



## Medicaid Update

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## How does Medicaid Fit into the Health Insurance Puzzle?

- Medicaid is the payer of last resort
- Medicaid has one of the most comprehensive benefit packages
  - Long-term services and supports (LTSS)
  - EPSDT for children
- Medicaid is supplemental coverage for many people
  - Medicare
  - Some individuals have commercial insurance in addition to Medicaid



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## Maryland Medicaid At-a-Glance

Maryland Medicaid provides comprehensive healthcare benefits for 1.3 million people, including 630,076 participants younger than 21.

- Total Medicaid enrollment includes both individuals with full and partial benefits, including dual eligibles.
- Approximately 80 percent are enrolled in a Managed Care Organization (MCO) through HealthChoice.
- Under HealthChoice, MCOs provide Medicaid-covered services through their provider networks and receive a risk-adjusted, fixed per-member-per-month payment from DHMH.
- HealthChoice MCOs are responsible for paying the providers in their networks to render services to Medicaid participants.



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## What is CHIP?

### Children's Health Insurance Program

- Publicly funded health coverage program for eligible children up to age 19 in households with income levels above the Medicaid threshold of their states
- May also be extended to pregnant women (CHIPRA) and children of state employees (ACA)

Maryland's program is called the **Maryland Children's Health Program (MCHP)** and offered within Medicaid.



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## Snapshot: Medicaid & Medicare

President Lyndon Johnson signed the Social Security Amendments of 1965 creating both Medicaid and Medicare:

- Both provide publicly-funded health coverage.
- However, Medicare and Medicaid differ in many ways.

	MEDICARE	MEDICAID
<b>Funding</b>	Full federal responsibility	Federal and state shares
<b>Population Covered</b>	Seniors ages 65 and over as well as individuals with severe disabilities	Low income individuals, including eligible pregnant women, parents, children, elderly adults, and individuals with disabilities
<b>Program Design</b>	Same across all states	Vary by state



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## Medicaid: Federal-State Partnership

- Medicaid is a federal-state partnership in almost every facet of the program.
- In general, the **federal** government establishes the rules and guidelines of the program, and the **states** administer its programs within these boundaries with federal approval.
- This partnership has significant impact on a program's:
  - Funding (who pays, and how much do they pay?)
  - Eligibility (who gets covered, and what services do they qualify for?)
  - Benefit Package (what services are covered and to what degree?)
- Federal Entities:
  - **Centers for Medicare and Medicaid Services (CMS)** – Main regulating entity; the following fall under CMS
  - **Center for Medicaid and CHIP Services (CMCS)** – policy and operations
  - **Center for Medicare and Medicaid Innovation (CMMI)** – support innovative strategies/model



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## Federal Medicaid Basics

Within federal parameters, each state can design its own:

- Eligibility standards;
- Benefits package;
- Provider requirements; and
- Payment rates

**Federal Rules for Services:**

- Services must be adequate in amount, duration, and scope;
- Services must be statewide;
- States cannot vary services based on individual's diagnosis or condition;
- States may impose nominal cost-sharing on some services (e.g., drugs);
- Children, pregnant women, and nursing home residents are excluded;
- Higher cost sharing amounts are allowed for individuals with income above 100 percent of FPL

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## Federally Mandated Benefits

**All states must cover, as part of their Medicaid benefits package:**

- Inpatient and outpatient hospital services
- Early Periodic Screening, Diagnosis, and Treatment Services
- Nursing facility services
- Home health services
- Physician services;
- Rural health clinic services;
- FQHC services;
- Laboratory and x-ray services;
- Family planning services, including nurse midwife services;

(more)



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## Federally Mandated Benefits, Continued

**All states must cover, as part of their Medicaid benefits package:**

- Certified pediatric and family nurse practitioner services;
- Freestanding birth center services (when licensed or otherwise recognized by the State);
- Transportation to medical care; and
- Tobacco cessation counseling for pregnant women.



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## Additional Services Covered in Maryland

**Maryland Medicaid covers the following, in addition to the federally-mandated benefits package:**

- Pharmacy services (for beneficiaries not eligible for Medicare part D);
- Clinic services;
- Physical therapy;
- Ambulatory surgical center services;
- Diabetes care services;
- Home and community-based waiver services;
- Hospice care;
- Kidney dialysis services;
- Mental health services;
- Long-term care services;
- Respiratory equipment services;

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## Additional Services Covered in Maryland, Continued

**Maryland Medicaid covers the following, in addition to the federally-mandated benefits package\*:**

- Personal care services;
- Podiatry services;
- Substance use disorder services;
- Targeted case management for HIV-infected individuals and other targeted populations;
- Vision care services (eye examination every two years); and
- Dental coverage for pregnant women

\*For beneficiaries younger than 21, Maryland Medicaid also covers dental services and dentures, speech and occupational therapy, eye glasses, hearing aids, private duty nursing, and school-based health services.



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## Maryland's Income Criteria

Maryland leveraged the policy and financial levers under the Affordable Care Act to expand its program and provide health coverage to a greater number of its residents.

Coverage Group	Pre-ACA	Post-ACA
Children (varies across age brackets and household income)	300%	322%
Former Foster Care (under 26 years old)	N/A	No income limit
Parents and Caretakers	116%	123%
Pregnant Women	250%	264%
Childless Adults	116% (only primary care)	138%



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## Affordable Care Act Medicaid Expansion

### Enrollment in Maryland Medicaid expanded under the ACA\*:

- Over 260,000 adults are now enrolled as a result of the ACA Medicaid expansion
- **71,055** new individuals have enrolled in qualified health plans
- **79,238** individuals, already enrolled in 2015, renewed their qualified health plans for next year
- **162,000 individual during 2016 open enrollment**

\* As of December 2015



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## HealthChoice Benefits

HealthChoice covers most hospital, pharmacy, and physician services, in addition to immunizations and screenings for children.

Several services are excluded from the HealthChoice benefit package including:

- Specialty mental health and substance use services;
- Dental services;
- Long term services and supports; and
- Various waiver services.



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## Populations Exempt from HealthChoice Enrollment

Some individuals **DO NOT** qualify for HealthChoice and are enrolled in Medicaid on a fee-for-service (FFS) basis:

- Dual eligibles;
- Institutionalized;
- Spend-down;
- Participants in the Model Waiver for Medically Fragile Children;
- Participants in the Family Planning program waiver;
- New Medicaid eligibles (until enrolled in MCO); and
- Enrollees in Rare and Expensive Case Management (REM) (within HealthChoice program 20)



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## HealthChoice: Managed Care in Maryland

- HealthChoice is Maryland Medicaid's managed care program
- About 84% of beneficiaries covered under managed care
- Maryland requires most Medicaid participants to enroll in one of eight participating MCOs
  - Amerigroup Community Care
  - Jai Medical Systems
  - Kaiser Permanente
  - Maryland Physicians Care
  - MedStar Family Choice
  - Priority Partners
  - University of Maryland Health Partners (f.k.a. Riverside Health)
  - United Healthcare



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## Implementing HealthChoice Waiver Initiatives

- On June 30, Medicaid submitted its 1115 waiver renewal application to CMS.
- The application was approved for a *five-year period* starting January 1, 2017 and includes:
  - Continued implementation of ACA provisions
  - Initiatives to address evaluation results and continue improving quality of care
    - Provider Data Validation work
    - Value Based Purchasing (13 measures)
    - Colorectal Cancer Screening
- Proposed changes for the renewal period 1/2017 – 12/2021 include expanding services under the following programs:
  - Residential Treatment for Individuals with Substance Use Disorders
  - Community Health Pilots
    - Limited Housing to Support Services
    - Evidence-Based Home Visiting for High Risk Pregnant Women and Children up to Age Two
  - Transitions for Criminal Justice Involved Individuals
  - Increased Community Services



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## 1115 Waiver Renewal Initiatives

- **Residential Treatment for Substance Use Disorders**
  - Presently, CMS will not provide matching funds for state dollars that fund SUD treatment for individuals receiving care in a residential facility without a waiver.
  - Under the waiver, the State may use Medicaid funds to cover a continuum of SUD services.
- **Transitions for Criminal Justice Involved Individuals**
  - Connecting individuals to Medicaid coverage upon release is a key component of Gov. Hogan's *Justice Reinvestment Act*
  - CMS advised the State to provide presumptive eligibility for Medicaid-eligible individuals leaving jails and prisons in the state through a State Plan Amendment (SPA)



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## Behavioral Health



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## Behavioral Health Program

Behavioral health services are carved out of the HealthChoice managed care program and managed by a behavioral health administrative services organization: **Beacon Health Options.**

- Medicaid is the contract monitor for the Beacon Contract.
- The program covers all Medicaid populations and also covers gray area populations which allows for a seamless transition as people churn on and off Medicaid.
- The program has spent a significant amount of energy and resources on improving SUD services during the last six years. Examples – methadone rebundling and adding IMD services in July.



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## Medicaid Behavioral Health Key Updates

IMD Waiver Updates: Implementation Date is July 1, 2017

Regulations are currently being drafted

Rates are in the final stages of development and will be released to stakeholders as soon as they are finalized

Residential SUD means: 3.3, 3.5, 3.7, 3.7D clinical services will be able to be covered by Medicaid for adults. 3.1 will be developed for 2019

However there is no waiver from CMS on the requirement that Room and Board cannot be covered for adults. This burden falls to the states.

(Medicaid already covers under the EPSDT services for under 21 which includes Room & Board)

(more)



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## Medicaid Behavioral Health Benefits, Continued

**Rebundling: Changing the way Medicaid reimburses for Ongoing Methadone or Medication Assisted Treatment programs**

After a 3 year process of development including stakeholder input, the Department released the final version of the changes to the method of reimbursement.

Some general Highlights:

- OTPs will be able to claim separate reimbursement for Level 1 ASAM outpatient services.
- IOP will be able to be separately reimbursed to the IOP provider even while the patient is in an OTP
- Labs remain included in a weekly medication maintenance rate

For more information visit:

<http://dhmh.maryland.gov/bhd/pages/Home.aspx>



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## Budget



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## Medicaid's Financial Partnership

- The federal government uses the FMAP formula to calculate the **federal match** or federal monetary share for each state.
  - **Federal Medical Assistance Percentages (FMAP)** = the proportion of Medicaid spending that the federal government allocates to states; percentages based on a state's per capita income and other criteria
- Under the ACA, the federal government provides a 100% FMAP for the expansion population until 2017, when the rate will decrease annually
- The ACA also enhanced CHIP's FMAP by 23%. Maryland's MCHP had a 65% match prior to the enhancement.

Maryland's FMAP

	2017	2018	2019	2020	2021
Traditional Medicaid	50	50	50	50	50
MCHP	88	88	88	70.8	65
ACA Expansion	97.5	94.5	93.5	91.5	90
Blended rate*	60.932	60.371	60.209	59.289	58.813

\* Blended rate based on outyear forecasted expenditures



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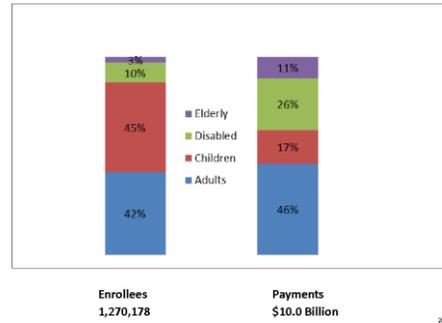
## Drawing Down Federal Funds

- States receive its federal match by "drawing down" the agreed upon federal allotment for the state's Medicaid program
- The Medicaid drawdown process
  - States pay Medicaid provider and administrative expenses
  - States pull federal funds against a continuing letter of credit certified by the Secretary of Treasury
  - CMS evaluates state reports on actual spending to reconcile expenditures quarterly
  - The state submits reports of actual spending to CMS
- In Maryland
  - Uses MMIS and FMIS expenditure reports to drawdown
  - Creates a "Letter of Credit" memo with expenditure reporting data
  - Draws provider expenditures weekly
  - Draws administration expenditures bi-weekly
  - Average weekly Medical Assistance draw: \$174 million



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## FY 2017 Average Enrollees and Expenditures



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## Medicaid Spending

	FY16 Actual		FY17 Projected	
	Medicaid	CHIP	Medicaid	CHIP
Hospitals	841,893,621	19,943,509	880,717,810	26,574,762
Physician Office	116,129,378	2,945,888	129,424,638	4,742,402
Pharmacy	501,307,744	24,921,106	523,747,219	24,580,684
MCO	4,337,377,700	187,704,208	5,449,672,301	225,779,056
Long Term Care	1,788,302,917	4,471,407	1,924,304,295	5,037,530
Dental	119,783,309	41,712,550	121,970,886	49,600,233
Other Medical	472,036,412	(44,849,825)	480,096,034	(37,048,712)
Behavioral Health*	1,032,238,554	43,449,624	1,153,302,991	62,703,304

\*Behavioral Health includes SUD services and admin contracts



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## FY 2017 Governor's Allowance

### The FY 2017 budget funds provider rate increases:

- 2 percent for nursing homes, medical day care, and private duty nursing
- 2 percent for mental health and substance use providers
- 1.1 percent for both personal day care and home and community-based waiver services

### The FY 2017 budget also:

- Maintains physician E&M rates at 92 percent of Medicare rates
- Effective 1/1/2017, funds ACA expansion at 95 percent federal match (\$57M GF impact)
- Initiates funding for federally-mandated services for those with Autism Syndrome Disorder
- Funds increased expenditures for Part B premium cost sharing for Qualified Medicare Beneficiaries and Specified Low Income Medicare Beneficiaries
- Provides for a 7.3 percent MCO rate increase
- Funds MMIS II improvements and infrastructure assessment



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## Priorities



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## Provider Enrollment Vendor

- Automated Health Systems
- Digital Harbor
- Vendor scope of work
  - Electronic portal for all 70+ Medicaid provider types
  - Enrollment
  - Re-enrollment
  - Re-validation
  - Updates/Demographic Changes
  - Automated database verification
  - Provider enrollment notifications
  - Call Center for Provider Enrollment w/ Customer Relationship Management (CRM)
  - Document management



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## ENHANCING CORRECTIONS-MEDICAID CONNECTIONS

- Medicaid is actively working to strengthen links with DPSCS and local detention centers to prevent new incarcerations and lower recidivism in order to save costs and reduce social burdens of crimes in communities
- Goals and approaches:
  - **Improve eligibility and enrollment process/data analytic capability between programs.**
    - Current data matching across Medicaid and correctional systems inconsistent or non-existent
    - In discussions with private and public entities to discuss opportunities for data sharing as close to "real time" as possible
  - **Improve post-release care and coverage connections.**
    - Convening key stakeholders to evaluate Medicaid enrollment and care coordination strategies prior to an individual's reentry
    - Working with national consultants to better understand the scope of current initiatives, gaps and challenges, priorities, and best practices
    - Implementing presumptive eligibility to allow state and local correctional centers to conduct Maryland Medicaid presumptive eligibility determinations for justice-involved individuals leaving a correctional center; effective July 1, 2017



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## EXPANDING MEDICAID OVERDOSE ACTIVITIES

- **Lock-in Program:** MCOs are required to participate in a **Corrective Managed Care (CMC) Program**; it monitors for members receiving duplicate opioid prescriptions from multiple providers and locks them into a single pharmacy to prevent abuse
- **Medication-Assisted Treatment (MAT) Access:** Medicaid beneficiaries have access to medication like methadone, buprenorphine, and naloxone to assist with opioid addiction
- **Rebunding Methadone Payment:** After significant consultation with stakeholders, DHMH is rebunding the weekly reimbursement rate for methadone services to ensure OTP providers provide counseling with MAT as required; effective May 15, 2017.
- **Minimum Prescribing Standards:** The Drug Utilization Review Workgroup, consisting of representatives from DHMH and all 8 MCOs, reached consensus in establishing minimum opioid prescribing standards as well as its full implementation date of July 1, 2017.
- **SUD Waiver:** Through the recently-approved HealthChoice waiver, Medicaid will pay for substance use treatment services in Institute for Mental Disease (IMD) settings enhancing its already robust continuum of SUD care; effective July 1, 2017.
- **Pharmacy & Therapeutics Committee:** Medicaid has used the P&T Committee as a forum for overdose education and drug access/contraction.
- **Opioid Drug Utilization Review (DUR) Workgroup:** As one of the largest payers in the state, in June of 2016, Medicaid convened a DUR workgroup consisting of DHMH and the 8 HealthChoice MCOs representatives met to deliberate on and build consensus around minimum opioid prescribing rules and an implementation timeline.



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## OVERVIEW: CY 2017/FY 2018 PRIORITIES

- **New Federal Managed Care Regulations:** Implementing key provisions of new managed care regulations
- **Medicaid/DDA Waivers:** With DDA, developing 2 new DD waivers and the Community Pathways Waiver renewal (our largest waiver)
- **Community Options Waiver:** Implementing a daily rate for the Community Options waiver
- **OTP Reimbursement:** Improving reimbursement methodology for opioid treatment programs (OTP)
- **Provider enrollment and re-enrollment:** streamline system and processes



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## INTERAGENCY COORDINATION—BHA

- Oversight of the Public Behavioral Health System
  - Medicaid oversees Medicaid funding and is contract monitor of ASO contract.
  - DHMH’s Behavioral Health Administration continues to provide clinical oversight of the system, and oversees funding for the uninsured and state funded services.
- Workgroup participation
  - Medicaid is represented on the Behavioral Health Advisory Council and the Forensics Workgroup
  - Behavioral health providers sit on the Medicaid Advisory Committee
- Provider Rate Setting
  - Residential Substance Use Treatment will become a Medicaid covered service effective July 1, 2017.
  - Medicaid and BHA staff are working to establish rates for these services.
- Accreditation and Improve Quality
  - Effective July 1, 2016 new regulations require behavioral health programs to become accredited by an approved national accrediting organization
  - All accreditation-based programs must have accreditation from a DHMH-approved accrediting body and must submit an application for licensure by December 31, 2017



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## Maryland Medicaid Telehealth Program

The Department combined the telemedicine and telemental health program in 2015 to streamline administrative oversight under Maryland Medicaid’s renamed “Telehealth Program”.

- The program is a “hub-and-spoke” model.
- The program will include substance use providers as distant sites as early as October 2017.
- In addition, the Department will clarify that we cover store and forward technology under certain circumstances and will develop a Remote Patient Monitoring program by January 1, 2018.



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## REFINING TELEHEALTH PROGRAM

### Accomplishments:

- In an effort to reduce the administrative burden on providers Medicaid:
  - Simplified the telehealth provider application process;
  - Added additional provider types and services, most recently related to substance use disorder (SUD) and Buprenorphine counseling; and
  - Expanded on the programs technology requirements.
- In an effort to better collect and analyze program data Medicaid:
  - Updated telehealth registration forms; and
  - Created a new tracking and dashboard system that better allows the collection of real time information.

### Goal:

- Conduct a survey of all currently registered providers to examine telehealth models, partners, and how they foresee conducting telehealth in the future.



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## MANAGING COMPETING PRIORITIES

### Federal regulatory requirements and state mandates will dominate implementation activities into FY 2018

- LTC eligibility workgroup/reporting (HB 1181)
- Senior Rx Program Integration
- JCRs including BH Integration
- Managed care 'mega regulation'
- Mental health parity
- Home health/ hearing aids
- Access
- Community rule

### MERP Litigation

- Private counsel to assist OAG
- Significant SME involvement anticipated in CY 2017 and 2018

### Procurements

- Provider enrollment/reenrollment
- MMIS O&M
- LTSS O&M
- NCCI Edits
- Accounting/Auditing for MCOs
- Pharmacy



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## MANAGING COMPETING PRIORITIES

- Federal-State 'Partnership'
- Space
- Recruitment
- Succession Planning
  - NAMD National Workgroup to Support Maryland on Organizational Effectiveness and Succession Planning
- Claims Processing / Crossover Claims
- Audits, Audits, Audits



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## Key Reference

### Acronym Lookup:

<https://www.macpac.gov/reference-guide-to-federal-medicaid-statute-and-regulations/macpac-acronyms-list/>



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**Questions?**

