



### What is Medicaid

- Medicaid was enacted in 1965 along with Medicare
- Originally the program served recipients of two cash assistance programs:
  - Aid to Families with Dependent Children
  - Supplemental Security Income (aged, blind, disabled)



### The Role of Medicaid

#### **Health Insurance Coverage**

33 million children & 19 million adults in low-income families;
16 million elderly and persons with disabilities

### Assistance to Medicare Beneficiaries

10 million elderly and disabled

— 21% of Medicare

beneficiaries

### Long-Term Care Assistance

1.5 million institutional residents; 2.9 million community-based residents

#### **MEDICAID**

## Support for Health Care System and Safety-Net

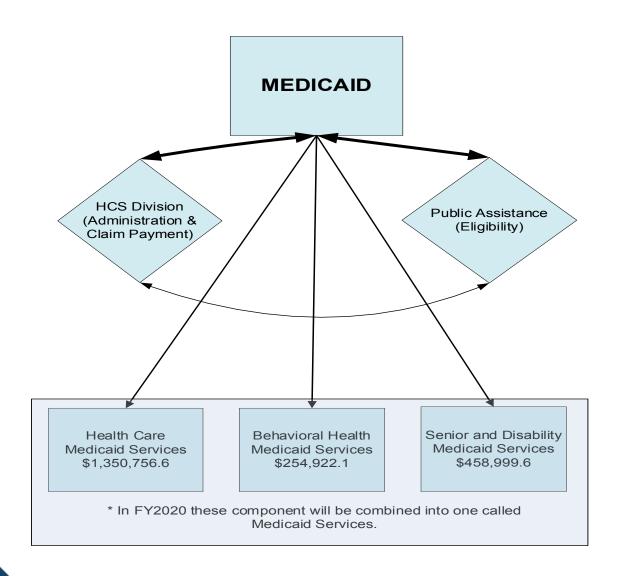
16% of national health spending; half of long-term care spending

# State Capacity for Health Coverage

FY 2015, FMAPs range from 50% to 73.6%



### Alaska Medicaid





### Medicaid Services Overview

- Medicaid Goals:
  - Integrate and coordinate services
  - Strategically leverage technology
  - Implement sound policy
  - Practice fiscal responsibility
  - Measure and improve performance



### **Medicaid Now**

- The largest health insurance program in the country
- Covers over 72.6 million low-income
   Americans (237.9 thousand Alaskans)
- 1 in every 4 children are covered
- 50.6% of people covered are children nationally.
- National Annual Price tag of \$576.64
   billion (Alaska is \$2.0 billion)



### **Medicaid Administration**

- Medicaid programs vary from state to state
- Each state runs its program differently
- States have flexibility, but not unlimited flexibility
- 56 distinctly different Medicaid programs
  - One for each state, territory and the District of Columbia



### State Plan

- Is an agreement between the state Medicaid agency and the federal government
- The parameters of its Medicaid program in its state plan
- Who will receive services
- Which services will be provided



# State Plan (cont.)

- How providers will be reimbursed
- How the state administers the program
- Each state's plan and any amendments to that plan must be reviewed and approved by the federal government
- Approval is needed in order to get the federal matching funds



### Waivers

- The U.S. Secretary of Health and Human Services has the authority to waive compliance with certain provisions of Medicaid law to allow for flexibility from federal law
- Used to:
  - Expand coverage
  - Provide services that could not otherwise be offered



### Waivers

- Freedom of Choice Waivers (1915b)
  - Used to limit choice of providers under Managed Care Organizations (MCO)
- Section 1115 Research and Demonstration Waivers



# Waivers and Options

	1915 c	1915 k
	Home and Community-Based Services Waiver	Community First Choice Option
Purpose	Provides Home and Community-Based	Provides a new State plan option to provide
	(HCBS) Services to individuals meeting	consumer controlled home and community-based
	income, resource, and medical (and	attendant services and supports.
	associated) criteria who otherwise would be	Provides a 6% FMAP increase for this option.
	eligible to reside in an institution.	
Approval Duration	Initial application: 3 years. Renewal: 5 years.	One-time approval.
		Changes must be submitted to CMS and approved.
Other Eligibility Criteria	Must meet institutional level of care.	Individuals must meet institutional level of care.
		May include the special income group and receiving
		at least one §1915(c) HCBS waiver service per month.
Target Groups	Aged or disabled.	No targeting. Services must be provided on a
	Intellectually disabled or developmentally	statewide basis, in a manner that provides such
	disabled.	services and supports in the most integrated setting
	Mentally ill (ages 22-64).	appropriate to the individual's needs, and without
	Any subgroup of the above.	regard to the individual's age, type or nature of
		disability, severity of disability, or the form of home
		and community-based attendant services and
		supports that the individual requires in order to lead
		an independent life.



### Medicaid vs Medicare

Medicaid	Medicare
Designed for low-income and disabled people.	
By Federal law, states must cover low-income pregnant women, children, elderly, disabled and parents.	Covers individuals aged 65 and over as well as some disabled individuals
States are responsible to administer	Federal government is responsible to administer
Financed jointly by states and federal government	Financed by federal taxes and premiums
	Part A covers hospital services
	Part B covers physician services
Offers a comprehensive set of benefits, including prescription drugs as an optional benefit	Part D offers a prescription drug benefit.
	Gaps in coverage for skilled nursing facilities, hearing, and vision



# Mandatory Eligibility Groups

- Low-income families with children
- Supplemental Security Income (SSI) recipients
- Infants born to Medicaid-eligible pregnant women
- Children under 6 and pregnant women at or below 138% of the federal poverty level
- Children under age 19 at or below 100% of the federal poverty level
- Recipients of adoption assistance and foster care
- Certain Medicare beneficiaries



# Optional Eligibility Groups

- Infants up to age 1 and pregnant women from 134% to 185% of the federal poverty level
- Women diagnosed with breast or cervical cancer
- Children under 21 who meet income and resource requirements
- Certain aged, blind or disabled adults have income above the mandatory group but below the federal poverty level



# Optional Eligibility Groups

- Institutionalized individuals with income and resources below specified limits
- People receiving care under Home and Community-Based Services (HCBS) waivers
- Recipients of state supplementary payments
- Adults with income levels between 100 and 138% of the poverty level



# 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

# How an Applicant Becomes Eligible<sup>®</sup>

- Individual applies to a state or other government agency
- Agrees to cooperation with third party recovery
- Agency verifies the applicant meets financial and general eligibility requirements



# **Dual Eligibility**

- Enrolled in both Medicare and Medicaid
  - Elderly
  - Individuals with disabilities receiving SSI
- Medicare does not cover all long term care
  - They will cover 100 days after a qualifying hospital stay of 3 days
  - Skilled Nursing Facility (SNF) only
- Medicaid covers a large portion of the total health care costs for low-income seniors



### Who Benefits

- Seniors
  - Medicaid provides assistance with:
    - Co-pays
    - Deductibles
    - Long-term care
- People with Disabilities
  - The standards for disability qualifications are fairly strict



### **SCHIP**

- State Children's Health Insurance Program
  - Created in 1997
  - Provides additional funding for states to cover low-income children who are not already eligible for Medicaid
  - Higher federal matching rate
  - Most states cover children up to 200% of the federal poverty level
  - States can have separate SCHIP program or expand Medicaid



### Low-income Children

- Income thresholds are set by each state
- Poverty levels are set by the federal government:

<ul> <li>Children age 1 to 6</li> </ul>	138%
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- Children age 6 to 18 100%
- CHIP 200%



### Low-income Adults

- Prior to Affordable Care Act (ACA):
  - Low-income parents or caretaker relative
  - Pregnant women
- Since ACA:
  - Low-income adults



## Other Options

- Medically needy
  - Income or resources exceed the thresholds
    - Can spend down to qualify
      - Elderly people in nursing homes
      - Children and adults with disabilities
- Breast and Cervical Cancer
  - Must be diagnosed by federally funded screening program



# 2019 Federal Poverty Guidelines

Federal Poverty Guidelines (coverage year 2019) Monthly								
# in Household	100%	133%	138%	150%	200%	250%	300%	400%
1	\$1,041	\$1,384	\$1,436	\$1,561	\$2,082	\$2,602	\$3,123	\$4,163
2	\$1,409	\$1,874	\$1,945	\$2,114	\$2,818	\$3,523	\$4,228	\$5,637
3	\$1,778	\$2,364	\$2,453	\$2,666	\$3,555	\$4,444	\$5,333	\$7,110
4	\$2,146	\$2,854	\$2,961	\$3,219	\$4,292	\$5,365	\$6,438	\$8,583
5	\$2,514	\$3,344	\$3,470	\$3,771	\$5,028	\$6,285	\$7,543	\$10,057
6	\$2,883	\$3,834	\$3,978	\$4,324	\$5,765	\$7,206	\$8,648	\$11,530
7	\$3,251	\$4,324	\$4,486	\$4,876	\$6,502	\$8,127	\$9,753	\$13,003
8	\$3,619	\$4,814	\$4,994	\$5,429	\$7,238	\$9,048	\$10,858	\$14,460

Federal Poverty Guidelines (coverage year 2019) Annually								
# in Household	100%	133%	138%	150%	200%	250%	300%	400%
1	\$12,490	\$16,612	\$17,236	\$18,735	\$24,980	\$31,225	\$37,470	\$49,960
2	\$16,910	\$22,490	\$23,336	\$25,365	\$33,820	\$42,275	\$50,730	\$67,640
3	\$21,330	\$28,369	\$29,435	\$31,995	\$42,660	\$53,325	\$63,990	\$85,320
4	\$25,750	\$34,248	\$35,535	\$38,625	\$51,500	\$64,375	\$77,250	\$103,000
5	\$30,170	\$40,126	\$41,635	\$45,255	\$60,340	\$75,425	\$90,510	\$120,680
6	\$34,590	\$46,005	\$47,734	\$51,885	\$69,180	\$86,475	\$103,770	\$138,360
7	\$39,010	\$51,883	\$53,834	\$58,515	\$78,020	\$97,525	\$117,030	\$156,040
8	\$43,430	\$57,762	\$59,933	\$65,145	\$86,860	\$108,575	\$130,290	\$173,520

For households with more than 8, add \$4,320 for each additional person.

Note: Eligibility for premium tax credits in coverage year 2019 is based on poverty guidelines for 2018.

FPL = federal poverty line. Source (plus Hawai'i and Alaska guidelines): aspe.hhs.gov/poverty-guidelines



# 2019 Alaska Poverty Guidelines

Alaska Poverty Guidelines (coverage year 2019) Monthly								
# in Household	100%	133%	138%	150%	200%	250%	300%	400%
1	\$1,300	\$1,729	\$1,794	\$1,950	\$2,600	\$3,250	\$3,900	\$5,200
2	\$1,761	\$2,342	\$2,430	\$2,641	\$3,522	\$4,402	\$5,283	\$7,043
3	\$2,222	\$2,955	\$3,066	\$3,333	\$4,443	\$5,554	\$6,665	\$8,887
4	\$2,683	\$3,568	\$3,702	\$4,024	\$5,365	\$6,706	\$8,048	\$10,730
5	\$3,143	\$4,181	\$4,338	\$4,715	\$6,287	\$7,858	\$9,430	\$12,573
6	\$3,604	\$4,794	\$4,974	\$5,406	\$7,208	\$9,010	\$10,813	\$14,417
7	\$4,065	\$5,407	\$5,610	\$6,098	\$8,130	\$10,163	\$12,195	\$16,260
8	\$4,526	\$6,019	\$6,246	\$6,789	\$9,052	\$11,315	\$13,578	\$18,103

Alaska Poverty Guidelines (coverage year 2019) Annually								
# in Household	100%	133%	138%	150%	200%	250%	300%	400%
1	\$15,600	\$20,748	\$21,528	\$23,400	\$31,200	\$39,000	\$46,800	\$62,400
2	\$21,130	\$28,103	\$29,160	\$31,695	\$42,260	\$52,825	\$63,390	\$84,520
3	\$26,660	\$35,458	\$36,791	\$39,990	\$53,320	\$66,650	\$79,980	\$106,640
4	\$32,190	\$42,813	\$44,423	\$48,285	\$64,380	\$80,475	\$96,570	\$128,760
5	\$37,720	\$50,168	\$52,054	\$56,580	\$75,440	\$94,300	\$113,160	\$150,880
6	\$43,250	\$57,523	\$59,685	\$64,875	\$86,500	\$108,125	\$129,750	\$173,000
7	\$48,780	\$64,878	\$67,317	\$73,170	\$97,560	\$121,950	\$146,340	\$195,120
8	\$54,310	\$72,233	\$74,948	\$81,465	\$108,620	\$135,775	\$162,930	\$217,240

For households with more than 8, add \$5,530 for each additional person.

Note: Eligibility for premium tax credits in coverage year 2019 is based on poverty guidelines for 2018. FPL = federal poverty line. Source (plus Hawai'i and Alaska guidelines): aspe.hhs.gov/poverty-guidelines



# Mandatory VS Optional Services

# **Mandatory**

- Inpatient hospital
- Outpatient hospital
- Physicians
- Nurse midwives
- Lab and X-ray
- Advanced Nurse Practitioners
- Early Periodic Screening,
   Diagnosis, and Treatment
- Family planning services
- Pregnancy-related services
- Nursing facility (NF) services
- Home Health (NF qualified)
- Medical/surgical dental services

# **Optional**

- MH Rehab/Stabilization
- Diagnostic/Screening/Preventive
- Therapies (OP, PT, SLP)
- Inpatient psychiatry <21 years</li>
- Drugs
- Intermediate Care Facility/
   Intellectual Disability
- Personal care
- Dental
- Other home health
- Other licensed practitioners
- Transportation
- Targeted Case Management



#### Affordable Care Act Essential Health Benefits

Essential Health Benefits and Medicaid State Plan 1937(b)(1)(A), (B),(C) and (D); 1937(b)(5) Section 1302(b) of the Affordable Care Act 42 CFR 440.330; 42 CFR 440.345; 42 CFR 440.347; 42 CFR 440.360 45 CFR Part 156						
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					



# Who Pays for Medicaid

- State and federal government share the cost
- How much a state receives depends on the Federal Medical Assistance Percentage
  - Calculated each year
  - The lowest it can be is 50%
  - Different categories have different rates



### **FMAP** Rates for Alaska

•	Indian Heath Service (IHS)	100%
•	FAMILY PLANNING	90%
•	BREAST/CERVICAL CANCER	65%
•	SCHIP	88%
•	<b>EXPANSION POPULATION</b>	93%
•	ALL OTHERS	50%



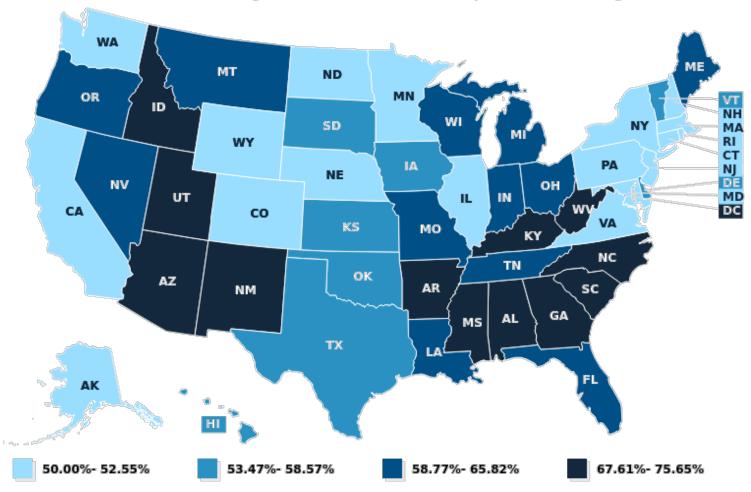
# Federal Medical Assistance Percentage (FMAP) Calculation

0.45 x [State Per Capita Income<sup>2</sup>/U.S. Per Capita Income<sup>2</sup>

 Poor economic conditions of states are not reflected in FMAP calculations for a period of three years at the earliest.



#### Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier: FMAP Percentage, FY 2018





# Medicaid and Managed Care

- States began managed care programs in 1990s
- The Balanced Budget Act of 1997 gave states the authority to require recipients to enroll in managed care without getting a waiver

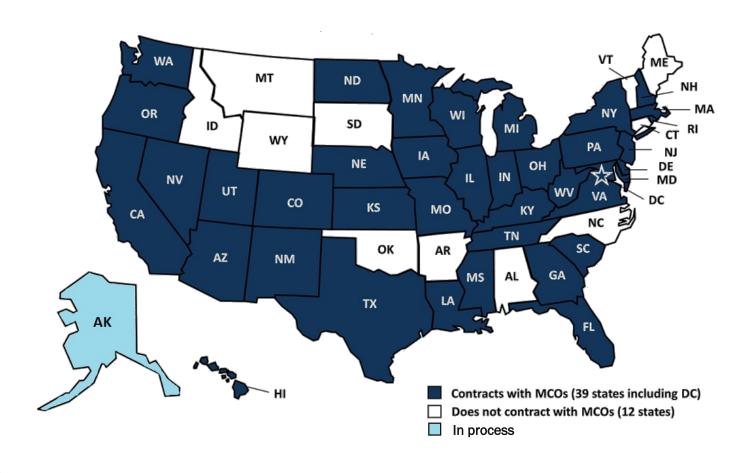


## Medicaid and Managed Care

- Two major types:
  - Risk Model
    - Medicaid agency contracts with a health care organization to provide for the provision of services for each enrolled person for a monthly set fee
  - Primary Care Model
    - Medicaid enrollees are assigned to a primary care provider who manages their care, and in some states, acts as a gatekeeper to specialty services



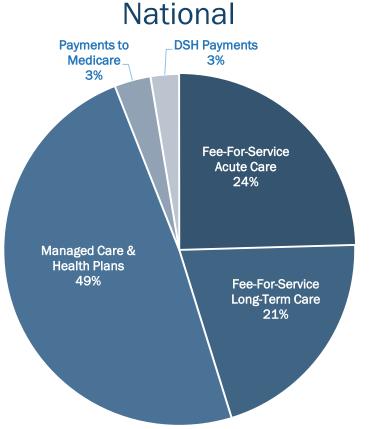
# States that Contract with Managed Care Organizations (MCOs)





# Medicaid Expenditures by Service

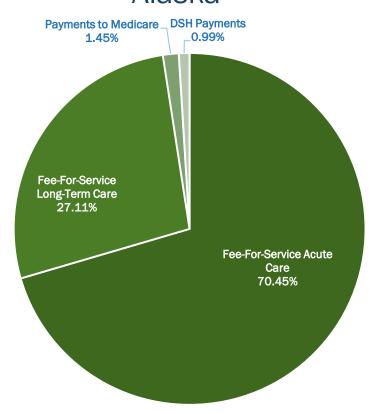
#### National



#### Total - \$576.6 billion

Source: Total Medicaid Spending | The Henry J. Kaiser Family Foundation

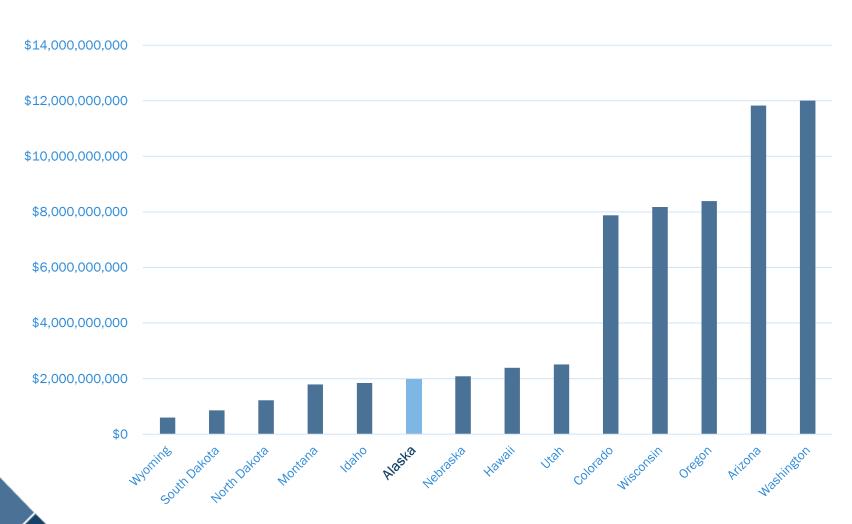
#### Alaska



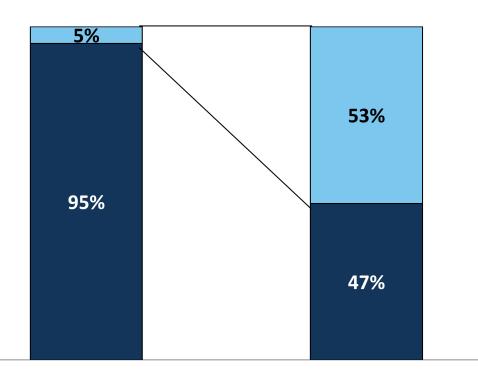
Total - \$2.0 billion



#### Medicaid Spending



# 5% of Enrollees Account for More than \\ Half of Medicaid Spending Nationwide





# Controlling Growth in Medicaid

Options for controlling spending						
•Eligibility	•Compliance/Anti-Fraud					
•Covered Services	•Innovations in Service Delivery					
•Rates	•Technology					
•Utilization Controls	•Maximize Revenue					



### **Covered Services**

- Optional benefits
- Limits on benefits
- Considerations
  - Shifting bulge
  - Medicaid rules
  - CMS approval process
  - Access and quality impacts



### Rates

- Most common reduction by states
- Considerations
  - Reducing rates in one area may cause cost increases in another
  - Potential litigation
  - CMS approval of State Plan Amendment (SPA)
  - Impact on access and quality of care



### **Utilization Controls**

- States may impose utilization controls to ensure appropriateness of treatment being funded
- Wide range of controls and screens
  - Prior authorization
  - Post payment reviews
  - Hard or soft edits
  - Bundling, unbundling, and order of billing
  - New edits and audits for FFS (fee-forservice)

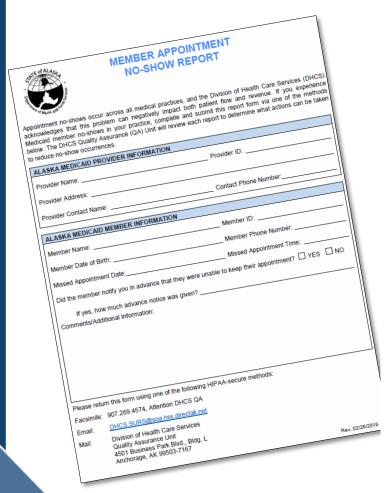


# Compliance/Anti-Fraud

- May be an untapped area for savings in some states
- Fraud and abuse in Medicaid is a reality
- Numerous methods and vendors
- Fraud undermines the entire program

### **Appointment No-Show Reporting**





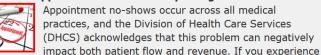
Remittance Advice (RA) Message: Appointment no-shows occur across all medical practices, and the Division of Health Care Services (DHCS) acknowledges that this problem can negatively impact both patient flow and revenue. If you experience Medicaid member no-shows in your practice, complete and submit a Member Appointment No-Show Report. The DHCS Quality Assurance (QA) Unit will review each report to determine what actions can be taken to reduce no-show occurrences.

#### Appointment No-Show Reporting





#### **Member Appointment No-Show Reporting**



Medicaid member no-shows in your practice, complete and submit a Member Appointment No-Show Report. The DHCS Quality Assurance (QA) Unit will review each report to determine what actions can be taken to reduce no-show occurrences.

Member Appointment

**No-Show Reporting** 



# QUESTIONS?

Thank You