

“Received-through Policy:” Maximizing Federal Funding

Department of Social Services
February 11, 2019

IHS and 100% FMAP

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- People can be eligible for IHS **and** also Medicaid eligible.
 - When an American Indian is Medicaid eligible and gets services through an IHS Facility, IHS bills Medicaid, and the federal government pays 100%.
 - When an American Indian is Medicaid eligible and gets services outside IHS, the non-IHS provider bills Medicaid and the federal government pays about 56%, and the state pays the balance.



100% Federal



56% Federal 44% State

Care for American Indians

- When services are not “received through” IHS, the state must pay for services that are supposed to be provided by the federal government.
 - \$85.0 million in state funds in SFY2015
 - \$92.7 million in state funds in SFY2016
 - \$96.9 million in state funds in SFY2017
 - \$86.0 million in state funds in SFY2018

Federal Policy Change

- February 2016: Health and Human Services changed national **Medicaid funding policy** to cover more services for IHS eligibles with 100% federal funds.
 - More services now considered eligible through IHS.
 - Participation by individuals and providers must be voluntary.
 - Services outside IHS must be provided via written care coordination agreement.
 - IHS must maintain responsibility for the patient's care.
 - Provider must share medical records with I.H.S.

Federal Policy Implementation

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- Start with Referred Care that already originates at I.H.S.
 - Target six largest providers: three large health systems (Sanford, Avera, Regional) and three largest dialysis providers.
 - Use savings to support provider participation and reinvest in health care.
 - SFY19 budget included \$4.6 million in state general funds to:
 - Address service gaps in Medicaid program
 - Share savings with participating providers
 - Increase rates for Medicaid providers

Federal Policy Implementation

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- Shared savings with participating providers
- Amount of payments tiered to level of savings
 - \$0-\$500k 5%
 - \$501k-\$1m 10%
 - \$1m+ 15%
- Provider shared savings payment calculated after the state achieves \$3.0 million in annual savings
- Will leverage federal Medicaid funds if possible

Status of Implementation

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- November 2017- Care Coordination Agreement signed with three large health systems. June 2018 dialysis provider signed.

- SFY2018 Savings: \$4.6 million general funds.
 - One-time funding carried over into SFY19
 - FY2019 general bill amendment – reduction to DSS budget

- Savings report published monthly

<http://dss.sd.gov/keyresources/fmapreports.aspx>

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SFY19

- Projected Savings \$7.0 million
 - \$4.6 million appropriated FY19
 - \$2.1 million higher than original appropriation
 - Creates one time funding for SFY2019
 - General bill amendment - reduction to DSS

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Strategy	SFY19 Appropriated
Add Substance Abuse Services (full year) Implemented July 1, 2018	\$872,905
Add Mental Health Providers (half year) Implemented Dec 2018	\$265,642
Add Community Health Workers (one quarter) Implementing April 1, 2019	\$98,168
Shared Savings with Providers	\$630,000
Provider Rates (adjusted rates to 90% of methodology- Assisted Living, Group Care, Ambulance, In Home Services, Outpatient Psychiatric)	\$2,719,375
Total General Funds	\$4,586,090

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SFY20

- Working to add more hospitals

- Working with new community based provider groups to maximize federal funding
 - DSS/DOC - Psychiatric Residential Treatment (PRTF)
 - DHS DD Community Support Providers
 - DHS LTSS Nursing Homes

- Signed Community Based Care Coordination Agreements
 - All 5 DSS/DOC - Psychiatric Residential Treatment (PRTF)
 - 5 DHS DD Community Support Providers
 - 13 DHS LTSS Nursing Homes

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SFY20

- Community Based Provider Workgroup meeting monthly.
- Continuing to work on development of referral process.
- Working with Indian Health Service on process to centralize/streamline referrals by embedding state staff in targeted I.H.S. facilities
- As of February 2019, successfully completed several nursing home and community support referrals. Anticipate majority of referrals starting July 1, 2019.

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Strategy	SFY20
Current Hospital/Dialysis Referred Care (Source: DSS Medical Services)	
Add Mental Health Providers (half year)	\$259,431 (DSS)
Add Community Health Worker (three quarters)	\$287,619 (DSS)
Community Based Providers 1% (assisted living, in home, nursing homes, community support, senior meals, group care, PRTF, ambulance, behavioral health, outpatient psychiatric)	\$2,137,220 \$1,547,270 (DHS) \$563,349 (DSS) \$26,601 (DOC)
New Referred Care- Targeted Rate Adjustments (Source: DSS, DHS, DOC) Psychiatric Residential Treatment (100% methodology) Nursing Homes (1.5%) Community Support Providers (1%)	\$2,902,155 \$1,119,326 (DSS) \$80,674 (DOC) \$1,155,310 (DHS) \$546,845 (DHS)
New Referred Care – Reductions to utilization increase requests	
PRTF Utilization	\$768,681 (DSS)
CSP Utilization	\$63,041 (DHS)
NH Utilization	\$27,680 (DHS)
Total General Funds (\$5.8 million care coordination savings – remainder ongoing to round community based providers to even 1%)	\$6,445,827

FY20 Targeted Providers - Inflation and Rates
Rates Effective April 1, 2019 - June 30, 2020

Provider	2.50%	General	Total	Targeted	General	Total	SFY20 Total % Increase	General	Total	SFY19 Rate	SFY20 Rate
DHS Assisted Living	2.50%	\$ 143,503	\$ 286,734	1.00%	\$ 57,401	\$ 114,693	3.50%	\$ 200,904	\$ 401,427	\$48.32 day	\$50.01 day
DHS In Home Services (RN, Homemaker, LPN)	2.50%	\$ 411,521	\$ 666,486	1.00%	\$ 120,239	\$ 201,906	3.50%	\$ 531,760	\$ 868,392	Nursing \$58.72/hr Homemaker \$27.40/hr	Nursing \$60.76/hr Homemaker \$28.36/hr
DHS Nursing Homes	2.50%	\$ 1,925,518	\$ 4,518,934	2.50%	\$ 1,925,517	\$ 4,518,932	5.00%	\$ 3,851,035	\$ 9,037,866	\$156.37/day	\$164.18/day
DHS Community Support Providers	2.50%	\$ 1,589,648	\$ 3,672,158	2.00%	\$ 1,093,691	\$ 2,566,746	4.50%	\$ 2,683,339	\$ 6,238,904	Adult Avg: \$134.10/day Child Avg: \$191.03/day	Adult Avg: \$140.13/day Child Avg: \$199.63/day
DHS Senior Meals	2.50%	\$ 131,442	\$ 131,442	1.00%	\$ 52,577	\$ 52,577	3.50%	\$ 184,019	\$ 184,019	\$3.85/meal	\$3.98/meal
DOC Group Care	2.50%	\$ 79,367	\$ 79,367	1.00%	\$ 26,601	\$ 26,601	3.50%	\$ 105,968	\$ 105,968	\$154.86 day	\$160.28 day
DOC PRTF (movement to 100% methodology)	2.50%	\$ 56,894	\$ 133,524	varies	\$ 80,674	\$ 189,332	varies	\$ 137,568	\$ 322,856	\$219.69 day (avg)	\$250.13 day
DSS *In Home Services (RN, Homemaker, LPN)	2.50%	\$ 64,468	\$ 151,298	1.00%	\$ 25,787	\$ 60,519	3.50%	\$ 90,255	\$ 211,817	Nursing \$58.72/hr Homemaker \$27.40/hr LPN \$42.00/hr	Nursing \$60.76/hr Homemaker \$28.36/hr LPN \$43.48/hr
DSS *Emergency Transportation (basic life, air)	2.50%	\$ 49,750	\$ 116,753	1.00%	\$ 19,900	\$ 46,701	3.50%	\$ 69,650	\$ 163,454	Bass Fee: Advanced Life Support \$206.57, Air Fixed Wing \$1,715.62, Air Helicopter \$1,997.20	Bass Fee: Advanced Life Support \$213.80, Air Fixed Wing \$1,775.67, Air Helicopter \$2,067.10
DSS Group Care	2.50%	\$ 93,044	\$ 93,044	1.00%	\$ 37,319	\$ 37,319	3.50%	\$ 130,363	\$ 130,363	\$154.86 day	\$160.28 day
DSS *Outpatient Psychiatric	2.50%	\$ 50,760	\$ 119,132	1.00%	\$ 20,304	\$ 47,653	3.50%	\$ 71,064	\$ 166,785	Psychological Testing \$109.11/encounter, Treatment \$105.86/hr	Psychological Testing \$112.93/encounter, Treatment \$109.57/hr
DSS **Community Behavioral Health	2.50%	\$ 1,150,095	\$ 1,527,785	1.00%	\$ 460,039	\$ 611,113	3.50%	\$ 1,610,134	\$ 2,138,898	Outpx Counseling \$23.04 / 15 min Outpx Counseling Grp \$5.91 / 15 min Low-intensity residential \$50.77 / day Inpatient Tx \$226.86 / day IMPACT \$74.75 / day CARE \$67.59 / day SED \$26.72 / 15 min Outpx Psychiatry \$58.02 / 15 min FFT \$225.07 / session CBISA \$68.07 / session	Outpx Counseling \$23.85 / 15 min Outpx Counseling Grp \$6.12 / 15 min Low-intensity residential \$52.55 / day Inpatient Tx \$234.80 / day IMPACT \$77.37 / day CARE \$69.96 / day SED \$27.66 / 15 min Outpx Psychiatry \$60.05 / 15 min FFT \$232.95 / session CBISA \$70.45 / session
DSS PRTF (movement to 100% methodology)	2.50%	\$ 277,527	\$ 651,318	varies	\$ 1,119,326	\$ 2,627,292	varies	\$ 1,396,853	\$ 3,278,610	\$219.69 day (avg)	\$250.13 day
Total		\$ 6,023,537	\$ 12,147,975		\$ 5,039,375	\$ 11,101,384		\$ 11,062,912	\$ 23,249,359		
DHS		\$ 4,201,632	\$ 9,275,754		\$ 3,249,425	\$ 7,454,854		\$ 7,451,057	\$ 16,730,608		
DSS		\$ 1,685,644	\$ 2,659,330		\$ 1,682,675	\$ 3,430,597		\$ 3,368,319	\$ 6,089,927		
DOC		\$ 136,261	\$ 212,891		\$ 107,275	\$ 215,933		\$ 243,536	\$ 428,824		
Totals		\$ 6,023,537	\$ 12,147,975		\$ 5,039,375	\$ 11,101,384		\$ 11,062,912	\$ 23,249,359		
*Subsets of larger budgets All other providers 2.5%											
										** Com. BH Represents key service codes & all would receive 3.5%	

Federal Policy Implementation

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Special Appropriation – SB173

DSS - \$1,000,000

- One time funding for innovation grants
- Promote ideas to support early, cost effective care
- Seeking innovation solutions from providers
- Competitive process to select, fund, and evaluate new ideas