Health Care Services & Medicaid

- Please provide data showing the percentage of Medicaid Clients per Census Area Population and Unemployment Rates in the Census Areas.

Area Name	Population July 2012*	Number of Enrolled***	% Enrolled in Census Area	Unemployment Rate August 2013**
Alaska	732,298			
Anchorage / Mat-Su Region	392,643	77,902	19.84%	
Anchorage Municipality	298,842			4.8%
Matanuska-Susitna Borough	93,801			6.1%
Gulf Coast Region	80,750	20,211	25.03%	
Kenai Peninsula Borough	56,756			6.1%
Kodiak Island Borough	14,041			4.2%
Valdez-Cordova Census Area	9,953			5.6%
Interior Region	115,114	15,767	13.70%	
Denali Borough	1,871			3.5%
Fairbanks North Star Borough	100,343			5.1%
Southeast Fairbanks Census Area	7,218			9.1%
Yukon Koyukuk Census Area	5,682			12.2%
Northern Region	27,312	3,741	13.70%	
Nome Census Area	9,869			11.7%
North Slope Borough	9,727			4.9%
Northwest Arctic Borough	7,716			13.9%
Southeast Region	74,423	14,617	19.64%	
Haines Borough	2,620			4.7%
Hoonah-Angoon Census Area	2,210			8.3%
Juneau, City and Borough of	32,832			4.0%
Ketchikan Gateway Borough	13,938			4.2%
Petersburg Census Area	3,937			5.5%
Prince of Wales-Hyder Census Area	5,771			9.9%
Sitka, City and Borough	9,084			3.9%
Skagway Borough, Municipality	961			2.5%
Wrangell, City and Borough	2,448			6.3%
Yakutat, City and Borough	622			5.6%
Southwest Region	42,056	22,075	52.49%	
Aleutians East Borough	3,227			9.2%
Aleutians West Census Area	5,881			6.5%
Bethel Census Area	17,600			15.1%
Bristol Bay Borough	987			1.9%
Dillingham Census Area	4,988			7.6%
Lake and Peninsula Borough	1,673			4.9%
Wade Hampton Census Area	7,700			20.1%
Out of State or Unknown		719		
*Estimated population July 2012				
**Statewide average unemployment rate is 5.7% for August 2013				
***FY2014 Budget Overview				

- Please explain the project regarding the "Super-Utilizer" Group of Medicaid Beneficiaries that whose care will be referred to Patient Centered Medical Homes and expected outcomes.

  The Super-Utilizer Pilot Project a main objective to develop better coordinated and targeted services for recipients who are "high utilizers" of health care services. DHCS has identified a universe of over 4000 super-utilizer patients who have used the ER more than 4 times in the past year and whom have certain chronic condition diagnoses and/or a behavior health diagnosis. An RFP for case management and utilization review services will be sent out for bid soon and six to eight contracts will be awarded for care coordination of this population. The goals and expected outcomes of this project include but are not limited to

  - reducing ER visits
  - decreasing the high costs of Medicaid services
  - ensuring recipients receive care from the appropriate providers
  - providing better care coordination
  - achieving quality outcomes for better health.

  Metrics for success are also currently being developed as well as a data analytics system to support the project.

  The Patient Centered Medical Home will be closely aligned with the Super-Utilizers project, but is actually a separate project unto itself. The Alaska Association for Primary Care is taking the lead on this project and working with NASHP (National Association for State Health Policy) and the Alaska Mental Health Trust to develop an RFP.

- Pre-authorizations:

  - What has the outcome been of implementing required pre-authorizations for imaging?

    For several years Alaska Medicaid has required prior authorization of specified outpatient imaging services (MRI, MRA, SPECT, and PET scans). Prior to April 2013, only administrative, non-clinical reviews were conducted, yielding a denial rate of less than 0.1%.

    Effective April 15, 2013, URAC-accredited Qualis Health was contracted to complete clinical reviews of outpatient imaging services. During the first six months, the average denial rate was 15%. Denials have plateaued at 11% as providers have adjusted to the more rigorous clinical review requirements.

    The average cost savings resulting from outpatient imaging reviews: $181,407 per month.

- Are there other areas in Health Care Services using Medicaid that require pre- authorization and if so what are the outcomes?

  Several agencies and contractors, including Xerox State Healthcare, Qualis Health, the Division of Senior and Disabilities Services, and Magellan Medicaid Administration provide service authorization for Alaska Medicaid.

  The following is a general list of services for which authorization is required:
  - Behavioral health services (to extend service limits)
  - Mental health physician clinic and community behavioral health clinic
  - Certain maternal/newborn admissions
  - Durable medical equipment, medical supplies, home infusion, hearing aids
  - Non-emergent transportation and accommodation services
  - Selected prescribed medications as specified on the Prior Authorized Drug List, http://hss.state.ak.us/dhcs/PDL/
  - CAMA-related radiation and chemotherapy performed at an outpatient hospital for the treatment of cancer
  - Selected professional/outpatient services including chiropractic care, home health, hospice, nutrition services, private duty nursing, respiratory therapy, and vision services
  - Service that exceeds established annual or periodic service limitations
  - Surgeries not appearing on the Qualis Select Diagnoses and Procedures Pre-Certification List
  - Inpatient acute care stays and outpatient services for certain procedures and diagnoses
  - All inpatient acute care stays exceeding 3 days
  - All inpatient psychiatric hospital/residential psychiatric treatment center stays
  - Certain maternal/newborn admissions
  - Selected outpatient imaging services (MRI, MRA, PET, and SPECT) identified on the Qualis Outpatient Imaging Pre-Certification List
  - All pharmaceuticals identified on the prior authorized drug list and the interim prior authorized drug list
  - Division of Senior & Disabilities Services
  - Administrative-wait and Swing Bed stays at acute care facilities
  - Long Term Care facility admissions and continued stays
  - Home and Community-Based Waiver (HCBW) services
  - Personal Care Attendant (PCA) services

- Medicaid Management Information System (MMIS)

    - Update on the rollout of the Medicaid Management Information System?
      Alaska Medicaid Health Enterprise was implemented on October 1, 2013 after 6 years of development. It was a huge undertaking and delays in claim processing were expected. The state proactively pre-paid providers an estimate of their billings to alleviate potential financial hardship. We processed approximately $22 million in claims for the latest cycle. This is getting closer to our normal of $24 million - $26 million.

        - Glitches?
          The department has experienced many implementation issues. We are working with our fiscal agent contractor (Xerox), the provider community, and the Center for Medicare and Medicaid Services to address and resolve these issues.

          We are experiencing payment issues. Payment rates for these provider types are a current issue:
          - Inpatient
          - DME
          - Transportation
          - Mental Health
          - Lab and radiology
          - Home Health

        - Has it met expectations?
          Not fully at this time. Specific system issues have been identified and are in the process of being worked.

          We are currently paying:
          - Dental
          - Personal Care
          - Long Term Care
          - Outpatient
          - Professional
          - Pharmacy

          There were significant problems with Service Authorizations. The contractor (Xerox) made improvements to the system and they can now be processed, but we are still dealing with the backlog. Xerox is also behind in entering Dental authorizations and Travel Authorizations. The Xerox call center has had significant wait times following the stand-up of the new system.

          Inpatient claims have also been a problem, but will be cleared up with the upcoming completion of the Qualis interfaces.

- Examples of reports and information that can now be generated/accessed?

  The new MMIS includes a new Decision Support System as well as standard production reporting tools. Most reports that were available in the former MMIS are also available in the new MMIS. There are financial reports, claims reporting, utilization, pricing, just about anything will be possible in the new system.

- Pharmacy:
  - You listed a major accomplishment in FY'12 that in the beginning of FY'12 there was a 70.5% use of generic medications that steadily increased to 75.5% at the end of FY'12. What is the current percentage use of generics? The most current data available is for the month of September, 2013. In this month 78.5% of Medicaid prescriptions were for a generic medication.

  - In our last discussion you were working with Corrections on their pharmacy use? Please provide an update

    There appears to be a misunderstanding, we do provide pharmacist coverage for Corrections when their staff is out of the office. This provides on-the-job training for our pharmacists and keeps them active in the industry.

- Provider rates:
  - How much flexibility does the department have in setting provider rates?

    Rates are set within the parameters of fixed payment methodologies, which vary by provider type. Payment methodology changes require regulatory change.

    The following are a few of these methodologies:

    Reimbursement for **professional services** (physicians, advanced nurse practitioners, physician assistants, imaging services, chiropractors, podiatrists, etc.) is based on Resource-Based Relative Value Scale (RBRVS) rate-setting methodology, one of the most widely used payment methodologies in the United States.

    The RBRVS formula consists of:
    - A RVU, established by the Centers for Medicare and Medicaid Services (CMS), that contains
      - A work component that is measured by the time and intensity of effort required to provide the service

  - A practice expense component that includes costs related to the provision of services (rent, salaries, equipment, supplies, etc.), and
  - A malpractice expense component that is measured by professional liability insurance premium costs
- A geographic practice cost index (GPCI) that reflects the cost of practice in Alaska
- A conversion factor that is adjusted annually by Alaska Medicaid and in accordance with the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index for all Urban Consumers (CPI-U).

Each covered procedure and the amount Alaska Medicaid pays for that service is listed on the annually updated provider fee schedules provided on the Medicaid fiscal agent website.

Reimbursement for **hospitals and other facilities** is based on a per-day rate prospective payment system. Rates are set by the department's Office of Rate Review and are based on consideration of financial documents submitted by the facility, audit or review of the facility, and the facility's response to audit or review testimony.

Home and Community-Based Waiver Services are reimbursed at the lesser of the amount charged to the public or the rates established in the department's Chart of Personal Care Attendant and Waiver Services Rates.

These are just a few of the numerous reimbursement methodologies by which Alaska Medicaid reimburses providers.

- About $32.5 million of the increase in Medicaid since FY05 is attributable to increased provider reimbursement rates. What is the impact of the increased rates in accessibility? Did it expand the number of health care providers? Did it prevent the loss of health care providers?

At a rate of $4 million annually, these modest increases in some cases have not kept pace with providers' costs of doing business. The only providers whose reimbursement methodology is increased annually based on inflation are physicians, advanced nurse practitioners, physician assistants, chiropractors, and other professionals. Hospitals and other facilities receive prospective rates based on cost reporting. All other provider rates are adjusted only when regulations are proposed to do so. For example, dental rates were increased in FY2009 after remaining unchanged for 12 years. This increase was in response to a shortage of dentists and dental appointments because of Alaska Medicaid's low reimbursement rate. Since that increase, the number of enrolled dentists and available dental appointments has increased.

- Does the department believe that provider reimbursement rates are too high? If so, are there plans to reduce the reimbursement rates?

  Some are too high and some are too low. We feel that our reimbursement rates need to be analyzed to ensure that they are equitable for the services provided in Alaska.

- Residential Licensing:
  - Was the ACCESS-based database to streamline Assisted Living Program functions for background checks and licensing updated? If so, how is it working?

    The implementation of the ACCESS-based database for Residential Licensing is an improvement over previous versions and has increased the reliability in the data it holds. However, it lacks the ability to streamline case management for the program. The ACCESS-based database was not intended to streamline background check functions for the Residential Licensing Program. Those functions and the background check database are performed and maintained by the Background Check Program in a separate database that is in the final phases of being tested.

  - Health Facilities Certification and Licensing. A $457.0 GF increment was received in FY14 to conduct increased inspections that were needed due to a sharp increase in complaints. Can you provide an update on the impact of the increased funding?

    Of the $457.0 GF increment that was received in FY14:
    - $150.0 was allocated to **Residential Licensing**
      This increment has had a significant impact on the licensing program, the providers, and the residents in care. Licensing staff are spending more time on site at new and existing facilities and conducting more face to face follow-ups with providers. This has allowed licensing staff to provide increased technical assistance and requires more travel to regional parts of the state more frequently. The creation and staffing of a Nurse Consultant position has allowed for more advanced medical-themed training for licensing staff, and for identification, development and distribution of training tools, resources, and materials for providers. From FY12 to FY13, a 28% drop in the number of complaints was observed with FY14 appearing to follow a similar downward trend. An 8% increase in the number of inspections was identified between FY12 and FY13. FY14 is on schedule to meet or exceed the FY13 inspection total of 676.

    - $307.0 was allocated to **Health Facilities Licensing and Certification (HFL&C)**. These funds have been extremely useful as HFL&C's survey costs have increased due to facility non-compliance and other factors that have resulted in extended surveys. The opening of the new long term care center in Bethel has

added additional expense as revisits to the facility are necessary to ensure compliance and quality of care. HFL&C has also used these funds to hire and train 3 new surveyors bringing our staff to full capacity. This has helped to ensure our agency has the staff and resources to complete complaint investigations as well as state license and federally certify the health care facilities throughout the state of Alaska resulting in increased quality of care for all Alaskans.