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## Division of Medicaid

### Medical Assistance Services Joint Finance-Appropriation Committee

**Paul Leary**  
Administrator

January 14, 2014



IDAHO DEPARTMENT OF  
HEALTH & WELFARE



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## Presentation Overview

- **HIGH LEVEL OVERVIEW OF BUDGET RECOMMENDATION**
- **UPDATE ON LEGISLATIVE INTENT - SB 1190**
- **BREAK**
- **MEDICAID BUDGET REQUEST**
- **QUESTIONS**



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# **MEDICAID BUDGET – HIGH LEVEL OVERVIEW**



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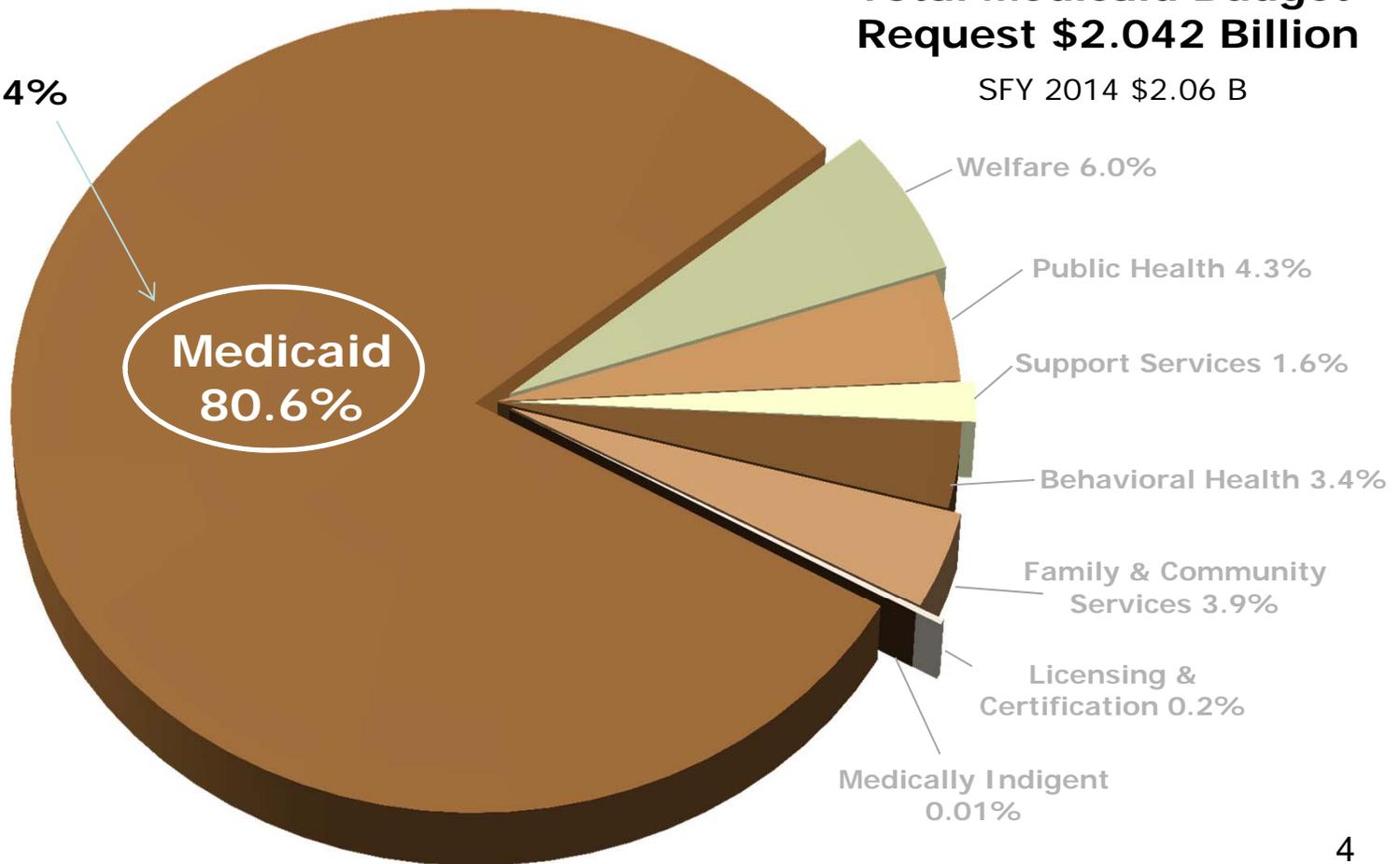
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## DHW SFY15 Program Recommendations

SFY 2014  
Medicaid 81.4%

**Total Medicaid Budget  
Request \$2.042 Billion**

SFY 2014 \$2.06 B





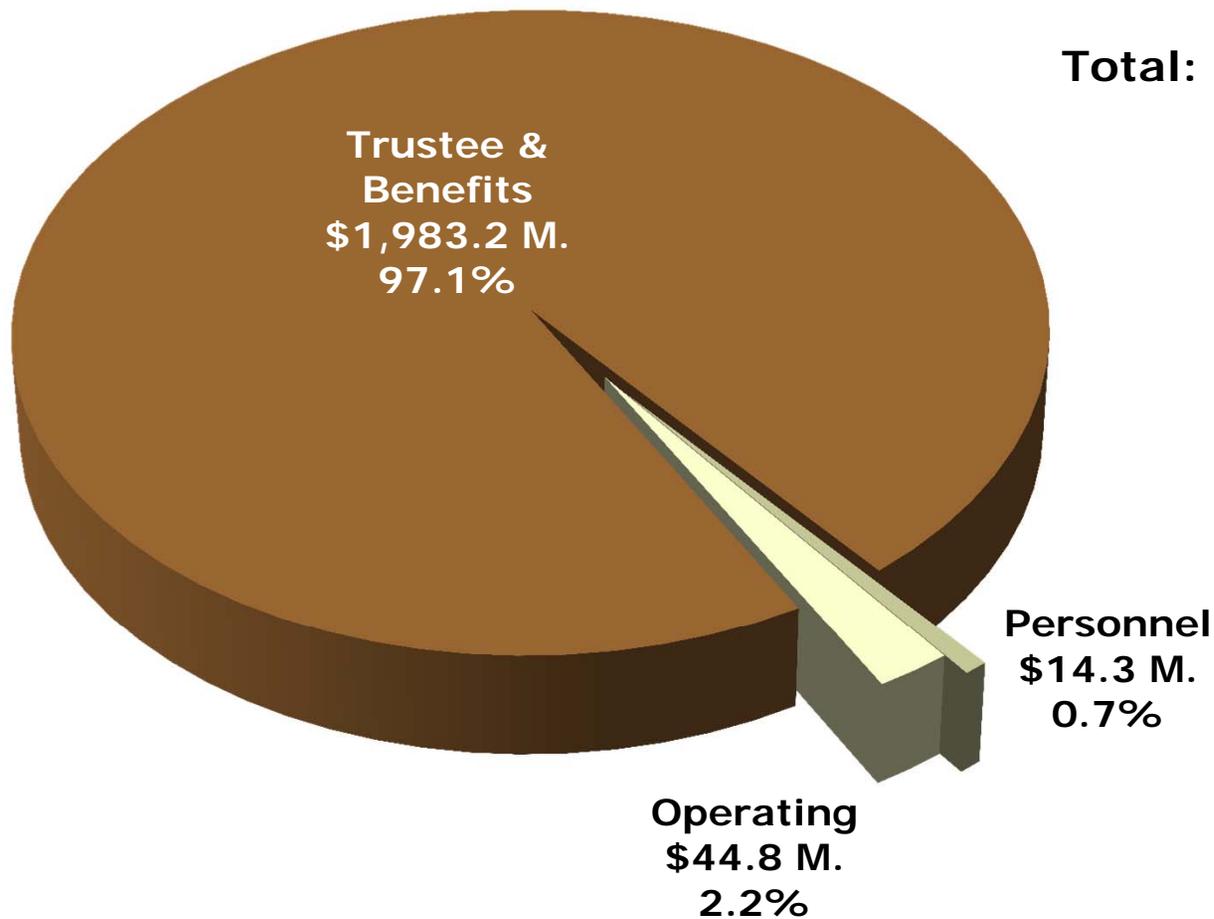
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## SFY15 Medicaid by Category LBB 2-35

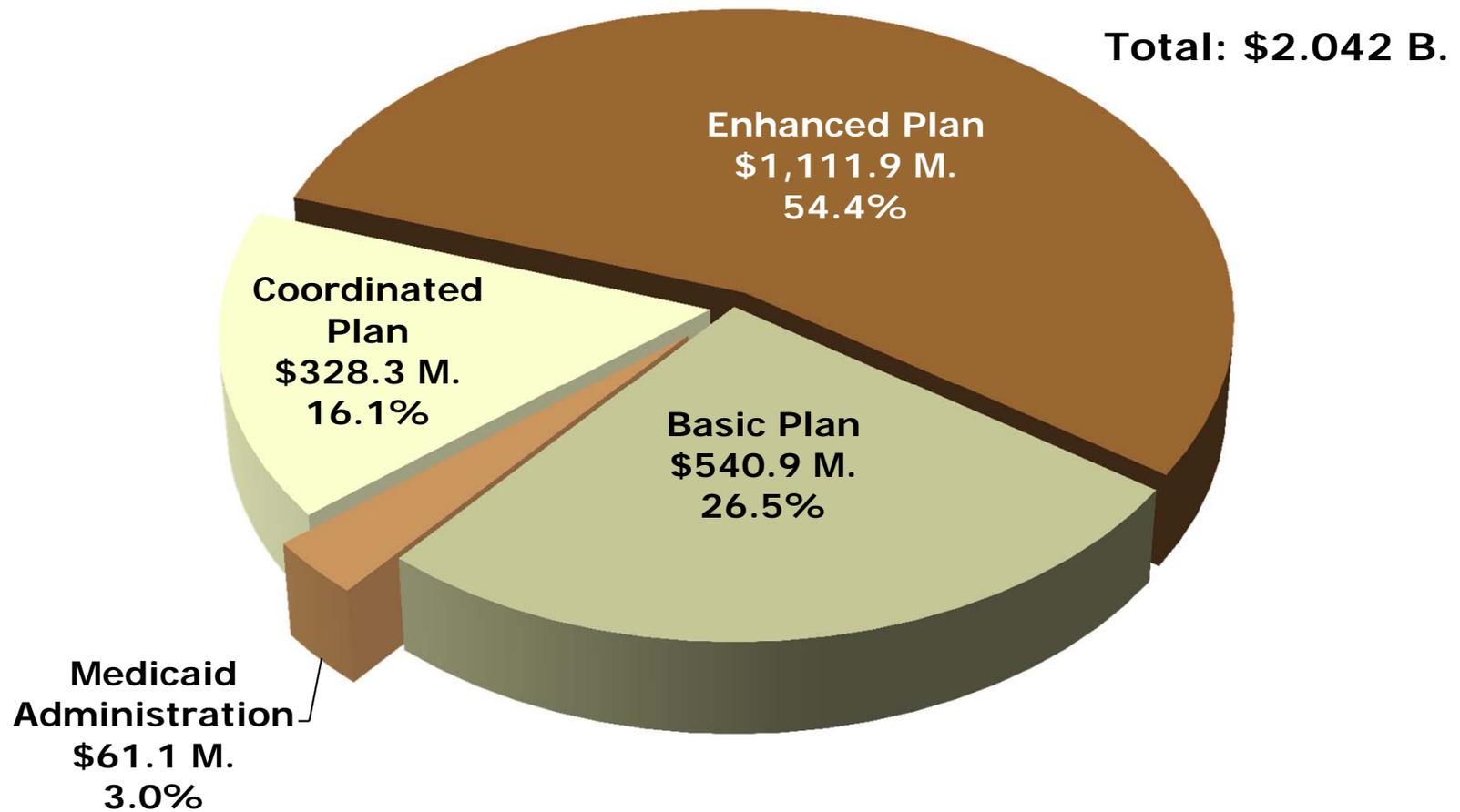
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Total: \$2.042 B.





## SFY15 Medicaid Program Budget Overview





## Members and Cost by Plan

Plan	Average Members/Mo. SFY 2014	% of Total Medicaid Members	Monthly Cost/Member
Basic Child	147,637	60.3%	\$196
Basic Adult	24,925	10.2%	\$631
Enhanced Child	31,962	13.1%	\$871
Enhanced Adult	17,201	7.1%	\$2,544
Coordinated	23,449	9.6%	\$1,746

Includes pregnancy

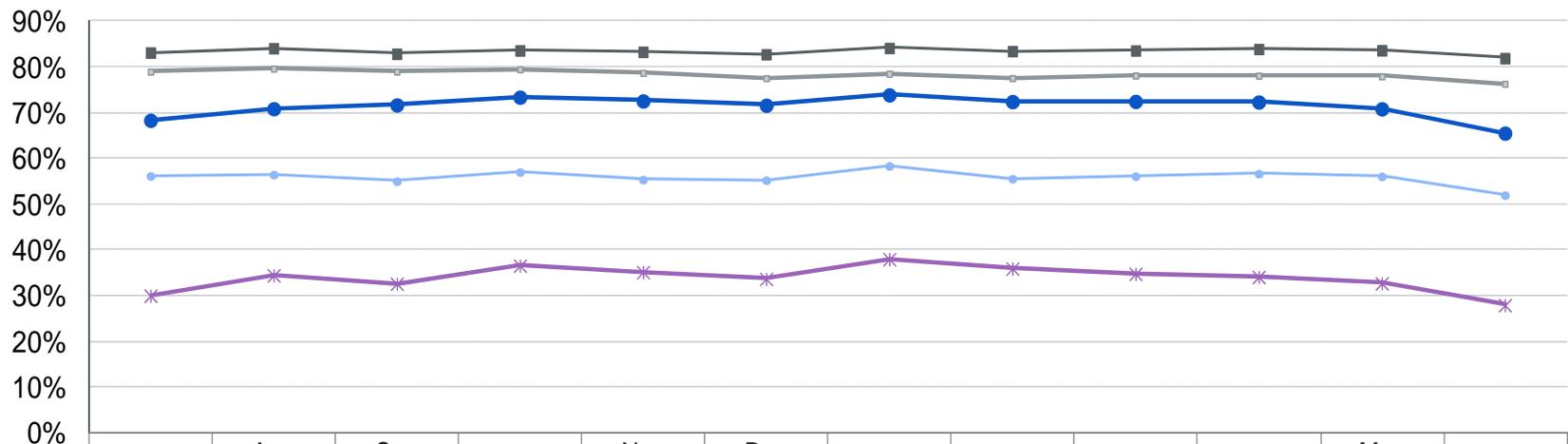
Under 30% of members

Over 70% of cost

Average through 10/31/2013



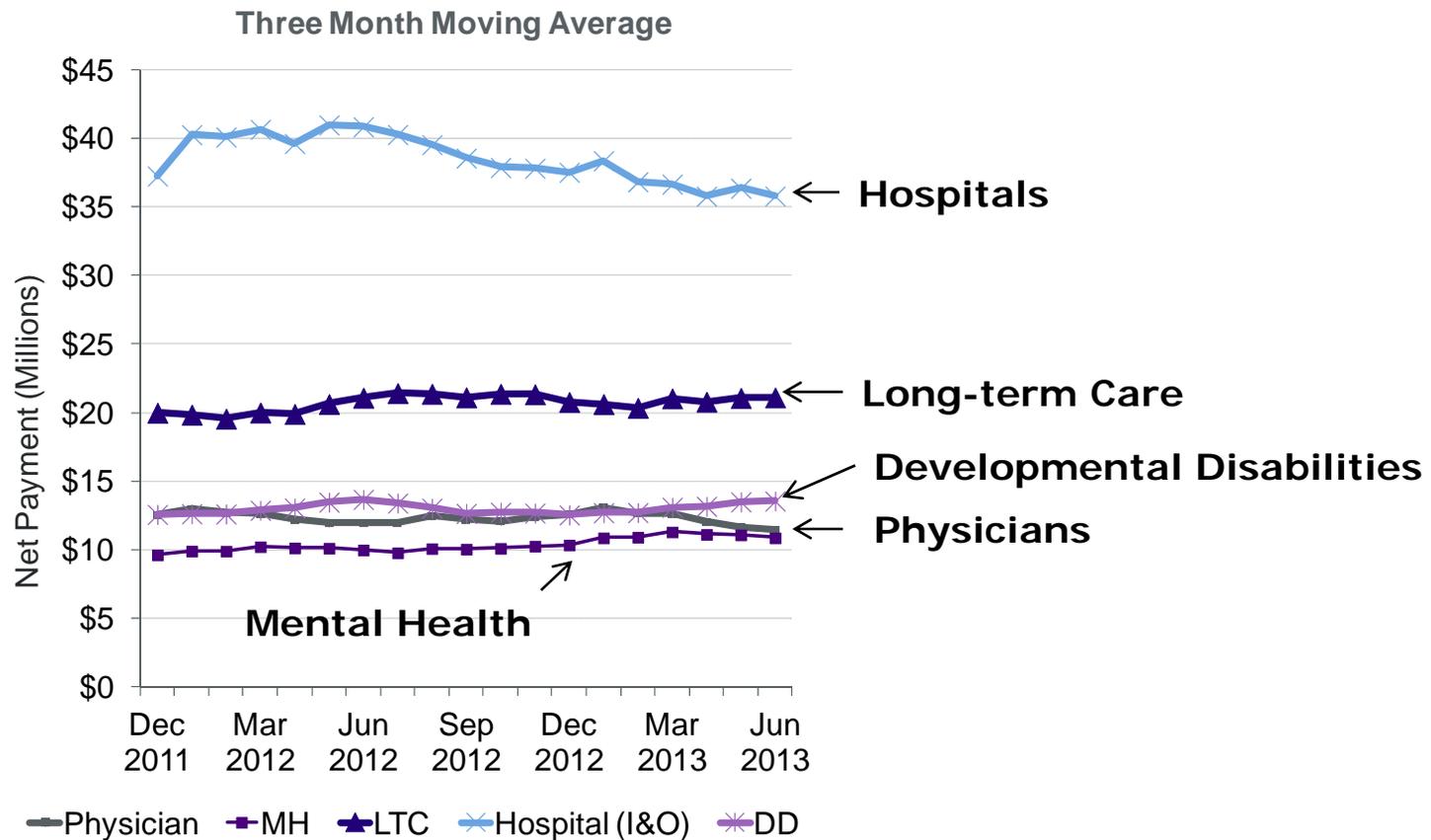
## Percent of Members Utilizing Services



	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013
■ Enhanced Adult	83%	84%	83%	84%	83%	83%	84%	83%	84%	84%	84%	82%
■ Coordinated	79%	80%	79%	79%	79%	78%	79%	78%	78%	78%	78%	76%
● Enhanced Children	68%	71%	72%	73%	73%	72%	74%	72%	72%	72%	71%	66%
● Basic Adult	56%	56%	55%	57%	55%	55%	58%	56%	56%	57%	56%	52%
* Basic Children	30%	34%	33%	37%	35%	34%	38%	36%	35%	34%	33%	28%



## MMIS Monthly Payouts – Provider Type

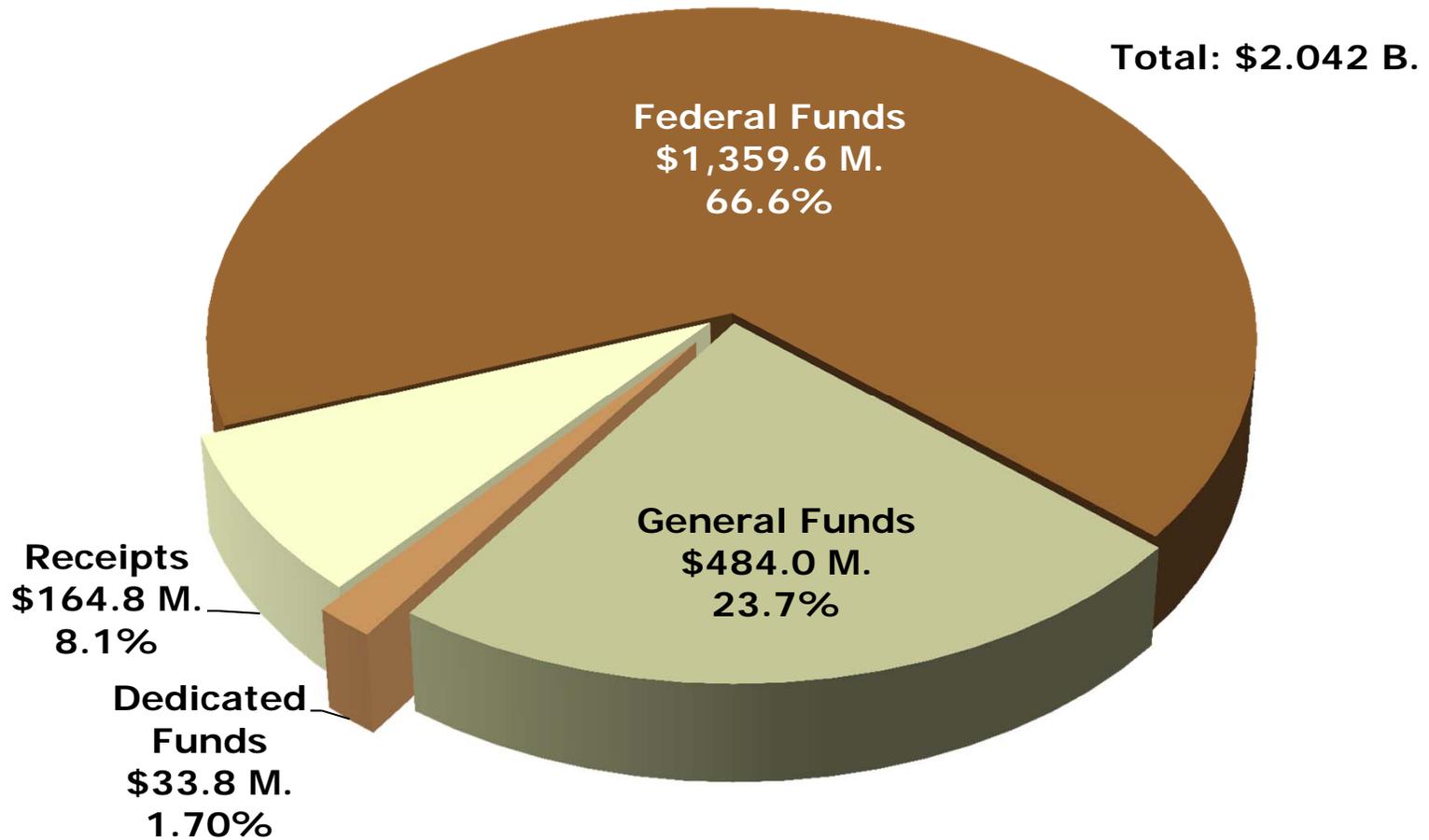




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## SFY15 Medicaid Funding Source LBB 2-35





**Legislative Intent**

**From 2013 Session**

**Senate Bill (SB) 1190**



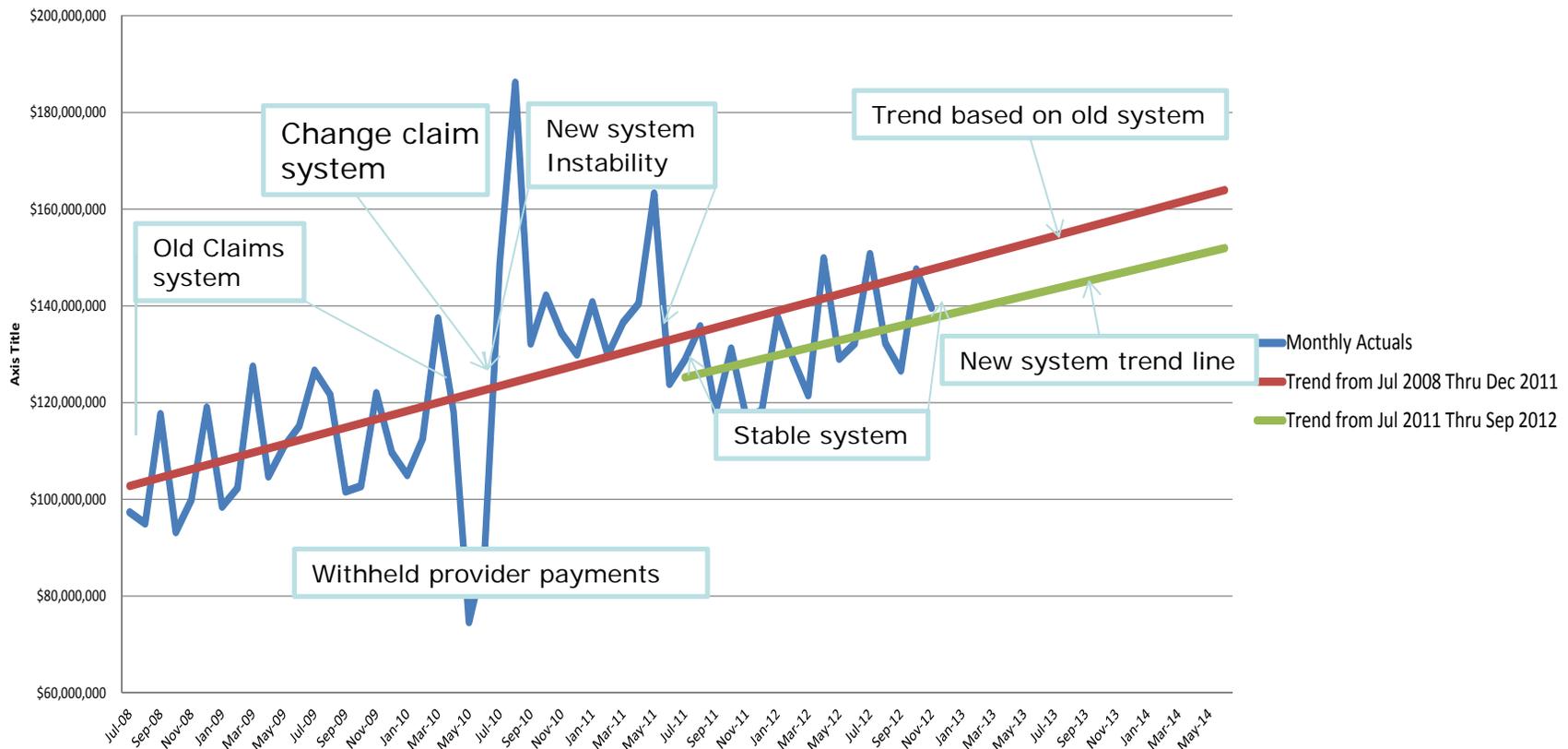
## Medicaid Tracking Report

**Intent:** DHW will deliver a monthly report to LSO and DFM comparing monthly actual expenditures to the budget as appropriated.

- Monthly budget meeting with all parties
- Compares monthly and year-to-date actual expenditures to appropriation
- Includes total Medicaid enrollment for each month
- Ongoing narrative to **track any and all changes** that might affect the forecast trend line
- Results

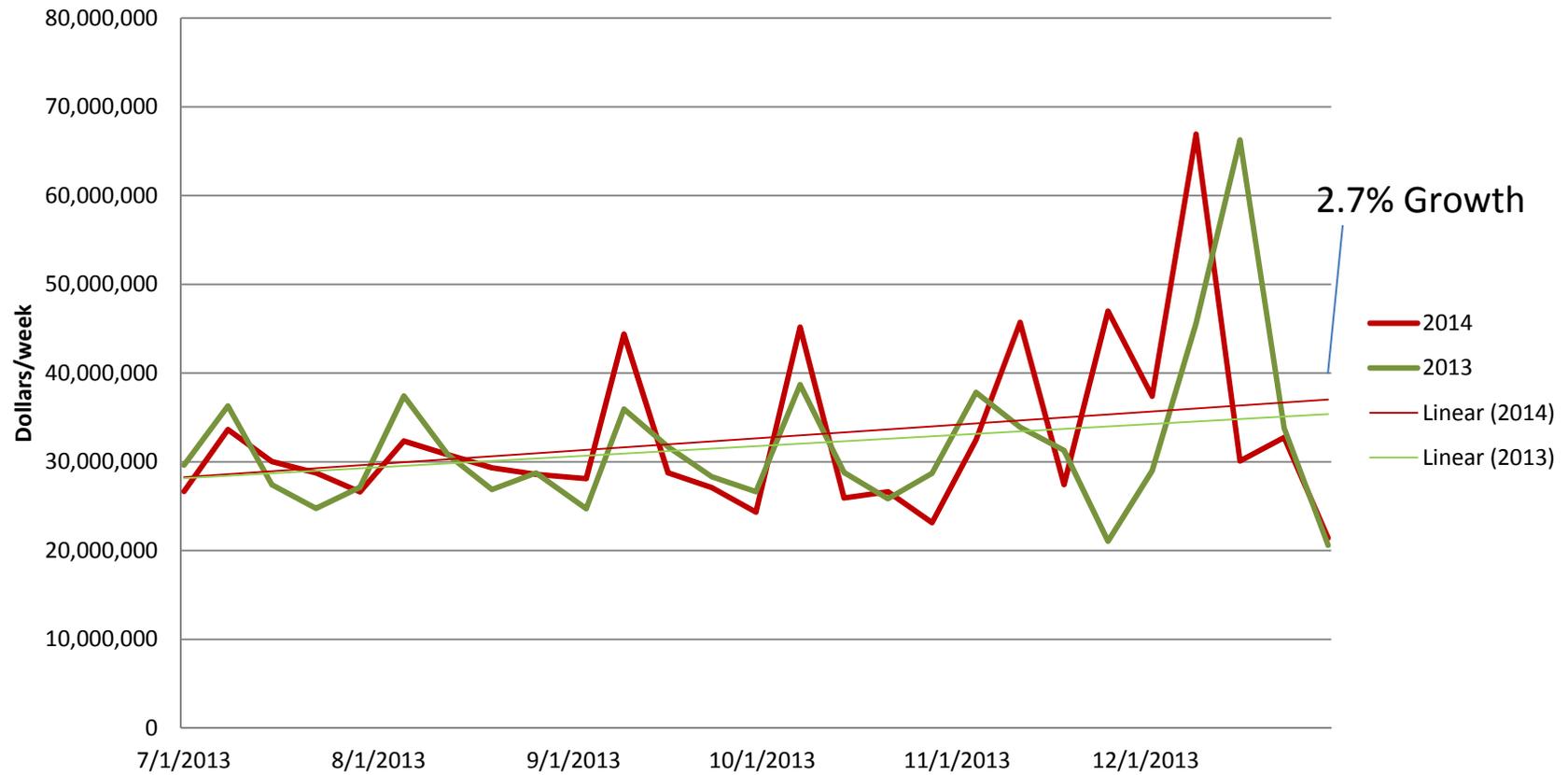


## MEDICAID EXPENDITURE TRENDS



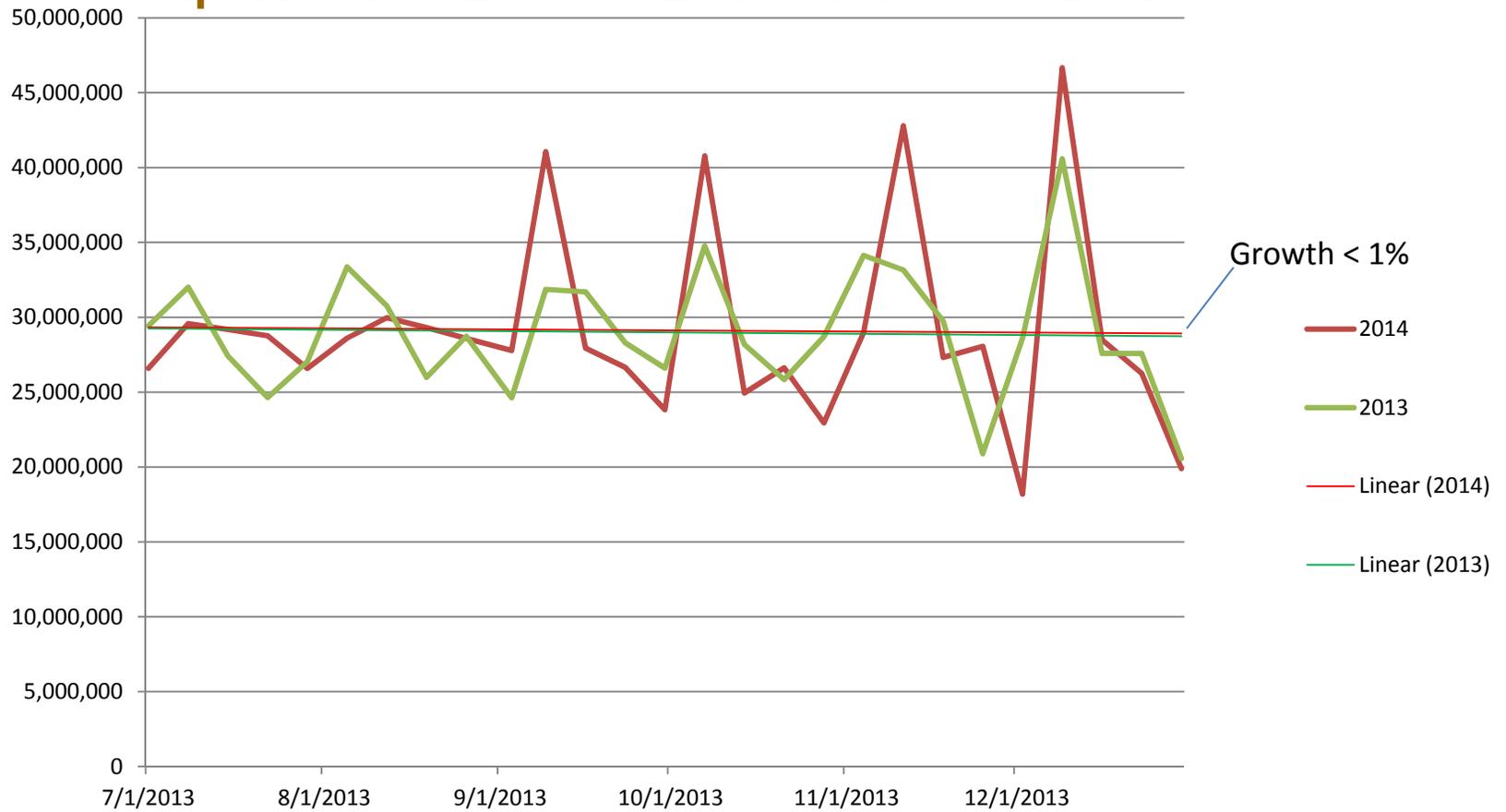


## Total Trustee & Benefit Change 2013-2014





## Comparison of 2014 to 2013 Trustee & Benefits



Removed UPL and DSH payments



## Implementation of House Bill 260

**Intent:** Division of Medicaid to report quarterly on the status of implementation of House Bill 260. Report to include:

- Benefit modification update
- Cost savings realized compared to estimate

**Results:**

- Estimated savings in state general funds was \$33,380,000 for SFY 2012, with actual savings realized of \$33,457,908. Savings continued into SFY 2013



## House Bill 260 Update

- All benefit modifications in HB 260 have been fully implemented and were incorporated in the Medicaid SFY 2014 appropriation.
- Two line item requests for provider rate increases were implemented in SFY 2013 and are incorporated in the Medicaid SFY 2014 appropriation.
- The Hospital assessment, Nursing Facility assessment and ICF assessment used to augment the Medicaid T&B budget had sunset provisions in statute and are no longer in play.



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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.



## Dental Services Update

### 1-year contract extension with Blue Cross of Idaho- DentaQuest completed and effective August 1, 2013

(September 2009)

- Children accessing services continues at or above 60% compared to 40% previously.
- Contractor is reinvesting in the community:
  - Smiling Stork program for pregnant women
  - Increased sealant coverage
  - Dental home for children – 3 years and younger
- Average rate per member per month **reduced** due to lower cost experienced.



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## Residential Habilitation Affiliation

- Used competitive bidding process to select **Community Partnership of Idaho** as provider of this service
- Awarded contract August 5, 2011, but not implemented until March 15, 2012, due to legal challenges
- Annual savings about \$1.2 million total funds
- No access issues or issues affecting participants



## Integrated Managed Care for Dual Eligible

- One of two health plans dropped out of the demonstration in late August; two plans are required for mandatory managed care in Medicaid.
- On September 11<sup>th</sup> CMS Medicare-Medicaid Coordination Office notified Idaho that they could not support moving forward with the demonstration with only one plan.
- Division of Medicaid exploring all options:
  - Pursue demonstration starting in 2015
  - Transition current Duals Special Needs Plan (D-SNP) into a fully integrated dual eligible SNP (FIDE) – 2014 and/or 2015
  - Both options required letters of intent from plans – November 2013



## Behavioral Health Managed Care

### Optum Health selected through the RFP process:

- On September 1, 2013, **Optum Idaho** assumed the management of Medicaid outpatient community-based mental health services and addiction disorder services.
- Nationally certified by NCQA in Behavioral Health
- NCQA certification requires provider network to maintain minimum certification or licensure standards. Optum working with providers to meet standards.
- Only significant issues identified in the first 4 months were providers getting clean claims through Optum and response time for obtaining prior authorizations.



## Behavioral Health Managed Care

### Optum Idaho responsive to concerns:

- Identified majority of unpaid claims missing information.
  - Initiated and continues two payment cycles/week.
  - Continuous and ongoing education:
    - ✓ FaxBlast to all network providers
    - ✓ Additional training sessions for providers (webinar)
    - ✓ Reach out to highly impacted providers in 1:1 education
- Optum claims and provider service staff researching other denial issues and targeted calls to providers.
- Optum increasing resources to assist with prior authorizations.
- No access or patient care issues identified.



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## Non-emergent Medical Transportation

Transportation brokerage implemented September 1, 2010, with **American Medical Response (AMR)** following the State's competitive bidding process

- Per-member-per-month rate set at the SFY 2008 experience and held constant.
- Contract extended for 1 year beginning September 1, 2013, at the same rate.
- One year extension, renegotiation or new RFP due by September 1, 2014.
- New RFP for effective date of September 1, 2015.



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## Medicaid Health Home

Part of the Governor's Patient-Centered Medical Home Collaborative

- Medicaid Health Home launched **January 1, 2013**.
  - Approximately 9,500 Medicaid participants enrolled in a Health Home.
  - Total of 26 health care organizations participating.
  - Includes over 50 service locations.
- **Continues the evolution** of the Healthy Connection program.



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## **Volume-based to Value-based Healthcare Statewide Healthcare Innovation Plan (SHIP)**

Idaho has been engaged in efforts to redesign our healthcare system for a number of years:

- 2007 – Governor Otter convened a Healthcare Summit.
- 2008 – Governor Otter’s Select Committee on Health Care
- 2008 – Idaho Health Data Exchange established.
- 2010 – Governor Otter established the Health Care Council.
- 2010 – Idaho Multi-Payer Medical Home Collaborative established.
- 2012 – Public/private team traveled to North Carolina to study the NC community care model.



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## Statewide Healthcare Innovation Plan (SHIP)

- March 2013: Centers for Medicare and Medicaid Innovation (CMMI) awarded a six-month planning grant to Idaho to develop a Statewide Health Innovation Plan.
- CMMI project goal to promote **“multi-payer healthcare delivery and payment models with broad stakeholder engagement to achieve delivery system transformation.”**
- Idaho SHIP goal: Design a model that evolves Idaho’s healthcare delivery system **from a fee-for-service, volume-based system to a value-based model of care** based on improved health outcomes.



## Statewide Healthcare Innovation Plan

SHIP planning process – numerous Idaho healthcare stakeholders

- **60 focus group** and town hall meetings held.
- SHIP Steering Committee received recommendations from 4 workgroups:
  - **Network Design**
  - **Quality Measures**
  - **Health Information Technology/Data**
  - **Payment Reform**
- Opportunity to coordinate the many Idaho healthcare initiatives already in place



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## Statewide Healthcare Innovation Plan

- Plan sent to CMMI December 26, 2013.
- Plan will be basis of design for Model Testing Proposal (MTP) grant application to be submitted to CMMI in early 2014.
- This model testing funding opportunity could result in significant federal funding to assist Idaho in implementing SHIP.



## Medical Assistance Services

### SFY 2015 Request



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## Medicaid Eligible/Not Enrolled LBB 2-40, #1

**Ongoing funding** **\$17,444,000**

- **State General Fund** **\$ 5,048,400**
- **Federal Funds** **\$12,395,600**

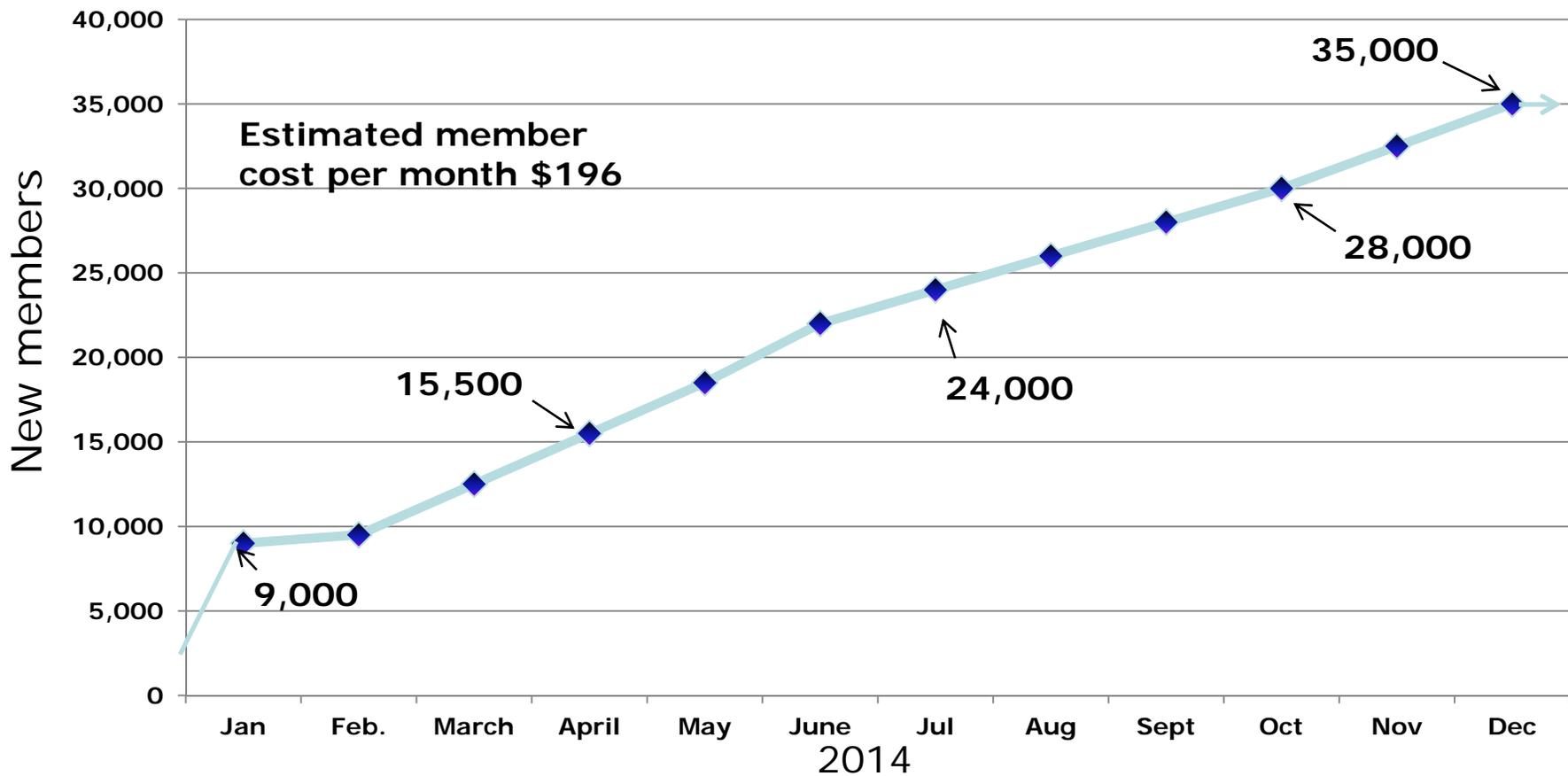
- Response to the individual mandate that is part of the Affordable Care Act
- Estimate that those eligible but not enrolled applying for Medicaid would be completed by the end of calendar year 2014.
- Estimated cost of \$196 per member per month, prepared by Milliman.



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## Estimated (BEST GUESS!) Uptake of Eligibles Currently Not Enrolled





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## Funding Increase—Personal Care Services LBB 2-40,#10

**Ongoing request for \$6,323,000**

• **State General Funds \$1,829,900**

• **Federal Funds \$4,493,100**

- Worked with the Medicaid Long Term Services and Support Committee to re-evaluate and revise the UAI to meet the needs of an increase population with significant behavioral needs.
- The revision better reflects the resources necessary to assist the caregiver to better meet the night needs, medication management and behavioral issues with this population. Tool implemented in 1999.
- Small portion of this request is to increase RN and LPN rates to be competitive with nursing facilities.
- Assists with keeping participants in the community instead of a nursing home if appropriate.



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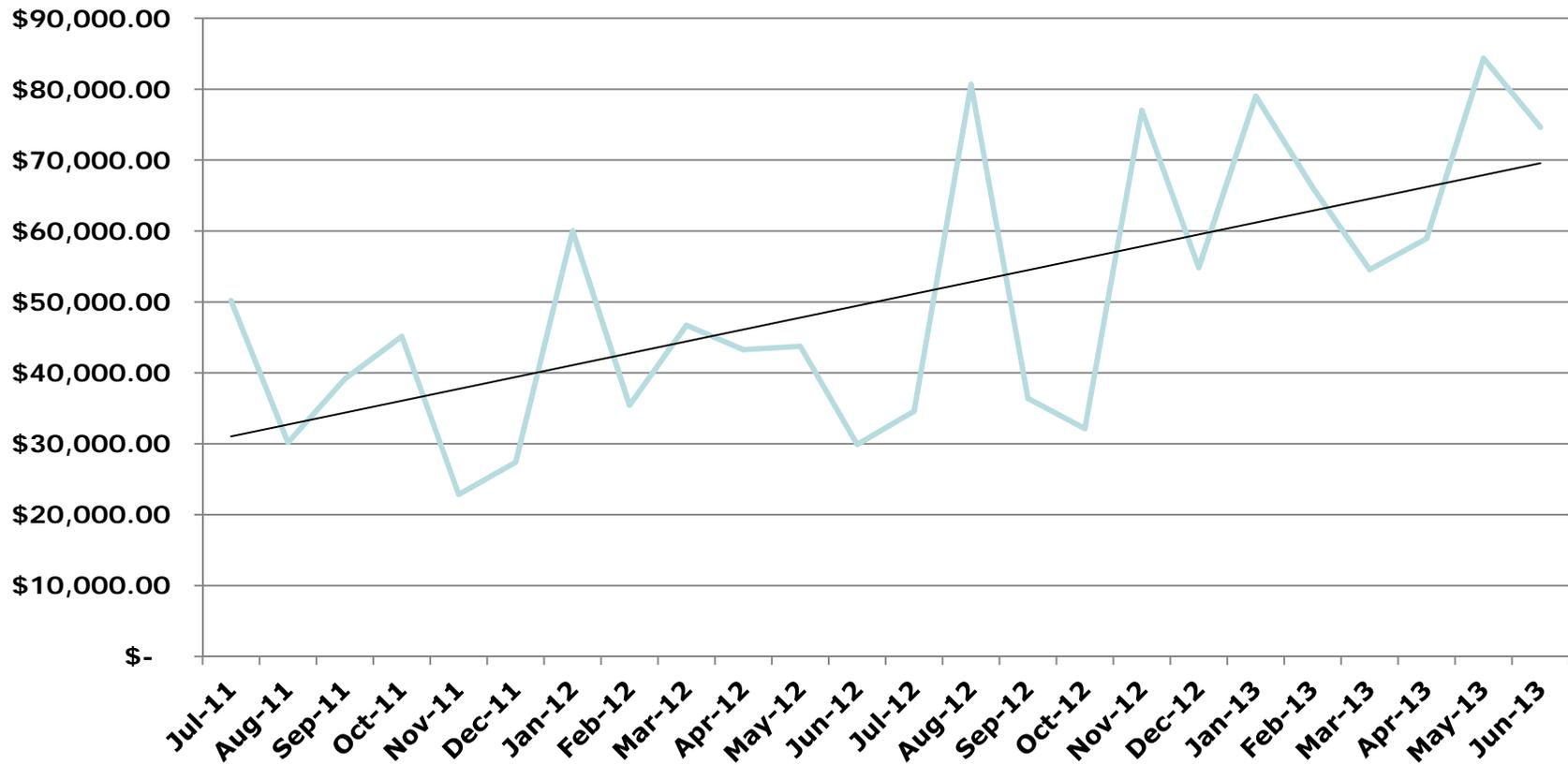
## Restore Adult Dental Benefits—Enhanced Plan LBB 2-41,#11

		Governor Recommendation
<b>Ongoing request for</b>	<b>\$4,900,000</b>	<b>\$0</b>
• <b>State General Funds</b>	<b>\$1,418,100</b>	
• <b>Federal Funds</b>	<b>\$3,481,900</b>	

- Governor supports the addition but recommends funding with the savings from the recent renegotiation of the dental services contract.
- Restores dental benefits to all adults on the Enhanced Benefit Plan.
- One example: Sepsis caused by abscessed tooth resulted in over \$300,000 might have been avoidable.
- Since we reduced this benefit we have experienced an increase in dental services in the Emergency Room (\$30,000/month in 2011 to \$65,000/month currently).



## Monthly Amount Paid for Adult Dental Hospital and Emergency Room Claims for Dental Diagnoses





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## Money Follows the Person LBB 2-41,#13

**One-time Funding** **\$667,500**

- **State General Fund** **\$ 49,000**
- **Federal Funding** **\$618,500**

- SFY 2015 will be the fourth year of a five-year demonstration called **Idaho Home Choice**.
- Helps to transition Medicaid participants from institutional care to home and community care when more appropriate.
- Grant provides transitional services and supports.



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## Benchmarks for Idaho Home Choice

Calendar Year	Elderly	Individuals w/MR/DD	Physically Disabled	Total
2011	5	1	2	8
2012	30	5	18	53
2013	35	5	25	65
2014	45	5	30	80
2015	45	7	30	82
2016	20	7	10	37
Total	180	30	115	325



## Experience To Date

### Participants moved

- Developmentally Disabled (DD) **28**
- Waiver Aged and Disabled (A&D) Waiver **103**
- Enhanced Plan **5**
- **More appropriate care at lower costs**

### Comparative Costs (FFY 2012) Annual

- Intermediate Care Facility - \$94,063/member/year
- DD Waiver Community - \$55,382/member/year
- Nursing Facility - \$72,350/member/year
- A&D Waiver Community - \$22,814/member/year



## Effectiveness

### Reason Program Ended:

	18-64 years	65+ years	Total
<b>Re-institutionalized</b> 6% = National rate	4	4	8
<b>Deaths</b>	7	4	11
<b>Non-qualified Residence</b>	1	2	3
<b>Completed 365 days</b>	11	28	39



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## Electronic Health Care Record LBB 2-41,#14

**One-time funding** **\$ 8,617,000**

- **State General Funds** **\$ 38,500**
- **Federal Funds** **\$ 8,578,500**

- Federal program that incentivizes Medicaid providers to adopt, implement or upgrade Electronic Health Records.
- The incentive payments for the Electronic Health Records (EHR) is 100% federal.
- Cost of administration of the program is 90% federal and 10% state funds.
- Audit requirements during phase two.



## EHR Incentives Paid to Date

<b>Provider Type</b>	<b>Number Paid</b>	<b>Total Amount Paid</b>	<b>Average Payment</b>
<b>Eligible Professional</b>	<b>566</b>	<b>\$11,109,500</b>	<b>\$19,628</b>
<b>Hospital</b>	<b>32</b>	<b>\$18,285,705</b>	<b>\$571,428</b>
<b>Total to Date</b>	<b>598</b>	<b>\$29,395,205</b>	<b>\$49,156</b>

Through December 2013



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## Children Healthcare Improvement LBB 2-42,#25

**One-time Federal Funds**

**\$561,500**

- Fifth year of five-year grant to improve healthcare for children in Idaho and Utah through the Children Healthcare Improvement Collaborative
- Three initiatives for the pediatric population:
  1. Test **pediatric** patient-centered medical home.
  2. Develop Health Information connectivity.
  3. Create pediatric improvement partnership.



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## CHIC Accomplishments to Date

- **Patient-centered Medical Home**
  - 3 clinics, 16 providers, 1 resident (covers 18,000 children)
  - 3 Medical home coordinators (2 part-time)
  - NCQA certification in process
- **Learning Collaborative**
  - Asthma – 8 clinics, 18 providers
  - Immunizations – 8 clinics, 15 providers
  - Adolescent Depression Screening – 20 clinics, 61 providers
- **Other**
  - Special needs information – Medical Home Portal



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## Non-primary Care Rates 90% Medicare LBB2-42,#30

- |                              |                  |
|------------------------------|------------------|
| <b>Total ongoing funds</b>   | <b>\$473,600</b> |
| • <b>State General Funds</b> | <b>\$137,100</b> |
| • <b>Federal Funds</b>       | <b>\$336,500</b> |
- Updates non-primary care rates to 90% of the Medicare rate where appropriate as directed in **Idaho Code 56-265 (b)**.



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## Nondiscretionary Adjustments (Gross) LBB 2-39

<b>Ongoing fund request</b>	<b>\$41,303,100</b>
• <b>State General Fund</b>	<b>\$ 10,477,900</b>
• <b>Federal Funds</b>	<b>\$ 45,325,200</b>
• <b>Receipts</b>	<b>(\$14,500,000)</b>

- Some of the adjustment is due to cost-based and mandatory pricing.
- Majority of the adjustment is due to caseload growth.
- Utilization has decreased.
- State General Fund request is 2.2% over current appropriation – includes reduction of receipts.
- Without receipt reduction, General Fund request is 1.4% over current appropriation.



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## Reduction in Receipts Authority LBB 2-39

**Receipt reduction of**

**(\$14,500,000)**

**Results in increase:**

- **State General Fund** **\$ 4,141,000**
- **Federal Fund** **\$10,359,000**
  
- Decrease in federal drug rebates – brand name to generics, supplemental rebates



## **FMAP Change** LBB 2-39

### **SFY 2015:**

- Federal Medical Assistance Plan (FMAP) match rate will be 71.64% for the first quarter and 71.75% for the final 3 quarters of SFY 2015.
- This increase of 0.11% results in a **reduction** of \$5,628,100 in state General Funds and an increase of a like amount in federal funds.



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## QUESTIONS?

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