

House HSS Committee Questions for 3/5/15 Medicaid Expansion Presentation

Questions from Committee:

1. Commissioner's presentation on 'What is Medicaid Expansion and its implications?'

We hope the presentation answers most of the questions related to Medicaid expansion and its implications.

2. What is Medicaid Reform?

Medicaid reform means reducing Medicaid's cost curve, improving program efficiencies, reducing waste. It is not any one thing but many different approaches to improvement. We have several ideas to present and are eager to hear yours.

3. What are some appropriate examples of Reform from other states and how would they work in Alaska?

Many of the reforms in this presentation (slides 19 & 20) come from other states—we will note which states have worked on these reforms. We want to emphasize, however, that to be successful Medicaid reform must be tailored to Alaska's unique needs and circumstances.

4. While examining super-utilizers for reform, has the Department considered the Medicaid Health Home Model, which provides 90% operational funding federal match for homes which target specific high-cost Medicaid patients during the first two operating years? (See attached research report)

Yes. The Health Home Model, also called the Patient-Centered Home model, is just one of the reforms we are exploring. Our intention is for our contracted consultant examining Medicaid reform to conduct a thorough analysis and recommendations regarding this model.

5. Is Medicaid Reform best accomplished through statute or regulation?

Both, depending on the type of reform.

6. Can Reform and Expansion be accomplished at the same time?

Yes. Reform is an ongoing effort that has begun already and will continue during and after expansion efforts.

7. If they are accomplished in different timeframes, can Expansion legislation integrate a delayed implementation timeline?

It would be difficult to develop a plan that delays expansion based on reform, and the department wouldn't recommend it. Moreover, every day that we delay expansion results in a loss of an estimated \$398,000 in federal funding for health care services for the estimated 20,000 Alaskans who would sign up for Medicaid under expansion in FY2016.

8. Do Reform and Expansion need to be combined so the conversion of charity care cases into participants at a higher federal reimbursement rate means providers receive enough income to accomplish Reform?

Combining reform and expansion will more quickly reduce the burden on providers to provide uncompensated care.

9. Do we worry that some types of reform would lower provider participation?

Reform must proceed with the full participation of everyone with a stake in the outcome—providers, patients, and policymakers—to ensure that all views are represented and potential impacts are understood. A goal of any reforms we embark upon would be to maximize rather than minimize provider participation.

10. If Medicaid Expansion requires parity between mental health and physical health services, how does the state propose addressing behavioral or mental health services given our current limited services?

Alaskans should have available an array of mental health and substance abuse services. Medicaid expansion is expected to spur the development of these services because newly enrolled individuals will have coverage for these services, possibly for the first time. The state intends to reduce the general fund grants needed for these services gradually as payment for these services shifts to Medicaid. This transition needs to occur gradually to ensure that providers of these services are able to make this shift and meet these demands.

11. Is the Department looking into additional funding, such as a provider tax or a copay from major providers on Medicaid expansion revenues?

All potential approaches to reform will be considered; nothing is off the table. Again, we invite participation of everyone with a stake in the outcome.