

Medicaid Overview

Provider Reimbursement Interim Study
June 27, 2016

What is Medicaid?

- Medicaid is one of the largest healthcare insurers in South Dakota
- Authorized by Title XIX of the Social Security Act, it is a federal-state partnership governed by a Medicaid State Plan agreement that details who is eligible and what services are covered
 - Each state's plan is different, making comparisons between states difficult
 - There is a formal process for making changes to the Medicaid State Plan
 - Requires favorable Tribal consultation and approval by the Center for Medicare and Medicaid Services (CMS)
 - Requires formal public notice and comment. Changes noticed through LRC Register, and all SPA's published on-line
 - South Dakota State Plan can be found on the Department website at <https://dss.sd.gov/medicaid/medicaidstateplan.aspx>

What is Medicaid?

- Medicaid is very different than Medicare.
 - **Medicaid** is for low income and disabled individuals
 - **Medicare** is for individuals age 65 and older and some younger people with specific long-term disabilities

- South Dakota has four Home and Community Based Waivers
 - Department of Human Services
 - Community Hope Opportunity Independence Careers Empowerment Success Waiver (CHOICES)
 - Family Support 360 Waiver
 - Assistive Daily Living Services Waiver
 - Department of Social Services
 - Home & Community Based Waiver (HCBS)

What is CHIP?

- CHIP is the Children's State Health Insurance Program, authorized by Title XXI of the Social Security Act; it also is administered by CMS
 - Like Medicaid, CHIP is also a federal-state partnership
- In South Dakota, CHIP has the same benefits and services as Medicaid
- CHIP covers children up to age 19 who have incomes too high to qualify for Medicaid – those up to 209% FPL (\$50,787 annually for a family of four)

Who is Eligible for Medicaid in South Dakota?

- Medicaid eligibility is based on several factors including age, financial and non-financial criteria (citizenship or legal immigrant status, residency, disability)
- Children, pregnant women, very low income parents, low income elderly and disabled are eligible for Medicaid in South Dakota
 - Children up to 209% of the federal poverty level (FPL)
 - Pregnant women up to 138% FPL
 - Parents of covered children up to 53% FPL (family of three \$10,560 annual income)
 - Elderly or disabled adults with low incomes (varies by age and disability status)
- Income and resource limits vary by coverage group
- Medicaid is an entitlement program – all eligible individuals must be served

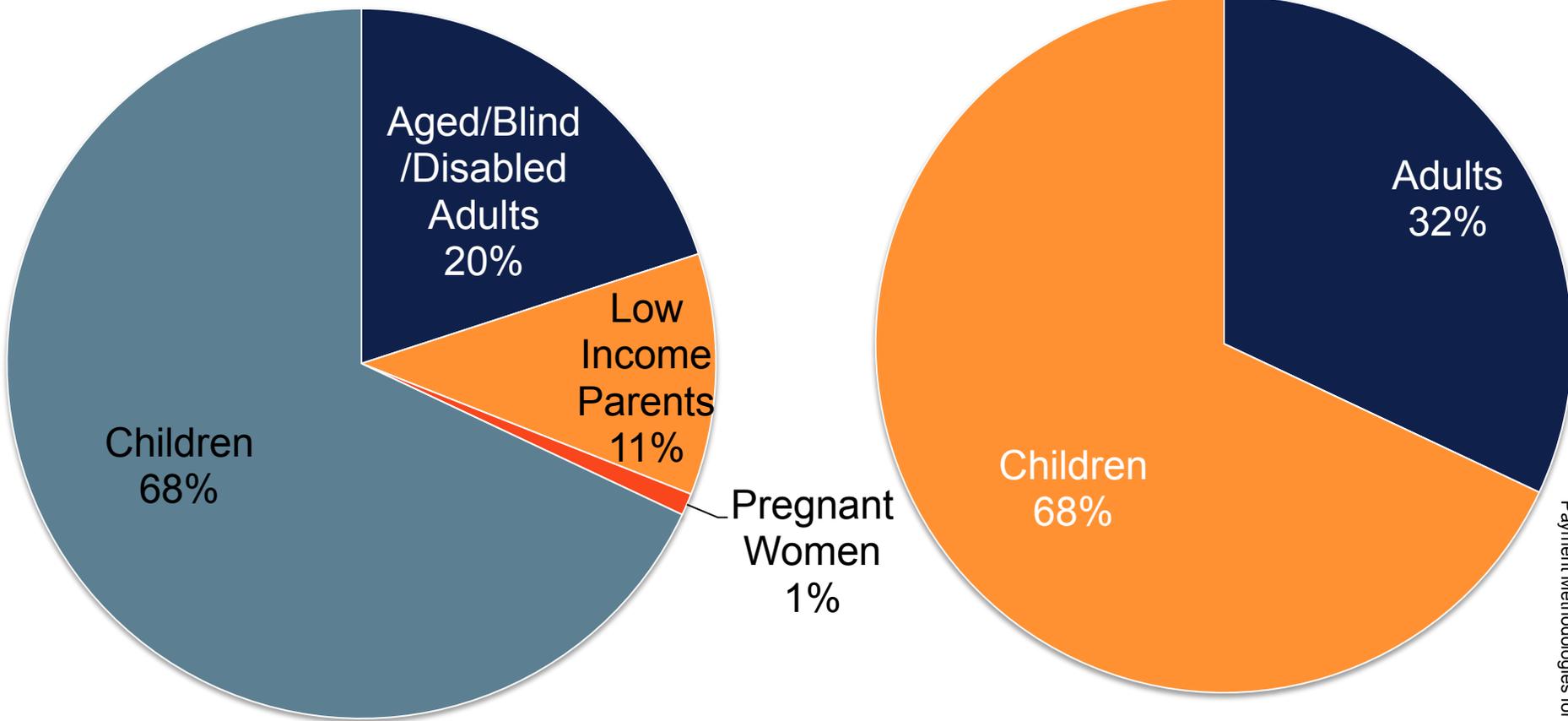
Who uses Medicaid in South Dakota?

- Medicaid covered 146,736 unduplicated individuals during SFY15
 - Nearly 1 of every 7 South Dakotans in any given month will have health coverage through Medicaid or CHIP
 - 1 of every 3 children under the age of 19 in South Dakota has health coverage through Medicaid or CHIP
 - 50% of children born in South Dakota will be on Medicaid or CHIP during the first year of their life
 - 35.5% of South Dakota Medicaid enrollees are Native American

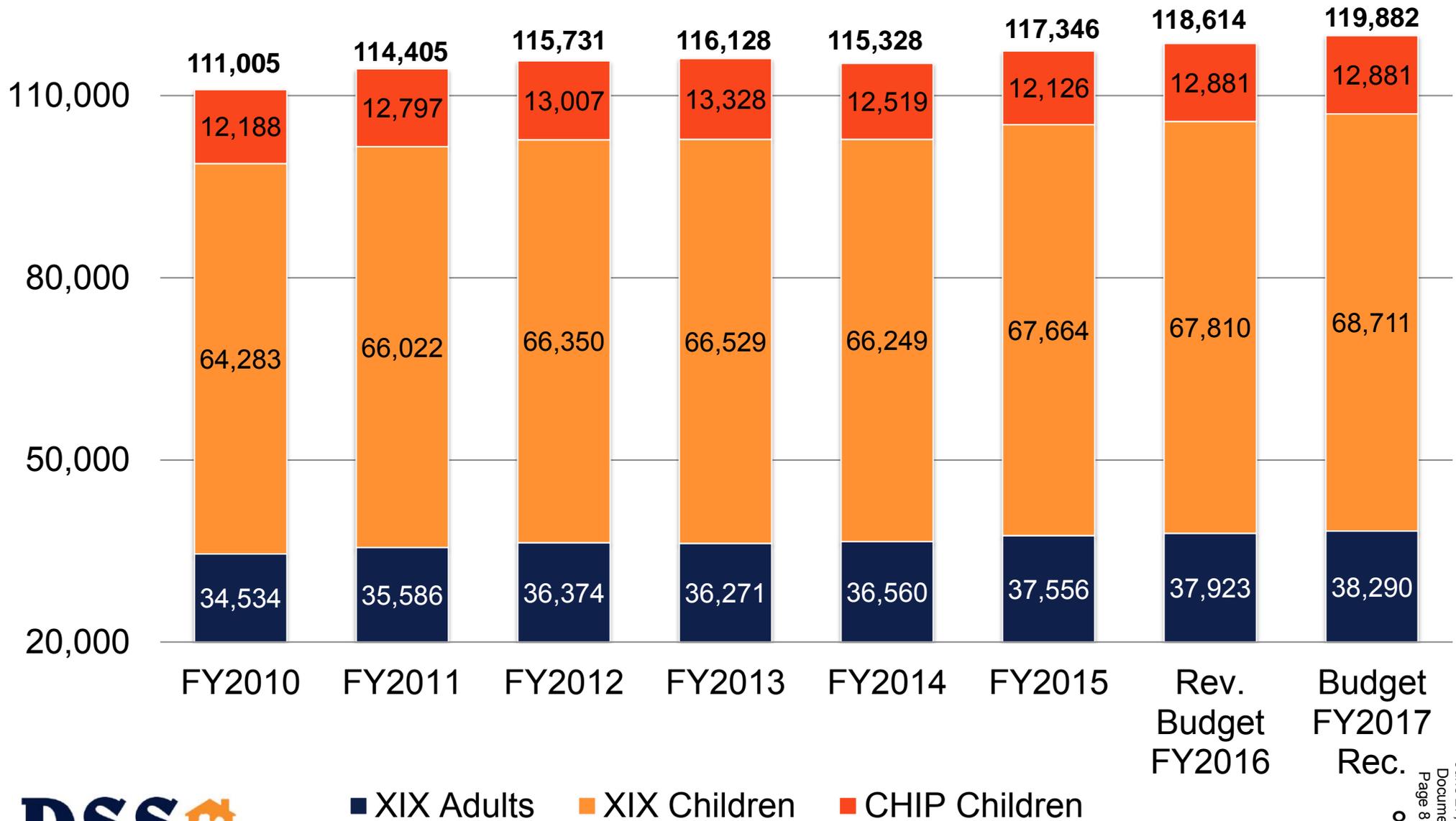
Medicaid & CHIP Eligibles

Medicaid and CHIP

SFY15 Actual Average Monthly Eligibles – 117,346



Average Monthly Eligible Totals

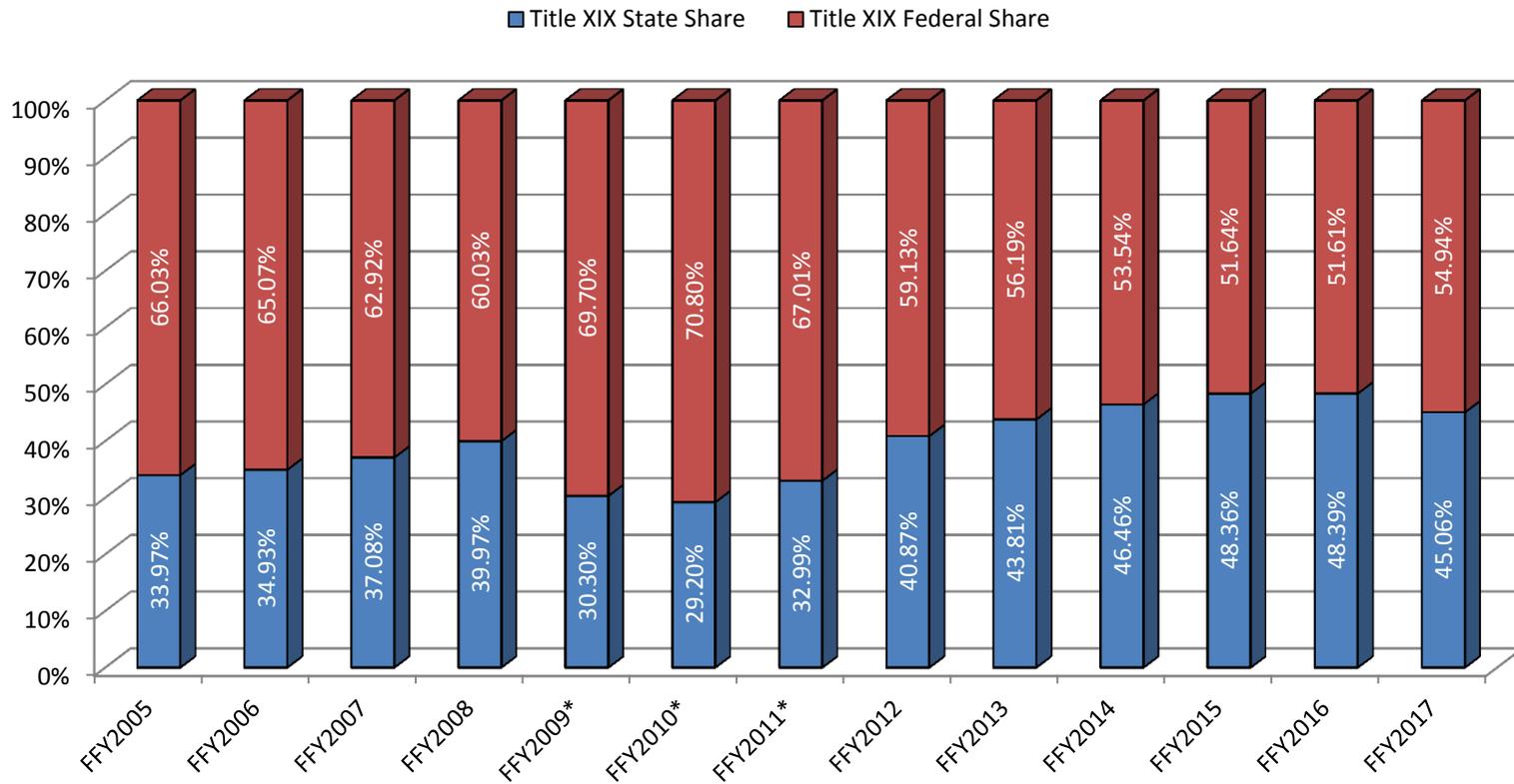


What is the Medicaid FMAP?

- FMAP - Federal Medical Assistance Percentage
 - The FMAP is how much CMS pays for a state's Medicaid services
 - FMAP is based on the last 3 years of a state's per capita income compared to other states
 - When income goes up compared to other states, South Dakota pays more
 - The CMS portion of the FMAP cannot be less than 50%
 - Most administrative services are paid at a 50% state match
- SD SFY16 blended FMAP rate: 48.38% general/51.62% federal
 - Because the FMAP is established on the federal fiscal year (10/1 – 9/30) the blended rate is established using a blend of 1 quarter from one FFY and 3 from another FFY

What is the Medicaid FMAP?

•South Dakota Federal Medical Assistance Percentage (FMAP), FFY2007 to FFY2016



Covered Services

- Covered Healthcare Services must be medically necessary and physician ordered
- Recipients participate in cost sharing, but there are limits set federally and certain groups are exempt from cost sharing

Medicaid Mandatory Services (examples)

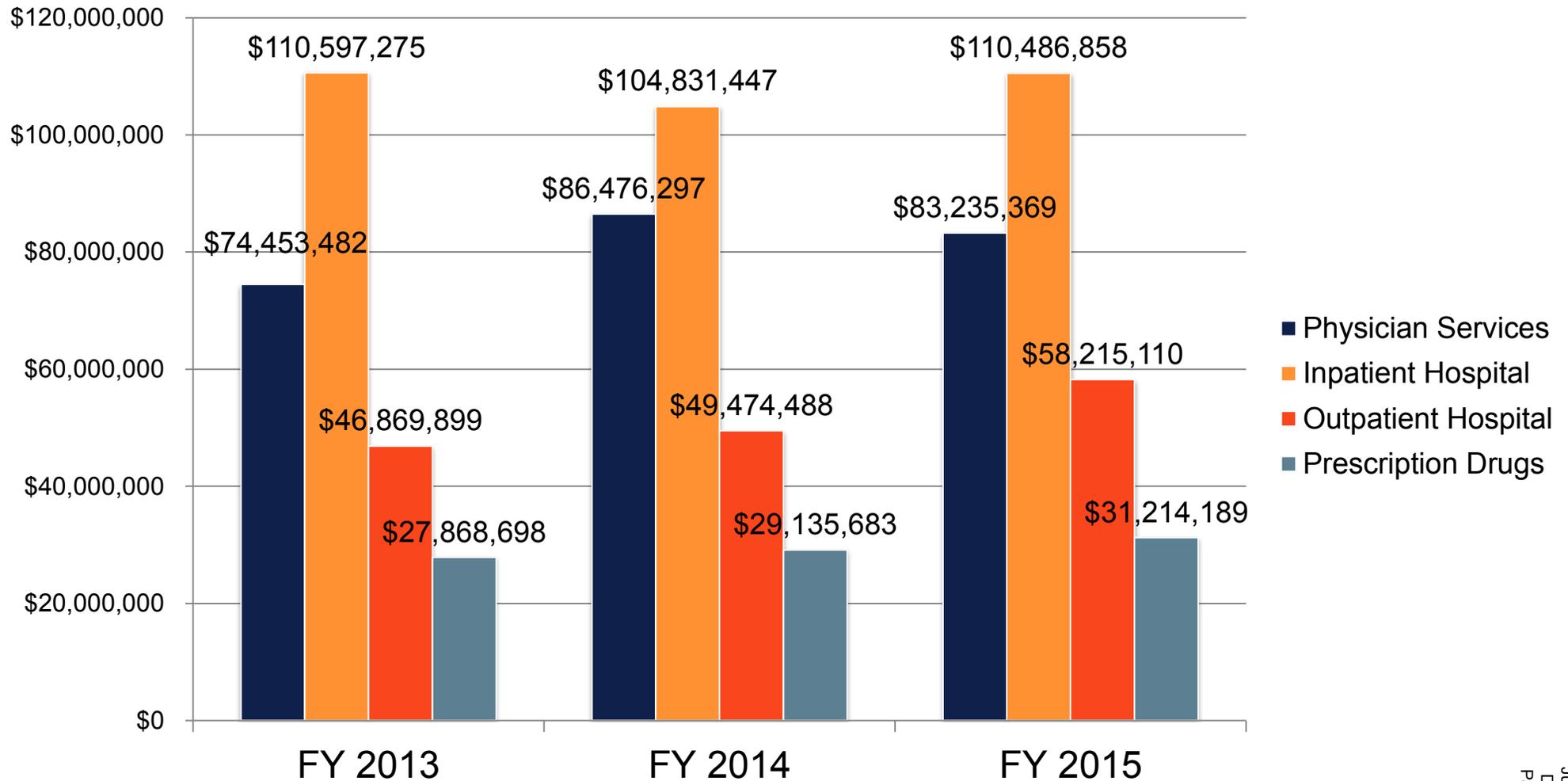
- Inpatient and Outpatient hospital services
- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services
- All Medically Necessary care for eligible children under age 21
- Nursing facility services
- Home health services
- Physician services
- Rural health clinic services
- Federally qualified health center services
- Laboratory and X-ray services
- Nurse midwife services
- Certified Pediatric and Family Nurse Practitioner services
- Transportation to medical care
- Tobacco cessation counseling for pregnant women
- Pregnant women substance abuse treatment services

South Dakota Optional Services (examples)

- Physician assistants
- Psychologists and independent mental health practitioners
- Intermediate Care Facilities for the Mentally Retarded (ICF/MR)
- Podiatry
- Prescription Drugs
- Optometry
- Chiropractic services
- Durable medical equipment
- Dental services
- Physical, occupational, speech therapy, audiology
- Prosthetic devices and eyeglasses
- Hospice care, nursing services
- Personal care services and home health aides

Covered Services

Certain health care services represent the largest share of the Medicaid budget, these are sometimes referred to as “The Big 4”.



CHIP is not included in the amounts above

Covered Services

- **Inpatient Hospital** - Services furnished in a hospital under the direction of a physician that generally result in an overnight stay
- **Graduate Medical Education (GME)**- Payments to 3 qualifying hospitals support graduate medical education for primary care physicians
- **Disproportionate Share Hospital Payments (DSH)** - Payments to qualifying hospitals that serve a disproportionate share of Medicaid and Medicare patients
- **Outpatient Hospital** - Health care services provided in a hospital or clinic setting under the direction of a physician that do not result in an overnight stay. Includes laboratory, radiology, emergency room and outpatient surgical

Covered Services

- **Prescription Drugs** - High rate of generic drug utilization: SFY 2015 = 83.3%
 - Drug Utilization Review Committee retrospectively reviews medication utilization for inappropriate use, over use, under use and drug/disease interactions, poly-pharmacy
 - Pharmacy & Therapeutics Committee reviews utilization of all drugs and recommends clinical criteria for use of identified medications
 - Collect Federal Medicaid Drug Rebates Directly from drug manufacturers
- **Physician Services** - Health care services provided by a Medicaid enrolled Physician or Advanced Practice Clinician
 - 80% of recipients are required to participate in the Primary Care Case Management Program (PCCM)
 - Primary Care providers responsible for managing recipient referrals for non emergency specialty and hospital care. In addition to fee for service reimbursement for services, physician is paid \$3.00 per member per month

Other Covered Services

- Medicare Part A, B, D Premiums and Crossovers
 - Premium payments for individuals eligible for both Medicare and Medicaid- known as dual eligibles
 - Cost effective “buy in” to Medicare – Medicare becomes primary payer and Medicaid pays only co-insurance and deductibles
- Early and periodic screening, diagnosis, and treatment or “EPSDT”
- Indian Health Services (IHS)
- Dental
- Optometric
- Chiropractic Services
- Premium Assistance
- Renal Disease

What does South Dakota spend on Medicaid?

- Majority of Expenses by Provider Type, SFY2015

Provider	SFY 2015 Expense (Millions)	% of Total
Hospital	\$191.3	23.9%
Nursing Homes/Assisted Living Providers/Hospice	\$150.5	18.8%
Community Support Providers	\$120.1	15.0%
Physicians, Independent Practitioners and Clinics	\$103.9	13.0%
Indian Health Services	\$70.3	8.8%
Pharmacies	\$35.1	4.4%
South Dakota Developmental Center and Human Services Center	\$35.3	4.4%
Substance Abuse, Mental Health and Other Community Support Providers	\$23.3	2.9%
Psychiatric Residential Youth Care Providers	\$28.9	3.6%
Dentists	\$20.9	2.6%
Durable Medical Equipment Providers	\$10.4	1.3%
In-Home Service Providers for the Elderly and Skilled Home Health	\$ 10.3	1.3%
Total for Majority of Expenses	\$800.3	

What does South Dakota spend on Medicaid?

- Total South Dakota Medicaid expenditures were \$882.5 million in SFY15
- The Medicaid budget is a large part of the State's spending
- Medicaid crosses budgets for several State agencies
 - Department of Social Services-State Medicaid Agency
 - Department of Human Services
 - Department of Health
 - Department of Corrections
 - Department of Military and Veterans Affairs
 - Department of Education

Service Delivery

- Claims Processing
- Care Management
 - Nurses, Pharmacist, and Medical Director
 - Prior authorization
 - Coordinate discharge from hospitals
 - Medical review teams for disability determinations and other facility placements
 - Care Coordination / Health Home
 - Money Follows the Person
- Quality Control/ Program Integrity
 - Surveillance Utilization & Review
 - Quality Control (Internal & External)
- Program Management
 - Manage Medicaid State Plan
 - Enroll Providers
 - Premium Assistance
 - Health Home Program

Service Delivery

Health Homes: Provides enhanced health care services to individuals with high-cost chronic conditions or serious mental illnesses to increase health outcomes and reduce costs related to uncoordinated care.

- Recommended by Medicaid Solutions Workgroup; implemented July 2013
- Health Homes provide 6 core services:
 - Comprehensive Care Management
 - Care Coordination
 - Health Promotion
 - Comprehensive Transitional Care
 - Patient and Family Support
 - Referrals to Community and Support Services
- Recipients are placed into tiers according to health care needs.
- Reimbursement is tied to the provision of core services on a per member, per month based on the recipient tier.

Service Delivery

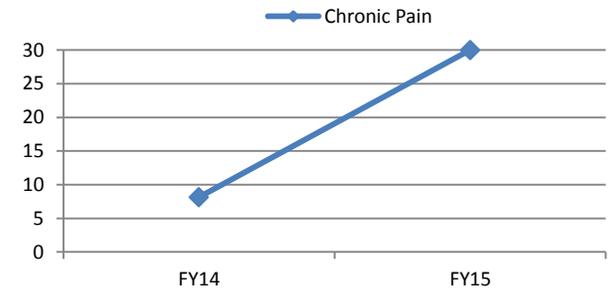
Health Home Clinical Outcomes

- Collaborated with provider's to develop outcome measures.
 - Data submitted every 6 months.
 - Participants in the Health Home program fluctuate on a monthly basis. Every month new recipients join and others become ineligible or choose to no longer participate.
- Positive improvement in a number of health outcomes during the first year.

Health Home Clinical Outcomes

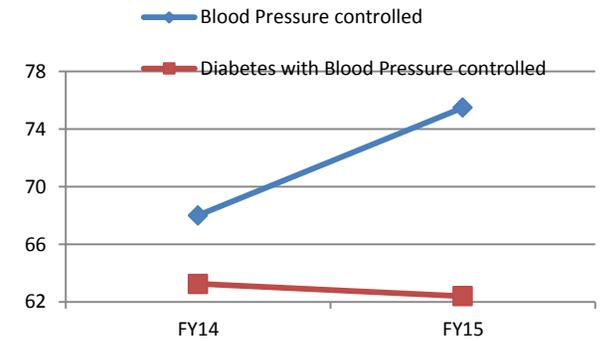
Musculoskeletal

- 21.85% increase in adults with pain assessment using a standardized tool and documentation of a follow-up plan when pain is present.
- Slight reduction in un-necessary imaging studies for low back pain. Measure shows a reduction in imaging studies done within 28 days of diagnosis.



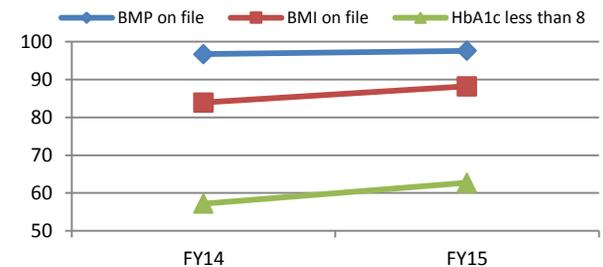
Hypertension

- 7.48% increase in adult recipients BP was adequately controlled
 - Slight decrease among adult recipients with diabetes (-.85%)



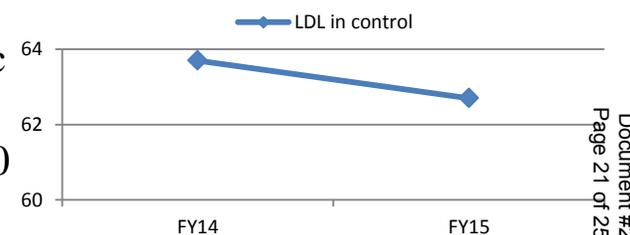
Diabetes

- .9% increase in percentage of children age 6 to 17 with a calculated BMP (Body Mass Percentile) at their most recent visit.
- 4.3% increase in adults who had their BMI documented during the reporting period or the year
- 5.5% increase in adults with diabetes mellitus who had most recent hemoglobin A1c less than 8.0%



High Cholesterol/ Heart Disease

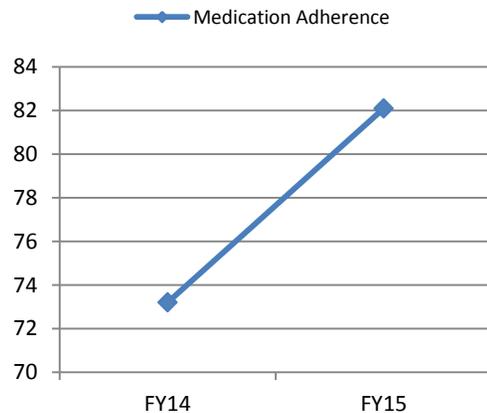
- Slight decrease – 1% in recipients aged 18 years and older with Ischemic Vascular Disease (IVD) who received at least one lipid profile within 12 months and who's most recent LDL-C level was in control (less than 100 mg/dL)



Health Home Clinical Outcomes

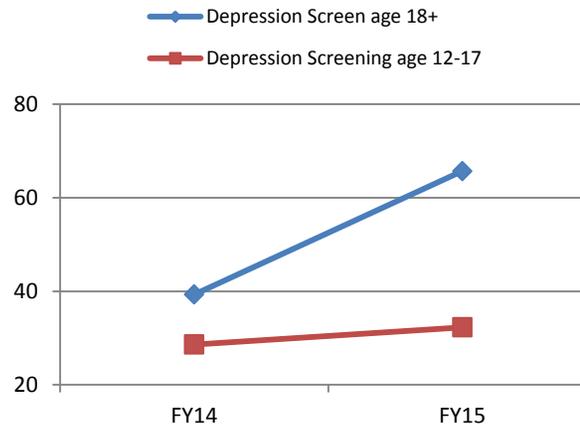
- **Severe Mental Illness (SMI)**

- 8.9% increase in filled prescriptions at least 85% of the time (12 and older)
- Only a Community Mental Health Center (CMHC) measure.



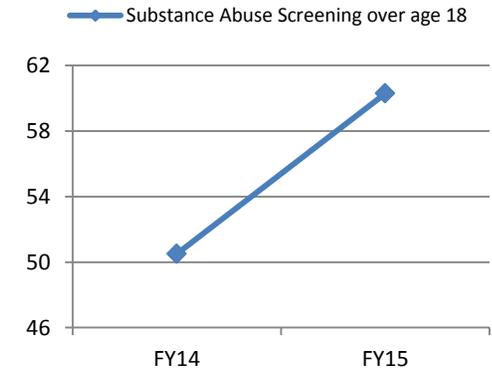
- **Depression**

- 26.4% increase in adults screened for clinical depression
- 3.7% increase in children screened for clinical depression using an age appropriate standardized tool and follow-up documented.



- **Substance Abuse Screening**

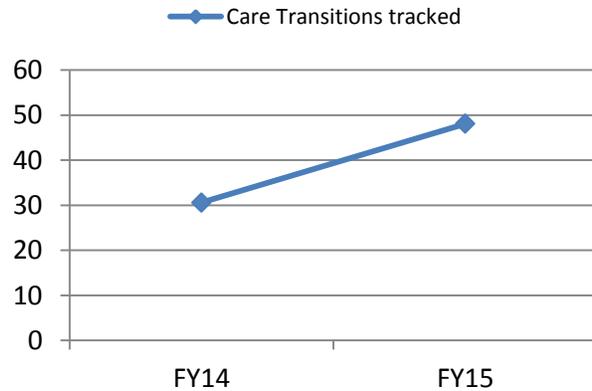
- 9.8% increase in recipients (12 years and older) screened for tobacco, alcohol and other drug dependencies.



Health Home Clinical Outcomes:

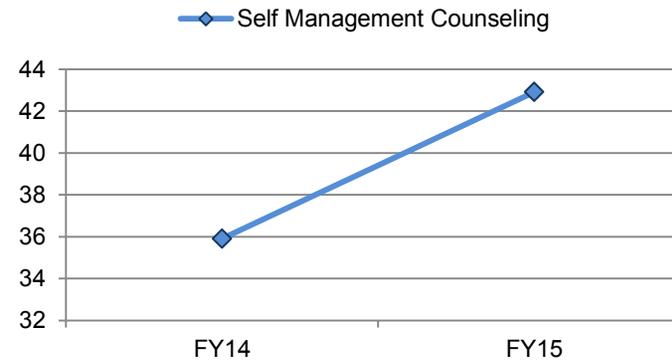
- **Care Transitions tracked**

- 17.5% increase in discharge notification and records transmission within 24 hours of discharge.



- **Transforming Care**

- 7% increase in counseling sessions with recipients /families to adopt healthy behaviors associated with disease risk factors (tobacco use, nutrition, exercise & activity)



Service Delivery

Money Follows the Person: Provides transition services to institutionalized individuals to transition to home and community based settings.

- Recommended by Medicaid Solutions Workgroup
- Targets Medicaid eligibles institutionalized for 90 days or more
- Provides MFP Services during transition and for 365 days following transition:
 - Transition Services
 - Non-Medical Transportation
 - Assistive Technology
 - Consumer Preparation
 - Behavior Crisis Intervention

South Dakota Medicaid

You can find more information on-line in the Annual Medicaid Report at:

https://dss.sd.gov/docs/news/reports/sd_medicaid_report2015.pdf