 requested the administrator to invite the participation of the following:

1. The Department of Human Services (DHS);
2. The Healthcare Association of Hawaii (HAH);
3. A hospital or healthcare system from each county;
4. A skilled nursing facility from each county;
5. The Hawaii Medical Association (HMA); and
6. The Hawaii Association of Health Plans (HAHP)

The administrator invited participants from the above list of organizations. See Attachment A for a list of the participants.

The working group met three (3) times between September and November of 2017. Notes of each meeting were recorded and distributed to working group participants and others in attendance at the meetings. The agenda, meeting notes, and presentation materials from each meeting are available from HAH, which provided logistical support for the workgroup.

Background on Issue

A waitlisted patient is a hospitalized individual who has recovered sufficiently to no longer need the acute level of care that a hospital provides, but who cannot be safely transferred to a more appropriate setting facility because of a complex medical, behavioral, or social need, or combination thereof.

The most recent quantitative analysis of the issue, done in 2014 by the Hawaii Health Information Corporation, found that there were more than 7,000 waitlisted patients in Hawaii in 2011. These patients generated an annual loss to hospitals of $60 million. (The loss is the difference between reimbursement and cost.) Beyond the expense, waitlisted patients also occupy acute care beds rendering them unavailable for new patients. This at times causes Emergency Departments (ED) to go on diversionary status. This has clear implications not only for the financial sustainability of acute care facilities, but also for the quality and timeliness of care they are able to provide to patients who need it most.

This is not the first time that the Hawaii State Legislature asked stakeholders to come together to generate solutions to the issue of waitlisted patients. Concurrent resolutions passed in 2007[1] and 2008[2] asked the community to conduct a study on the issue and propose solutions. Those reports identified reimbursement, capacity, regulatory requirements, and workforce issues as the primary impediments to timely discharges from acute care facilities. While hospitals and the community have taken some steps to mitigate the waitlist issue, and the number of waitlisted patients on any given day is less than it was in 2007, many of the patients currently on waitlist are the most challenging to place and have complex medical, behavioral, or social needs, or a combination thereof. Overcoming the hurdles necessary to place these patients in appropriate post-acute care settings will require coordination and cooperation across the continuum of care.

[1] Requesting the Healthcare Association of Hawaii to Examine the Problem of Patients in Acute Care Hospitals Waitlisted for Long Term Care and to Propose Solutions, SCR 198, 24th Hawaii Legislature (SLH 2007)
[2] Requesting the Healthcare Association of Hawaii to Continue its Efforts to Develop Solutions to the Problem of Patients in Hospitals who are Waitlisted for Long-term Care, HCR 53, 24th Hawaii Legislature (SLH 2008)

Summary of Meetings

The first meeting provided the background on the topic, a summary of the work that had been done to date, and an overview of the Complex Patient Workgroup and HCR 161. The group then brainstormed potential barriers. A survey was envisioned to gather more information on the barriers, their relative impact on the impacted population and providers. The remaining meetings focused on the findings from the survey(s), and discussing in detail the identified barriers, with some potential solutions.

Meeting 1: In the first meeting of the working group, held on September 29, 2017, members reviewed the requirements of the HCR, previous work done to address the issue of waitlisted patients, and brainstormed potential barriers to the acceptance and discharge of waitlisted patients.

Three significant observations were identified during this discussion, which shaped the discussion and actions in subsequent meetings:

1. What makes a patient complex and challenging to place in many instances is not that they have one issue; rather, there are co-occurring issues, medical, behavioral, and/or social.

2. There are two main bottlenecks in getting patients back into the community and into the least-restrictive care and least-expensive setting. The working group identified that both bottlenecks had to be addressed in order to further solve for the waitlist problem in acute care settings. The first bottleneck is discharging patients from the hospital to a post-acute or community setting, and the second bottleneck is discharging patients from a post-acute setting back to a community-based setting. This second bottleneck is meaningful for hospitals because many post-acute facilities are reluctant to take on patients who will face barriers to discharge from the post-acute setting.

3. That increasing reimbursement for post-acute facilities was not a panacea for the waitlist issue. Additional money may be necessary in certain instances, but this is only one of the barriers identified.

During the first meeting the workgroup identified the following barriers:

1. Mental health, including substance abuse;
2. Homelessness;
3. Safe discharges;
4. Insurance reimbursement and coverage;
5. State and federal regulatory changes;
6. Access to durable medical equipment;
7. Care coordination in fee-for-service Medicare;
8. Workforce training;

9. Cost of building specialized facilities;
10. Family expectations;
11. Guardianship; and
12. Patients on Oahu from neighbor islands.

HAH created a survey for the workgroup to:

1. Rank these barriers on how many patients each barrier affects, and
2. How difficult each barrier is to solve.

The survey was sent to the workgroup on October 2, 2017. There were a total of six respondents to the survey—two respondents represented acute care hospitals; three respondents represented long-term care (LTC) facilities; and one respondent represented a health plan.

Results from Initial Survey

The ranking identified mental health (including substance abuse), homelessness, and safe discharges as the top three issues.

While these initial results were helpful, the group decided that more input was needed. The same survey—with a preamble explaining the concurrent resolution purpose and process was sent to an expanded group of respondents representing acute care hospitals, long-term care facilities, health plan, case management agencies, and government agencies.

Subsequent Survey Results

There were 36 different entities that participated in the second survey. Interestingly, the top five issues were the same between the two surveys, although the orders were slightly mixed. The full results of the survey, stratified by provider type and location, can be found in Appendix B. The following table shows the results, in rank order, from the survey to the expanded group.

All Respondents (N=36)	
Mental Health, Including Substance Use	1
Safe Discharges	2
Insurance Reimbursement and Coverage	3
Homelessness	4
Guardianship	5
Family Expectations	6
State and Federal Regulatory Changes	7
Access to DME	8
Workforce Training	9
FFS Medicare Coordination	10
Cost of Building Specialized Facilities	11
Patients on Oahu from Neighbor Islands	12

Identifying Barriers

The working group identified three main buckets within which these twelve concerns may be generally described:

1. Safe discharge, or inability to safely discharge;
2. Financial/reimbursement barriers; and
3. Social determinants of health.

Discussion – possible solutions

The charge of the legislative resolution was to have the administrator "convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues and to consider solutions that include incentive or add-on payments to encourage their transfer out of hospitals and into more appropriate settings." The working group discussed the specific charge of the resolution. However, in order to adequately and appropriately address the specific issues in the resolution, it became evident that a broader discussion was necessary. There is no one solution to placing complex patients, and just adding an incentive payment for post-acute facilities was not sufficient to address the systemic issues that make it difficult to place patients with medical, behavioral, and social needs, or combinations thereof.

The working group discussed and agreed that the waitlisted patients were not a homogenous population and therefore no single solution would suffice. For example, most post-acute facilities are not equipped to deal with morbidly obese patients. They typically do not have the right lifting equipment, beds, wheelchairs and other necessary equipment, nor appropriate staff training or size, to appropriately care for these patients. The same issues apply to community or home settings which are similarly not equipped for morbidly obese patients. Another example is behavioral health patients, which require specific resources and staff training in order to appropriately manage waitlisted patients with these needs. A further compounding factor is homelessness, in which case neither an acute or post-acute facility can appropriately discharge patients back to the street, especially if they require insulin, intravenous medications, oxygen, or require some level of on-going care.

Given the varying needs of these individual patient segments, the working group recognized that it was not reasonable or practical for all post-acute facilities to cater to these diverse needs, and that therefore a level of specialization may be required. One post-acute facility for example, in addition to taking care of the general population, could be equipped and monetized to cater to morbidly obese patients. Another facility could cater to patients with behavioral health challenges in a contained unit, separate from their general post-acute patients.

Discussion also focused on having similar specialization for community settings in which case post-acute facilities could safely discharge patients to foster homes or group homes that are equipped and monetized to appropriately care for these patients, thereby minimizing repeat and multiple readmissions and/or trips to the emergency room.

In addition to the discussion regarding specialization across the care continuum, the workgroup also discussed regulatory or structural issues. One such example is the challenge in establishing guardianship for patients who are unable to make decisions for themselves, for a variety of reasons, and for whom family members are either unattainable or unwilling to assume guardianship. Opportunities exist to address this issue and expedite the guardianship process.

The working group was unanimous in agreeing that having individuals from a variety of organizations and care settings was essential to further address the waitlist issue. Addressing issues across the entire continuum of care, from acute care through to community or home, was necessary in order to solve for the waitlist issue.

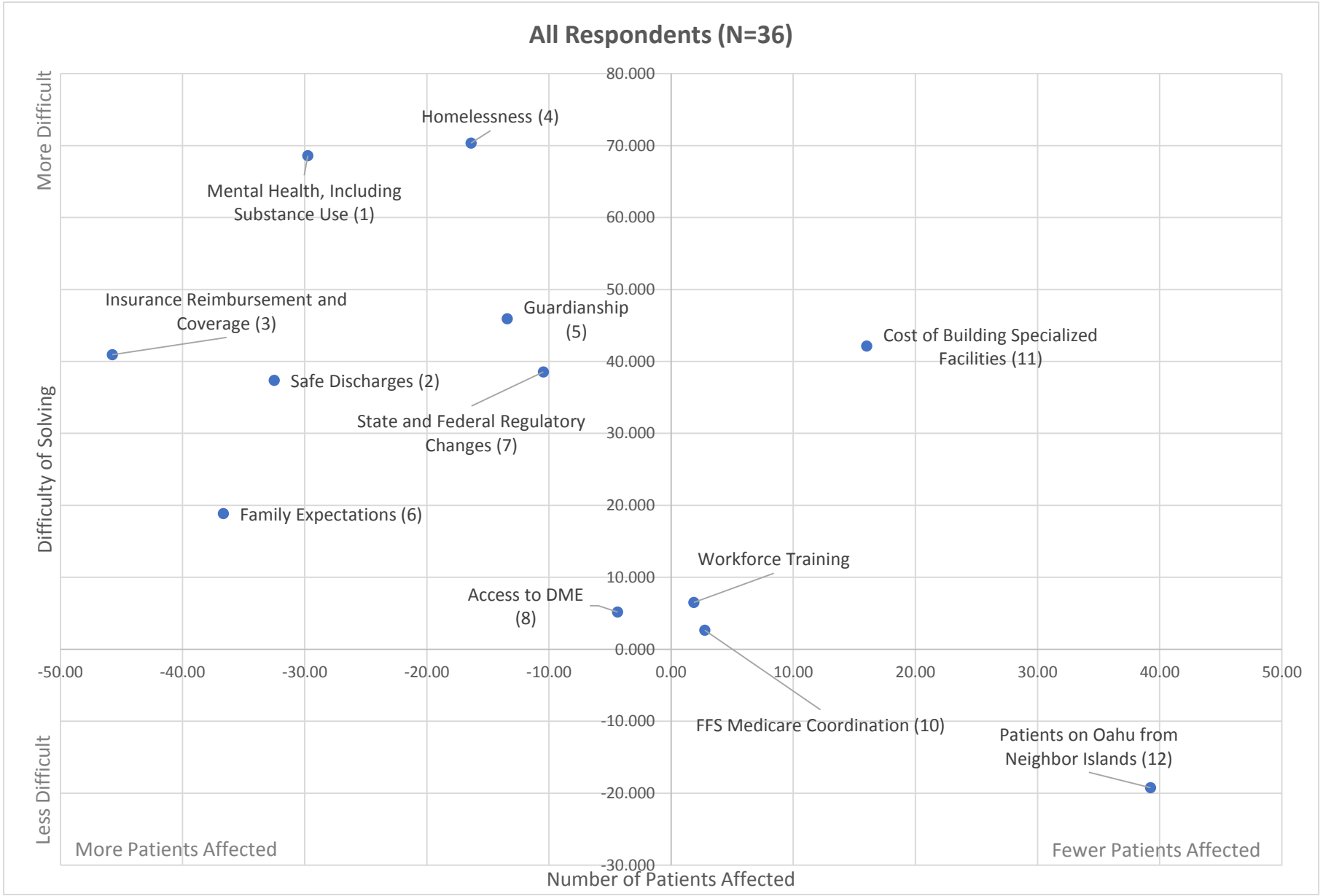
While the workgroup made significant progress during the period of time together, the members also agreed that identifying the issues and proposing solutions was only the beginning. Material further work is required in order to solve the waitlist issue, and the workgroup expressed a strong desire to continue to collaborate and work together on the solutions proposed. As a result, the group recommends scheduling more meetings in the near future to further discuss and provide implementation solutions to the issues identified.

Attachment A: List of Participants

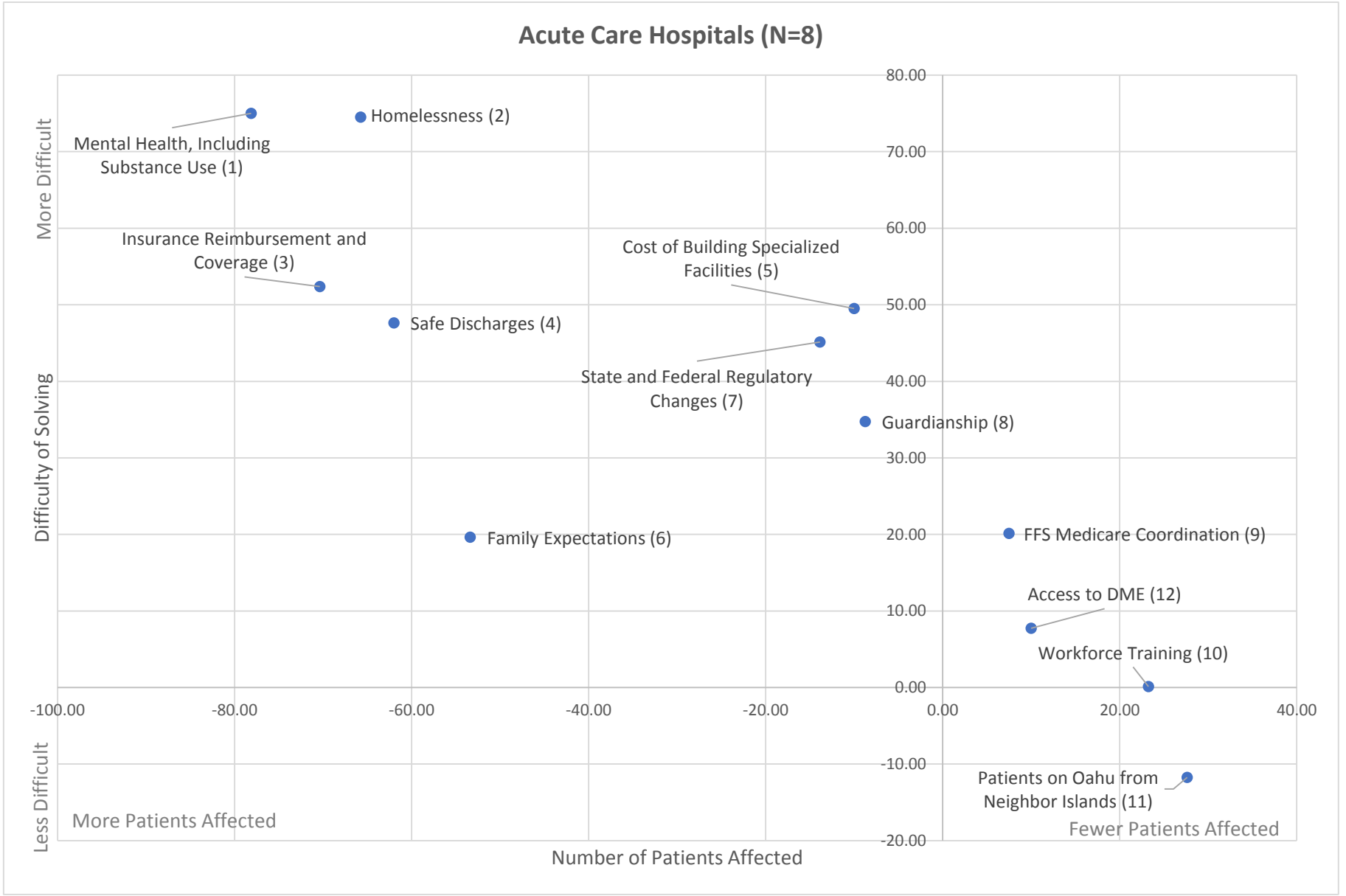
1. Avalon Healthcare
2. Hale Makua
3. Department of Human Services
4. Hawaii Health Systems Corporation
5. Hawaii Pacific Health
6. Healthcare Association of Hawaii
7. Kaiser Permanente Hawaii
8. Life Care Center of Hilo and Kona
9. Ohana Health Plan
10. Ohana Pacific Management
11. The Queen's Health Systems
12. United Healthcare

Appendix B: Expanded Survey Results

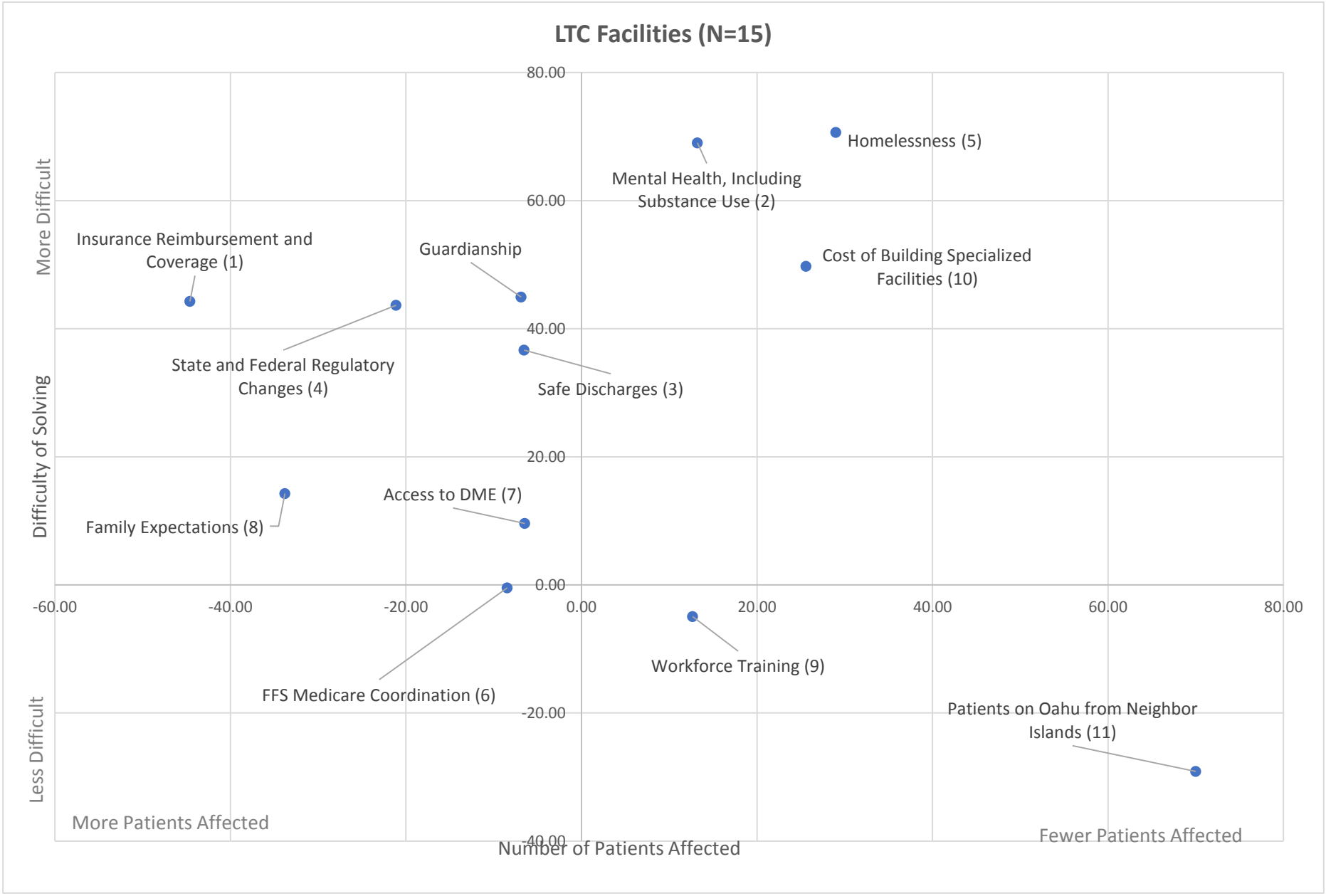
All Respondents (N=36)	
Mental Health, Including Substance Use	1
Safe Discharges	2
Insurance Reimbursement and Coverage	3
Homelessness	4
Guardianship	5
Family Expectations	6
State and Federal Regulatory Changes	7
Access to DME	8
Workforce Training	9
FFS Medicare Coordination	10
Cost of Building Specialized Facilities	11
Patients on Oahu from Neighbor Islands	12


All Respondents (N=36)
More Difficult
Less Difficult
Difficulty of Solving
Number of Patients Affected
More Patients Affected
Fewer Patients Affected
Homelessness (4)
Mental Health, Including Substance Use (1)
Insurance Reimbursement and Coverage (3)
Guardianship (5)
Cost of Building Specialized Facilities (11)
Safe Discharges (2)
State and Federal Regulatory Changes (7)
Family Expectations (6)
Workforce Training
Access to DME (8)
FFS Medicare Coordination (10)
Patients on Oahu from Neighbor Islands (12)
80.000
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0.000
-10.000
-20.000
-30.000
-50.00
-40.00
-30.00
-20.00
-10.00
0.00
10.00
20.00
30.00
40.00
50.00

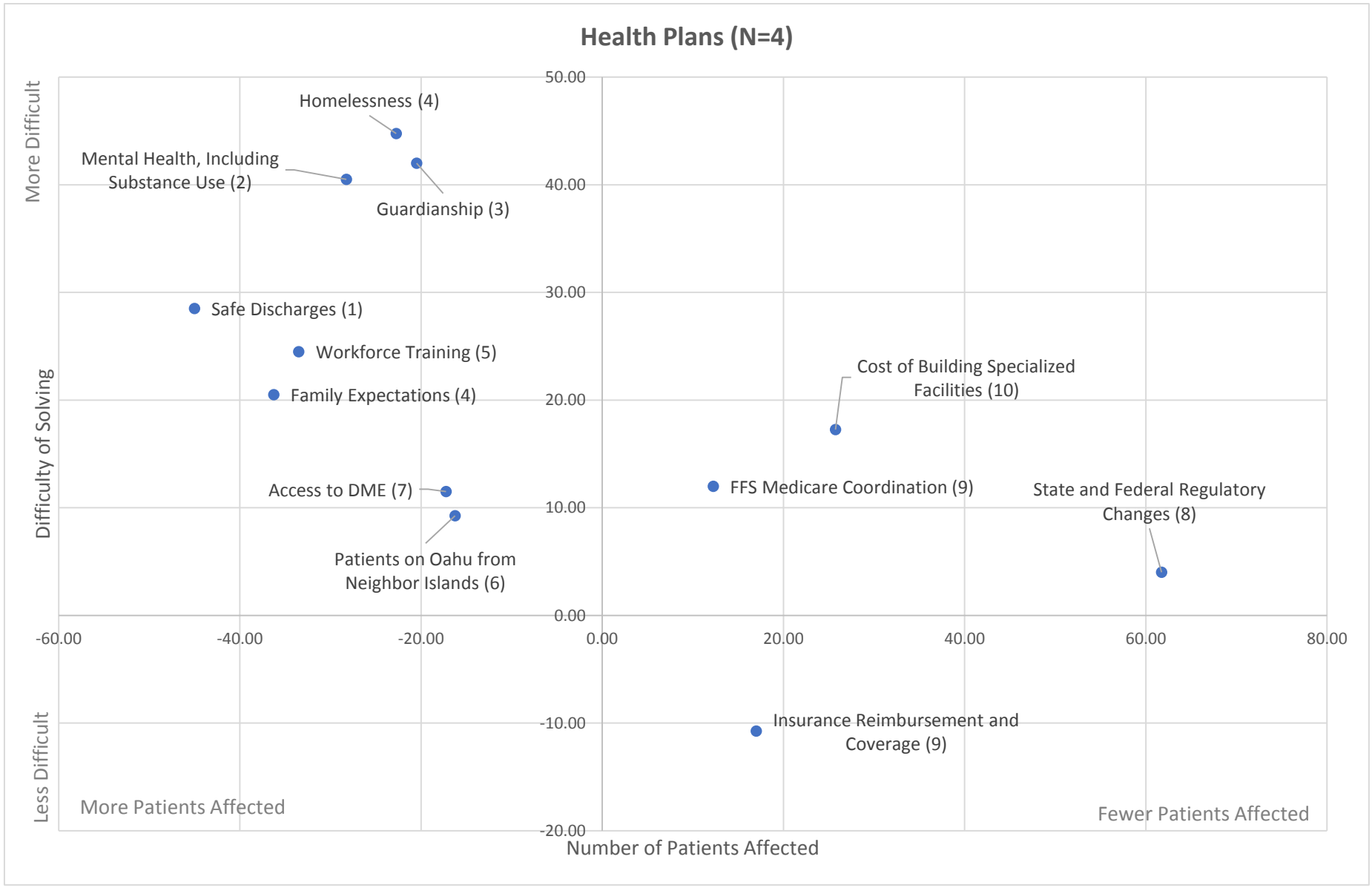
Acute Care Hospital (N=8)	
Mental Health, Including Substance Use	1
Homelessness	2
Insurance Reimbursement and Coverage	3
Safe Discharges	4
Cost of Building Specialized Facilities	5
Family Expectations	6
State and Federal Regulatory Changes	7
Guardianship	8
FFS Medicare Coordination	9
Workforce Training	10
Patients on Oahu from Neighbor Islands	11
Access to DME	12


Acute Care Hospitals (N=8)
Mental Health, Including Substance Use (1)
Homelessness (2)
Insurance Reimbursement and Coverage (3)
Safe Discharges (4)
Family Expectations (6)
Cost of Building Specialized Facilities (5)
State and Federal Regulatory Changes (7)
Guardianship (8)
FFS Medicare Coordination (9)
Access to DME (12)
Workforce Training (10)
Patients on Oahu from Neighbor Islands (11)
More Difficult
Less Difficult
Difficulty of Solving
More Patients Affected
Fewer Patients Affected
Number of Patients Affected
80.00
70.00
60.00
50.00
40.00
30.00
20.00
10.00
0.00
-10.00
-20.00
-100.00
-80.00
-60.00
-40.00
-20.00
0.00
20.00
40.00

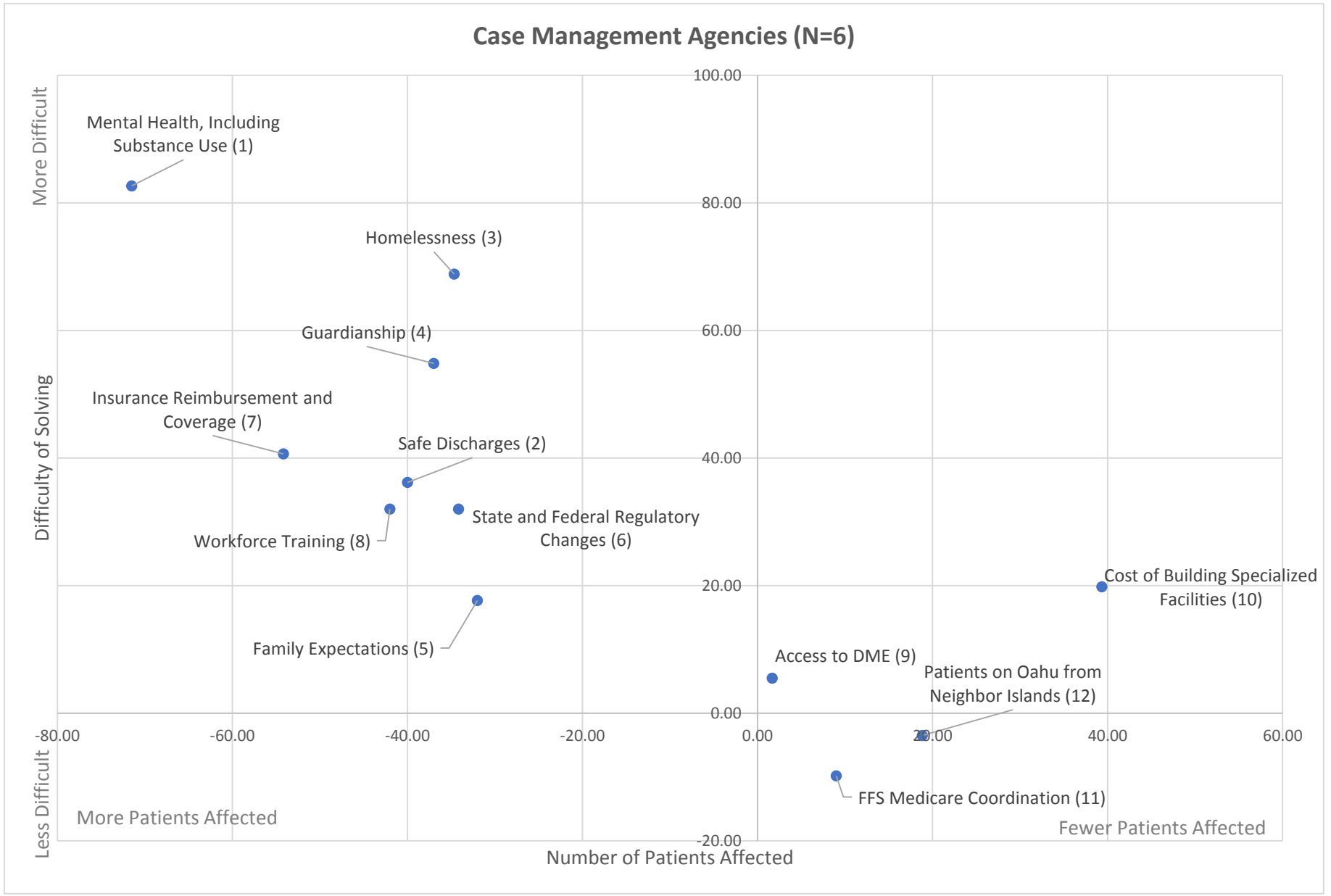
LTC Facilities (N=15)	
Insurance Reimbursement and Coverage	1
Mental Health, Including Substance Use	2
Safe Discharges	3
State and Federal Regulatory Changes	4
Guardianship	4
Homelessness	5
FFS Medicare Coordination	6
Access to DME	7
Family Expectations	8
Workforce Training	9
Cost of Building Specialized Facilities	10
Patients on Oahu from Neighbor Islands	11


LTC Facilities (N=15)
80.00
60.00
40.00
20.00
0.00
-20.00
-40.00
-60.00
-40.00
-20.00
0.00
20.00
40.00
60.00
80.00
More Difficult
Difficulty of Solving
Less Difficult
Number of Patients Affected
More Patients Affected
Fewer Patients Affected
Homelessness (5)
Mental Health, Including Substance Use (2)
Insurance Reimbursement and Coverage (1)
Guardianship
Cost of Building Specialized Facilities (10)
State and Federal Regulatory Changes (4)
Safe Discharges (3)
Access to DME (7)
Family Expectations (8)
Workforce Training (9)
FFS Medicare Coordination (6)
Patients on Oahu from Neighbor Islands (11)

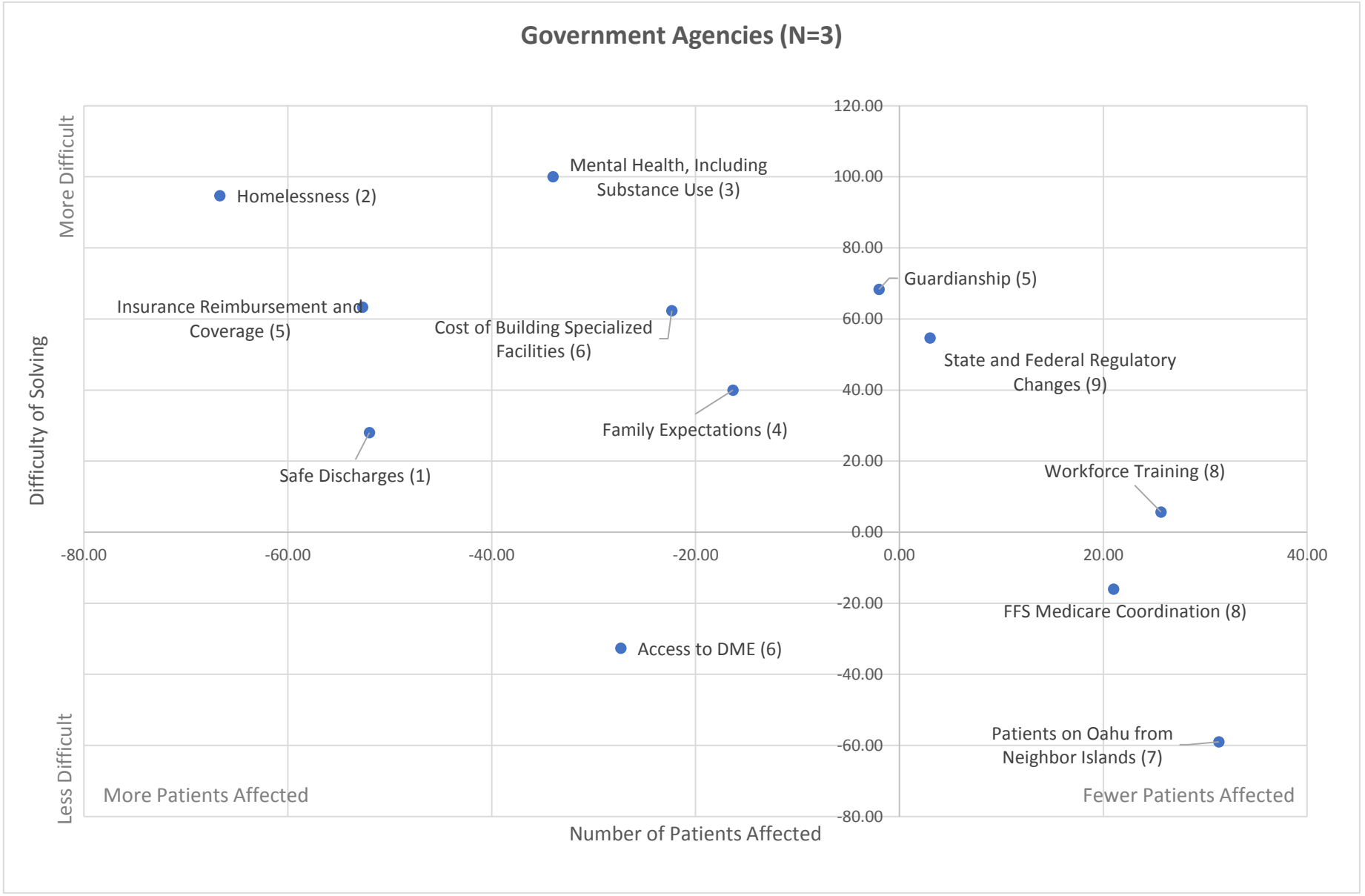
Health Plans (N=4)	
Safe Discharges	1
Mental Health, Including Substance Use	2
Guardianship	3
Family Expectations	4
Homelessness	4
Workforce Training	5
Patients on Oahu from Neighbor Islands	6
Access to DME	7
State and Federal Regulatory Changes	8
FFS Medicare Coordination	9
Insurance Reimbursement and Coverage	9
Cost of Building Specialized Facilities	10


Health Plans (N=4)
More Difficult
Difficulty of Solving
Less Difficult
Homelessness (4)
Mental Health, Including Substance Use (2)
Guardianship (3)
Safe Discharges (1)
Workforce Training (5)
Family Expectations (4)
Access to DME (7)
Patients on Oahu from Neighbor Islands (6)
Cost of Building Specialized Facilities (10)
FFS Medicare Coordination (9)
State and Federal Regulatory Changes (8)
Insurance Reimbursement and Coverage (9)
50.00
40.00
30.00
20.00
10.00
0.00
-10.00
-20.00
-60.00
-40.00
-20.00
0.00
20.00
40.00
60.00
80.00
More Patients Affected
Fewer Patients Affected
Number of Patients Affected

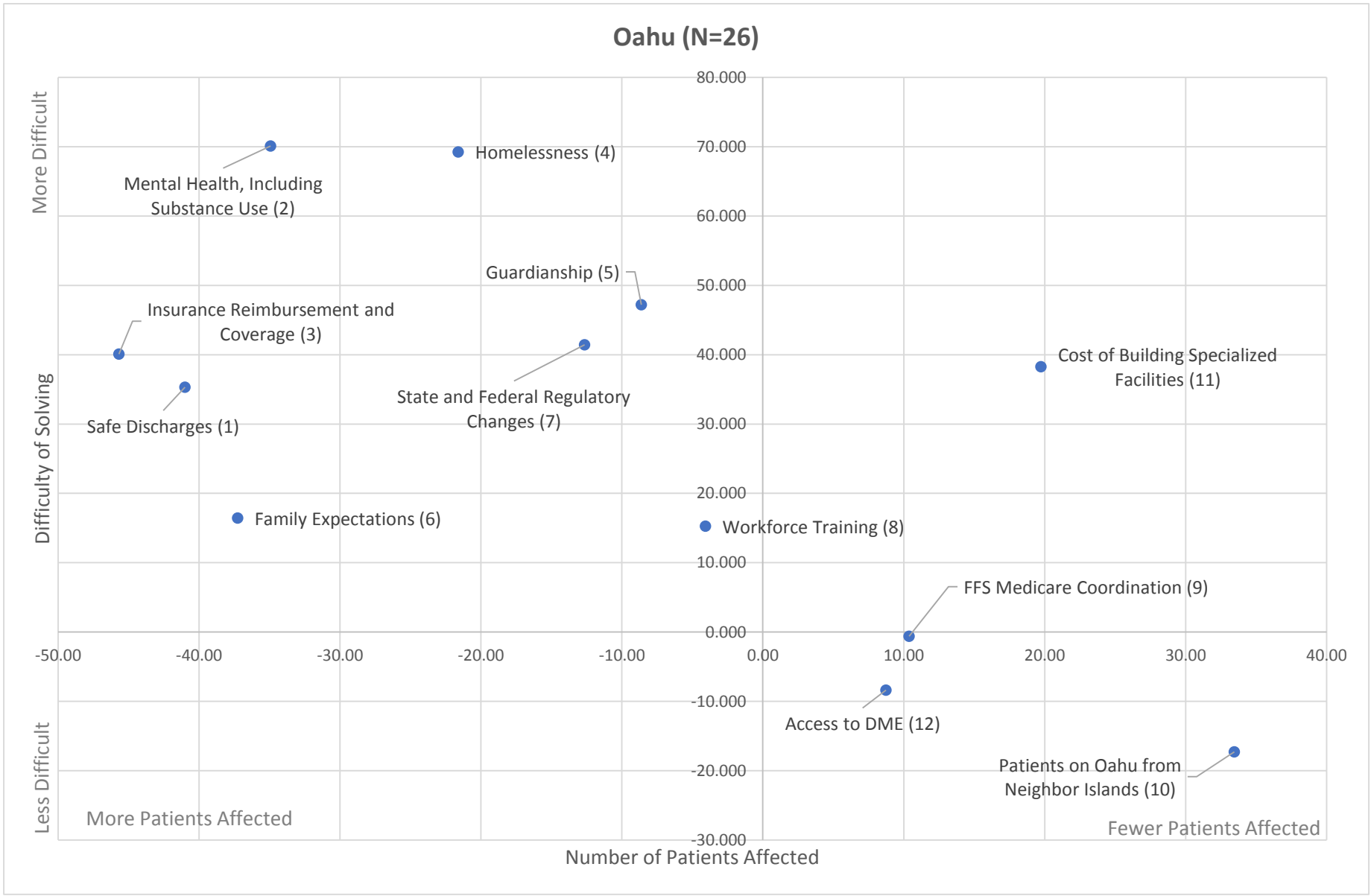
Case Management Agencies (N=6)	
Mental Health, Including Substance Use	1
Safe Discharges	2
Homelessness	3
Guardianship	4
Family Expectations	5
State and Federal Regulatory Changes	6
Insurance Reimbursement and Coverage	7
Workforce Training	8
Access to DME	9
Cost of Building Specialized Facilities	10
FFS Medicare Coordination	11
Patients on Oahu from Neighbor Islands	12


Case Management Agencies (N=6)
More Difficult
Difficulty of Solving
Less Difficult
Number of Patients Affected
More Patients Affected
Fewer Patients Affected
Mental Health, Including Substance Use (1)
Homelessness (3)
Guardianship (4)
Insurance Reimbursement and Coverage (7)
Safe Discharges (2)
State and Federal Regulatory Changes (6)
Workforce Training (8)
Family Expectations (5)
Cost of Building Specialized Facilities (10)
Access to DME (9)
Patients on Oahu from Neighbor Islands (12)
FFS Medicare Coordination (11)
100.00
80.00
60.00
40.00
20.00
0.00
-20.00
-80.00
-60.00
-40.00
-20.00
0.00
40.00
60.00

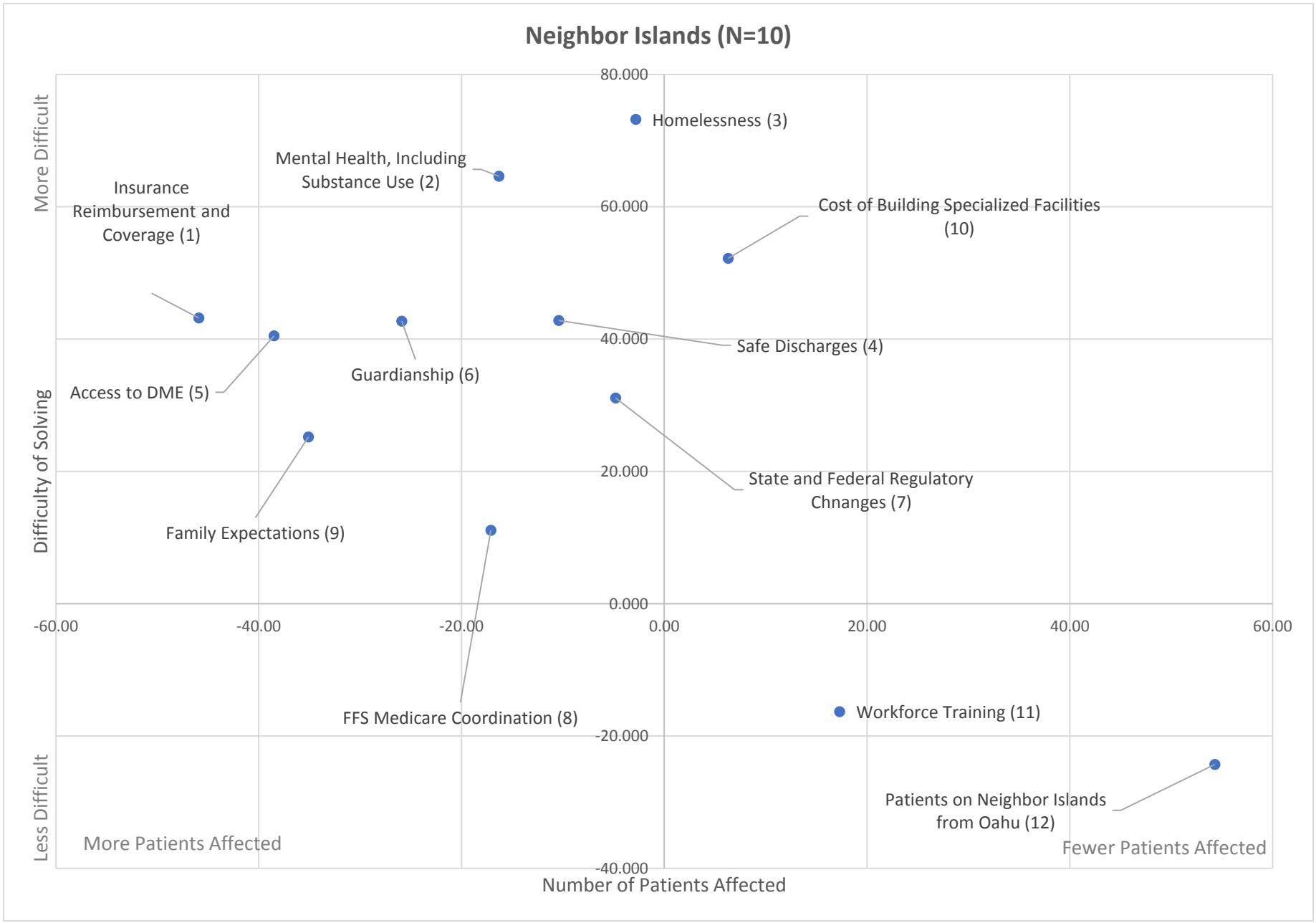
Government Agencies (N=3)	
Safe Discharges	1
Homelessness	2
Mental Health, Including Substance Use	3
Family Expectations	4
Insurance Reimbursement and Coverage	5
Guardianship	5
Access to DME	6
Cost of Building Specialized Facilities	6
Patients on Oahu from Neighbor Islands	7
FFS Medicare Coordination	8
Workforce Training	8
State and Federal Regulatory Changes	9


Government Agencies (N=3)
More Difficult
Difficulty of Solving
Less Difficult
Homelessness (2)
Mental Health, Including Substance Use (3)
Insurance Reimbursement and Coverage (5)
Cost of Building Specialized Facilities (6)
Guardianship (5)
State and Federal Regulatory Changes (9)
Family Expectations (4)
Safe Discharges (1)
Workforce Training (8)
FFS Medicare Coordination (8)
Access to DME (6)
Patients on Oahu from Neighbor Islands (7)
More Patients Affected
Fewer Patients Affected
Number of Patients Affected
120.00
100.00
80.00
60.00
40.00
20.00
0.00
-20.00
-40.00
-60.00
-80.00
-80.00
-60.00
-40.00
-20.00
0.00
20.00
40.00

Oahu (N=26)	
Safe Discharges	1
Mental Health, Including Substance Use	2
Insurance Reimbursement and Coverage	3
Homelessness	4
Guardianship	5
Family Expectations	6
State and Federal Regulatory Changes	7
Workforce Training	8
FFS Medicare Coordination	9
Patients on Oahu from Neighbor Islands	10
Cost of Building Specialized Facilities	11
Access to DME	12


Oahu (N=26)
More Difficult
Less Difficult
Difficulty of Solving
Number of Patients Affected
More Patients Affected
Fewer Patients Affected
Mental Health, Including Substance Use (2)
Homelessness (4)
Guardianship (5)
Insurance Reimbursement and Coverage (3)
Cost of Building Specialized Facilities (11)
State and Federal Regulatory Changes (7)
Safe Discharges (1)
Family Expectations (6)
Workforce Training (8)
FFS Medicare Coordination (9)
Access to DME (12)
Patients on Oahu from Neighbor Islands (10)
80.000
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0.000
-10.000
-20.000
-30.000
-50.00
-40.00
-30.00
-20.00
-10.00
0.00
10.00
20.00
30.00
40.00

Neighbor Islands (N=10)	
Insurance Reimbursement and Coverage	1
Mental Health, Including Substance Use	2
Homelessness	3
Safe Discharges	4
Access to DME	5
Guardianship	6
State and Federal Regulatory Changes	7
FFS Medicare Coordination	8
Family Expectations	9
Cost of Building Specialized Facilities	10
Workforce Training	11
Patients on Oahu from Neighbor Islands	12


Neighbor Islands (N=10)
More Difficult
Less Difficult
Difficulty of Solving
Number of Patients Affected
More Patients Affected
Fewer Patients Affected
80.000
60.000
40.000
20.000
0.000
-20.000
-40.000
-60.00
-40.00
-20.00
0.00
20.00
40.00
60.00
Homelessness (3)
Mental Health, Including Substance Use (2)
Insurance Reimbursement and Coverage (1)
Cost of Building Specialized Facilities (10)
Safe Discharges (4)
Guardianship (6)
Access to DME (5)
State and Federal Regulatory Chnanges (7)
Family Expectations (9)
FFS Medicare Coordination (8)
Workforce Training (11)
Patients on Neighbor Islands from Oahu (12)