WHITE PAPER

Identifying Medically Frail Individuals – A Kentucky Medicaid Case Study

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For states considering community engagement or work requirements for Medicaid expansion populations, being able to appropriately identify individuals who should be exempt from such requirements due to medical or other serious conditions is imperative. This paper focuses on the development of such identification in the Commonwealth of Kentucky's Medicaid program, as a case study that could be useful in other states.

On January 12, 2018, the Center for Medicare and Medicaid Services (CMS) approved Kentucky's 1115 demonstration waiver. As part of this waiver, Kentucky has elected to provide the Medicaid expansion adult population with an Alternative Benefit Plan, or ABP, that differs from the traditional state Medicaid benefit package. In addition, the Kentucky 1115 waiver includes a community engagement requirement provision and member premiums up to 4% of income.

CMS regulations require that Kentucky identify individuals who are exempt from these waiver requirements. In addition, exempt individuals must have the option to receive the full state Medicaid plan benefits instead of the ABP. This exempt group includes adults identified as Medically Frail because they have chronic, serious, or complex medical conditions. The Medically Frail eligibility criteria must also include individuals with disabling mental disorders or chronic substance use disorders.

Medically Frail Determination

Affordable Care Act regulations require that a state's Medically Frail definition encompass the following at a minimum:

- Disabling mental disorders
- Chronic substance abuse disorders
- Serious and complex medical conditions
- Physical, intellectual, or developmental disability that impairs one or more activities of daily living (ADLs)
- Disability determination (Social Security or state plan)
- Supplemental Security Income (SSI) program participants, disabled, and foster children

States have the flexibility to add other categories of Medically Frail individuals who may require the benefits offered in the full state Medicaid plan.

Methods for Identifying Medically Frail Individuals

With Wakely's consulting expertise, Kentucky is implementing a scoring approach that employs a collection of clinical, underwriting, and actuarial algorithms to identify Medically Frail individuals. This approach utilizes multiple

methods to determine an individual's frailty status:

- Claims mining algorithms use historical medical and pharmacy encounter data to categorize complex physical and mental conditions
- Additional claims algorithms identify and stratify individuals with chronic substance abuse disorders by utilizing medical encounter data
- A clinician attestation allows providers to assess physical, mental, and substance abuse disorders for enrollees without a claims history, such as new enrollees or existing enrollees who are not currently receiving care
- The clinician attestation also identifies members with conditions that cannot be identified via encounter data, such as homelessness and the inability to perform ADLs

Wakely used a stratification approach to categorize condition severity in both the claims algorithms and clinician attestation. We first identified high, medium and low severity conditions from a clinical perspective. To further stratify condition severity of some conditions, we also used historical claims costs to identify more severe diagnoses.

While high claims costs are often indicative of severe and complex medical conditions, they are not the only indicator of frailty. For example, individuals who are homebound with a debilitating condition could be Medically Frail but may not necessarily have high claim costs. Similarly, individuals who are unable to perform an ADL may not have high medical costs but should still be considered for exemption from the community engagement requirement. Because severe conditions do not always correlate with high costs, it is imperative to develop a methodology that incorporates not only an actuarial approach but also utilizes clinical input. Therefore, the objective of the clinician attestation is to capture the right information and identify individuals who are less likely to be able to maintain employment or participate in community volunteer work due to their health conditions.

Because severe conditions do not always correlate with high costs, it is imperative to develop an identification methodology that incorporates not only an actuarial approach but also utilizes clinical input.

After identifying condition severity, a point value is assigned to each severity level for each condition and a total frailty score is calculated for each member. The scoring method accounts for an individual's co-morbidities and ensures that members with multiple medium or low severity conditions, who do not have any high severity conditions, can still be considered Medically Frail due to the compounding nature of their conditions. Members who meet the pre-defined score threshold are determined to be Medically Frail.

Other Considerations

Underlying Data and Assumptions. For this project, Wakely utilized Kentucky data specific to the eligible population. Wakely's recommendation is that each state considering a work or community engagement requirement

use their own eligible populations to develop Medically Frail identification algorithms.

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Electronic Claims Tool. In addition to the clinician attestation, Wakely developed a claims tool to identify Medically Frail individuals. This tool consists of SQL code to be run by the Managed Care Organizations, or MCOs, and was provided to the MCOs at no cost. The claims tool can be used by the MCOs for other purposes as well. The tool outputs a list of members that the MCOs can consider for disease management and other care coordination programs, for example.

Self-Identification. In addition to the methods described in this paper, Kentucky also allows for temporary medical frailty identification through self-identification for limited circumstances. Members who self-identify as Medically Frail must follow-up with a clinician attestation to confirm their Medically Frail status.

Expanding the Medically Frail Definition. The Affordable Care Act allows states the flexibility to add other categories of Medically Frail individuals who are better served by the full state Medicaid plan benefit package. Kentucky has elected to expand the Medically Frail definition to include chronically homeless individuals. Homelessness is determined through self-identification or through documentation on the clinician attestation.

Medically Frail Redetermination. In Kentucky, an individual identified as Medically Frail will retain the status for 12 months. After the initial 12-month period, the individual's status must be re-determined through Wakely's claims algorithms or the clinician attestation. Because members are expected to have claims experience data upon redetermination, Kentucky is currently considering additional data requirements for individuals seeking Medically Frail redetermination.

Concluding Thoughts

It is vital that states such as Kentucky create a Medically Frail identification process that is both effective and transparent. If developed and implemented well, this process will help safeguard access to the appropriate level of services and providers for high-risk individuals. For those who have significant barriers to accessing employment or other community engagement, the Medically Frail designation ensures that individuals retain access to critical health benefits. In addition, the Medically Frail program supports individuals with mental health and substance abuse disorders during their recovery.

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