



Medicaid Services FY2022 Overview

*House Health and Social Services Finance
Subcommittee*

Albert Wall, Deputy Commissioner

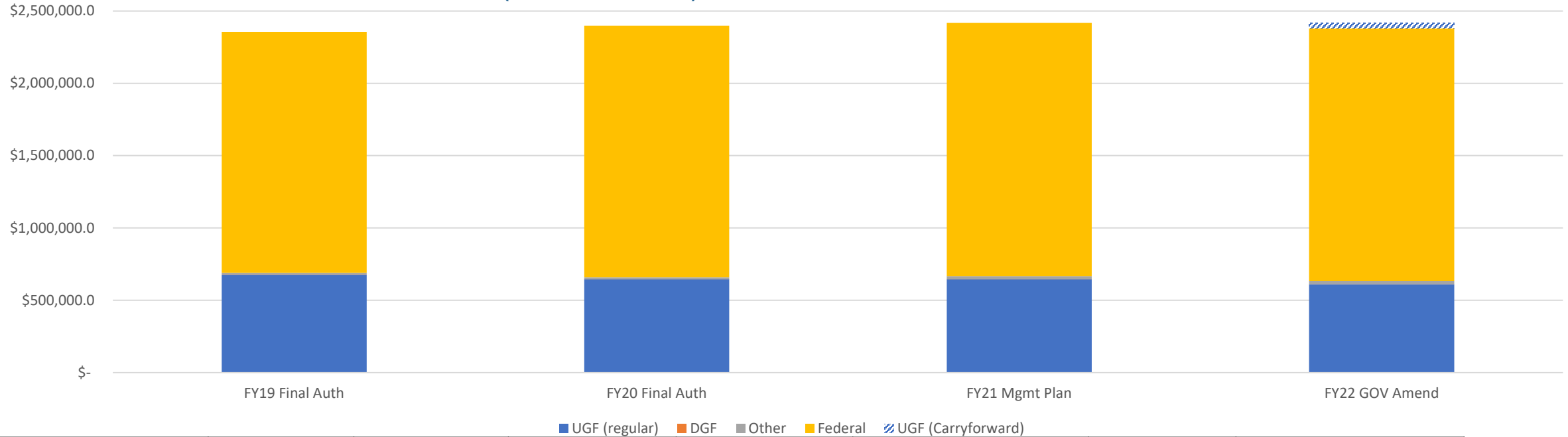
Sylvan Robb, Assistant Commissioner

March 13, 2021



Medicaid Services Operating Budget Comparison

FY2019-FY2022 (in thousands)



	FY19 Final Auth	FY20 Final Auth	FY21 Mgmt Plan	FY22 GOV Amend	Difference FY19 and FY22	% Difference FY19 and FY22	Difference FY21 and FY22
UGF (regular)	\$ 676,215.8	\$ 644,604.3	\$ 645,065.6	\$ 609,972.1	\$ (66,243.7)	-9.8%	\$ (35,093.5)
DGF	\$ 902.3	\$ 902.3	\$ 902.3	\$ 902.3	\$ -	0.0%	\$ -
Other	\$ 12,479.8	\$ 13,111.3	\$ 20,714.1	\$ 20,714.1	\$ 8,234.3	66.0%	\$ -
Federal	\$ 1,666,068.5	\$ 1,739,957.3	\$ 1,750,620.4	\$ 1,750,529.4	\$ 84,460.9	5.1%	\$ (91.0)
Subtotal regular	\$ 2,355,666.4	\$ 2,398,575.2	\$ 2,417,302.4	\$ 2,382,117.9	\$ 26,451.5	1.1%	\$ (35,184.5)
UGF (Carryforward)				\$ 35,000.0	\$ 35,000.0		\$ 35,000.0
Total	\$ 2,355,666.4	\$ 2,398,575.2	\$ 2,417,302.4	\$ 2,417,117.9	\$ 61,451.5	2.6%	\$ (184.5)





Medicaid: The Basics

Medicaid History

- Created by Congress in 1965 to provide health coverage for individuals who were unable to work
- Alaska adopted Medicaid in 1972, the 49th state to do so, to replace the state-funded General Relief Medical program
- 1997, Children's Health Insurance Program allows states to offer higher income children health coverage through Medicaid or a stand-alone program
- 1999, Alaska implements a Medicaid CHIP expansion
- 2010 Affordable Care Act
- 2015 Alaska expanded Medicaid program





Medicaid Administration

- Jointly (federal and state) funded
- State administered within federal guidelines
- With federal approval, Medicaid programs vary from state to state, as states have flexibility to design their Medicaid programs

Alaska Medicaid

- Largest health coverage program in Alaska
- Provides comprehensive coverage for Medicaid-eligible recipients
- Medicaid: a DHSS team effort
 - Medicaid State Plan: Office of the Commissioner
 - Medicaid Eligibility: Division of Public Assistance
 - Medicaid Program Administration: Health Care Services (HCS), Division of Behavioral Health (DBH), Senior and Disabilities Services (SDS)
 - Service Payment: HCS and DBH, through the fiscal agent and Administrative Services Organization
 - Federal reporting and claiming: Finance and Management Services
 - Rate Setting: Office of Rate Review
 - Program Integrity: Medicaid Program Integrity

Medicaid vs Medicare

Medicaid	Medicare
Title XIX of the Social Security Act	Title XVII of the Social Security Act
Jointly (federal and state) funded; state administered within federal guidelines	Federally funded and administered
State Medicaid programs are similar, however with federal approval states may customize benefits to best meet the needs of their residents	Uniform coverage throughout the United States; eligibility not based on state of residence
Individuals must meet specified income and/or resource limits, which can vary from state to state	Eligibility based on earnings history; no means testing
Offers a comprehensive set of benefits; may include prescription drugs, dental, and other benefits	Coverage includes: Part A: inpatient hospital services Part B: outpatient and professional services Part D: prescription drugs
Covers long-term (skilled and intermediate nursing facility) care for individuals who are age 65 and older or disabled	Covers all skilled nursing facility care costs for up to 20 days and most skilled nursing facility costs for 21 – 100 days following a hospital inpatient stay of 3+ days
Additional services may be available through Medicaid Managed Care plans; 49 states and the District of Columbia offer Medicaid Managed Care	Additional services may be available through Medicare Advantage plans (known as Medicare Part C), available in most states (not available in Alaska)

An individual may be dually eligible for Medicare and Medicaid





Development and Maintenance of a Medicaid Program

Medicaid State Plan

- Contract between the state and the Centers for Medicare and Medicaid Services (CMS)
- Details how the state will operate its Medicaid and Children's Health Insurance Program (CHIP), including:
 - Who is eligible to receive services
 - Which services are covered
 - How providers will be reimbursed
 - How the state administers the program
- The State Plan and State Plan Amendments (SPA) to it must be reviewed and approved by CMS
- Federal matching funds are contingent upon approval of the services through the Medicaid State Plan



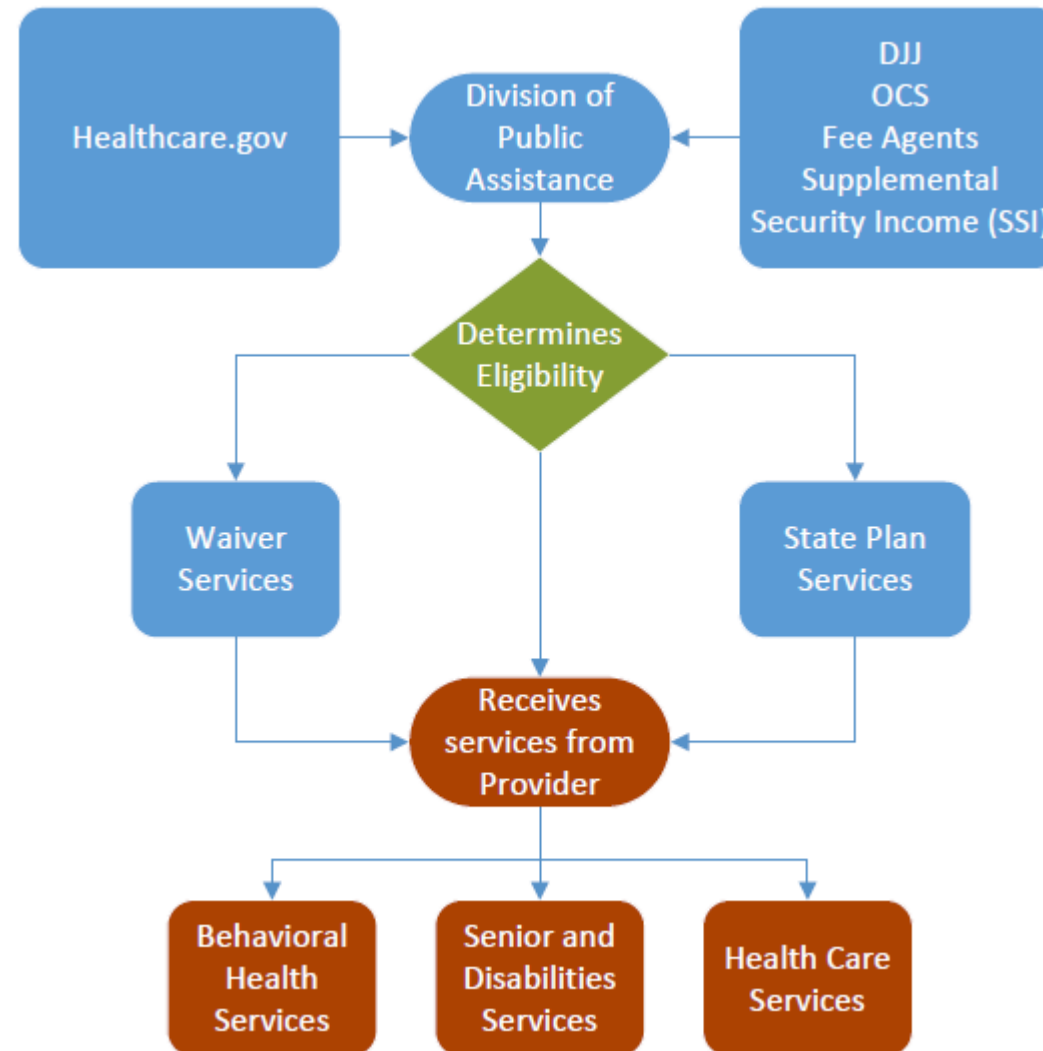
State SPA Process Flow





Medicaid Eligibility

Medicaid Eligibility





Who is Eligible for Medicaid

- A person must be:
 - Financially and categorically eligible
 - Income
 - Assets
- There are more than 50 groups of individuals who may qualify for Medicaid coverage

Eligibility

Provide eligibility for medical assistance to needy families with children, pregnant women, low income adults, aged, blind and disabled person.

- To be eligible, recipients must meet income and/or resource criteria depending on the particular Medicaid category for which the recipient is eligible for.
- Eligibility for aged, blind and disabled persons are based on eligibility criteria under the Adult Public Assistance program
- Eligibility criteria for parents and other caretaker relatives, pregnant women, children under age 19, under 21 Medicaid, expansion group, and former foster children up to age 26 are based on eligibility criteria created by the Affordable Care Act



Chronic and Acute Medical Assistance

Chronic and Acute Medical Assistance provides emergency medical coverage for persons who do not qualify for Medicaid.

- To be eligible recipients must be:
 - 18 or older; lack of other medical resources;
 - Countable income of not more than \$300 for an individual or \$400 for a couple;
 - Assets that do not exceed \$500
 - Covered medical needs only include:
 - A terminal illness
 - Cancer requiring chemotherapy
 - Diabetes and diabetes insipidus
 - Seizure disorders
 - Chronic mental illness
 - Hypertension



Medicaid Covered Services

Affordable Care Act Essential Health Benefits

Essential Health Benefits and Medicaid State Plan	
10 Essential Health Benefit Categories	Alaska State Plan Qualifying Services
Ambulatory patient services	Outpatient hospital, physician services, other licensed practitioners, clinic services, family planning, dental, hospice, personal care services.
Emergency services	Outpatient hospital, ER transportation, physician services – urgent care.
Hospitalization	Hospitalization: inpatient
Maternity and newborn care	Physician services, inpatient.
Behavioral Health (and Mental Health Parity)	Outpatient Rehabilitative services, Inpatient mental health, outpatient chemical dependency, inpatient chemical dependency.
Prescription drugs	Preferred Drug List
Rehabilitative and habilitative services	Home health services, supplies equipment, and appliances, physical therapy and related services, nursing facilities.
Laboratory services	Coverage is determined the first of each year.
Preventive and wellness services and chronic disease management	Preventive and wellness services and chronic disease management: tobacco cessation, preventive services.
Pediatric services – EPSDT as called out in 1905(r)(5) of Title XIX	Medicaid EPSDT

Alaska Medicaid Covered Services*

- Inpatient/outpatient hospital (acute and psychiatric)
- Physician
- Mental health
- Other professional (e.g., chiropractic, physical therapy, occupational therapy, podiatry)
- Pharmacy
- Dental
- Vision
- Laboratory, Radiology

* Coverage is age-specific for some services; some services require prior authorization

Alaska Medicaid Covered Services* (cont.)

- Durable Medical Equipment
- Long-term care (skilled and intermediate nursing facility)
- Personal care
- Home health
- Hospice
- Family Planning
- Transportation

* Coverage is age-specific for some services



Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)

- The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit provides comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid
- EPSDT goal: assure that children receive the health care they need when they need it – the right care at the right time in the right setting

Waivers

- State Medicaid programs must comply with federal requirements, but states seeking additional flexibility can apply for formal waivers of some of these requirements from the Secretary of Health and Human Services (HHS)
- Medicaid waivers can be classified as demonstration waivers or program waivers:
 - Demonstration waivers allow a state to test program delivery and financing innovations (hypothesis)
 - Program waivers expand the array of defined program options available
- Program waivers are intended to expand the array of defined program options available to a state, rather than to provide an avenue of experimentation with new models



Medicaid State Plan Options and Waivers

- 1915 (c) Home and Community Based (HCB) Waivers
- 1915 (k) Community First Choice State Plan Option to provide HCB Attendant Services and Supports
- Section 1115 Demonstration Waiver



Medicaid Provider Enrollment



Medicaid Provider Qualifications

- Providers must be licensed and/or certified in order to enroll
- Providers are required to enroll in the Medicaid program in order to receive reimbursement
- Providers must sign and comply with the Alaska Medicaid Provider Enrollment Agreement
- Some providers must also be enrolled as a Medicare provider
- Providers can render only services that are within the scope of their license or certification
- Must reenroll every 3 or 5 years, depending on CMS-designated risk category

Medicaid Tribal Partners

Tribal Health System Partners

DHSS partners with:

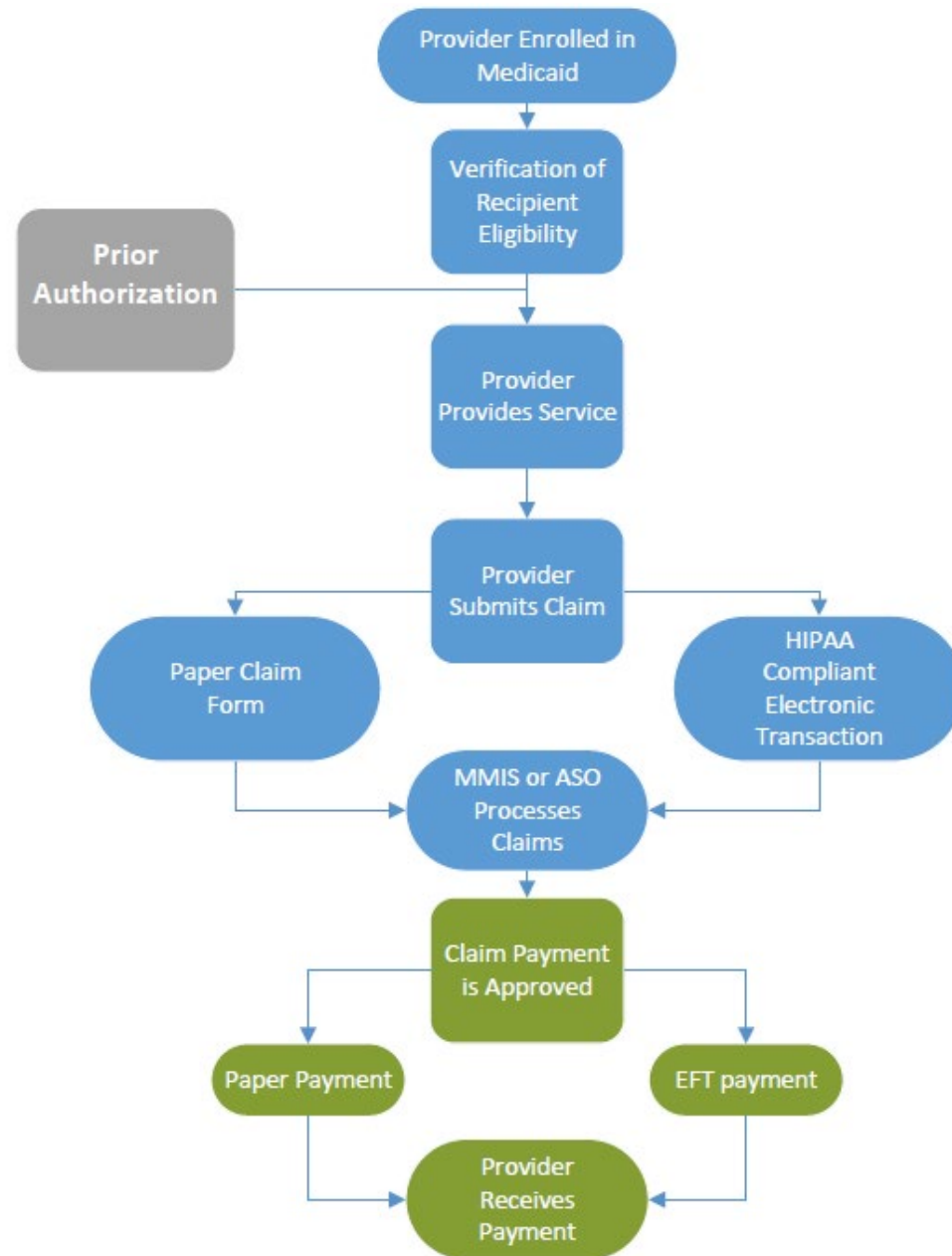
- Alaska Native Health Board and Alaska Native Tribal Health Consortium
- State/Tribal Medicaid Task Force
- Community Health Aide Program Directors
- Behavioral Health Directors
- Long Term Care Directors
- Financial Infrastructure Directors



Payment of Claims

Medicaid Claims Processing

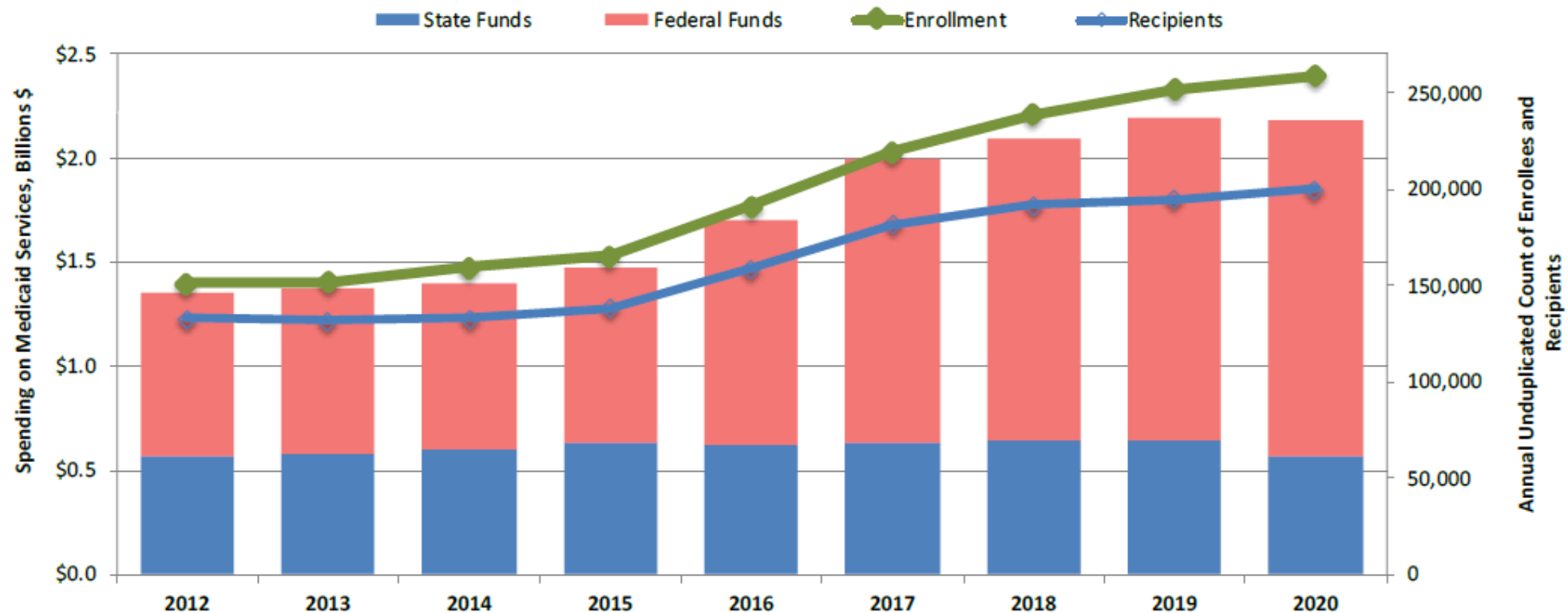
- Claims must be submitted within 12 months of the date of service
- Alaska Medicaid claims are processed through the Medicaid Management Information System (MMIS) by the DHSS fiscal agent or by the Administrative Services Organization (ASO)
- Claims are processed within federal timely processing standards
 - 90 percent of all claims within 30 days of the date of receipt
 - 99 percent of all claims within 90 days of the date of receipt
 - 100 percent of all claims within 12 months of the date of receipt





Medicaid Expenditures

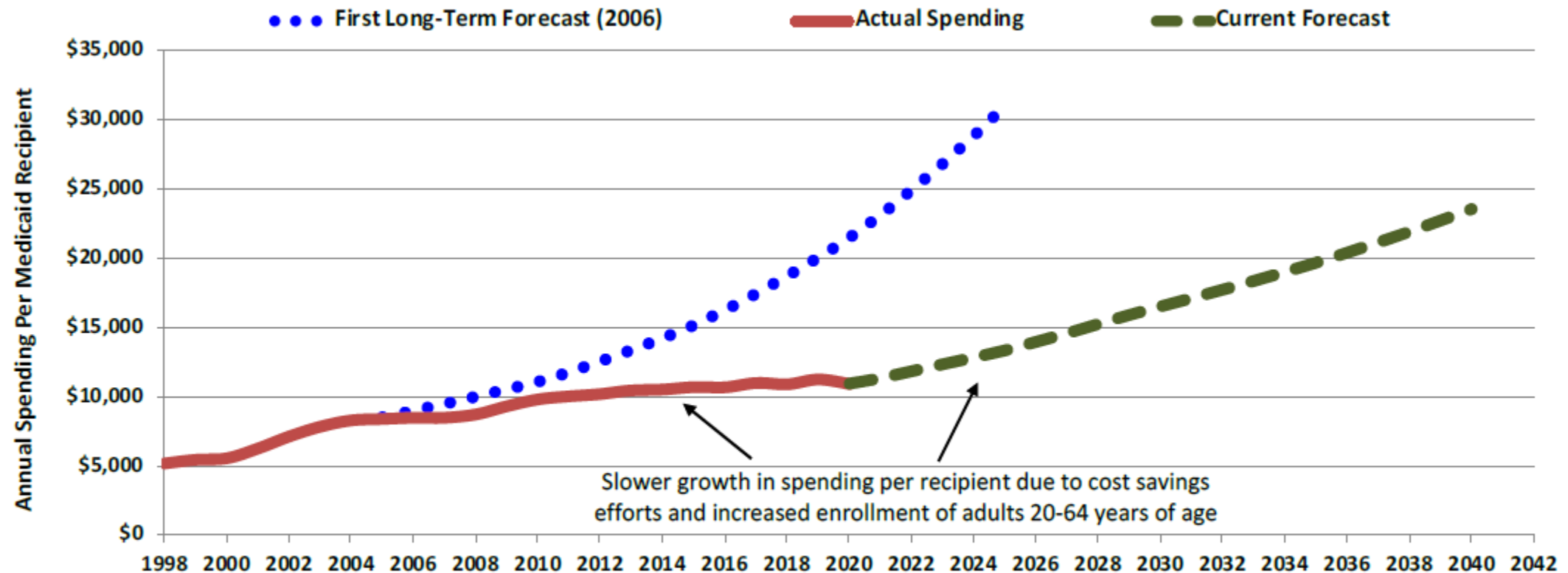
Medicaid Enrollment and Spending: 2012 - 2020



Source: Analysis by Evergreen Economics of data provided by the Medicaid Budget Group; 2020 estimated.



Alaska Medicaid Spending per Recipient: 1998 - 2042



Source: Analysis by Evergreen Economics of data provided by the Medicaid Budget Group.

FY2020 Medicaid Claims Processed through the Medicaid Management Information System (MMIS) and the Administrative Services Organization (ASO)

- MMIS Claims: 6,872,019
- MMIS Reimbursement: \$2,191,619,782

Top 10 Reimbursements by Provider Type		Top 10 Claim Types	
General Hospital - Inpatient	\$378,069,154	Pharmacy	1,665,624
Home & Community Based Services	\$274,819,408	Health Professional Group	1,311,024
General Hospital - Outpatient	\$254,987,573	Behavioral Health	824,784
Health Professional Group	\$245,581,529	Home & Community Based Services	564,951
Behavioral Health	\$224,337,834	General Hospital - Outpatient	456,772
Skilled Nursing Facility/Intermediate Care Facility	\$189,300,818	Transportation	438,289
Pharmacy	\$169,453,159	Federally Qualified Health Center/Rural Health Clinic	361,375
Federally Qualified Health Center/Rural Health Clinic	\$144,213,967	Medicare Crossover - Part B	336,091
Transportation	\$109,576,673	Dental	212,468
Dental	\$81,044,925	Personal Care Agency	172,184

- ASO 1115 Substance Use Disorder Reimbursement: \$4,828,629

Federal Medical Assistance Percentage

- Medicaid is jointly financed from state general funds and federal matching funds
- The portion of federal matching funds for a particular services is governed by the Federal Medical Assistance Percentage (FMAP)
- There are multiple FMAP rates depending on eligibility category and type of service
- FMAP rates vary from 50% federal to 100% federal
- FMAP rates are recalculated annually

FMAP Rates for Alaska

• Indian Health Service (IHS)	100%
• Family Planning	90%
• Breast/Cervical Cancer**	65%
• CHIP** (*changed from 76.5% 10/1/2020)	65%
• Expansion Population	90%
• All other categories*	50%
• 1915(k) Community First Choice*	56%
• COVID-19 FMAP enhancement	6.2%
• Indirect CHIP/Breast and Cervical Cancer	4.34%

*Programs eligible for COVID-19 FMAP enhancement of 6.2%

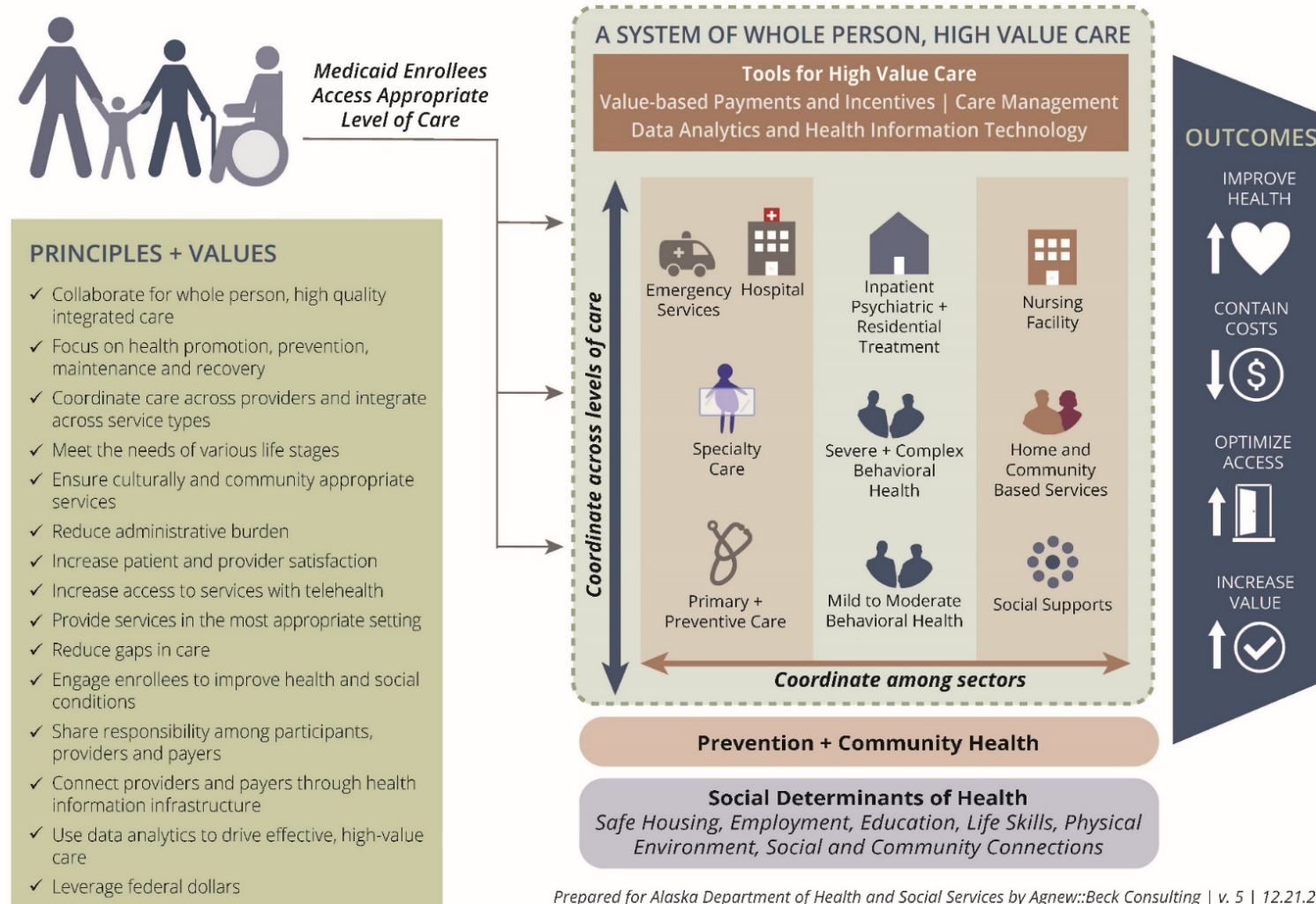
**Programs eligible for indirect FMAP enhancement of 4.34%



Alaska Medicaid: Ongoing and Future Efforts and Cost Containment

Vision for Medicaid Redesign

The Alaska Medicaid Program improves health and pays for value.



Prepared for Alaska Department of Health and Social Services by Agnew::Beck Consulting | v. 5 | 12.21.2016

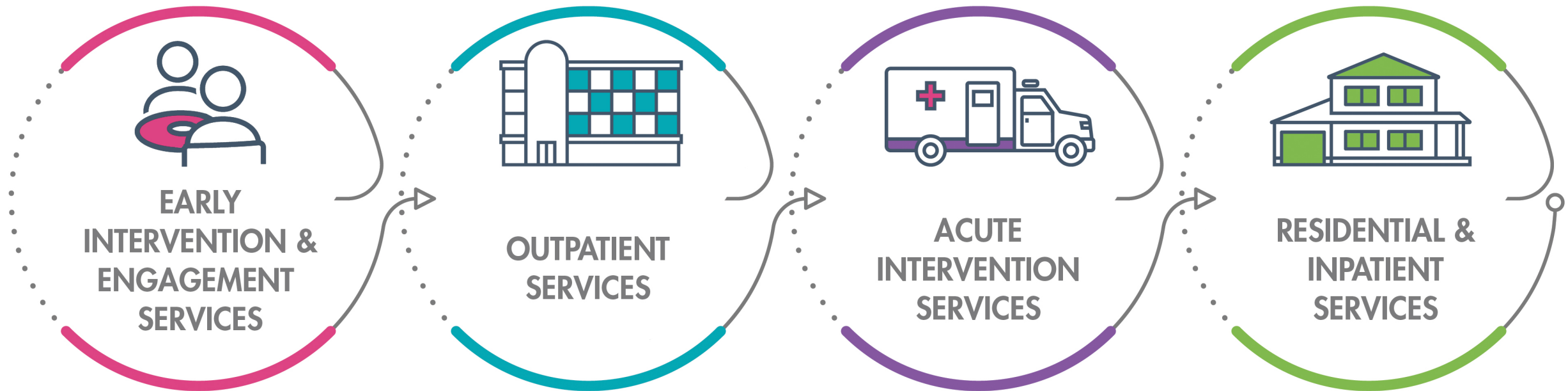
Managing Medicaid Growth

Options for Managing Medicaid Growth

Eligibility	Medicaid Fraud & Abuse Prevention and Detection
Covered Services	Innovations in Service Delivery
Rates	Technology
Utilization Controls	Maximize Revenue

Mental Health Continuum of Care: 1115 Waiver

CONTINUUM OF CARE





Any Questions?