IDAHO Department of Health and Welfare

Division of Medicaid
Medical Assistance Services

Joint Finance-Appropriation Committee Presentation

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Administrator

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Presentation Overview

- Medicaid 101
- Overview of Budget Recommendation
- SFY 2015 Legislative Intent – SB 1424
- SFY 2016 Medicaid Budget Request
- Questions

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Medicaid 101

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What Is Medicaid?

- 1965 - new title to the Social Security Act
- Ensures medical care for low-income people
  - State administers
  - Federal government oversight
- Idaho created a health plan for some of our most vulnerable citizens

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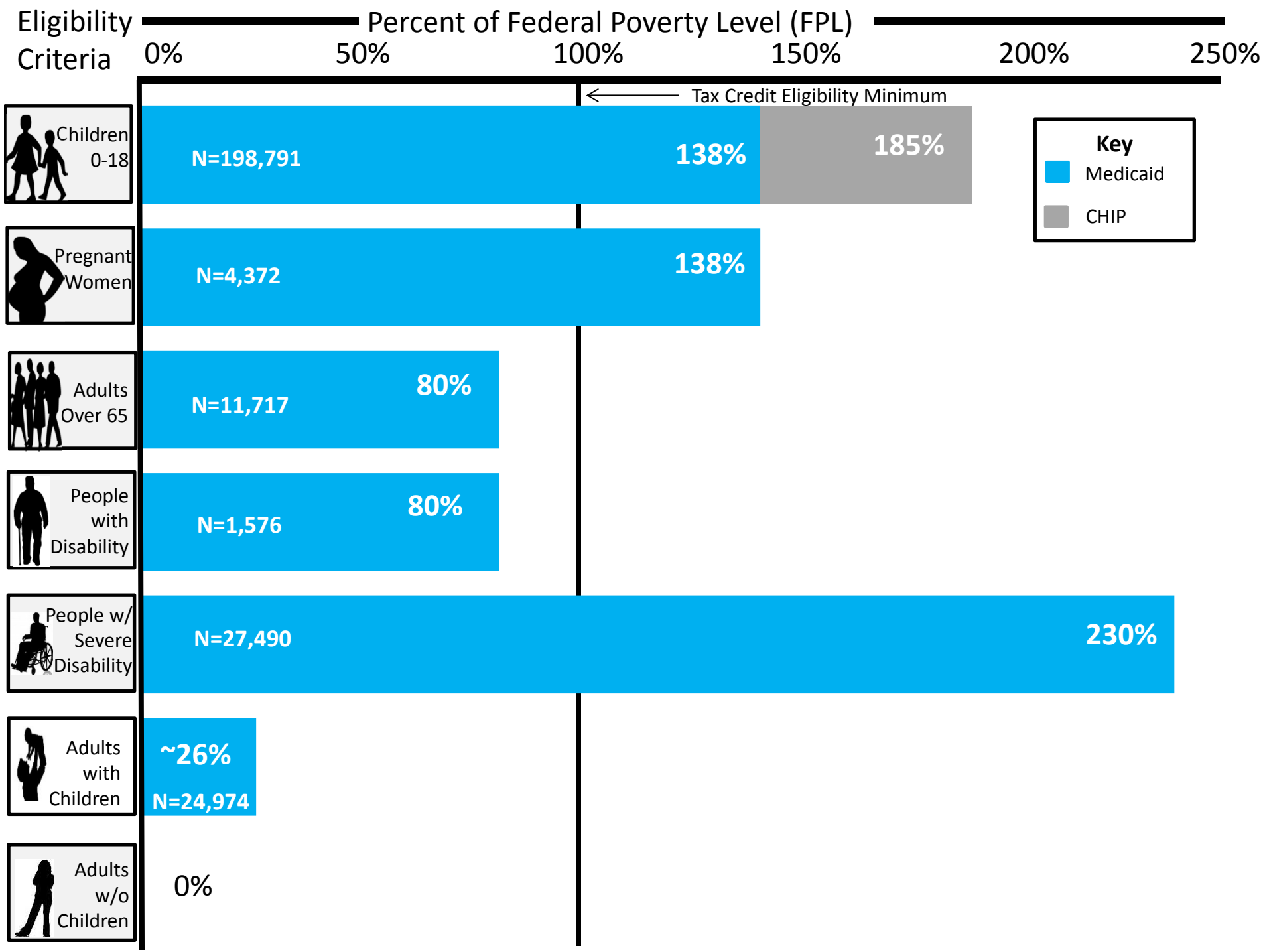
Who gets Medicaid?

90% are children, disabled, or elderly

Category	SFY 2015	% of Eligibles
Children	200,031	74%
Disabled Adults & the Elderly	42,159	16%
Pregnant Women	4,372	2%
Healthy Adults with Children	22,358	8%
Total Eligible	**268,920**	


Eligibility Criteria
Percent of Federal Poverty Level (FPL)
0%
50%
100%
150%
200%
250%
Tax Credit Eligibility Minimum
Key
Medicaid
CHIP
Children 0-18
N=198,791
138%
185%
Pregnant Women
N=4,372
138%
Adults Over 65
N=11,717
80%
People with Disability
N=1,576
80%
People w/ Severe Disability
N=27,490
230%
Adults with Children
~26%
N=24,974
Adults w/o Children
0%

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High Level Overview of Budget Recommendation

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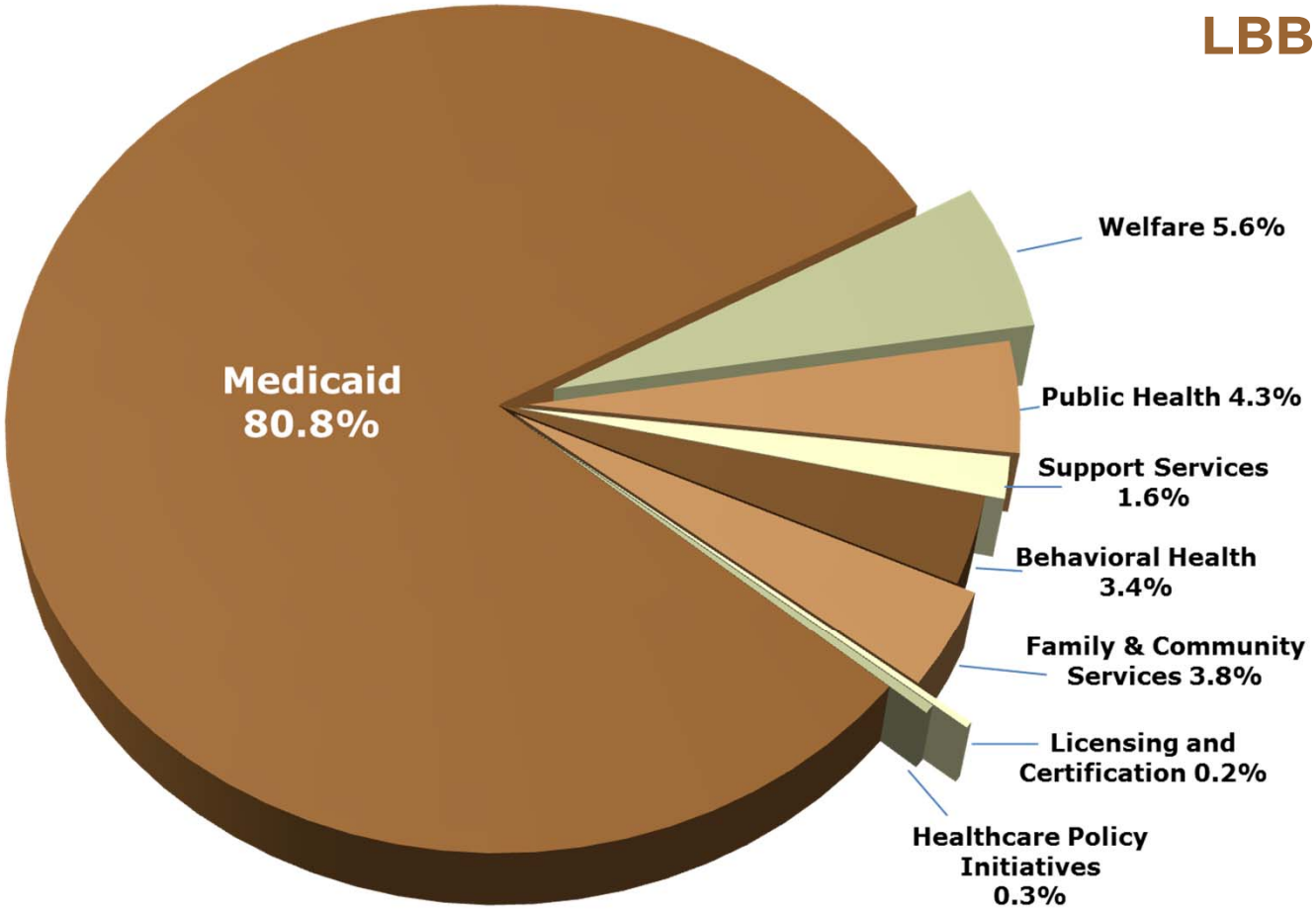
DHW SFY 2016 Recommendation

LBB 2-8



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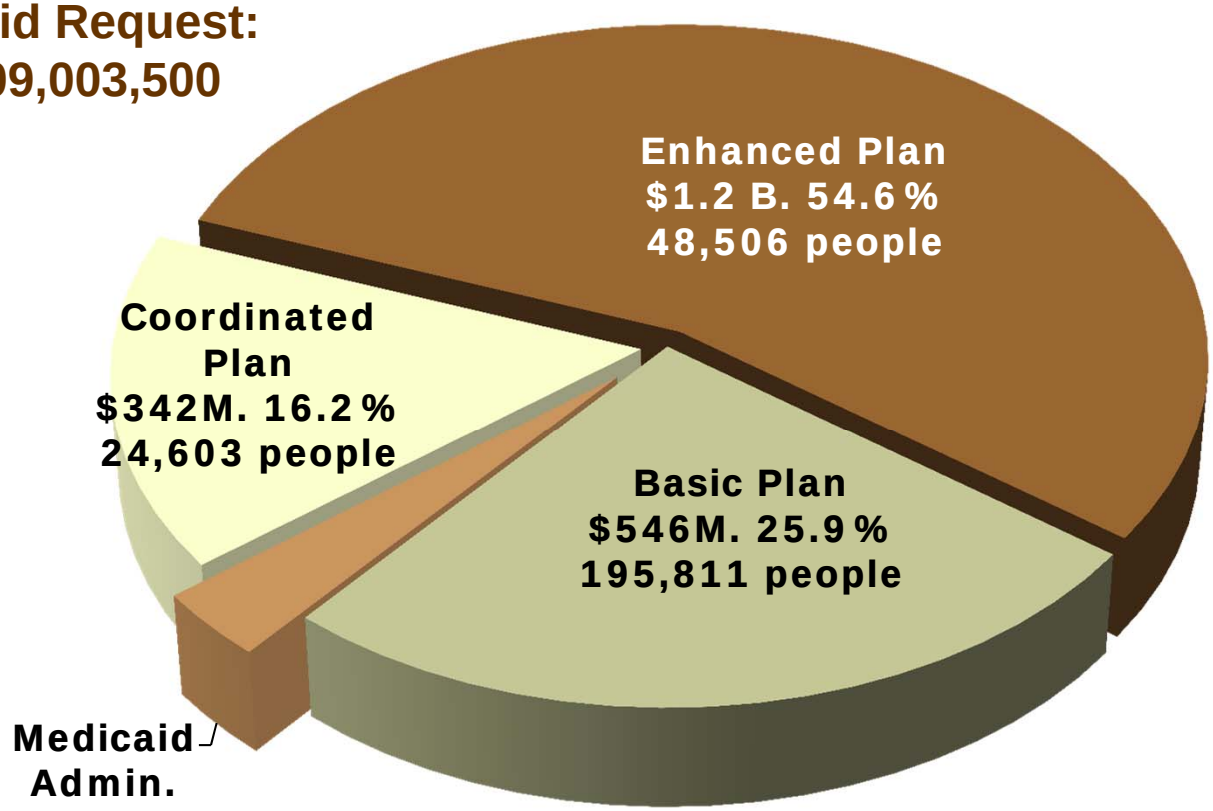
SFY 2016 Medicaid by Plan

Medicaid Request:
$2,109,003,500

LBB 2-8



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Costs by Population

Eligibles	SFY 2015	%	PMPM
Basic Child	169,080	63%	$178
Basic Adult	26,730	10%	$609
Enhanced Child	30,950	12%	$942
Enhanced Adult	17,556	6%	$2,534
Coordinated	24,604	9%	$1,768
Grand Total	**268,920**		**$608**

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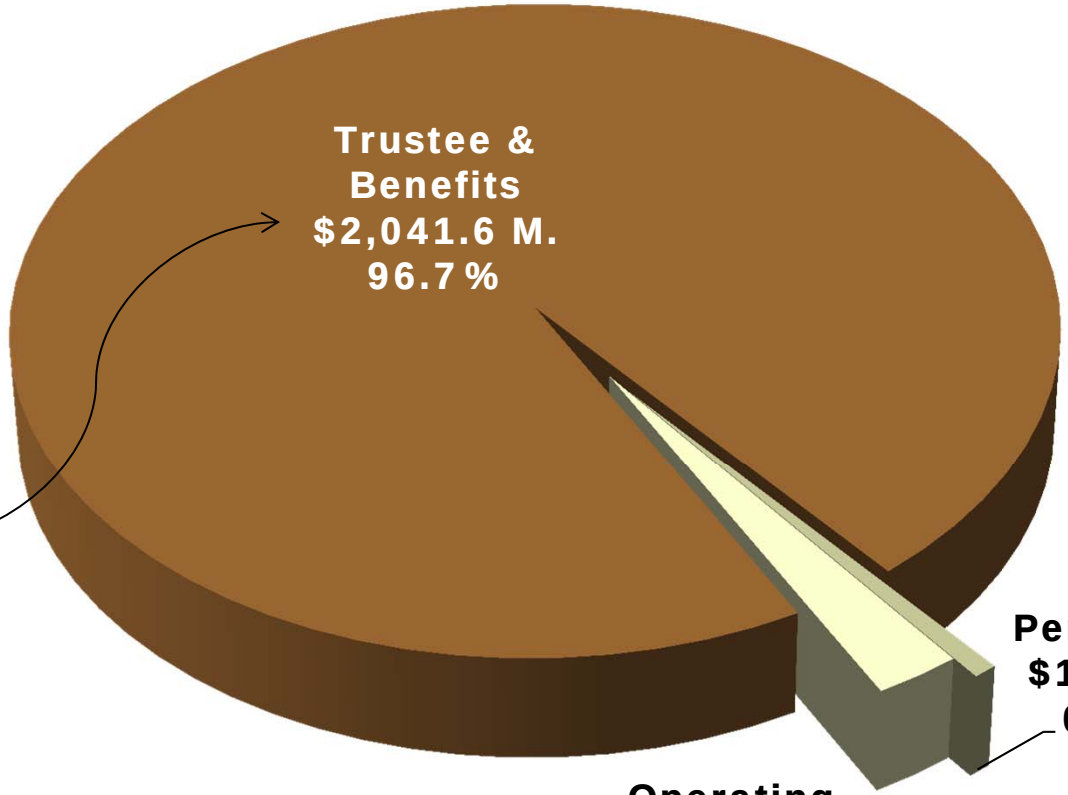
Medicaid by Category

FTP: 208

LBB 2-35



Payments for healthcare services

Total: $2.1 B

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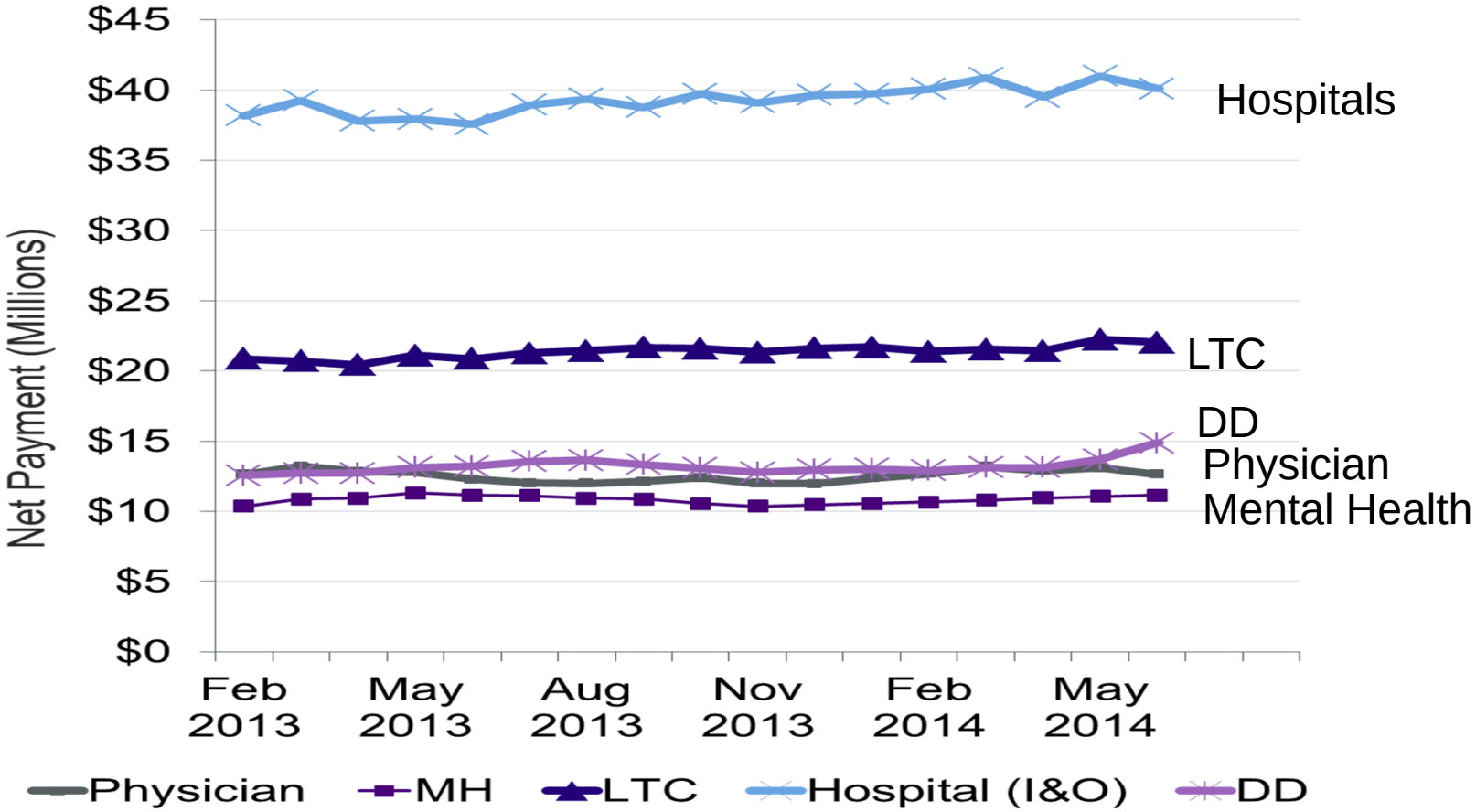
Top Five Provider Types



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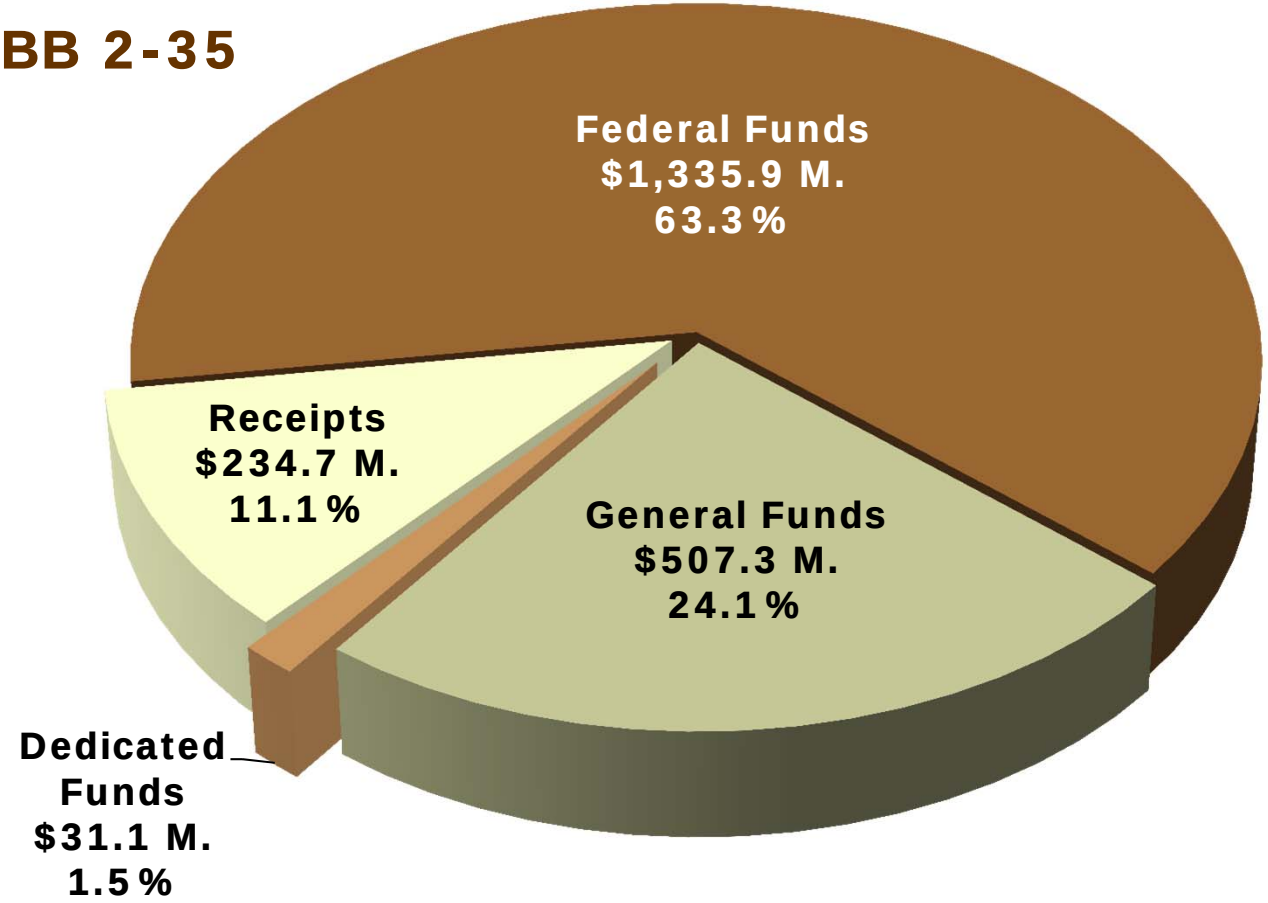
Medicaid by Fund Source

LBB 2-35



Increase from SFY 2015	
General	3.0%
Dedicated	-8.2%
Receipts	52.5%
Federal	-1.3%
Total	3.7%

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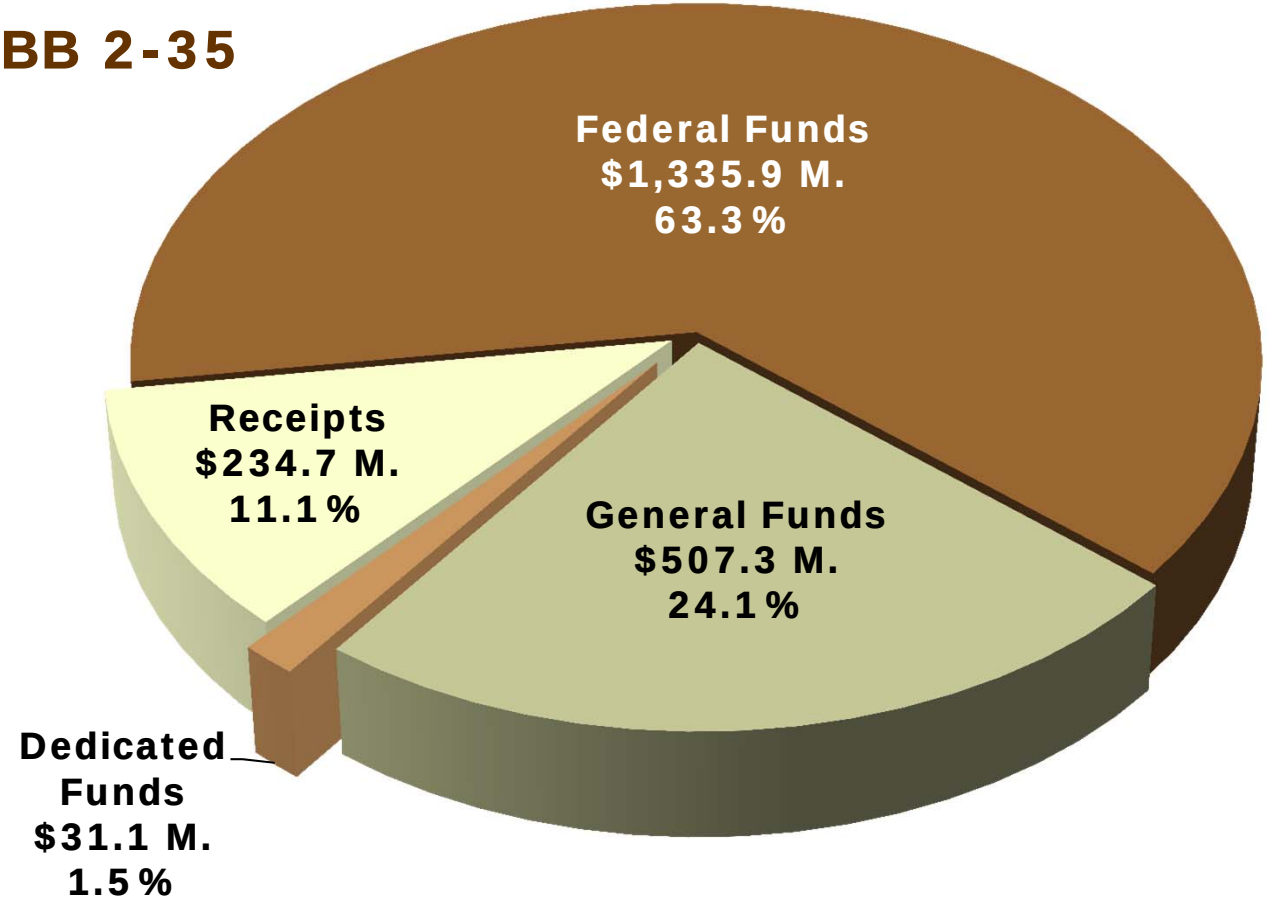
Medicaid by Fund Source

LBB 2-35



Increase from SFY 2015	
General	1.6%

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Update on Legislative Intent Language

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Legislative Intent From 2014 Session Senate Bill 1424

- Medicaid Tracking Report
- HB 260 Implementation Report
- Managed Care Report

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Medicaid Tracking Report

Intent: DHW will deliver a monthly report to LSO and DFM comparing actual expenditures to the appropriation and forecast expenditures for the next fiscal year.

Results:

- Monthly meeting with all parties
- Includes current year and next fiscal year
  - Expenditures by fund source and service
  - Eligible counts
  - PMPM costs
- Narrative that describes changes that might affect the forecasted expenditures

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Implementation of House Bill 260

Intent: Medicaid to report quarterly on the status of implementation of HB 260 (enacted in the 2011 legislative session). Report will note any cost savings and provide any update on legislated benefit modifications.

Results:

- Savings continue
- Most modifications remained intact
- Remaining dental cuts restored

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Managed Care Implementation

Intent: Division of Medicaid to provide quarterly reports on progress in integrating managed care approaches into the state Medicaid system.

Results: Care Management for

- Dental Services – Blue Cross of Idaho since 2007
- Residential Habilitation – CPI since 2012
- Non-Emergent Medical Transportation – AMR since 2010
- Dual Eligibles – Blue Cross of Idaho since 2014
- Outpatient Behavioral Health & Health Homes

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Outpatient Behavioral Health

- New services mission
  - Participants move to recovery & resilience
  - Use evidence-based services
  - Move to outcome based reimbursement
- Legislature request for managed care
- Vendor: Optum since 9/1/2013
- Initial challenges shift to meeting metrics

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Medicaid Health Homes

- Implemented 1/1/2013
- Uses patient-centered medical home model for participants with:
  - Asthma or diabetes and a co-morbidity
  - SPMI or SED
- 10,900 participants enrolled to date
- Concurrent with the multi-payer pilot

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Health Homes

- Average monthly member costs down over 20%
- Preliminary claims review indicates material reductions

Preliminary Health Home Stats 2014 vs. 2013 (Jan. to June)	
Hospital Admissions	Down over 30%
ER Visits	Down over 25%
Number of RX per person	Down over 15%

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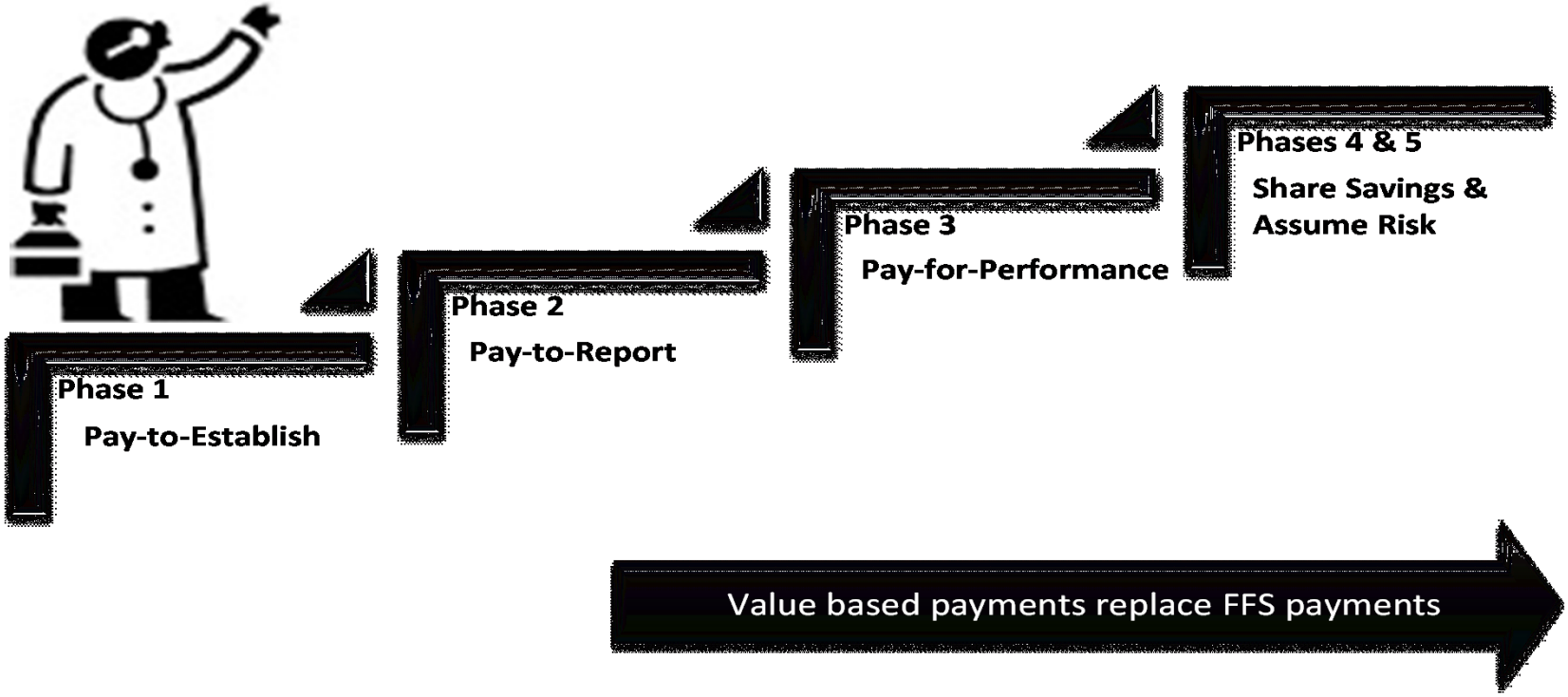
Patient Centered Medical Homes

Four-Year Care Management Redesign



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Medical Assistance Services SFY 2016 Budget Request

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Supplemental Request: Hepatitis-C Drug Payments LBB 2-38 Line 3

Ongoing request **$6,500,000**

- State general funds $1,885,000
- Federal spending authority $4,615,000
  - Sovaldi treats some chronic hepatitis-c cases
  - Requires prior authorization
  - Protocols developed using national standards
  - Trustee and benefits
  - Similar drugs coming to market

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Supplemental Request: Increased Receipt Authority LBB 2-38 Line 8

Recommendation for one-time funding

- State general funds $<17,110,000>
- Federal spending authority $<41,890,000>
- Receipt spending authority $ 59,000,000
  - Methodology change in UPL calculation
  - Processing almost two times more hospital cost settlements
  - Line item request for SFY 2016 & SFY 2017

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Supplemental Request: PCP Incentive Sunset LBB 2-43

Recommendation for ongoing reduction

- Federal spending authority $<6,500,000>
  - Federally mandated PCP incentive payments end 12/31/2014
  - Removes excess federal authority
  - In the LBB as a base reduction
  - Either path results in the necessary SFY 2016 base reduction

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Nondiscretionary Adjustments LBB 2-44

Ongoing request	**$53,047,200**
• State general funds	$26,876,100
• Federal spending authority	$20,171,100
• Receipt spending authority	$ 6,000,000

- 99% for increased claims payments (2.7% growth)
  - caseload – over 70%
  - cost-based reimbursement – under 30%
  - federally mandated inflation – less than 1%
  - utilization - decrease
- Remainder is CEC & benefits

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Average Monthly Eligible Participants Percent Change From SFY 2010

State Fiscal Year	Growth
2010	9.4%
2011	8.7%
2012	5.1%
2013	3.1%
2014	5.7%
2015	6.3%

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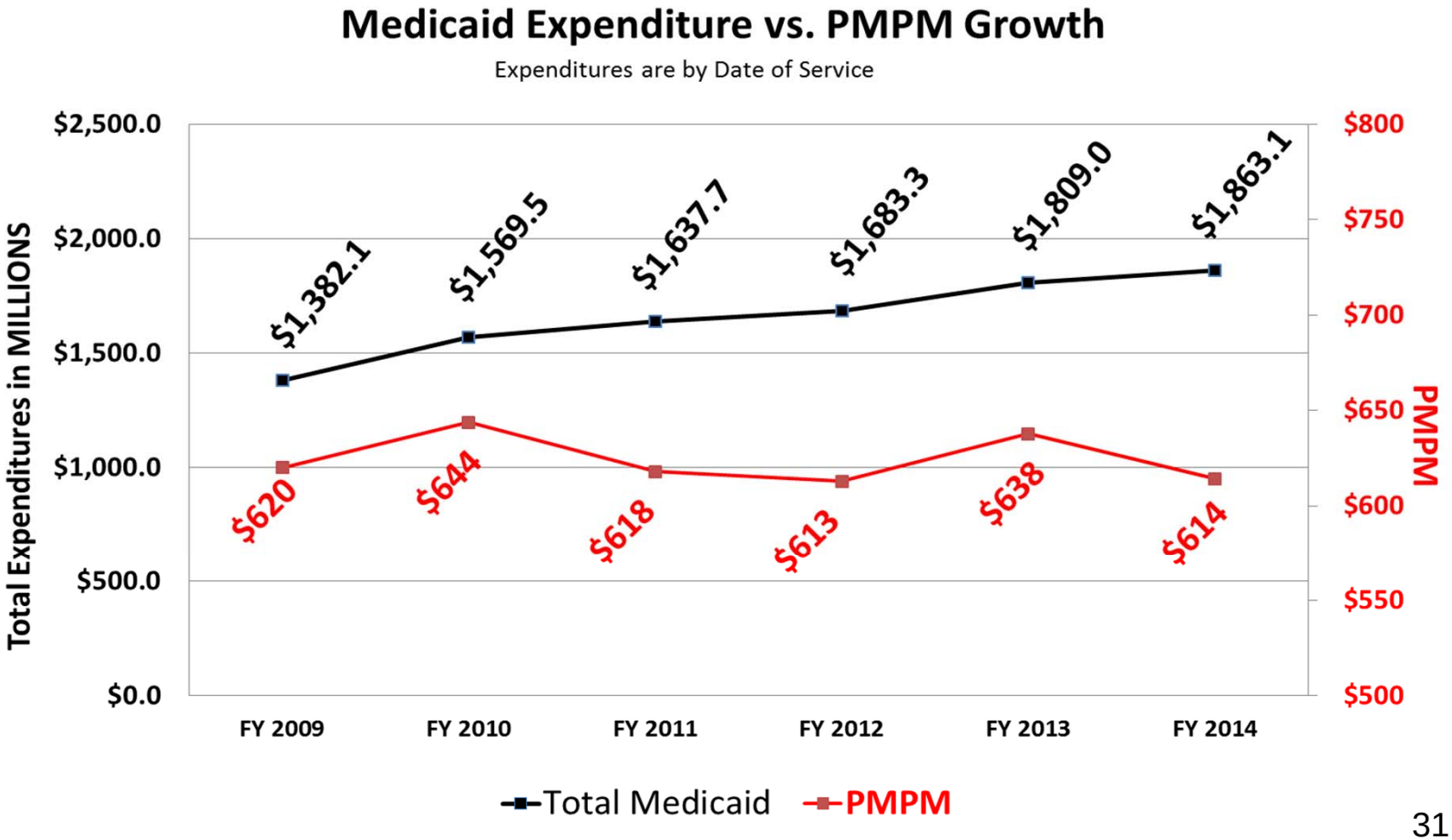
Expenditures Up 35% PMPM Down



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Electronic Healthcare Record LBB 2-44 Line 10

One-time request	**$16,704,900**
• State general funds	$ 21,900
• Federal spending authority	$ 16,683,000

- Administration of the federal EHR incentive program
- Payments to providers are 100% federal dollars
- Administrative costs including audit are 90/10

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Money Follows the Person Grant LBB 2-44 Line 11

One-time request $ 589,100

- State general funds $ 45,900
- Federal spending authority $ 543,200
  - 5th & final year moving from institutions to community
  - 236 transitions to date
  - Prior 3 years transitions exceeded benchmarks

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Children's Healthcare Improvement LBB 2-45 Line 18

One-time request $429,800

- Federal spending authority $ 429,800
  - Learning collaboratives
    - asthma
    - preventing childhood obesity
    - adolescent depression screening
    - attention deficit hyperactivity disorder
  - Special focus on pediatric PCMH models
  - Focus on creating care coordination models

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Quality Review of Managed Care

LBB 2-45 Line 27

Ongoing request **$100,000**

- State general funds $50,000
- Federal spending authority $50,000
  - CMS requirement for managed care contracts
  - Reviews of BH, dental, and MMCP vendors
  - Must not be done by a state agency
  - Excellent supplemental data to vendors' surveys

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Primary Care Rate Increase LBB 2-45 Line 28

Ongoing request

- State general funds $ 870,000
- Federal spending authority $<870,000>
  - PCP incentive payments sunset 12/31/14
  - Primary rates revert to the 2008 Medicare rates
  - Idaho Code 56-256(a) allows 100% current Medicare rates
  - Ensure continued access for participants

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CHIP Premium Fund Sunset LBB 2-46 Line 34

Ongoing request

- State general funds $ 2,768,000
- Dedicated spending authority $<2,768,000>
  - Idaho Code 41-406 sunsets 10/1/2015
  - Provided dedicated funds to offset CHIP expenses
  - CHIP expenses remain

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Increased Receipt Spending Authority

LBB 2-38 Line 8

Recommendation for one-time funding

- Receipt Spending Authority $ 60,000,000
- State general funds $<17,400,000>
- Federal spending authority $<42,600,000>
  - Methodology change in UPL calculation
  - Processing over two times more hospital cost settlements

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Additional Receipt Authority

LBB 2-46 Line 36

Ongoing request **$15,000,000**

- Receipt spending authority $ 15,000,000
  - Receipts are volatile & difficult to forecast
  - Cash processing policy can conflict with appropriation
  - Collaborative solution created by DHW, LSO, and DFM

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QUESTIONS?

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Glossary of Acronyms

Acronym	Definition
ACA	Affordable Care Act
ADHD	Attention Deficit Hyperactivity Disorder
Basic Plan	The Medicaid plan that covers healthy children and working-aged adults, including pregnant Woman.
BH	Behavioral Health
CHIP	Children's Health Insurance Program
CMS	Centers for Medicare and Medicaid Services
Coordinated Plan	The Medicaid plan that covers people who are eligible for both Medicare and Medicaid. The majority in this plan are elderly participants with special health care needs.
Enhanced Plan	The Medicaid plan that covers people with disabilities and special health care needs.
ER	Emergency Room
FFS	Fee for Service

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Glossary of Acronyms (cont.)

Acronym	Meaning
FPL	Federal Poverty Level
FMAP	Federal Medical Assistance Percentage. The percentage of certain paid claims that are covered by federal dollars.
IBHP	Idaho Behavioral Health Plan
MMCP	Medicare-Medicaid Coordinated Plan
PCMH	Patient Centered Medical Home
PCP	Primary Care Physician
PMPM	Per Member Per Month
RX	Prescription
SED	Serious Emotional Disorder
SHIP	State Healthcare Innovation Plan
SPMI	Serious & Persistent Mental Illness
UPL	Federal Upper Payment Limit

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