



Senate Finance HSS Sub Committee | FY2018
Medicaid - Mandatory and Optional

Jon Sherwood Deputy Commissioner
Department of Health and Social Services

March 7, 2017

Medicaid

- Jointly funded by federal and state governments
- Safety-net for low income individuals
- Supplements Medicare coverage for dual eligibles
- States must offer Mandatory Services – [AS 47.07.030 \(a\)](#)
- States can offer Optional Services – [AS 47.07.030 \(b\)](#)
- States can offer Waiver Services – [AS 47.07.045](#)

Medicaid Services

Medicaid Component	Covered Services
Behavioral Health Medicaid	Mental health clinics, substance abuse clinics, psychiatric physicians, residential psychiatric treatment centers, and inpatient psychiatric hospitals. Behavioral rehabilitation services for children.
Health Care Medicaid Services	Inpatient and outpatient hospital services, physician services, pharmacy, transportation, dental, vision, laboratory and X-ray services, physical/occupational/speech therapy, chiropractic, medical equipment, home health, hospice, and state-only Medicaid benefits. Other activities supporting direct services delivery include providing Medicare premium assistance for dual eligibles, recovering third-party liability payments, and making supplemental (disproportional share, or DSH) payments to hospitals.
Adult Preventative Dental Medicaid Services	Preventative and restorative dental services for adults.
Senior and Disabilities Medicaid Services	Nursing home and personal care services. Home and community based waiver programs for children with complex medical conditions (CCMC), individuals with intellectual and developmental disabilities (IDD), Alaskans living independently (ALI), and adults with physical and developmental disabilities (APDD).

Federally Mandated Services

- Advanced Nurse Practitioner
- Family Planning Services
- Federally Qualified Health Centers
- Home Health Services
- Inpatient Hospital Services
- Laboratory Services
- Midwifery Services
- Nursing Facility Services
- Outpatient Hospital Services
- Outpatient Surgery Services
- Physician IHS Clinic Services
- Physician Services
- Rural Health Services
- Transportation Services
- X-Ray Services
- Accommodation Services
- Early and periodic screening, diagnostic, and treatment (EPSDT)

EPSDT

- *Children's Services*

If a Medicaid eligible child is determined to need treatment, all medically necessary health care services must be covered.

- If it is within the scope of mandatory or optional services under Federal law.
- Regardless of whether those services are included in that State's plan.
- Does not include waiver services.

Optional Services

(Selected by the Alaska Legislature for coverage in AS 47.07.030(b))

- Case Management Services
- Chiropractic Services (not in regulation)
- Clinic Services
- Dental Services (includes dentures)
- Durable Medical Equipment Services
- Substance abuse treatment (under rehabilitation)
- Emergency Hospital Services (for non-enrolled hospitals)
- End Stage Renal Disease (ESRD) Services (under clinic)
- Hearing Services
- Hospice Care
- Intermediate Care Facility / Intellectual and Developmental Disabilities

Optional Services (Continued)

- Inpatient Psychiatric Services
- Licensed Clinical Social Workers (not in regulation)
- Medical Supplies
- Mental Health Services (under clinic and rehabilitation)
- Nutrition Services for pregnant women
- Occupational Therapy
- Personal Care Services
- Prescribed Drugs
- Prosthetics and Orthotics
- Psychology Services (assessments)
- Rehabilitative Services
- Screening Mammography
- Vision Services

Optional Services History

- AS 47.07.067. Payment for adult preventative dental services - Sec. 2 ch 52 SLA 2006,
- AS 47.07.030(b). Since 1994, no services added, only refinements to case management coverage or inclusion of school based services
- In FY 1995, some optional services were suspended. Services were restored in FY 1998.

Medicaid Waiver Services

- Adult Day Care
- Care Coordination
- Chore Services
- Day Habilitation
- Environmental Modification
- Intensive Active Treatment/Therapy
- Meals
- Residential Habilitation
- Residential Supported Living
- Respite Care
- Specialized Equipment and Supplies
- Specialized Private Duty Nursing
- Supported Employment
- Non-Medical Transportation

Value of Options and Waivers

- Cost Effective
- Access
- Americans with Disabilities Act (ADA) Compliance

Cost Effective

Program	# Served	Avg Cost Per Person	FY 2015 Total Costs
Home & Community Based Waivers			
Alaskan Living Independently (ALI) Waiver	2,482	\$ 31,318	\$ 77,730,200
Adults with Physical & Developmental Disabilities (APPD) Waiver	91	\$ 102,658	\$ 9,341,900
Children with Complex Medical Conditions (CCMC) Waiver	273	\$ 46,137	\$ 12,595,400
Intellectual & Developmental Disabilities (IDD) Waiver	2,025	\$ 83,096	\$ 168,270,300
Total Home & Community Based Waivers			\$ 267,937,800
Institutional Placements			
Nursing Home	737	\$ 187,038	\$ 137,847,000
Intermediate Care Facility for Intellectual & Developmental Disabilities (ICF/IID)	16	\$ 185,950	\$ 2,975,200
TOTAL Institutional Placements			\$ 140,822,200
Total Home & Community Based Waivers and Institutional Placements			\$ 408,760,000

Institutional Placements if no Home & Community Based Waiver existed			
Nursing Home + ALI, APDD, and CCMC Waiver service recipients	3,583		\$ 670,157,154
ICF/IID + IDD Waiver service recipients	2,041		\$ 379,523,950
Total if Home & Community Based Waiver did not exist and individuals eligible for Nursing home or ICF/IID care received services in institutional placements.			\$ 1,049,681,104

Access

- Optional Services can expand the providers available to see Medicaid enrollees.
- Example, Community Mental Health Clinics offer an alternative to Physician Mental Health Services.

ADA Compliance

- Providing Medicaid recipients with services in the most integrated settings.
- Home and Community-Based Services, Personal Care, Rehabilitative Services provide alternatives to institutional care.

Comparison to Other States

Optional Services	FFY - 2012
CASE MANAGEMENT SERVICES	49
CHIROPRACTIC SERVICES *	26
DENTAL SERVICES	47
DME SERVICES	All States
DRUG ABUSE CENTER	Unavailable
ESRD SERVICES	Unavailable
HEARING SERVICES	36
HOSPICE CARE	41
ICF/DD SERVICES	48
INPATIENT PSYCHIATRIC SERVICES	46
MEDICAL SUPPLIES SERVICES	All States
MENTAL HEALTH SERVICES	All States
NUTRITION SERVICES	Unavailable
OCCUPATIONAL THERAPY	35
PERSONAL CARE SERVICES	31
PODIATRY *	45
PRESCRIBED DRUGS	All States
PRIVATE DUTY NURSING **	23
PROSTHETICS AND ORTHOTICS	All States
PSYCHOLOGY SERVICES	35
REHABILITATIVE SERVICES	36
VISION SERVICES	All States

* Optional Services not available in Alaska

** Optional Service only available through a Waiver in Alaska

States that participate out of 51 (50 States + District of Columbia)

Source: Kaiser Family Foundation - <http://kff.org/data-collection/medicaid-benefits/>

Spending - Waivers

MMIS Category of Service	FY2016 Medicaid Waiver Services Only				
	Net Claim Payments	Federal Share	State Share	Recipients	Cost per Client
ALL Waiver Services	\$258,364,147	\$131,946,759	\$126,417,388	6,174	\$ 41,847

Spending - Top 4 Options

MMIS Category of Service	FY2016 Medicaid Services (Excluding Waivers and CAMA)		
	Net Claim Payments	Federal Share	State Share
DENTAL SERVICES	\$ 40,497,070	\$ 28,246,258	\$ 12,250,813
BEHAVIORAL HEALTH SERVICES *DRUG ABUSE CENTERS *MENTAL HEALTH SERVICES *REHABILITATIVE SERVICES	\$ 57,725,300	\$ 42,932,642	\$ 14,792,657
PERSONAL CARE SERVICES	\$ 72,301,430	\$ 36,274,169	\$ 36,027,261
PRESCRIBED DRUGS	\$ 72,163,763	\$ 47,826,146	\$ 24,337,617
Total All Optional Services (excluding waivers)	\$ 271,824,467	\$ 171,305,546	\$ 100,518,921
Top 4 Total	\$ 242,687,563	\$ 155,279,215	\$ 87,408,348
Remaining spent on Optional Services	\$ 29,136,904	\$ 16,026,331	\$ 13,110,573

QUESTIONS?

Thank You



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