

**House Health & Social Services Committee
March 5, 2015 Meeting – Follow-up Questions**

This is a consolidated list of the reforms discussed at the March 5th committee meeting. The reform efforts listed below correspond with the associated slide number in the PowerPoint presentation.

- Building on Reform Underway (Slide 16)
- Recently Identified Reform (Slide 17)
- Building Blocks to Achieve Reform (Slide 19)
- Reform Strategies (Slide 20)

Care Management:

Building on Reform Underway: Control overutilization of emergency room services

- Target: \$7M savings (reduce by 25%)

Recently Identified Reform: Expanding program to reduce overutilization of emergency room services

- Target: \$2.5M savings

Building Blocks to Achieve Reform: Certain recipients that over-utilize services are assigned a designated provider who coordinates services.

Reform Strategies: Choice restrictions and services to direct patients to the appropriate level of care

Reform Strategies: Increased access to preventive services

Reform Strategies: Incentives for healthy behaviors

Building Blocks to Achieve Reform: Strengthened Primary Care. Work with providers to find more efficiencies and more effective ways of delivering services

Increased fraud, waste and abuse prevention and control efforts:

Building on Reform Underway: Cost avoidance is result of providers not submitting future claims based on another provider being found fraudulent

- Target: \$15 million in annual avoided costs

Home and community-based service improvements:

Building on Reform Underway: 1915(i) Option will replace services currently provided with 100% state general funds with federally matched Medicaid services.

Building on Reform Underway: 1915(k) Option would allow DHSS to replace existing Medicaid home and community-based waiver services matched at 50% federal with 1915k services matched at 56% federal

- Target: \$24M annual savings upon full implementation

Patient-centered Medicaid Home initiatives:

Building on Reform Underway: Provide coordinated primary care services that help people with chronic health issues to receive appropriate care that will reduce hospitalizations and emergency department use

- Target: \$78,000 - \$165,000 annual savings per 1,000 enrollees

Coordination with the Alaska tribal health system:

Building on Reform Underway: Work with tribal health partners to increase the number of IHS beneficiaries who received services from tribal providers for 100% federal match

- Target: \$15M savings

Recently Identified Reform: Savings from new Tribal health system new facilities, expanded dental services, 36 new long term care beds, increased utilization of telehealth services in the tribal system, increased utilization of community health aides/practitioners and dental health aide therapists.

- Target: \$10M savings

Investigating waiver options:

Building on Reform Underway: Behavioral Health and Senior & Disability Services are investigating potential opportunities to redesign the way we provide and pay for a number of services

- Both for the expansion and general Medicaid populations

Building on Reform Underway: Opportunities for various tribal waivers

Building Blocks to Achieve Reform: Maximizing federal matching fund opportunities. Partnerships with the tribal health system to identify additional opportunities to receive 100% federal reimbursement for Medicaid services

- Longer term target of \$100M Savings

Change eligibility for Personal Care Assistance (PCA) services:

Recently Identified Reform: Change threshold to qualify for Personal Care Attendant services from one to two activities of daily living (ADL) or more and possibly other eligibility changes

- Target: \$2.5M savings

Durable Medical Equipment, Vision, and Audiology:

Recently Identified Reform: Provide more comparable supplies to other states, re-solicit vision contract, audiology fee schedule adjustments

- Target: \$1M savings

Dental:

Recently Identified Reform: Adopt new fee scale for all services, implement the recommendations on use of panoramic films and full mouth films, denture guidelines, implement guidelines for oral hygiene requirements before beginning orthodontia (except for the cleft palate cases where timing is important for satisfactory treatment).

- Target: \$1M savings

Transportation:

Recently Identified Reform: Review current travel policies, adopt a fee schedule instead of paying billed prices for ground transportation, consolidation of family travel needs

- Target: \$1M savings

Implement Utilization Control for Behavioral Health Services:

Recently Identified Reform: Development of clearer program standards and stronger admission criteria and thorough review for residential psychiatric treatment centers, behavioral rehabilitation services, and acute psychiatric service settings. Revise requirements for Recipient Support Services.

- Target: \$2M savings

Payment Reform:

Building Blocks to Achieve Reform: Reimbursement methodologies from fee-for-service payment structures to alternative payment mechanisms that can drive improved value

Workforce Innovation:

Building Blocks to Achieve Reform: Design of new provider types that can work as members of health care teams and allow clinicians to work at the top of their licenses and function more efficiently

Maximizing federal matching fund opportunities:

Building Blocks to Achieve Reform: Working with other state agencies and with systems such as the statewide community health centers to leverage federal financing

Expansion of Telehealth Services:

Building Blocks to Achieve Reform: Improve access, address health care system capacity, and reduce travel requirements

Cost-sharing Options:

Reform Strategies: Cost sharing requirements, charging premiums and higher cost sharing requirements for non-emergency use of hospital emergency rooms.

Health Savings Accounts (HSAs):

Reform Strategies: Explore the idea of higher income recipients being encouraged to establish a health savings account that can be used to pay co-pays and deductibles.

Work assistance:

Reform Strategies: Access to job search websites, resume assistance, job training, vocational rehabilitation and other work supports

Note: Reforms without reference to a targeted savings are being examined further to determine approval process and potential savings.