



**VISION**

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

**MISSION**

TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

Senate Finance Health & Social Services Subcommittee | Division Overview

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**Health Care Services**

March 1, 2018

# Health Care Services Overview

- **Mission:** Manage health care coverage for Alaskans in need.
- **127 Positions:** 123 Full-time/4 Non-Perm Positions
- **\$21,866.1** (\$8,180.6 UGF) - FY2019 Total Operating Budget Request
- FY2017 Medicaid:
  - **196,762** Medicaid Enrollees
  - **187,098** Medicaid Beneficiaries



# FY2019 Governor's Operating Budget Increments/Decrements

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Residential Licensing	418.5 (Fed)	Increase federal receipt authorization due to an amendment to the Public Assistance Cost Allocation Plan. This allows for a percentage of background checks for Medicaid authorized facilities to be allocated to federal reimbursement.
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# Budget Reductions and Impacts Since FY2015

Unrestricted General Fund Reduction	\$1,723.0↓	17.4% ↓
Permanent Full Time Position Decrease	10 ↓	7.5% ↓

- **Health Facilities Licensing & Certification:** Less nurses sent on surveys.
- **Residential Licensing:** Cut the number of inspections in half, physically performing inspections every two years, with the providers performing self-inspections and reporting to the state in the other years.
- **Background Check Program:** Reduced staffing has resulted in higher volume workloads for staff.
- **Medical Assistance Administration:** Mandatory system changes are now spread out over the next few years. Subject to formal corrective action plans and experience more scrutiny from Centers for Medicare and Medicaid Services.



# Health Care Services Budget Changes

## FY2015 to FY2019 Summary of Budget Changes

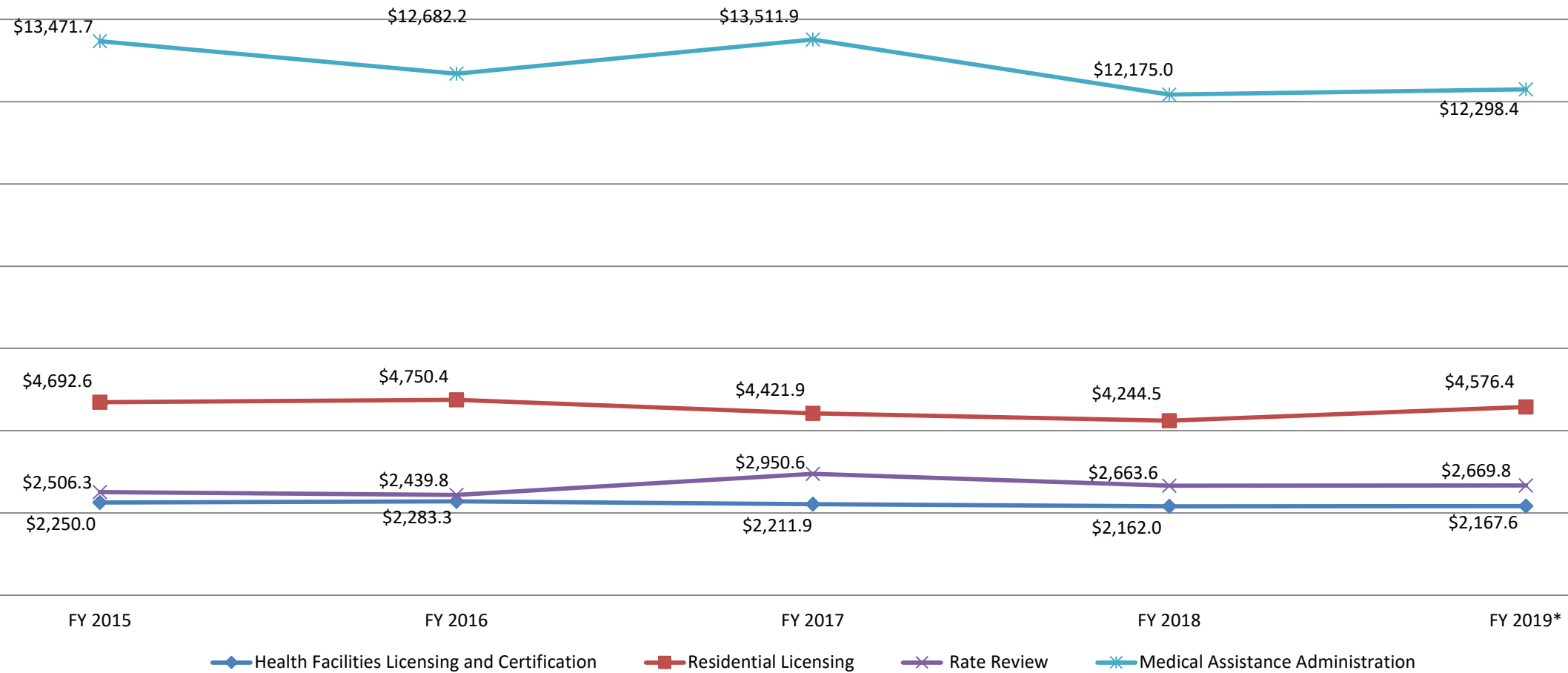
Decrease	UGF	(\$1,723.0)
Increase	DGF	\$216.9
Decrease	Other	(\$1,570.4)
Increase	Federal	\$583.3

### FY2018 to FY2019 overall budget Increased \$467.1

- Federal funds increased by \$442.7
- General funds increased by \$21.3
- Designated General funds increased by \$2.4
- Other funds increased by \$.7
- Increment in Residential Licensing for increased federal claiming - \$418.5 Federal



# Expenditures: Budget Authority for FY2015 –FY2019



\* FY2019 is Governor's Requested Budget



# Services to Providers

## **30,202 – Active Medical Providers** enrolled in Medicaid

- 4,172 – Billing Providers
- 19,002 – Rendering Providers

## **812- Facilities licensed** through Health Care Services

- 126 - Health Care Facilities (*combination of federal certification and state license as applicable*)
- 632 - Assisted Living Homes
- 54 - Residential Child Care Facilities

## **23,175 – Background Checks** in FY2017

- Additional 10,608 applications were submitted to the background check system that were automatically connected to already Eligible determinations and an additional 976 applications were submitted that connected to in-process determinations. This means no additional fees and/or fingerprints were required from the applicant or provider.
- Total number of unique individuals who received barriers: 556 – 185 requested variances, 158 approved and 27 denied.



# Medicaid Administration

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- MMIS System
- MMIS System Changes
  - Regulation Changes
  - New Waivers (HCS, DBH, SDS)
- MMIS Certification
- Medicaid Policy and Planning
  - State Plan Amendments (HCS, DBH, SDS, and Tribal Consultation)





# Health Care Services Projects

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## Federal Mandated Projects

- Health Insurance Portability and Accountability Act Operating Rules (HOPR)
- Transformed Medicaid Statistical Information System (T-MSIS)  
Completed System transformation June 30, 2017. In January of 2018, the Division finished reporting for every quarter back to October 2013.
- Social Security Number Removal Initiative (SSNRI)
- Medicaid Information Technology Architecture (MITA 3.0) –  
Technical Assistance for mandatory system assessment



# Health Care Services Projects

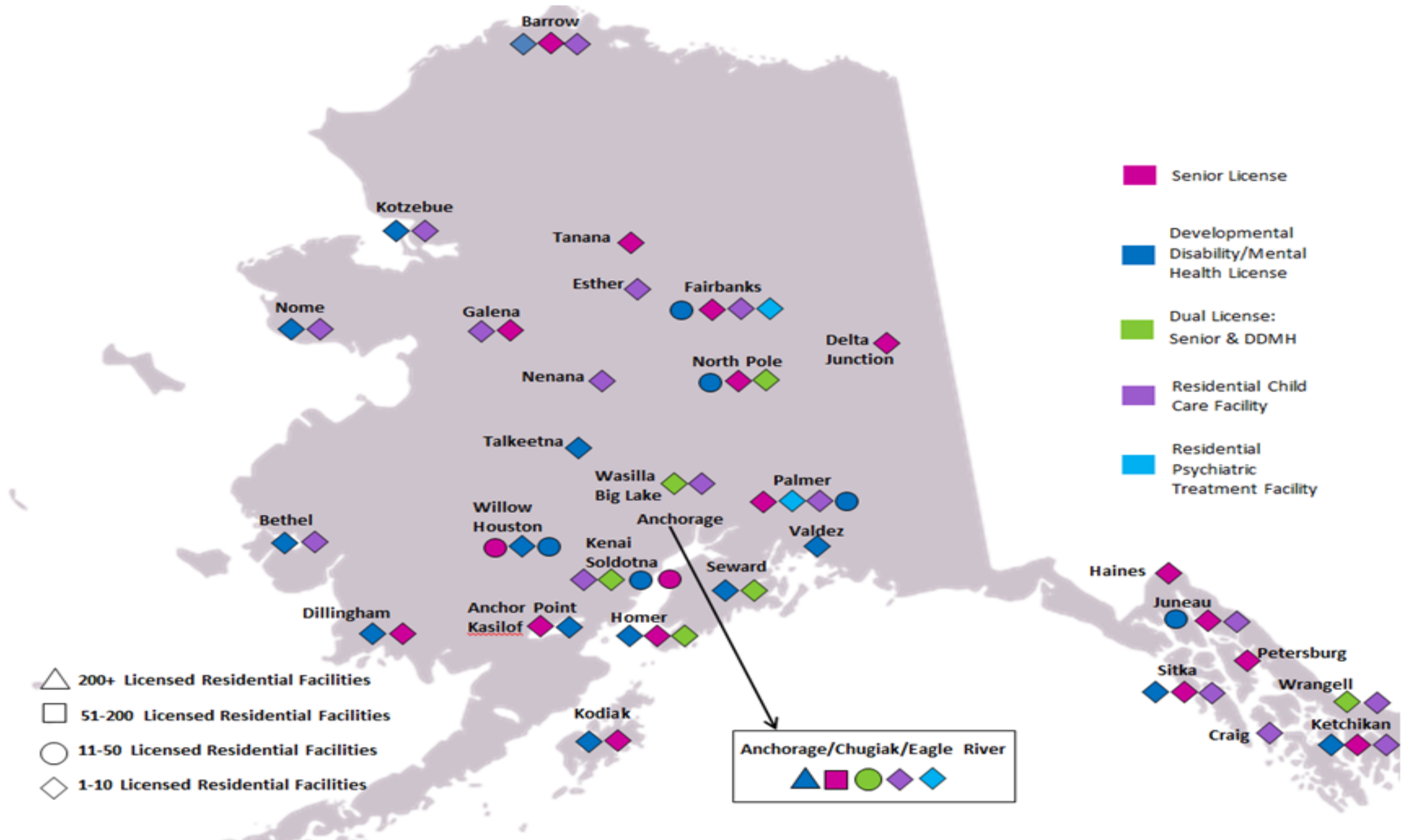
## Regulations Projects

- Durable Medical Equipment (DME)
- Orthopedics & Prosthetics
- Electronic Visit Verification (SDS)
- Senate Bill 74
  - 1115 Waiver
  - 1915(k) State Plan Option
  - 1915 C Waiver
  - Telemedicine
  - Tribal Transportation
  - Coordinated Care Demonstration Project
  - Emergency Care Improvement
  - Tribal Federal Medical Assistance Percentage( FMAP)
  - Prescription Drug Monitoring



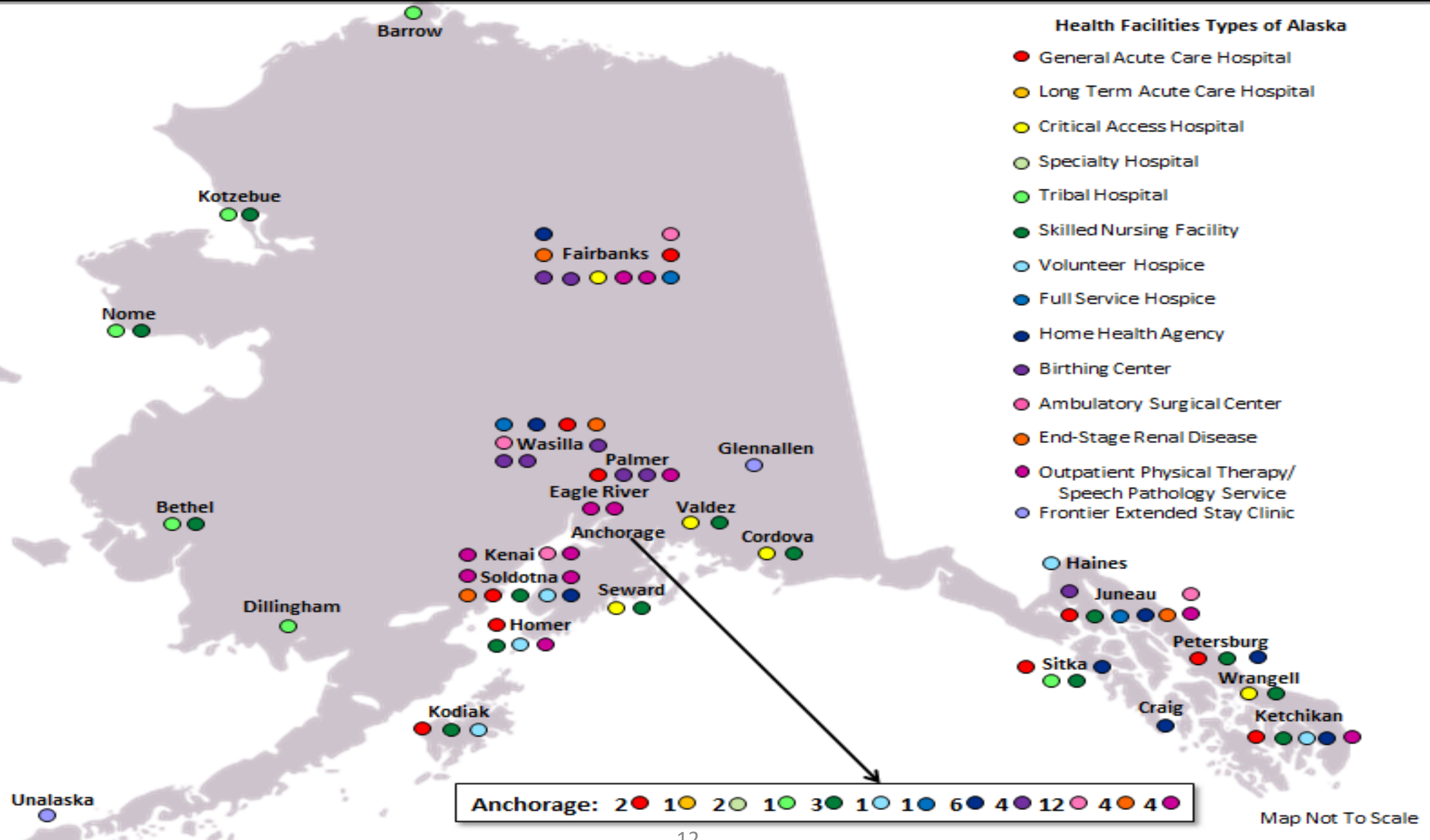
# ADULT AND CHILDRENS RESIDENTIAL FACILITIES MAP

Health Care Services, Residential Licensing



# HEALTH FACILITIES LICENSING & CERTIFICATION MAP

## Health Care Services



# Alaska Medicaid Reimbursement Methodologies

- **Physicians/Dentists** - Reimbursement is based on Resource-Based Relative Value Scale (RBRVS) set by the American Medical Association
- **Mid-level Practitioners** – Reimbursement is at 85% of Resource-Based Relative Value Scale (RBRVS)
- **Hospices** – Reimbursement based on rates established by Centers for Medicare and Medicaid Services (CMS).



# Alaska Medicaid Reimbursement Methodologies (Continued)

- Prescription Drug Rates –

- Drugs

- Reimbursement is set at the National Average Drug Acquisition Cost (NADAC), as calculated and supplied by the Centers for Medicare and Medicaid Services.

- Dispensing Fee

- Cost-based reimbursement

- Federally Qualified Health Centers, Rural Health Clinics, and Tribal Health Clinics - Reimbursement is an encounter rate established by Centers for Medicare and Medicaid Services (CMS).
- Laboratory Services – Reimbursed at Medicare fee schedule rates.



# Alaska Medicaid Reimbursement Methodologies (Continued)

## Cost Based Rates

Inpatient Acute Care Hospitals

Skilled Nursing Facilities

Inpatient Psychiatric Hospitals

Outpatient Hospitals

Outpatient Dialysis Clinics

Behavioral Health Services

Home and Community-Based Waiver Service

Personal Care Services

Birthing Centers





# Current Challenges for Health Care Services

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- Volume of activity in all three Medicaid division (HCS, DBH, SDS) that require system changes with multiple deadlines.
- Contractors
- Audits
- Number of Requests for Data
- Staff retention. Recruiting qualified candidates.





# Accomplishments for Health Care Services

- Providers vs Staff
  - Number of Providers – 30,202 – Active Medical Providers enrolled in Medicaid
- Numbers Served
  - FY2017 Medicaid: 196,762 Medicaid Enrollees; 187,098 Medicaid Beneficiaries
- Residential Licensing
  - Conducted 399 investigations, 448 inspections, 249 self-inspections, and followed up on 7756 incident reports in FY2017.
- Participated in National Initiatives:
  - NGA Policy Academy for Complex Health and Social Needs
  - Childhood Obesity Prevention
  - HIV Affinity Group
  - CDC 6-18
  - Winnable Battles
  - CMS State Plan Amendment Workgroup



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QUESTIONS?  
Thank You

