



STATE OF ILLINOIS COMPTROLLER

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Staff Report on Medicaid Long-Term Care Determinations and Pending Legislation – June 28, 2018

Illinois's Medicaid long-term care (LTC) program is a federally and state regulated senior health program, covering nursing home care throughout the state. The focus of the program are residents 65 and older, or blind, or disabled, with an income limitation less than the cost of private care. Currently, Illinois LTC is responsible for 55,000 eligible residents in 738 nursing homes, located throughout the state.¹

The LTC eligibility determination process differs from that of the regular Medicaid. It involves general determination of Medicaid eligibility (income up to 100 percent of the federal poverty level), health needs screening and investigation of assets (no more than \$2000 per individual or \$3000 per individual together with a spouse or dependent).² Three key state agencies handle eligibility determination process: the Department of Human Services (DHS) is responsible for the actual determination of eligibility, the Department on Aging looks at the health needs, and Department of Healthcare and Family Service (HFS) investigates assets.

In July 2013, the General Assembly passed legislation that required an expedited system to be established to reduce the eligibility determination process to 90 days or fewer by July 2014.³ Following the legislation, the state has centralized LTC processing in two hubs: Medical Field Operations - Downstate, formerly the Macon County LTC Unit,

(Office 163) and Medical Field Operations - North (Office 200), with employees specializing in LTC cases to allow for development of expertise and better management ability. Additional caseworkers were also hired to keep up with expedited eligibility needs and a third LTC hub was later added, Medical Field Operations - Central (Office 244), to focus on Central Illinois.

A centralized statewide database of pending LTC applications was also created to monitor processing. Part of this monitoring was to develop an Integrated Eligibility System (IES) that would, in theory, allow for a faster and more efficient online application and case management process.⁴ Since July 2014, the state has published the numbers of pending LTC applications and admissions monthly to track the progress—however regular report updates between the months of July 2017 and December 2017 ceased—HFS stated this silent period was to allow for data entry catch up and quality control activities.⁵

FINDINGS: *Total number of pending admissions and applications more than doubled between August 2014 and May 2018.* The number of total pending LTC applications from August 2014 to May 2018 grew from 2,769 to 5,832 while the number of total pending admissions grew from 6,743 to 16,378. Although in June 2018, pending applications and admissions declined from their peaks to 3,462 and 14,572 respectively.

¹ Illinois Department of Healthcare and Family Services, [Long-Term Care fact page](#).

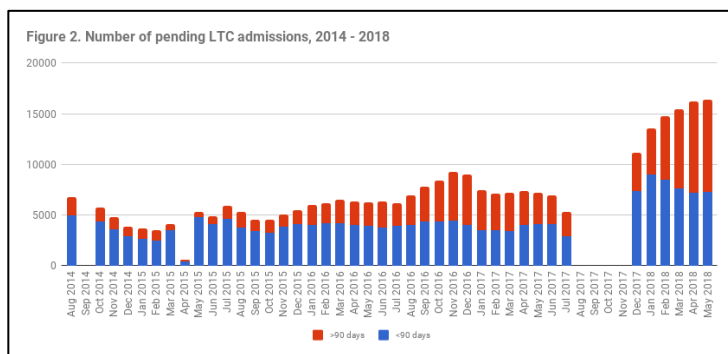
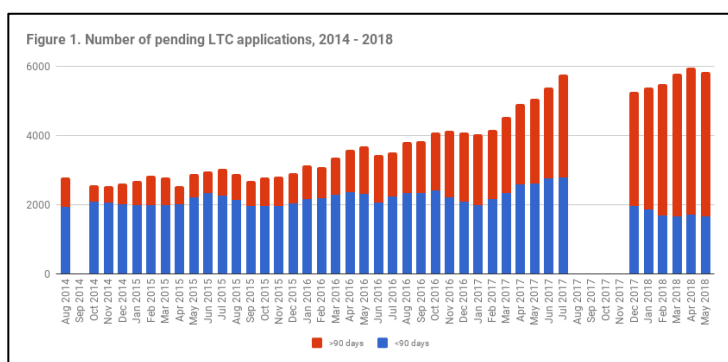
² [Medicaid Long-Term Care Eligibility Detailed Letter to the Illinois General Assembly](#), Illinois Department of Healthcare and Family Services, 1/31/2014.

³ [Public Act 98-0104](#)

⁴ The IES system is intended to be a centralized data system that assists will all state benefit programs. However, issues with the system's effectiveness persist, [such as when SNAP benefits were disrupted in December 2017](#).

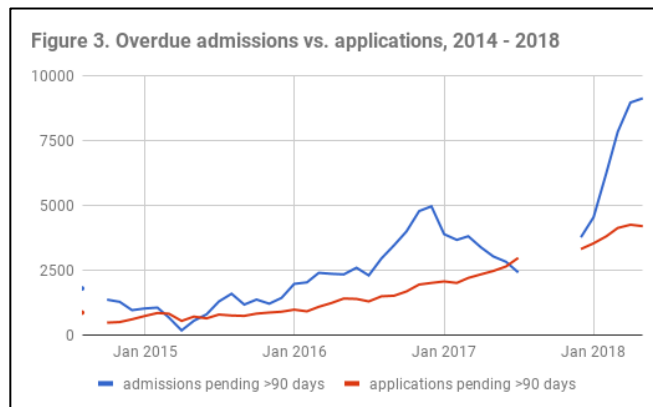
⁵ Letter to the Illinois Office of the Comptroller, by the Department of Healthcare and Family Services, responding to formal data request, 5/25/2018.

Despite the strong upward trend, there was some fluctuation. Before hitting the all-time maximums in May 2018, the peaks in total pending applications included July 2015, May 2016, November 2016, and July 2017; in pending admissions - August 2014, July 2015 and November 2016. The dips included April 2015, September 2015 and June 2016 for total pending applications; February 2015, September 2015, February 2017 and July 2017 for total pending admissions (see Figure 1, Figure 2).



The number of overdue (>90 days) pending applications and admissions grew fivefold since 2014. In the wake of passing the 2013 legislation requiring the state to shorten duration of pending status to 90 days or less, there was a reduction in the backlog. The number of overdue pending admissions went down from 1,781 in August 2014 to 158 in April 2015, suggesting that the overhaul of case management system undertaken by the state had a positive effect. However, there was no long-term progress (see Figure 3). A strong

upward trend culminated in May 2018, with the numbers of overdue pending admissions and applications hitting 9,129 and 4,187, respectively—a fivefold increase since August 2014.

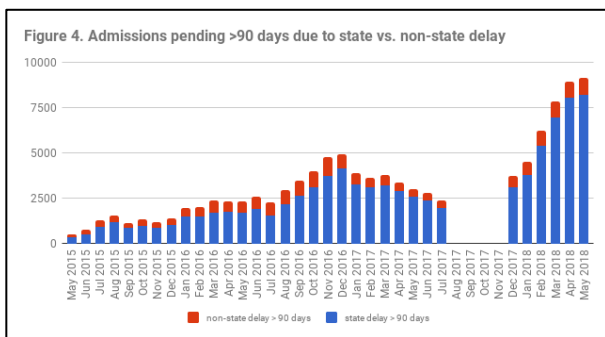


The eligibility determination backlog has been growing at an unprecedented pace in the recent months. The number of admissions pending over 90 days rose from 3,758 to 9,129 (percentage increase of 142.9 percent) from December 2017 to May 2018. At the same time, the number of applications saw no similar jump, rising only from 3,303 to 4,187 (percentage increase of 26.8 percent). It is unclear when exactly the ongoing spike has begun since no record on pending applications and admissions is available for the period from August to November 2017. Interestingly, overdue pending admissions were steadily declining from late 2016 until the data gap (see Figure 3).

While various causes may explain LTC application backlogs, state-related delays have driven the ongoing surge. Among the factors that may create delays are spend downs, penalty periods, time-consuming evaluations of assets by Office of Inspector General, appeals, and customer requests for extensions. However, delays resulting from the state have been responsible for an increasingly large share of pending admissions. In May 2018, the share of state-caused delays reached the all-time peak of 89.9

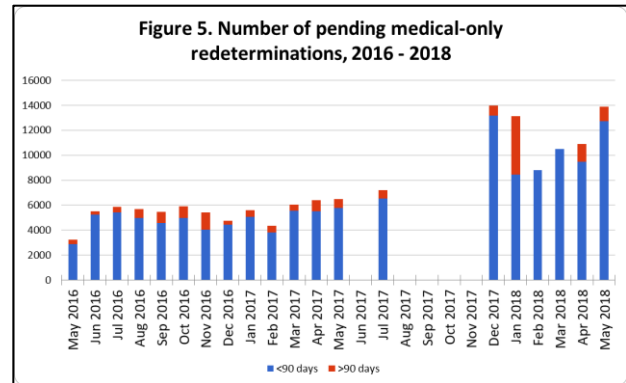
percent. Delays resulting from the state also grew much faster than those resulting not from the state: the former more than doubled, rising from 412 in July 2017 to 922 in May 2018 while the latter more than quadrupled from 1,988 in July 2017 to 8,207 in May 2018 (see Figure 4).

The number of overdue (>90 days) pending admissions is rising at a much higher pace than the number of overdue pending applications. The gap between the two has become unprecedentedly wide, with the number of overdue pending admissions more than double the number of pending applications. Yet only recently, in July 2017, overdue applications outnumbered overdue admissions (see Figure 4).



The number of overdue medical-only redeterminations spiked in January but has fallen since. The number of total medical-only pending redeterminations nearly doubled and the number of redeterminations pending over 90 days rose more than seven times from July 2017 to January 2018. However, according to HFS monthly reports, the number of overdue redetermination cases fell from 4,642 in January to 0 in February and March, only to climb back up to 1,424 in April 2018 and 1,183 in May. Notably, complete absence of overdue redeterminations had not happened previously in recent history—the number of cases pending over 90 days ranged

from 273 to 1,343 in the past, with both average and median above 600 for the May 2016 to July 2017 period (see Figure 5).



Lack of state processing capacity may be the primary reason for delays. The number of applications pending less than 90 days has remained almost constant since 2014, with minor fluctuations around 2000. In ¾ of all months, between 1,972 and 2,271 pending applications were reported (see Figure 1). At the same time, the total number of pending applications has been growing. In the past, shortage of caseworkers to process the applications has been identified as a key reason for slow application processing, especially if the workload is increasing at the same time. Other capacity limitations may be related to technology or case management methodology.

Recent administrative changes may have contributed to the mounting of the backlog. According to the December 2017 report, some of the increase in pending admissions could be attributed to the launch of Phase 2 of Integrated Eligibility System (IES), a digital public benefit eligibility and case management system in late October 2017.⁶ Another explanation offered in December 2017 report was that HFS and DHS performed an “in-depth review of the manual entry system”, added missing admissions and corrected other

⁶ DHS [Medicaid Advisory Committee Public Education Subcommittee Meeting](#), 12/7/2017.

data quality errors.⁷ However, the same report admitted, “Some of the increase in pending admissions may be attributed to the launch of Phase 2 of IES as caseworkers are adjusting to the new system.”

Pending applications and admissions declined in June, but are still above December 2017 levels. The most recent long-term care report from HFS report shows a decline in total pending applications over 90 days by 48.41 percent and a 33.4 percent decline in total admissions delayed over 90 days.⁸ Although these declines are the first positive trend news from the HFS monthly report since July 2017, pending admissions over 90 days still outpace December 2017 numbers and it is unclear if these positive trends will continue.

CONCLUSIONS: *In recent months, Medicaid long-term care eligibility determination backlog of Illinois has grown at an unprecedented pace.* Analysis of data revealed several trends that may help explain the recent spike, even though much of important data is missing.

From 2014 to 2018, the total numbers of both pending admissions and pending applications have more than doubled. There has also been a steady increase in overdue (> 90 days) pending applications. While various reasons may explain the delays, delays due to the state are driving the recent backlog accumulation. The number of applications pending less than 90 days has remained almost constant since 2014 while the total number of applications has been growing.

Due to this continuing issue around determination and the immense pressure delayed determination has on service providers and

members, the legislature has passed a series of bills to address expedited processing.

HB 4771 enshrines into law the decision made in *Koss v. Norwood*, which requires the State to grant “provisional eligibility status to any applicant whose application is more than 46 days old.”^{9, 10} Additionally, the bill requires the Department of Healthcare and Family Services to submit a voucher to the Office of the Comptroller within 10 business days of being granted provisional eligibility.

SB 2913 builds on HB 4771 by establishing expedited processing for Medicaid Long-Term Care applications and renewals, simplifying the renewal process, improving communications between the State, applicants, and facilities, and creating step-by-step written guidance for applications, caseworkers and providers.¹¹

However, even if these bills are signed into law by the Governor it is clear that additional work must be done to improve the Medicaid determination process.

⁷ [Long Term Care Report for SNE/SLF Pending Application and Admission Detail Summary](#), in response to 305 ILCS 5/11-5.4, 12/1/2017

⁸ [Long Term Care Report for SNE/SLF in response to 305 ILCS 5/11-5.4](#), Department of Healthcare and Family Services, 6/7/2018.

⁹ [House Bill 4771](#)

¹⁰ [Koss et al v. Norwood et al](#)

¹¹ [Senate Bill 2913](#)