

# Medicaid Reform Update

House Health & Social Services Committee  
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## Topics:

- Senate Bill 74 (2016) Initiatives
- Status of 2019 Cost Containment Measures
- Looking ahead



## Senate Bill 74 (2016)

- Coordinated Care Projects
- Behavioral Health System Reform
- Electronic Explanation of Benefits
- Tribal Reclaiming
- Pharmacy Initiatives
- Fraud, Waste & Abuse
- Telehealth



## Coordinated Care Projects

- “Coordinated care” means working in partnership with patients and providers to facilitate the appropriate delivery of health care, resulting in improved health at lower cost
- The Department has many initiatives underway that seek to improve outcomes through coordinated care



## Coordinated Care Projects

### Alaska Coordinated Care Demonstration Projects

- SB 74 created a mechanism through which the Department could partner with third parties to implement innovative, promising payment models.
- The Department conducted the first solicitation in December 2016.



## Coordinated Care Projects

### Alaska Coordinated Care Demonstration Projects

- Providence Family Medical Center: Patient Centered Medical Home
- United Health Care: Managed Care Organization



## Coordinated Care Projects

### Alaska Medicaid Coordinated Care Initiative

- Also known as the “Superutilizer” Initiative
- Launched to enhance care coordination for Medicaid recipients with excessive hospital Emergency Department utilization.
- Expanded under SB 74 to include recipients who over-utilize other medical services.



## Behavioral Health System Reform

The Goal:

To address the shortage of psychiatric inpatient beds and residential substance use disorder treatment programs, and the fragmented system of community-based behavioral health providers and insufficient treatment services, particularly in rural areas.





## 1115 Behavioral Health Waiver

- Substance Misuse Disorder Treatment Component
  - Approved in November 2018
  - Became effective January 1, 2019
- Behavioral Health Component
  - Approved September 2019
  - Will be implemented by June 30, 2020
- Administrative Services Organization
  - Contracted with Optum Health in November 2019
  - Goes live on February 1, 2020



## Electronic Explanation of Medical Benefits (EOMBs)

- Were made available October 2018 – August 2019
- Low participation rates and contract expenses that exceeded overpayments identified and other benefits.
- Division of Health Care Services plans to re-introduce in early FY2021

## Tribal Health Reclaiming Efforts

- Tribal Medicaid beneficiary claims have been reimbursed at 100% federal match for services provided by or through a tribal health facility.
- Dependent on collaboration with Tribes and providers:
  - Care Coordination Agreements
  - Referrals
  - Exchange of Records



# DHSS Medicaid Reform Update

## Tribal Health Reclaiming Savings

State Fiscal Year	State GF Savings (Transportation)	State GF Savings (Other Services)	Totals State GF Savings
SFY17	\$ 10,589,538.00	\$ 24,192,302.00	\$ 34,781,840.00
SFY18	\$ 15,901,959.00	\$ 29,285,001.33	\$ 45,186,960.33
SFY19	\$ 26,922,884.00	\$ 45,724,251.00	\$ 72,647,135.00
SFY20 YTD	\$ 21,008,398.00	\$ 36,460,444.00	\$ 57,468,842.00
<b>TOTAL</b>	<b>\$ 74,422,779.00</b>	<b>\$ 135,661,998.33</b>	<b>\$ 210,084,777.33</b>

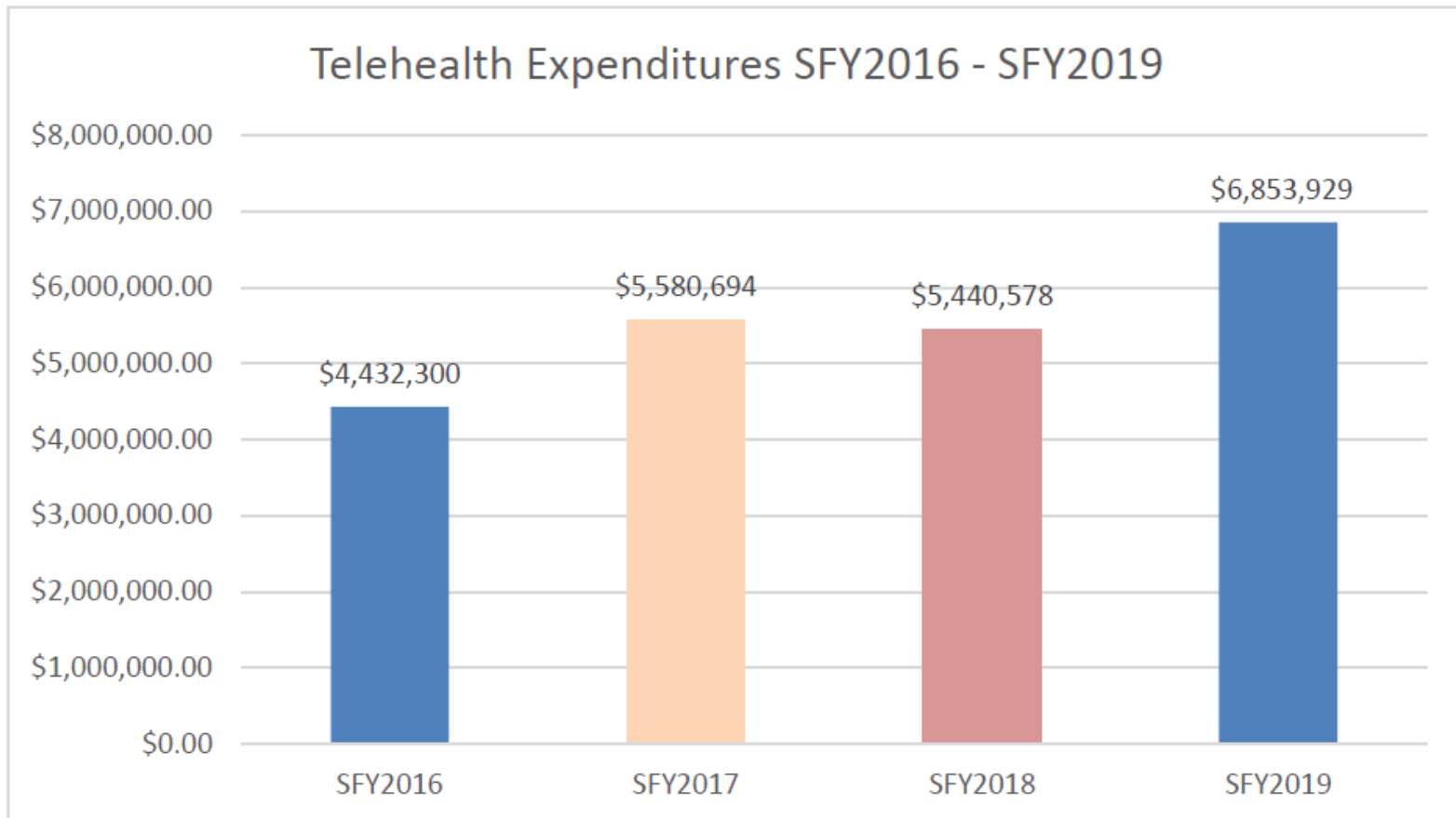


## Fraud, Waste & Abuse

- Eligibility Verification system
  - Both SB 74 and the Center for Medicare and Medicaid Services have requirements for verification systems for Medicaid recipients.
  - The U.S. Food and Nutrition Service also has verification system requirements for its programs (SNAP)
  - DHSS is putting out a Request for Proposals for a system that would meet both sets of requirements.



## Telehealth



## Telehealth

Top Disease Categories	# of Medicaid Claims	Top Diagnoses in Each Category
Mental, Behavioral, and Neurodevelopmental Disorders	11,893	<ul style="list-style-type: none"><li>• Opioid dependence</li><li>• Attention-deficit hyperactivity disorder</li><li>• Alcohol dependence</li><li>• Post-traumatic stress disorder</li><li>• Major depressive disorder</li></ul>
Injury, Poisoning, and Certain other Consequences of External Causes	3,402	<ul style="list-style-type: none"><li>• Fractures of the arm, hand or finger</li><li>• Fractures of the leg or foot</li><li>• Fractures of the collarbone</li></ul>
Diseases of the Ear and Mastoid Process	2,560	<ul style="list-style-type: none"><li>• Otitis media (inflammatory disease of the middle ear)</li><li>• Otorrhea (ear drainage)</li><li>• Otalgia (ear pain)</li></ul>
Factors Influencing Health Status and Contact with Health Services	1,014	<ul style="list-style-type: none"><li>• Malignant neoplasm (cancerous tumor)</li><li>• Disease of nervous system/sense organs</li><li>• Orthopedic aftercare</li><li>• Screenings</li><li>• Surgical aftercare</li></ul>

## FY 2020 Cost Containment Measures

- DHSS proposed several Medicaid-related cost containment measures during the FY2020 budget preparation process.
- Expected savings from several of these were incorporated by the Legislature into the final budget submitted to the Governor.
- I will quickly review the status of each.





## FY 2020 Cost Containment Measures

- 5% Provider Rate Reduction for Medicaid services
- Withholding Medicaid Rate Inflation Adjustments
- Hospital Diagnostic Related Groups (DRGs)
- Long Term Care Rate Reduction
- Cost-Based End Stage Renal Disease
- Pharmacy Adjustments



## FY 2020 Cost Containment Measures

- Limit Physical Therapy/Occupational Therapy/Speech Therapy to 12 visits per year
- Cost of Care Collection Improvements
- Medicare Part B Premiums Recovery
- Expand Care Management Program
- Implement Nurse Hotline



## FY 2020 Cost Containment Measures

- Electronic Visit Verification
- Timely filing allowance reduction
- Transportation Efficiencies
- Adult Preventive Dental



## Looking Ahead

