

Appendix D – Medicaid Policy Issue Brief

Date:	April 2015
Issue/ Subject:	Reimbursement for Chronic Disease Self-Management Education programs
Originator:	Christine Weiss
Presenter:	

Policy Committee Guiding Principles:

- Make decisions consistent with applicable SPA, Rules, and manuals.
- Make decisions that are workable for ongoing operations to carry out.

1) Summary of Issue

Chronic disease and injury are leading causes of death and disability in Utah and contribute to high health care costs.ⁱ Costs associated with their treatment are frequently shouldered by taxpayers through public programs such as Medicaid. Nationally, chronic diseases account for 75% of the \$2 trillion spent on health care each year in the United States.ⁱⁱ There are a significant number of Medicaid members with chronic conditions. During FY2012 Medicaid reimbursement for these was \$77,692,273 for 188,618 claims. The following table lists the top five chronic conditions for Medicaid claimants in FY2012.

Chronic Condition	Medicaid Claimants FY2012	Medicaid Reimbursement
Depression/Anxiety	45,069	\$31,863,551
Cancer	13,689	\$15,524,320
COPD or Emphysema	21,861	\$5,965,328
Diabetes	26,446	\$4,971,183
Heart Failure	5,011	\$4,309,824

The Stanford Chronic Disease Self-Management Education (CDSME) programs, implemented in Utah as the “Living Well” programs (Living Well with Chronic Conditions, and Living Well with Diabetes) support participants with all these chronic conditions and more (top chronic conditions of participants in 2014 include Arthritis, Diabetes, Depression/Anxiety, Hypertension, High Cholesterol, Chronic Pain, COPD/Emphysema, Heart Failure, Cancer, Osteoporosis, Stroke, etc.) It is common for multiple chronic conditions to occur simultaneously as co-morbidities which make disease management more complex and expensive. The Living Well programs help participants learn and practice self-management skills for all chronic conditions. Since 2010, 5,396 Living Well participants in Utah have reported 14,390 chronic conditions, for an average of 2.7 conditions per participant. The Living Well program has been found particularly effective for patients with depression, anxiety, and chronic pain. Several mental/behavioral health organizations in Utah have adopted the programs and found them supportive to the populations they serve, especially those dealing with opiate addictions, because the programs teach pain self-management tools.

The Living Well programs can contribute to better health outcomes, better care, lower healthcare costs and could improve HEDIS measures for Medicaid members.

2) Proposal/Motion

To open CPT Code 98962 for Education and Training for Patient Self-Management to reimburse at an appropriately determined rate for the Living Well programs. CPT Code 98962 is for “group self-management education offered by a nonphysician health care professional.”

3) Background:

Stanford’s CDSME programs were researched and developed over 20+ years in partnership with Kaiser Permanente. A standardized curriculum teaches participants self-management tools, techniques, and supports behavior change in a peer-supported setting. The curriculum is evidence based and highly scripted. Program fidelity is maintained with regular fidelity checks.

Workshops are 6 weeks long, groups of 10-15 people meet weekly for approximately 2 hours to learn and practice self-management tools through an interactive and experiential process. Patients are empowered to take greater control over their chronic condition(s) and become more compliant patients. Living Well programs are currently implemented across Utah by a network of 25+ partners including: healthcare systems (Intermountain, UofU, VA, Utah Navajo Health System), local health departments, area agencies on aging, community based organizations, mental/behavioral health organizations, etc.

The programs were designed by Stanford to be “Peer Led” by 2 facilitators, one or both of whom have a chronic condition themselves and can model to participants how to successfully self-manage their chronic conditions. If a Peer Leader happens to also be a healthcare professional (Nurse, RD, etc.) they are asked to “take off that hat” during the course and act as a Peer to maintain fidelity of the program. Peer Leaders become certified through a 4-day training by Stanford-certified Master Trainers. Ongoing fidelity monitoring/quality assurance is ensured through annual observational “fidelity checks” for each Peer Leader.

Subjects covered include:	Results of Living Well Programs:
<ul style="list-style-type: none"> • Techniques for frustration, fatigue, pain and isolation • Appropriate exercise to maintain and improve strength • Appropriate use of medications • Good nutrition • Communicating effectively with family, friends, and health professionals • How to evaluate new treatments 	<ul style="list-style-type: none"> • Increased Self-Reported Health • Increased Energy • Increased Activities & Social Roles • Increased Aerobic Activity • Increase Stretching and Strengthening • Increased Cognitive Symptom Techniques • Better Communication with Physicians • Decreased Health Distress • Decreased Fatigue • Decreased Hospitalization

Outside the four Wasatch Front Counties, 543 participants have enrolled in the Living Well programs since 2013 (see attached spreadsheet). Of that number, it is presumed a smaller portion are Medicaid members. A program “completer” is a participant who attends at least 4 of the 6 class sessions. A portion of these are Medicaid members.

Medicaid Precedent

Other state Medicaid programs have reimbursed for Stanford’s self-management programs.

- Washington – COPES Waiver 2010
- Oregon – opened CPT codes 98960-98962 for reimbursement in 2011

There is currently a CMS study underway (Utah Living Well partners are participating) to gather participant data and study outcomes of several evidence based programs, including Stanford’s CDSME programs.

4) Evidence Based Literature

NCOA National Study

- 1,170 participants, 2010-2011, , 21% improvement in depression, 12% improvement in medication compliance

<http://www.ncoa.org/assets/files/pdf/center-for-healthy-aging/National-Study-Brief-FINAL.pdf>

BioMedCentral Journal article

- Significant reduction for ER visits and hospitalizations.
- \$713.80 estimated health care costs averted per participant
- \$350 average cost per participant to implement the program
- \$364 net saved per participant.

Ahn et al. BioMedCentral Journal, Public Health 2013, 13:1141

<http://www.biomedcentral.com/1471-2458/13/1141>

Stanford CDSME programs are endorsed or supported by the:

- **US Surgeon General**
 - **Centers for Disease Control and Prevention:**
http://www.cdc.gov/arthritis/interventions/marketing-support/1-2-3-approach/docs/pdf/provider_evidence_summ_cdsmp.pdf

Review of Findings on CDSMP Outcomes

- “Significant, measurable improvements in patient outcomes and quality of life, and enough savings through reductions in healthcare expenditures to pay for itself in the first year.” (CDC/National Council on Aging, Gordon, C and Galloway, T (2008): Review of Findings on CDSMP Outcomes:

http://patienteducation.stanford.edu/research/Review_Findings_CDSMP_Outcomes1%208%2008.pdf

- Living Well can significantly improve quality of life and reduces medical costs:
 - Estimated cost to savings ratio: 3.85
 - \$375 per client may save \$1,446 per client in avoided ED visits and hospitalizations

Bovbjerg & Kingston, 2010: Living Well Impact Report, Oregon State University

5) **Current state**

The Living Well program is currently offered to community members, and supported through grants/contracts from Utah Arthritis Program (UAP.) Federal funder's direction is to embed programs into delivery systems to sustain ongoing operations. Living Well programs are currently implemented across Utah by a network of 25+ partners including; local health departments, area agencies on aging or associations of governments, healthcare systems (UofU, Intermountain, VA, Utah Navajo Health System, and Molina in FY16), centers for independent living, and community based organizations reaching minority populations. Implementation partners are dependent on outside funds from UAP to sustain the program. UAP funds are time-limited: Administration on Aging grant funds end August 31, 2015 and CDC grant funds end June 30, 2017.

Since 2010 Medicaid has supported the Living Well programs through HPR referrals, promotion in the New Member Guide and the Provider newsletter, and on their website (<https://medicaid.utah.gov/living-well-chronic-conditions-program>). In addition Medicaid wrote letters of support and commitment in 2012 for federal grant applications that committed to "look to assist the delivery and potential implementation of CDSMP, exploring sustainable financing policies where feasible."

CPT codes are closed, under the Utah Medicaid program. The reimbursement rate is currently an undefined amount.

6) **Desired state**

Open CPT code 98962 for Living Well implementation partners who bill Medicaid. CPT Code 98962 is for 5-8 patients, 30 minutes, standardized curriculum by a nonphysician health care professional, to treat established illnesses and delay comorbidity. The purpose is to teach patient (may also include caregiver) how to effectively self-manage the patient's disease(s), in conjunction with patient's professional healthcare team.

7) **Current Usage**

No current usage within the Utah Medicaid program.

8) **Reimbursement Issues**

CPT Code 98962 is currently closed. The reimbursement rate is undefined.

If CPT Code 98962 were open for Education and Training for Patient Self-Management of a group of 5-8 patients the code is allocated for 30 minutes. A single session of the Living Well workshop lasts 2-2.5 hours each session and is multiplied by the program length of 6 weekly sessions.

We recommend that the CPT code 98962 only be charged once per session of the 6 week program. For example, for one participant who attends all 6 weeks, assuming the CPT code was reimbursed at \$25, the cost would be \$150 ($\$25 \times 6 = \150 per participant). Implementation organizations would only bill \$25 per participant, per week attended. For example, if a participant attended only 2 of the 6 sessions, only \$50 could be billed to Medicaid.

Assuming that 300 (a high estimate based on current participant numbers) Medicaid participants enrolled into the Living Well program each year, the highest total cost to Medicaid would be \$45,000 ($300 \times \150). However, we know that completion rates (a completer is defined as someone who attend 4 or more of the 6 sessions) are typically around 60-75% making the total cost much lower (\$27,000 – \$33,750).

Based on the above cited BioMedCentralJournal article, there is an estimated \$713.80 in savings from averted health care costs.. The following scenario would be possible for a Medicaid member

- 6 sessions x \$25/session = \$150 reimbursement
- \$563.80 cost savings to Utah Medicaid per participant
- Estimated 300 Medicaid members equals \$169,140 cost savings to Utah Medicaid per year

Several Area Agencies on Aging or Associations of Governments (Five County, Tooele County, Weber Human Services, Davis County, Salt Lake County already bill Medicaid through the New Choice Waiver or Aging Waiver.

9) **Provider Info**

Provider types/Categories of Service that would potentially apply: Health Educator (42), Registered Nurse (39), Social Service Worker (27), Dietician (43), Group Practice (45), Agency (46), Public Health Department (51), FQHC (52), Mental Health Center (56), Personal Waiver Services Agent (68), Diabetes Self Management Educator (74), HMO (90), Indian Health Services (91)

10) **Implementation tasks**

Next Steps:

- System changes to open CPT code 98962.
- Update policy manuals.
- Publish MIB on XX/XX/2015.
- Other

ⁱ UDOH Utah Chronic Disease Prevention and Health Promotion State Plan: Partnering for a Healthy State 2014-2020. Pg. 4

ⁱⁱ <http://www.rwjf.org/files/research/50968chronic.care.chartbook.pdf>