The Role of Area Agencies on Aging in Medicaid Waivers and Medicaid Managed Care - ASA Generations

Abstract

Ohio's Area Agencies on Aging (AAAs) have become national leaders in integrating health and social care through Medicaid waivers and managed care. Their long-standing role in Ohio Medicaid programs like PASSPORT and MyCare Ohio demonstrates how community-based organizations can improve care coordination, outcomes, and cost-effectiveness. Uniquely, Ohio mandates AAA partnerships with managed-care plans, positioning them as essential to person-centered service delivery. As the state transitions in 2026 to Fully Integrated Dual Eligible Special Needs Plans, the AAA model offers a proven, scalable approach for aligning healthcare with community-based supports for older adults and individuals with disabilities.

Key Words

Area Agencies on Aging, Medicaid managed care, Home- and Community-Based Services (HCBS), integrated care, dual eligible populations, long-term services and supports (LTSS), care coordination, person-centered care

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Area Agencies on Aging (AAAs) and other community-based organizations are increasingly partnering with healthcare organizations to support the social and health needs of the people they serve. While community-based organizations have long recognized the value of addressing social care needs, health systems and state policymakers are now making the connection that social care is a key component of effective healthcare, and investment in providing for health-related social needs can save in healthcare costs. Community-based organizations, including AAAs, hold a unique position that is essential for integrating social and healthcare, and contracting with healthcare aligns with the mission of these organizations (Brewster et al., 2020).

Ohio's AAAs offer a unique and instructive example of how a community-based organization network has translated years of experience working with the state Medicaid program into a model of collaboration resulting in the network's evolution, and an opportunity to improve care for the people they serve. Ohio's AAAs have played a pioneering and nationally unique role in Medicaid waiver programs and managed-care integration, demonstrating how local aging networks can enhance care coordination, person-centered service delivery, and system innovation with different payors and partners.

Through their long-standing leadership in programs like Ohio's Medicaid home- and community-based services (HCBS) waiver PASSPORT, the MyCare Ohio Financial Alignment Initiative demonstration, and the forthcoming statewide transition to Fully Integrated Dual Eligible Special Needs Plans, Ohio's AAAs are at the forefront of integrated care for older adults and individuals with disabilities.

For decades, Ohio's AAAs have served as trusted, community-based care coordinators for older adults and people with disabilities through the state's Medicaid HCBS programs and the Older Americans Act. But their role and importance has grown significantly in recent years—placing them at the forefront of integrated care.

Ohio stands alone in the nation in mandating a formal, contractual relationship between AAAs and Medicaid managed care plans through the state's MyCare Ohio financial alignment initiative (or duals demonstration program). This partnership has required AAAs to build robust systems for care management, data exchange, care coordination, and quality oversight—positioning them as essential partners in the delivery of managed long-term services and supports (LTSS). As the state prepares to end the MyCare demonstration and transition to a new model of fully integrated dual eligible special needs plans in 2026, the experience of Ohio's AAAs offers critical insights into how community-based organizations can operate—and thrive—in complex, performance-driven managed care environments.

Divided into 12 regions, Ohio's AAAs are the foundation for HCBS in the state. In 1973, AAAs were formally established under the federal Older Americans Act to help older adults live with independence and dignity in their homes and communities. Ohio's AAAs are part of a vast national network of more than 600 AAAs and more than 20,000 community service providers (USAging, n.d.).

Ohio's AAAs have a successful history and significant experience providing long-term services and supports, which has served the state and older Ohioans well. In 1984, Ohio began a Medicaid HCBS waiver pilot program known as PASSPORT (Pre-Admission Screening System Providing Options & Resources Today) in two regions of the state; it became statewide in 1990 as a 1915(c) waiver program, and has been administered for 35 years by 13 PASSPORT Administrative Agencies, including the 12 Ohio AAAs and an independent nonprofit agency that was part of the original pilot. Ohio has one of the largest HCBS waiver programs in the nation (Scripps Gerontology Center, 2007). Also, in 2007 the state added the Assisted Living waiver, administered by the AAAs as PASSPORT Administrative Agencies.

Continuing to broaden their reach and experience, through a contract with the managed care organization CareSource, Ohio's AAAs have extended their case management role to individuals younger than age 60 in the Medicaid HCBS "Ohio Home Care" waiver for individuals up to age 59 who have disabilities. This contracted role enlarged to include specialized recovery services for severely mentally ill individuals under another Ohio Medicaid waiver program (Area Agency on Aging District 7, n.d.).

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More than 10 years ago, when Ohio's policymakers first considered taking on a new Medicare-Medicaid integrated care demonstration program through the Centers for Medicare & Medicaid Services Innovation Center (or CMMI), they initially proposed that the AAAs would not participate. Managed LTSS would be part of the program design, with managed care coordinating HCBS. This was new ground for managed care and the state.

The AAAs were concerned about the MCOs' lack of experience in Ohio's LTSS system, both in providing waiver services and in contracting with the hundreds of HCBS providers the AAAs had nurtured and partnered with for more than 25 years. As a result of a successful advocacy campaign with the state legislature and administration, the AAAs were included in the demonstration as mandatory partners with the managed-care organizations in the three-way contract between the state, CMS, and the plans (Centers for Medicare & Medicaid Services [CMS], 2012).

With their wealth of experience and drive to innovate and grow, Ohio's AAAs were well-positioned for the role. The MyCare Ohio duals demonstration program launched in May 2014. The MyCare Ohio demonstration integrates care and services through agreements with five managed-care organizations (MyCare Ohio Plans) across 29 counties, grouped into seven regions. The boundaries

of the seven MyCare regions match the boundaries of seven of the Ohio AAAs.

The requirement in the three-way agreement for the MyCare MMP plans to contract with Ohio's AAAs for waiver service coordination for individuals ages 60 and older is a unique feature of Ohio's financial alignment demonstration program. Because of their involvement with care coordination in the PASSPORT waiver program, the AAAs have established trusted relationships among waiver participants and providers. With their long history of care coordination in PASSPORT, the AAAs were well-equipped to provide waiver service coordination in MyCare Ohio and have contributed to its success over the past 10 years. In fact, two plans expanded the AAAs' role beyond waiver service coordination into fully delegated care management, demonstrating the AAAs' value and adaptability into new roles (Joint Medicaid Oversight Committee [JMOC], 2017; RTI International, 2018).

Stakeholders consistently identified the involvement of Ohio's AAAs as a key success factor in the demonstration. A report by the Kaiser Family Foundation found that "plans relied on [AAAs] for their connection to community-based resources and their knowledge of services, service authorizations, and assessments" (KFF, 2015). The report also highlighted that the continuity-of-care provisions—coupled with the state's requirement to include AAAs—helped maintain stable care for beneficiaries transitioning into managed care. One health plan reported that close collaboration with the AAAs was instrumental in boosting opt-in rates for Medicare services (KFF, 2015).

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The AAAs' effectiveness is grounded in decades of experience with Medicaid waiver programs and a deep understanding of local provider landscapes. An evaluation by RTI International noted that the Ohio Department of Medicaid cited the partnership between the plans and AAAs as a major success of the demonstration. "MMPs have come to value the local knowledge AAAs have, as well as their expertise in HCBS," the department said. One AAA noted that "the partnership produces a bigger impact than either the MMP or AAA could make on their own" (RTI International, 2022).

State officials emphasized that the requirement to contract with AAAs was intended, in part, to improve plans' capacity to manage LTSS (RTI International, 2018). Evaluations consistently point to the AAAs' strength in human connection. In an environment where mistrust of systems is common, particularly among historically underserved Black, Latino, and rural populations, these relationships are not just assets—they are lifelines. Moreover, several evaluations highlighted that AAAs' familiarity with waiver rules, longstanding relationships with community-based providers, and personalized approach to care were viewed as critical differentiators (RTI International, 2022).

Following CMS's requirement that all Financial Alignment Initiative demonstrations end by Dec. 31, 2025, Ohio began a phased transition from MyCare Ohio to a new integrated-care model using Fully Integrated Dual Eligible Special Needs Plans (FIDE-SNPs), fully aligned enrollment in a companion Medicaid managed-care plan known as Next Generation MyCare. The transition launched in existing MyCare regions on Jan. 1, 2026, with statewide implementation occurring in phases throughout the year. The state's Conversion Charter emphasizes improved care coordination as a core objective of the new model, including the continuation and strengthening of partnerships between MyCare plans and the AAAs (Ohio Department of Medicaid, 2022).

The AAAs' role was solidified by HB 33, the state's biennial budget passed in June 2023 by the 135th Ohio General Assembly. The bill included language that requires MyCare plans (or its successors) to use AAAs for waiver service coordination for individuals ages 60 and older unless otherwise requested by the individual and allows for full delegation of care coordination to the AAAs. The bill also requires MyCare and its successor programs to be expanded statewide (Ohio

General Assembly, 2023).

The AAAs are working in close collaboration now to take the lessons learned from MyCare Ohio to ensure older Ohioans and people with disabilities are well served in the new program. System development, readiness reviews, and training have been key components of the preparation. The Department of Medicaid has fully supported the AAAs' role in the new program with significant time, resources, and technical support. The four managed care plans selected for the new program have been fully supportive of the continued partnership with the AAAs.

The value proposition for MCOs to work with the AAAs is very simple: "MCOs have limited experience coordinating and delivering HCBS; AAAs have the know-how to coordinate and deliver services, an established infrastructure and an army of highly skilled aging professionals and providers" (National Association of Area Agencies on Aging, 2012). With deep expertise in supporting the social needs of older adults living in their communities, AAAs can be attractive partners for healthcare organizations aiming to better serve patients with complex medical and social needs (Brewster et al., 2020).

In recognition of the emerging opportunities for AAAs to partner with healthcare organizations, the Aging and Disability Business Institute was founded in 2016 to help AAAs, centers for independent living, and other community-based organizations build the organizational capacities needed to establish, maintain, and grow such relationships (Brewster et al., 2020).

The experience of Ohio's AAAs demonstrates that community-based organizations must be strategic partners in the evolving landscape of Medicaid and Medicare integration. Their decades of experience delivering person-centered case management through Medicaid waiver programs has laid the groundwork for their success under MyCare Ohio. But it is their adaptability, commitment to quality, and deep community connection and understanding of local needs that have enabled them to take on the challenges of managed care and lead a new era of service delivery.

The road ahead requires continued investment, partnership, and innovation—but Ohio's AAAs have already shown what's possible when community-based organizations are given a seat at the table.

If we are to truly serve older adults and people with disabilities—particularly those from marginalized or underserved communities—our systems must do more than deliver services. They must build relationships, respect culture, and listen deeply. Ohio's AAAs offer more than a model—they offer a movement. Let's expand it, fund it, and let new voices lead.

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