

November 12–14, 2002 / Phoenix

**NATIONAL
HEALTH
POLICY
FORUM**

Site Visit Report

The Medicare-Medicaid Intersection: Caring for Arizona's Seniors

The
George
Washington
University
WASHINGTON DC

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NHPF is a nonpartisan education and information exchange for federal health policymakers.

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As always with a site visit, dozens of people in Phoenix, elsewhere in Arizona, and beyond shared their time and insights with Forum researchers developing an agenda and with site visitors as part of the program. The Forum is grateful to them all. Merlin K. DuVal, M.D.; Leonard J. Kirschner, M.D., and Shari Zint were especially helpful in providing counsel and opening doors. The Forum thanks Peggy Mullan of Beatitudes and Vicki McAllister of Glencroft for arranging for site visitors to tour their facilities and talk with their staffs.

Federal participants once again comprised a diverse group of policymakers who were united in their interest and willingness to learn; the Forum appreciates their lively minds and hearts.

November 12–14, 2002 / Phoenix

The Medicare-Medicaid Intersection: Caring for Arizona’s Seniors

OVERVIEW

Arizona is home to a large number of seniors, with 875,000 residents over age 60. In 2000, the over-60 set accounted for 17 percent of the state’s population. The number of Arizonans age 65 and older increased by 39.5 percent between 1990 and 2000, compared with a national average of 12.4 percent. Those 85 years and older represent Arizona’s fastest growing age group, increasing 82 percent between 1990 and 2000.¹

Thanks to population growth, the number of elder Arizonans who need health and long-term care services has increased, and demand is high, especially for home- and community-based services. In 2001, 110,000 noninstitutionalized Arizonans age 65 or older needed some type of assistance with mobility or self-care. In 1999, more than 1,100 individuals remained on a waiting list to receive community-based services.²

Arizona’s Medicaid program, created in 1982, was the first statewide managed care system, based on prepaid, capitated arrangements with health plans. While initially the state did not cover long-term care services, by 1989 the Arizona Health Care Cost Containment System (AHCCCS)—as its Medicaid program and agency are known—began serving eligible elderly and physically disabled populations and persons who were developmentally disabled.

Today, the Arizona Long-Term Care System (ALTCS)—a subset of AHCCCS—serves nearly 36,000 individuals who have developmental or physical disabilities or are over 65 years of age (Table 1). The ALTCS program extends the prepaid, capitated approach through public-private partnerships. ALTCS integrates all long-term care services by bundling acute care, long-term care, case management, and behavioral health services. It uses a network of program contractors throughout the state for service delivery.

AHCCCS has competitively bid its contracts for acute care services for two decades. In 1998, the state legislature voted to extend competitive bidding to the ALTCS program as well. Prior to the bidding process, ALTCS had been dominated by county-run program contractors throughout the state. In 2000, the first competitive bid for Maricopa County was released. Three contracts were awarded for five-year terms: Lifemark Health Plans (now known as Evercare Select), Mercy Care Plan, and Maricopa Integrated Health System. In 2001, bids were sought throughout the rest of the state. Outside of Maricopa, no more than one contract was awarded in each geographic service area, but

TABLE 1
Arizona Long Term Care System (ALTCS)
(as of October 1, 2002)

ALTCS Plan	Counties Covered	Enrollment
DES/DDD (Disabled)	Statewide	3,648
Cochise Health Systems	Cochise, Graham, Greenlee	879
Evercare Select	Apache, Coconino, La Paz, Maricopa, Mohave, Navajo, Yuma	3,188
Maricopa Integrated Health System	Maricopa	7,589
Mercy Care Plan	Maricopa	3,103
Pima Health Systems	Pima, Santa Cruz	3,592
Pinal County Long Term Care	Pinal, Gila	1,023
Yavapai County Long Term Care	Yavapai	1,066

Source: ALTCS Enrollment Summary Report

because boundaries were redrawn and competition was introduced, some long-term program contractors lost out as contracts were awarded to others.

With funding from the John A. Hartford and Flinn Foundations, the National Health Policy Forum (NHPF) developed this site visit to examine the interplay between Medicare and Medicaid and how payment streams and regulatory requirements affect the delivery of health and long-term care services. The site visit was a follow-up on two fronts. It was a return to Arizona, where in 2000 NHPF looked at managed Medicaid for an acute-care population. Focusing this time on an older population in need of chronic and long-term care, the site visit also continued the exploration of issues raised in NHPF site visits to Oregon (2000) and New York City (2002).

Because Arizona is the first and only state in which all Medicaid recipients are enrolled in managed care, it offered a unique learning opportunity and chance to explore creative approaches to care delivery and financing. In particular, the visit focused on the state's capitated Medicaid long-term care program, its recently-implemented competitive bidding process, and the ways its administration differs in urban and rural areas. NHPF believed that site visitors could also learn from the experience of a state with 700,000 Medicare beneficiaries regarding Medicare+Choice (M+C) plan participation, physician acceptance of Medicare patients, and care management for individuals with chronic illnesses such as Alzheimer's disease.

PROGRAM

NHPF led a site visit of congressional and federal agency health policymakers to Phoenix from November 12 through 14, 2002. The first event, a panel presentation on the development of senior-care programs in Arizona, took place, fittingly, on the premises of site visit sponsor the Flinn Foundation. Special emphasis was given to ALTCS. After a lively discussion, the Flinn Foundation hosted site visitors and invited guests at a reception.

Wednesday, November 13, began with a panel discussion of competitive ALTCS contracting in Maricopa County, featuring representatives of contractor, provider, and consumer interests. A panel of county administrators convened next to describe challenges both common and distinct in providing long-term care services in rural and urban environments. A working lunch featured a representative of Evercare, an ALTCS contractor that also operates a program bringing acute-care services to beneficiaries in long-term care settings. In the afternoon, the group traveled to Beatitudes Retirement Campus to hear a presentation on the placement and case management process and then talk with case managers from the three ALTCS contractors. Beatitudes' president gave an overview of the campus's programs and facilities. Site visitors then divided into groups, with each group touring Beatitudes and visiting either an adult foster home or an assisted living home in the same part of the city. All gathered for a debriefing discussion in the Beatitudes board room to round out the day.

During a working breakfast on Thursday, a representative from the local Alzheimer's Association chapter spoke about the prevalence and profile of the disease, which now affects 47 percent of those over the age of 85. This set the stage for visiting the Glencroft retirement community, where the focus was its innovative program for patients with late-stage dementia. In addition to Glencroft executives, speakers included family members of Alzheimer's patients. Site visitors returned to the headquarters hotel for lunch and a discussion with a group of Phoenix physicians about their Medicare participation. The day ended with another panel, this one comprising Medicare+Choice plan representatives.

Site visitors completed detailed evaluation forms that gave them the opportunity to highlight the sessions or sites they found most useful. They also took part in a debriefing meeting on November 22. This report draws on both, as well as comments made during the course of the site visit.

IMPRESSIONS

Competitive contracting has been successfully implemented, but reviews are mixed.

Three plans were awarded contracts in the initial bid in Maricopa County: Mercy Care Plan, Lifemark (now known as Evercare Select), and Maricopa Integrated Health System—the existing program contractor. Members were given the opportunity to change program contractors. To date, less than 10 percent of those previously enrolled have switched. New ALTCS members have had a different experience. As of September 2002, 42 percent of new enrollees chose Mercy Care, 19

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percent chose Evercare Select, and 39 percent chose Maricopa Integrated Health System, indicating that competition should be healthy in the future.

Providers, program contractors, and consumers express general satisfaction with the results of competition, but they raise some concerns. Hospitals and nursing homes report greater leverage with more than one contractor. They have been able to negotiate higher reimbursement rates in some instances. On the other hand, providers report difficulties in coordinating care and steep wage increases as competition for qualified workers has intensified.

Program contractors' experiences vary, depending on who is gaining or losing market share. Maricopa County—the sole provider prior to competition—has experienced increased marketing and labor costs. Nonetheless, county plan officials report that competition has pushed them to improve their customer service and referral resources. The two other contractors are striving to become the consumer's choice. Mercy Care has some name-recognition advantage as a popular contractor in the acute-care program, but it still has a learning curve in the long-term care market. While Evercare Select's predecessor companies had a strong tradition of providing long-term care, this new contract represents Evercare Select's debut in the Phoenix market, and numerous name changes have created confusion among beneficiaries.

ALTCS beneficiaries appreciate choice in concept, but are often confused in practice. Their decisions do not seem related much to plan preference, but rather to a desire to keep or change an individual attendant or nurse practitioner. Consumer representatives report better customer service, although consumers also experienced higher out-of-pocket expenses. There still is not much competition for hard-to-serve populations, such as those who need behavioral health services.

From the state's perspective, the competitive bid has pros and cons. On the positive side, competition reduces dependency on a single plan and offers an opportunity for the best price while fostering innovation. On the other hand, the process is expensive, as administrative costs have increased. The complexity of the system requires specialized (and more highly paid) staff. The threat of legal challenges always hangs over any controversial decision. The state plans to carefully evaluate the choice of multiple plans in Maricopa County to decide whether to continue.

Rural contractors face different challenges than their urban counterparts.

The sheer size of rural geographic service areas can be daunting. For example, Cochise Health Systems has to provide services to enrollees across 13,000 square miles. Travel times can be significant. Some members needing dialysis services, for example, must travel 60 miles back and forth to receive care. Primary care providers are scarce in the rural areas—especially for high-acuity members. Members have less choice but they also seem to have lower expectations of the system and what it can provide.

A rural ALTCS contractor must maintain an urban network as well, since rural communities frequently cannot sustain a full range of medical specialty services, but their residents still need access to them. Viewed from the other side, the influx

of rural patients can make planning difficult for urban contractors. For example, contractors in the urban areas may believe some skilled nursing beds are available, only to discover they have already been claimed by outlying counties.

Elders in Phoenix have a range of residential care options.

Options include care services in an individual's own home or in an apartment unit on a retirement "campus," adult foster homes and assisted living homes (both types of group homes in residential neighborhoods), larger assisted living centers, and traditional nursing homes. Choice may be determined by health and economic status as well as personal preference.

Because of growing emphasis on home- and community-based services, those who enter residential care facilities tend to be the older, sicker, frailer elements of the population, with higher care acuity. Residents' average ages at the two facilities visited were 82 and 87. Nursing home administrators report that the per diem rates they are paid for ALTCS clients do not fully cover the cost of services provided. The discrepancy has prompted one retirement community to look at reducing its skilled nursing facility component in a planned campus redesign. In Maricopa County, the three ALTCS contractors pay varying rates, based on the bids they submitted to AHCCCS; naturally, beneficiaries participating in the higher-paying plans are more sought-after.

Adult foster homes have proved an attractive business opportunity, so that finding a sufficient number of providers to take in beneficiaries has not been an issue. In fact, supply seems to have outstripped demand, as the current vacancy rate is 26 percent.

Assisted living homes have proliferated as well, with approximately 2,900 operating in the state. Regulatory oversight has not kept pace with growth, which raises concerns about the quality of care being provided. Assisted living homes rely to a great extent on private-pay residents; one toured by site visitors, for example, had two ALTCS-designated beds out of a total of ten.

Case managers assist ALTCS beneficiaries in choosing among residential options, as well as arranging for appropriate support services.

Case managers are employed by ALTCS contractors to arrange for care services that do not require a physician's order. They frequently must work to dispel the idea that ALTCS represents an entitlement to a certain type or volume of services, stressing that any coverage decision is made on the basis of need. Case managers are conscious of being the "eyes and ears" of the ALTCS program.

Medicare and Medicaid rules often bump up against each other, and not much effort is made to coordinate services for beneficiaries who are dually enrolled in both Medicare and Medicaid.

Because ALTCS covers acute and long-term care, case management, behavioral health, and pharmacy in a single capitated benefit, it is often difficult to determine whether Medicare or Medicaid should be the primary payer for specific services.

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ALTCS program contractors believe they are left holding the bag for many Medicare-covered services. For example, ALTCS program contractors point out that the Medicare hospice benefit duplicates some Medicaid-covered services.

Arizona's emphasis on managed care seems to exacerbate the disconnect for dual eligibles.

Because of relatively high managed care penetration in the Medicare market, a large percentage of ALTCS members are also enrolled in M+C plans. For a beneficiary enrolled in both, these dueling managed care plans can present real problems, including higher out-of-pocket costs. The managed care approach, with limited networks and gatekeepers, makes it difficult to determine who is the primary care provider and bill payer. Since each program has its own policies and procedures, beneficiaries sometimes fall victim to conflicting rules and are left with a patchwork of uncoordinated services and unpaid claims. On the other hand, because Arizona is the first and only state in which all Medicaid recipients are enrolled in managed care, creative approaches that may incorporate Medicare managed care more completely into the mix seem within the range of possibility.

Best practices for treatment of chronic diseases of the elderly, especially where cognitive impairment is involved, are still being developed.

Several nursing facilities in the Phoenix area, with assistance from the local chapter of the Alzheimer's Association, have instituted advanced-stage dementia care programs that are built around the needs and preferences of patients rather than inflexible routine. Many patients in this category are unable to converse, but staff report that the patients are less agitated in the new atmosphere. Staff turnover in these dementia units has been sharply reduced. However, there has been little research—either clinical or health services—to document improvements. In some areas, knowledge is still scant; for example, one administrator observed that pain in dementia patients is poorly understood and inadequately addressed.

While quality requirements are imposed by AHCCCS on contractors and are a factor in consideration of bids, little quality information is communicated to consumers.

Data related to quality improvement projects are collected by AHCCCS but not published or made a part of consumer information kits. Some of the relevant information is part of Minimum Data Set reporting to the Centers for Medicare and Medicaid Services and is reflected in that agency's nursing home quality initiative, which made its debut in Phoenix newspapers during the site visit.

Physician supply in Phoenix, particularly with respect to Medicare and Medicaid, is becoming a concern.

Reimbursement is at the core of physician disgruntlement. Physicians report that it costs them more to treat public-program beneficiaries than they are paid. Some medical groups have ceased to take Medicare assignment, while individual physicians limit the number of Medicare and/or Medicaid patients they will see.

Secondary irritants are regulatory red tape and paperwork. With fewer medical residents in the pipeline and many physicians retiring, many specialties find their ranks thinning.

Undocumented aliens and EMTALA (the Emergency Medical Treatment and Active Labor Act) put pressure on hospitals and physicians.

Emergency rooms serve as a safety-net source of primary as well as urgent care for many without health insurance, including undocumented persons. One physician said that EMTALA has turned private hospitals into indigent care centers. Emergency departments in Phoenix are challenged to find specialists who are willing to be on call for emergency cases.

Malpractice insurance costs have doubled or tripled for nursing homes, even in the absence of claims; they are also a major concern for physicians.

ALTCS program contractors require nursing homes to carry substantial coverage as a condition of participation. Nursing home industry representatives contend that the industry's precarious financial condition and heavy regulatory responsibilities make nursing facilities high-risk insurance accounts. Some carriers have left the market, while those remaining have dramatically increased their rates. Escalating premiums have contributed to some nursing home operators' decisions to close their doors. Physicians report that malpractice costs are one of the contributing factors to the poor morale, early retirement, and curtailed activities that currently characterize their profession.

Medicare+Choice in Arizona, as in other parts of the country, is struggling to stay afloat.

M+C is not a star product for any of the managed care organizations still offering it; one described it as "a troubled product in a troubled market." Benefits have been trimmed across the board, with brand-name drugs and zero premiums virtually extinct. An M+C plan may be of greatest benefit to provider-sponsored models, where the M+C plan can feed patients into the hospital-based delivery system. Some plans have reported success with their disease management programs. Traditional insurers seem to be moving away from the health maintenance organization model and adopting a preferred provider organization (PPO) approach, in which members may go to any doctor, specialist, or facility they want without a referral (with higher costs for care received out-of-network). The PPO is designed to compete with Medigap plans, rather than with traditional Medicare. (See Table 2, following page.)

IMPRESSIONS

ENDNOTES

1. Arizona Health Futures, *The Coming of Age*, St. Luke's Health Initiatives, Phoenix, May 2002, 6.
2. Arizona Health Care Cost Containment System, Arizona Department of Economic Security, Arizona Department of Health Services, *Arizona's Community Based Services and Settings Report* (3rd biennial), State of Arizona, Phoenix, May 2002.

IMPRESSIONS

TABLE 2
Medicare + Choice in Arizona
(as of September 1, 2002)

Health Plan	Number of Enrollees
PacifiCare of Arizona	88,702
CIGNA of Arizona	42,413
Health Net of Arizona (formerly known as Intergroup)	39,448
Humana of Arizona	17,602
Sun Health MediSun	15,581
Maricopa Managed Care	8,636
EverCare-Arizona (UnitedHealthcare)	1,556

Source: HealthCare Computer Corp. of America, "Market Facts for Arizona: Medicare + Choice Members from hmo-info.com"; accessed October 30, 2002, at http://www.hmo-info.com/mktfacts/mktfact_output.cfm?stid=1.

Tuesday, November 12, 2002

AGENDA

- 3:00 pm Bus departure from headquarters hotel [*Crowne Plaza Hotel*] to Flinn Foundation
- 3:30 pm CARING FOR ARIZONA'S SENIORS: OVERVIEW AND HISTORY
John Stuart Hall, Ph.D., *Professor of Public Affairs and Public Service, Arizona State University*
Leonard J. Kirschner, M.D., M.P.H., *Consultant*
Lynn Dunton, *Assistant Director, Arizona Health Care Cost Containment System (AHCCCS)*
- What do Arizona's demographics look like in terms of aging and health care needs?
 - What is the history of coverage of long-term care in Arizona? What were the roles and relationships between state and county governments in providing health and long-term care services to needy citizens? How have roles changed over time?
 - Why wasn't long-term care covered in the initial Arizona 1115 waiver that began the Medicaid program in 1982? When and how did long-term care become a part of the waiver?
 - Who is served in the Arizona Long-Term Care System (ALTCS) program?
 - How does the current managed long-term care system work in practice? What are the roles of state employees, program contractors, and providers in eligibility determination and provision of service?
 - When did the competitive contracting system for ALTCS come about? What was the original expectation with regard to potential changes in contractors, and what has been the outcome? What are the strengths and weaknesses of competitive contracting from the state's point of view?
 - What are the most pressing current challenges in ALTCS?
- 5:30 pm Reception with speakers and invited guests
- 7:30 pm Bus departure for headquarters hotel

Wednesday, November 13, 2002

- 8:00 am Breakfast [*Gila Room, Crowne Plaza Hotel*]
- 8:30 am COMPETITIVE CONTRACTING: WINNERS AND LOSERS?
Mary F. Temm, M.H.S.A., *President, Temm & Associates, Inc.*
Mark Hillard, *Chief Executive Officer, Maricopa Integrated Health System*

AGENDA**Wednesday, November 13, 2002 (cont.)**

Matt Luger, *Chief Executive Officer*, Covenant Health Network

Anne Bisceglia, M.S., *Coordinator*, State Health Insurance Assistance Program, Maricopa County

Steve Lacy, M.S.W., *Long Term Care Ombudsman*, Area Agency on Aging, Region One

- How has long-term care service delivery changed as result of competition from the perspective of program contractors, providers, and consumers?
- What have been some added challenges to serving the ALTCS population under a competitive model? Have there been unintended consequences?
- Have program costs increased or decreased?
- How has consumer choice affected service delivery in Maricopa County?

10:00 am Break

10:15 am THE EVOLUTION OF LONG-TERM CARE SERVICES:
RURAL/URBAN DIFFERENCES

Denise Pederson, *Director*, Cochise Aging and Social Services

Karen Fields, *Administrator*, Pima Health System and Services

Kathy Eskra, *Director of Managed Long Term Care*, Maricopa Integrated Health System

- How do rural and urban differences influence the development and cost of long-term care services? What are the biggest challenges in delivering long-term care services in rural areas? urban areas?
- How do regional differences (such as the prevalence of nursing homes or managed care penetration) influence long-term care service delivery?
- How have changes in geographic service areas and ALTCS program contractors affected the delivery of long-term care services?
- Have worker shortages affected service delivery? What factors contribute to difficulties in recruiting nurses and paraprofessionals in rural and urban settings?
- How do Medicare and Medicaid rules, regulations, and reimbursement practices work together (or against each other) in the provision of long-term care services?

noon Working lunch

EVERCARE: BRIDGING THE GAP BETWEEN ACUTE AND
LONG-TERM CARE

Wednesday, November 13, 2002 (cont.)

AGENDA

Walter Bendick, R.N., *Executive Director*, Evercare Arizona

- What are the key elements of the Evercare Medicare demonstration, and how long has it been operational in Arizona?
- How does the model integrate funding and services?
- How does Evercare Choice relate to Evercare Select? How are services coordinated for members who are dually eligible? How are services coordinated for Evercare Choice members who are not ALTCS members?

12:45 pm Bus departure for the Beatitudes Campus [1610 West Glendale Avenue]

THE PLACEMENT AND CASE MANAGEMENT PROCESS:
WHERE DO THE FRAIL ELDERLY LIVE? [Beatitudes Campus Board Room]

1:15 pm Overview

Carol Sanders, M.S.W., *Case Management Manager*, Office of Medical Management, AHCCCS

Shari Zint, *Director, Adult Foster Care*, Foundation for Senior Living

- What percentage of ALTCS clients are in various living arrangements? Does the state encourage certain living arrangements over others?
- What are the state's requirements and expectations for case management for ALTCS clients?
- Does the state play any role in selecting or placing case managers? How does ALTCS monitor the contractors' case managers?
- How are foster homes and assisted living homes recruited to provide service to ALTCS clients? What sort of monitoring is in place to assure appropriate care is available to clients who are placed in home situations?
- Is there an adequate supply of home-based care locations to meet the need and desire of clients?

1:45 pm Panel discussion by case managers from:

Maricopa Integrated Health System

Mercy Care Plan

Evercare Select

- What is the process of opening a case for a new ALTCS client? Is there a standardized approach, or is each situation different?
- What makes the biggest difference between institutional and home/community placement—that is, what factor or factors are most critical to decisions leading to client institutionalization?

AGENDA**Wednesday, November 13, 2002** (cont.)

- How are case managers able to help clients with seemingly overwhelming health or physical limitations to remain in a home- or community-based (HCBS) setting?
- 2:30 pm Description of Beatitudes programs and Campus of Care
Peggy Mullan, President and Chief Executive Officer, Beatitudes
 - What is the history and background of the programs at Beatitudes?
 - What are the general characteristics of the Beatitudes resident population (age, socioeconomic status, degree of frailty, insurance coverage)?
 - What types of living arrangements are available at Beatitudes?
- 2:45 pm Tours of senior living arrangements
(Washington site visitors will be divided into four groups. Each group will tour Beatitudes and go to one nearby community-based site—either a foster care home or an assisted living home.)
- 4:00 pm Debrief by participants of their tour experiences, followed by group discussion [*Beatitudes Campus conference room*]
- 4:45 pm Bus departure for hotel
- 6:30 pm Bus departure of federal participants for dinner [*Cowboy Ciao, Scottsdale*]

Thursday, November 14, 2002

- 8:00 am Working breakfast
- TAKING CARE OF THE COGNITIVELY IMPAIRED
Paul Harrington, M.S.W., C.I.S.W., *Director of Programs, Arizona Alzheimer's Association*
 - What are the demographics of Alzheimer's patients? Are there age thresholds at which its prevalence increases? What is the typical disease pattern?
 - How can chronic care models, which typically involve a patient self-management component, be modified for use in a population with cognitive impairment?
 - To what extent do state and federal payment policies define care choices? What changes would be most beneficial to Alzheimer's patients and caregivers?

Thursday, November 14, 2002 (cont.)

AGENDA

- What was the effect of last spring's directive from the Centers for Medicare and Medicaid Services regarding Medicare payment for therapies for Alzheimer's patients?
- 9:00 am Bus departure for Glencroft retirement community
[8611 N. Glendale Avenue]
- THE PURPLE SAGE PARADIGM:
GLENCROFT AND LATE-STAGE DEMENTIA
- Vicki B. McAllister, C.H.N.A., C.A.S.,** *Vice President and Chief Operating Officer, Glencroft*
- Jan Dougherty, R.N., M.S.,** *Special Projects Manager, Alzheimer's Association*
- Gary Martin, Ph.D.,** *Clinical Director, Late-Stage Dementia Project, Glencroft*
- Family members of Alzheimer's patients
- What are the characteristics of Glencroft's resident population (age, socioeconomic status, degree of frailty, insurance coverage)?
 - What steps has the facility taken to attract and retain a caregiver workforce? Are certain jobs (such as nursing positions) difficult to fill?
 - Does Glencroft provide home-based services to residents of its independent-living sector? Do such residents have access to outside HCBS providers?
 - What has Glencroft's experience been with the Centers for Medicare and Medicaid Services' nursing home quality initiative?
 - How did the idea for Glencroft's Purple Sage unit develop? What has been the implementation experience? How has or might this concept be adopted by other institutions?
 - What are the risks and rewards of adopting an innovative approach with a long-term care population? What state or federal policies represent particular challenges?
- 11:30 am Bus departure for hotel
- noon Lunch [Gila Room, Crowne Plaza Hotel]
- 12:45 pm PHYSICIANS IN PHOENIX:
ACCESS AND SUPPLY FOR MEDICARE BENEFICIARIES
- Richard Perry, M.D.**
- David Gullen, M.D.**
- Bruce Bethancourt, M.D.**
- Merlin K. DuVal, M.D.,** *Moderator*

AGENDA**Thursday, November 14, 2002 (cont.)**

- What is your patient mix with respect to sources of insurance (Medicare, ALTCS, private-pay, uninsured)? Has this changed over the past few years? If so, why? Is this experience typical of physicians in the Phoenix market?
- Is the supply of physicians, both primary-care and specialist, adequate in this market? How are physicians affected by workforce shortages in other categories, such as nurses?
- What changes in federal policy would have the most positive impact on physician practice?

2:15 pm **MEDICARE+CHOICE: ALIVE BUT NOT WELL**

Mark El-Tawil, *President and Chief Executive Officer*, Health Net of Arizona

Tim Hughes, M.B.A., *Assistant Vice President*, Regulatory Compliance and Operations, CIGNA HealthCare of Arizona

Leland Peterson, M.P.H., *President and Chief Executive Officer*, Sun Health

- How has Arizona's Medicare+ Choice (M+C) market evolved over the past three years in terms of numbers of enrollees and health plans?
- How have the benefit packages offered by M+C plans changed?
- What are the key factors that have contributed to plan decisions about M+C participation and benefit design?
- What types of new products are health plans offering in the wake of widespread withdrawals from M+C?
- How do M+C plans coordinate delivery of acute services with long-term care services provided by ALTCS?

3:45 pm Adjournment

4:30 pm Bus departure for Desert Botanical Garden (federal participants only)

5:00 pm Guided tour of Desert Botanical Garden

6:00 pm Dinner

8:00 pm Bus departure for hotel

FEDERAL PARTICIPANTS

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BIOGRAPHICAL SKETCHES — SPEAKERS

Walter Bendick, R.N., is executive director and vice president of Evercare Arizona, a position he has held since 1999. Previously, he was area director for In Home Health in Phoenix, executive director of VITAS Hospice Care, and area administrator of Personal Care Home Health Services, both in Los Angeles. He earned a B.S. degree from Chapman College in Los Angeles and is an active registered nurse.

Bruce Bethancourt Jr., M.D., has a full-time practice in general internal medicine. He also serves as a consultant to Arizona Long Term Care System (ALTCS), as medical director of Banner PrimeCare Network (a 200-physician primary-care management service organization), consulting medical director for Arizona Home Care, president-elect of the Arizona Medical Association, volunteer to the neighborhood free clinic in downtown Phoenix, senior clinical lecturer at the University of Arizona College of Medicine, adjuvant clinical assistant professor of medicine at the Mid-Western Osteopathic College, and physician advisor for Health Service Advisory Group (Medicare quality improvement organization for Arizona). Bethancourt holds an undergraduate degree from Arizona State University and a medical degree from the University of Arizona College of Medicine.

Anne Bisceglia, M.S., manages the Benefits Assistance Program for the Area Agency on Aging, Region One, in Maricopa County. Benefits Assistance is a State Health Insurance Assistance Program (SHIP) providing assistance, information, and education to Medicare beneficiaries. She has worked for the Area Agency on Aging in Phoenix for seven years. Bisceglia has a B.A. degree from LeMoyne College in Syracuse, New York, and has studied gerontology at the University of Pennsylvania and the University of North Texas. She received her M.S. in studies in aging (applied gerontology) in 1991.

Jan Dougherty, R.N., M.S., is the special projects director for the Alzheimer's Association, Desert Southwest Chapter. She has been employed by the association since 1997 and served on its board of directors before that. Dougherty is currently implementing a Providing Palliative Care for Persons with Advanced Dementia project. Earlier in her career, she was a faculty associate at Arizona State University College of Nursing and director of care coordination and wellness for Lutheran Healthcare Network (now Banner Healthcare). She is a past president of the Arizona Coalition on aging. Dougherty earned her B.S.N. degree from Valparaiso University and her M.S. from the University of Arizona.

Merlin K. (Monte) DuVal, M.D., a board-certified surgeon, has long been a leading figure in health circles at both the state and national levels. In 1963, he established a medical college at the University of Arizona and served as its founding dean. He was appointed assistant secretary for health in the Department of Health, Education, and Welfare in 1971, returning to Arizona in 1973 to take a position as the university's vice president for health sciences. Later, DuVal served as president of the National Center for Health Education and of Associated Hospital Systems and its successor organization, the American Healthcare Institute. He served for two years as senior vice president for medical affairs at the Samaritan Health Service, before retiring in 1990.

Biographical Sketches — Speakers

Mark El-Tawil, president of Health Net of Arizona, has 15 years' experience in the health care industry, including responsibilities in sales, finance, administration, contracting, and cost management. Before joining Health Net, he served as regional vice president for PacifiCare Health Systems. Health Net of Arizona provides health and life insurance services to 150,000 commercial and Medicare members.

Kathy Eskra is director of managed long-term care at Maricopa Integrated Health System. She has had 25 years' experience in aging services, including positions as adult day health care director, home care director, and special projects consultant with the local Area Agency on Aging. For the last ten years, Eskra has worked in medical managed care, managing programs in both urban and rural settings.

Karen Fields, administrator of Pima Health System and Services (PHS&S), has over 20 years of experience in the health and medical services area. She began her career as an administrator in the Public Health Department. She has been with PHS&S since 1989. Fields serves on several community boards.

David J. Gullen, M.D., is a board-certified internist and geriatrician at Mayo Community Internal Medicine—Phoenix campus. He is a director of the American Board of Internal Medicine. Gullen holds an A.B. from Princeton, an M.S. from Arizona State University, and an M.D. from the University of Arizona College of Medicine. He was recently elected to chair the Flinn Foundation's board of directors.

John Stuart Hall, Ph.D., is a professor of public affairs and public service at Arizona State University. As founder and former director of the university's School of Public Affairs and Center for Urban Studies, he has specialized in linking the university to community public policy and governance issues. He is the author of numerous books and articles and has research affiliations with national groups such as the National Academy of Sciences, the Urban Institute, and the U.S. Census Bureau. Hall received his Ph.D. degree from the University of Oregon.

Paul Harrington, M.S.W., C.I.S.W., is director of programs for the Alzheimer's Association, Desert Southwest Chapter, providing direction and leadership for the development, implementation, and evaluation of the chapter's programs and services in Arizona and southern Nevada. He also serves as a field instructor for graduate-level social work students and works part-time as a social worker at Good Samaritan Family Practice Center. Harrington has a master's degree and a graduate certificate in gerontology from Arizona State University.

Mark Hillard is the chief executive officer of the county-owned Maricopa Integrated Health System (MIHS), a position he has held since November 1998. Previously, he was chief financial officer for the health system. Before joining MIHS, Hillard was chief financial officer of St. Luke's Health System in Phoenix. He received a bachelor's degree from the Atlantic Christian College in Wilson, North Carolina.

Tim Hughes, M.B.A., is assistant vice president of regulatory compliance and operations for CIGNA HealthCare of Arizona, where his focus is the company's contracts with both the Centers for Medicare and Medicaid Services and AHCCCS. Over the course of his career, he has implemented cost, risk, and Medicare+ Choice programs,

Biographical Sketches — Speakers

and held positions with a fiscal intermediary and a genetics laboratory. Hughes is a certified public accountant; he earned his M.B.A. from the University of Phoenix.

Leonard J. Kirschner, M.D., M.P.H., is an independent consultant. He previously worked with Mercer Human Resources Consulting. He was vice president, health care initiatives, with Electronic Data Systems from 1993 to 1999. Kirschner was director of AHCCCS from 1987 to 1993. Earlier, he was medical director at Mercy Care Plan and Phoenix Health Plan, two major AHCCCS contractors. He served on active duty in the U.S. Air Force for 22 years, commanding four Air Force hospitals.

Steve Lacy, M.S.W., is a social worker who coordinates the Ombudsman Program for the Area Agency on Aging, Region One, that covers Maricopa County. The Ombudsman Program includes professional staff and trained volunteers who serve as advocates and problem solvers for elderly people in various long-term care settings, including nursing homes, adult care homes, and other assisted living facilities. Lacy previously worked for the Bureau of Indian Affairs for 25 years, overseeing social service programs for Arizona, Nevada, and Utah.

Matt Luger is chief executive officer of Covenant Health Network, an alliance of 45 nonprofit, faith-based long-term care facilities located in Arizona, Colorado, and New Mexico. He has served in a variety of public policy capacities, including past chair of the Arizona Association of Homes and Housing for the Aging, Arizona State Medicaid Advisory Committee appointee, Governor's Council on Aging Alzheimer's Advisory Committee member, and chair of the American Association of Homes and Services for the Aging National Payment Task Force. A graduate of the University of Arizona's Retirement Housing and Long Term Care Administration program, Luger has spent 25 years as a nursing home administrator, consultant, and senior housing manager.

Gary E. Martin, Ph.D., is a licensed clinical psychologist practicing with Integrated Geriatrics Behavioral Health Associates. He serves as clinical director for a number of Phoenix-area long-term care facilities (including Glencroft and Beatitudes) and specialized behavioral units. In a previous position, he founded and supervised specialized behavior units in the Maricopa Integrated Health System. Martin earned master's and doctoral degrees at Ohio University.

Vicki B. McAllister, C.N.H.A., C.A.S., is vice president and chief operating officer of Glencroft Retirement Community. She also serves as the administrator of Glencroft Care Center. Before coming to Glencroft in 2000, she was executive director of MedServ Arizona/New Mexico. McAllister's background includes health care consulting and several long-term care administrator positions. She is chair-elect of the Arizona Association of Homes and Housing for the Aging. McAllister holds a B.S. from Carroll College in Wisconsin.

Peggy Mullan is chief executive officer of the Beatitudes Campus, a faith-based retirement and health care community. She has 25 years' experience as a long-term care administrator, at Beatitudes since 1989 and with Sun Grove Care Center before that. Mullan holds a B.A. degree from the University of Phoenix and a master's from Regis University in Denver. She is a member of the board of the American Association of Homes and Services for the Aging and a past chair of its state chapter.

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Denise (Dee Dee) Pederson is director of the Cochise County Aging and Social Services Department, which is (among its other responsibilities) the ALTCS program contractor of Cochise, Graham, and Greenlee counties. Pederson has been in the public health and social work field for 14 years, holding several positions in county government. She earned a B.A. at the University of Arizona.

Richard Perry, M.D., is a practicing surgeon, board-certified since 1982 and a fellow of the American College of Surgeons. He also serves a clinical assistant professor of surgery at the University of Arizona College of Medicine and an instructor in the Phoenix integrated surgery residency program. He is a member of the executive board of the Arizona Medical Association. Perry holds a B.S. degree from Arizona State University and an M.D. from the University of Arizona College of Medicine.

Leland W. Peterson, M.P.H., since 1990 has been president and chief executive officer of Sun Health Corporation, a nonprofit community health network including hospitals and health care, home care, and hospice services. Earlier, he was a senior vice president and chief operating officer of Del E. Webb Memorial Hospital, one of Sun Health's facilities. Peterson earned a B.S. degree at Wisconsin State University and an M.P.H. at the University of California, Berkeley.

Carol Sanders, M.S.W., is ALTCS's case management manager, responsible for monitoring program compliance and providing technical assistance to program and tribal contractors. She has held a series of increasingly responsible positions in AHCCCS since 1988. Earlier, Sanders had experience as a social worker and social services director. She earned a B.S. degree at Northern Arizona University and a master's at Arizona State.

Mary F. Temm, M.H.S.A., who founded Temm & Associates, Inc., a health care consulting firm, in 1992, has been retained by clients such as CIGNA HealthCare of Arizona and three of the state's ALTCS health plans. Temm has also served as a vice president of Evercare of Arizona and of Health Management Associates. Her health care career began with Arizona Physicians IPA.

Shari Zint directs the adult foster care program of the Foundation for Senior Living. She has been with the foundation for more than 16 years, earlier serving as the program's coordinator and as a home care supervisor. She is a member of the steering committee for the Maricopa Elder Abuse Prevention Alliance and a local speaker on caregiver issues. Zint holds a B.A. from Point Loma College in San Diego.

BIOGRAPHICAL SKETCHES — FEDERAL PARTICIPANTS

Kathryn Allen is director for Medicaid and private health insurance issues in the U.S. General Accounting Office (GAO). She directs the agency's work on Medicaid, long-term care, and private health insurance. Her 25-year career with GAO also includes leadership positions in the Seattle and European field offices and, in the late 1980s, direct staff support to the National Commission to Prevent Infant Mortality.

Judith Berek is principal advisor on national policy implementation to the the administrator of the Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services (DHHS). Previously, she was CMS regional administrator in the New York region and consortium administrator for the Northeast Consortium. Earlier, Berek served in executive positions with New York City's Human Resources Administration and Department of Social Services. She received her bachelor's degree from Brooklyn College and is a member of the National Academy of Social Insurance.

Alison Buist, Ph.D., is a legislative assistant for Sen. Gordon Smith (R-Ore.). She is also an instructor for health policy and the health care system at the George Washington University School of Medicine and Health Sciences. After working on the Oregon Health Plan during its design phase, Buist worked with health care planners in Canada and Britain during discussions of resource allocation in the national health care systems of those countries. Buist holds a Ph.D. degree in health policy from the Johns Hopkins University School of Public Health and a master's degree from Yale University.

William Clark is a senior research analyst in the Office of Research, Development, and Information at the Centers for Medicare and Medicaid Services; his projects focus on the integration of acute, chronic, and long-term care services for populations dually eligible for Medicaid and Medicare benefits. He has served in a research/development/technical assistance role at CMS since 1983. Clark earned a master's degree from the University of Wisconsin—Madison.

Robert Donnelly is director of the Health Plan Policy Group in the Center for Beneficiary Choices at the Centers for Medicare and Medicaid Services, with responsibility for Medicare+Choice policy and quality improvement, as well as enrollment, appeals, and consumer protection in both M+C and fee-for-service Medicare. Before becoming group director, he was director of the Division of Program Policy. Previously, Donnelly spent five years as a program examiner with the Office of Management and Budget. He holds a master's degree from the University of Michigan.

Stuart Hagen joined the Congressional Budget Office (CBO) in 1998 as a principal analyst in the Health and Human Services Division. He came to CBO after receiving a Ph.D. from the University of Chicago. Before beginning his doctoral studies, Hagen was director of health plans for FHP Health Care, a large Medicare risk contractor that has since become part of PacifiCare.

Sandra Isaacson is director of the User Liaison Program in the Agency for Healthcare Research and Quality (AHRQ). Before joining AHRQ in 1997, she was an assistant director with GAO. She also worked for several years for the Senate Veterans' Affairs

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Committee. Isaacson began her career as a registered nurse. She received a B.S.N. from the University of Wisconsin—Madison, an M.S.N. from Catholic University, and an M.B.A. from Marymount University.

Stephanie Kennan joined Sen. Ron Wyden (D-Ore.) as senior health policy advisor in 1998. Before joining the senator's staff, she was director of federal affairs for the Maryland Department of Health and Mental Hygiene. Earlier, she served on the staffs of two members of the House of Representatives and as a lobbyist for AARP and the American College of Emergency Physicians. Kennan earned a B.A. degree from the University of Virginia and an M.A. from Johns Hopkins.

Gavin Kennedy is a senior policy analyst in the Office of Disability, Aging, and Long-Term Care of the Office of the Assistant Secretary for Planning and Evaluation, DHHS. Since starting at DHHS as a presidential management intern in 1995, he has focused on community alternatives to institutions for long-term care.

Steven Lieberman is executive associate director of the Congressional Budget Office. He had been a partner in the EOP Group and headed his own consulting firm from 1994 to 1999. Earlier, he served as vice president of marketing and government programs for Intergroup and vice president of strategic planning at Schaller Anderson Inc. in Phoenix. Lieberman's previous government positions include assistant director and health financing branch chief in the Office of Management and Budget.

Paulette Morgan is an analyst in social legislation at the Congressional Research Service. Her service to Congress focuses on the topics of Medicare managed care, prescription drug expenditures, geographic variation in Medicare spending, and HIV/AIDS programs. She holds an M.P.A. from the University of Washington.

Larry Patton has been senior advisor to the director of the Agency for Healthcare Research and Quality since 1998. He serves as the agency's congressional and public liaison officer. Since joining AHRQ in 1989, he has been director of the Office of Policy Analysis, special assistant to an earlier director, and director of the agency's user liaison program. Patton began his career as a legislative assistant for health policy in the U.S. Senate, a position he held from 1973 to 1987. He holds a bachelor's degree from Pennsylvania State University and is a Pew Doctoral Fellow at the University of Michigan School of Public Health.

Birgitte Santaella is health care liaison in the district office of Rep. John Shadegg (R-Ariz.), who is a member of the Committee on Energy and Commerce and its Health Subcommittee. Santaella joined the congressman's staff six years ago. Earlier, she taught high school Latin in Ft. Lauderdale. She serves on various state and local boards and commissions, including the governor's Character Education Board. Santaella graduated from Calvin College in Grand Rapids and has done graduate work at Arizona State University.

William Scanlon, Ph.D., is director of health care issues at the U.S. General Accounting Office. He has been engaged in health services research since 1975. Before joining the GAO in 1993, he was the co-director of the Center for Health Policy Studies and an

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associate professor in the Department of Family Medicine at Georgetown University and had been a principal research associate in health policy at the Urban Institute. His research has focused in particular on the Medicare and Medicaid programs, especially provider payment policies, and the provision and financing of long-term care services. Scanlon has published extensively and has served as a frequent consultant to federal agencies, state Medicaid programs, and private foundations. He has a Ph.D. in economics from the University of Wisconsin—Madison.

Adelle Simmons is a policy analyst in the Office of Health Policy in the Office of the Assistant Secretary for Planning and Evaluation at DHHS. Before coming to Washington in 2000, she was a senior analyst with the Health Task Force in New York City's Office of Management and Budget. She holds a B.A. from Harvard and a master's degree from New York University.



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