

03 / 19 / 15

PRESENTATION:

MEDICAID 101

<TARGET><BILL></BILL><SUBJECT>03-19-15 PRESENTATION
MEDICAID 101</SUBJECT><COMM>HHSS29</COMM></TARGET>



VISION
ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY
MISSION
TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

House Finance Budget Subcommittee | FY2016 Division Overview

Margaret Brodie | Director
Jon Sherwood | Deputy Commissioner

Medicaid 101

March 19, 2015

Medicaid Services Overview

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

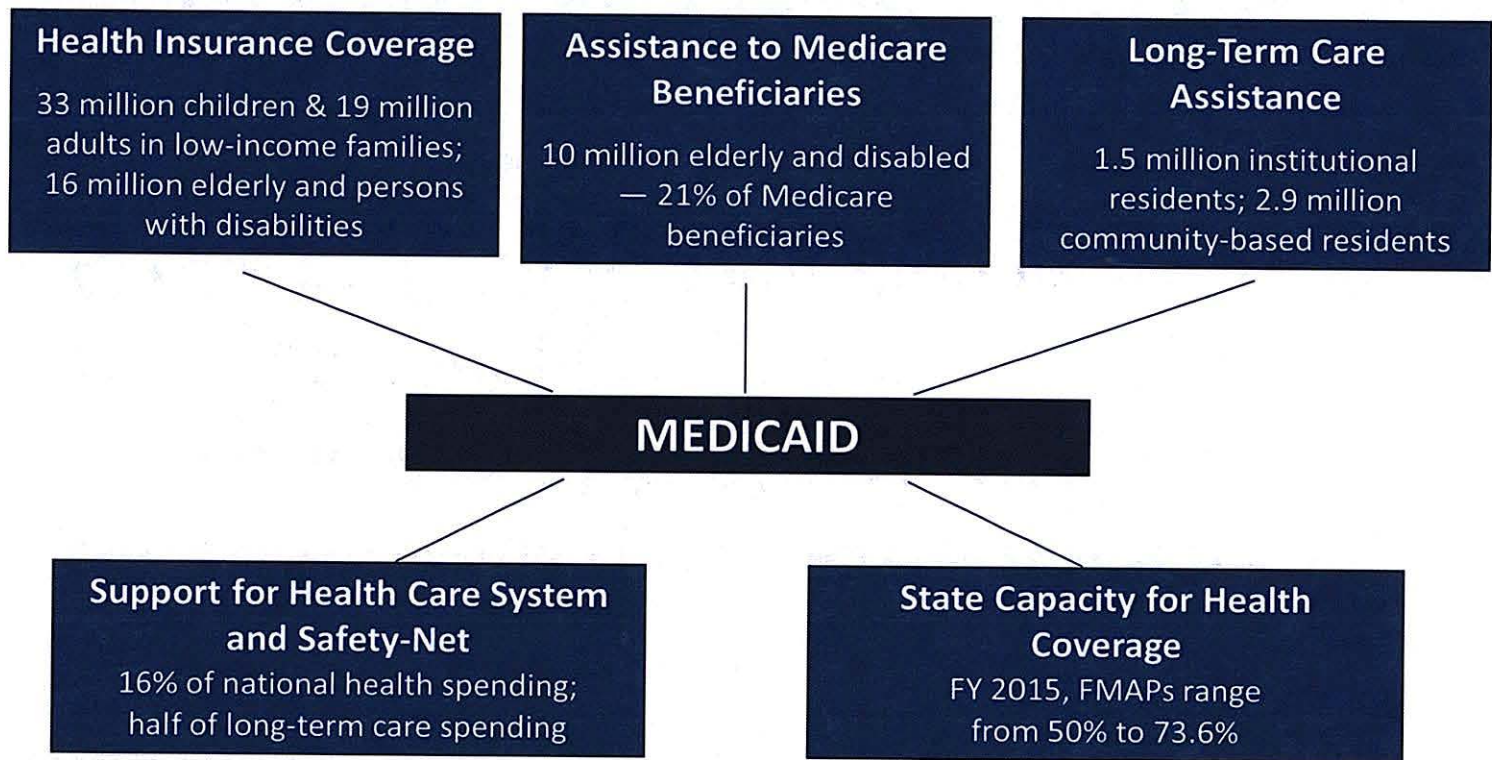


Medicaid Services Overview

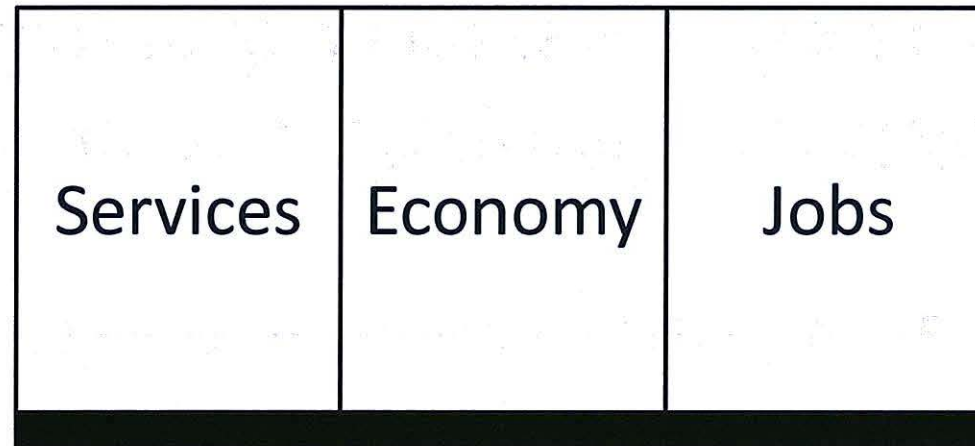
- Medicaid started in 1965
- Each State runs their program differently
- Medicaid provides insurance to more than 80 million people
- Alaska had 158,853 enrolled in 2014
 - 138,300 utilized services



The Role of Medicaid



Medicaid is an Integral Health Care Component



Services

- The Medicaid program supports providers
 - Is one of many payers in the system
- Serves as a safety net for individuals, children and elders who would otherwise be uninsured



Economy

- Medicaid is the primary payer for:
 - Long term care services
 - Behavioral Health Services
 - Anti-psychotic Medications
- Health Care Expenditures in Alaska were \$7.5 billion in the last census.
 - Medicaid was about 18%

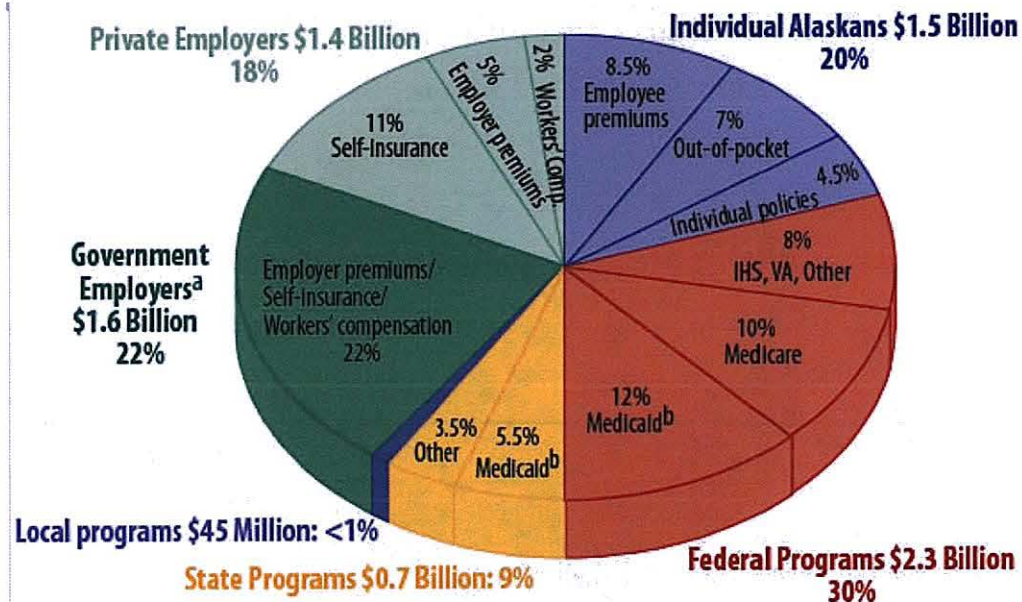


Jobs

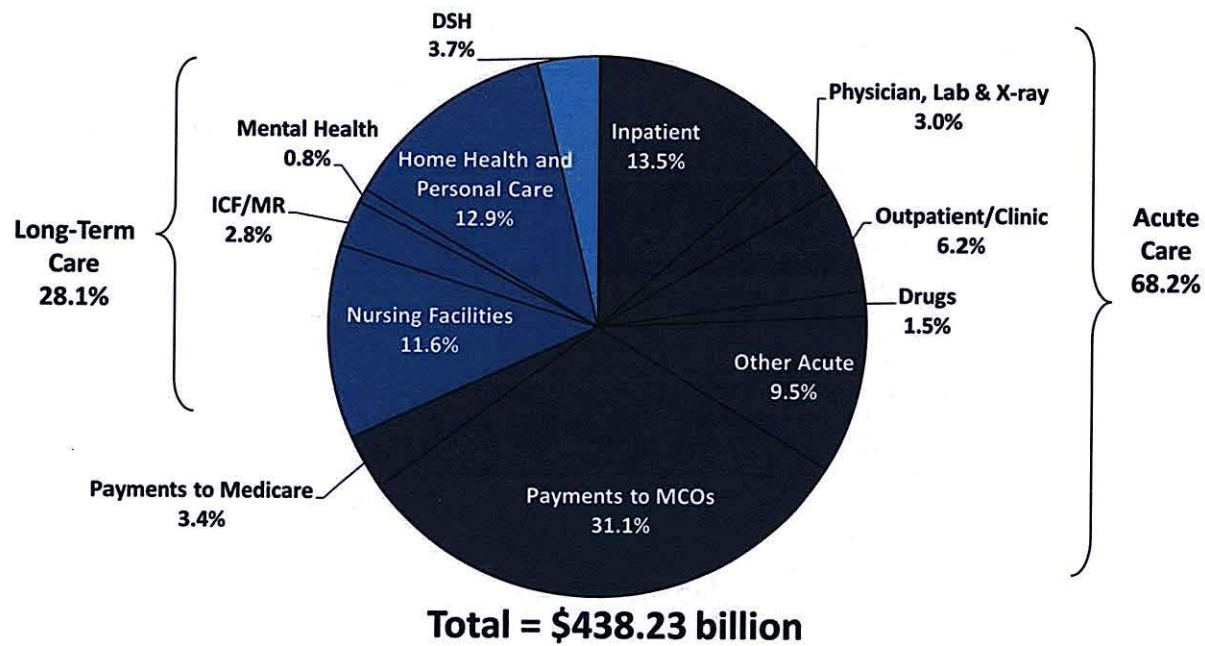
- 34,100 Health care jobs in Alaska in 2014



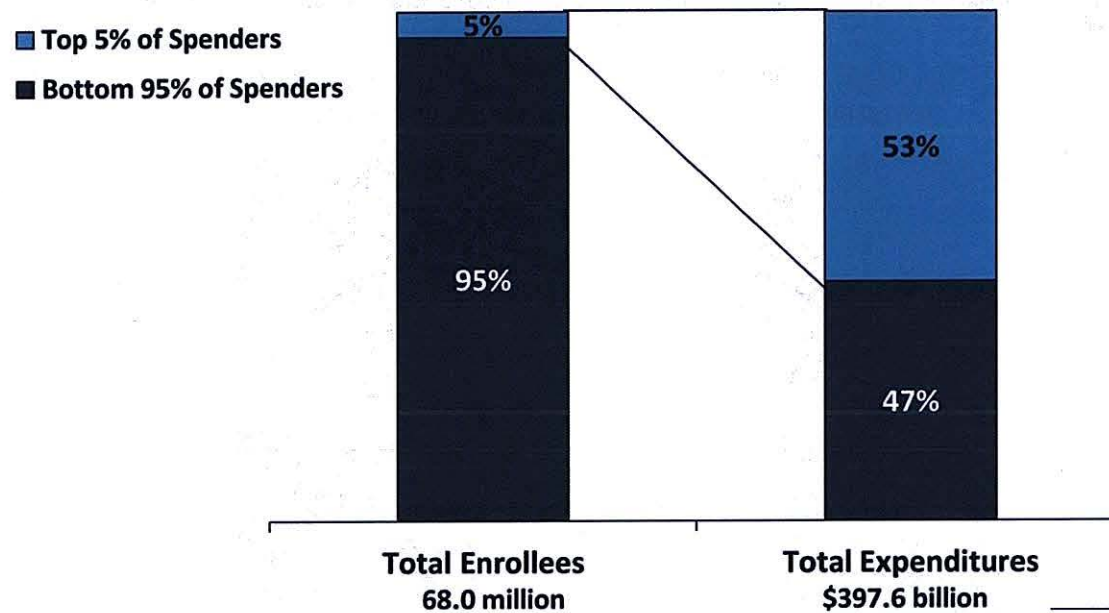
Who Pays for Health Care in Alaska?



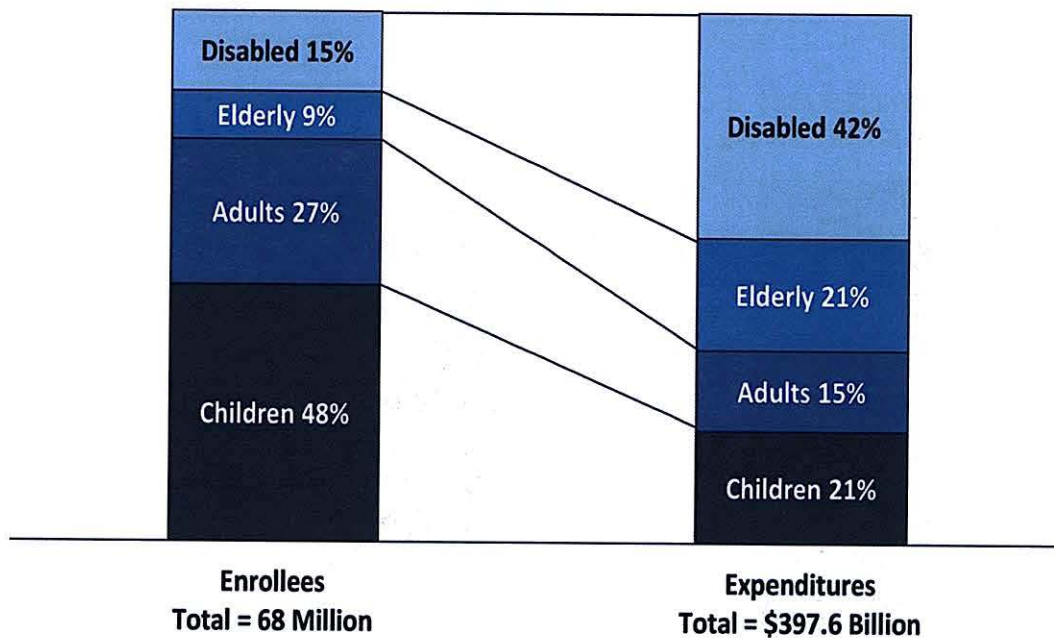
Medicaid Expenditures by Service FY 2013



Top 5% of Enrollees Account for More than Half of Medicaid Spending



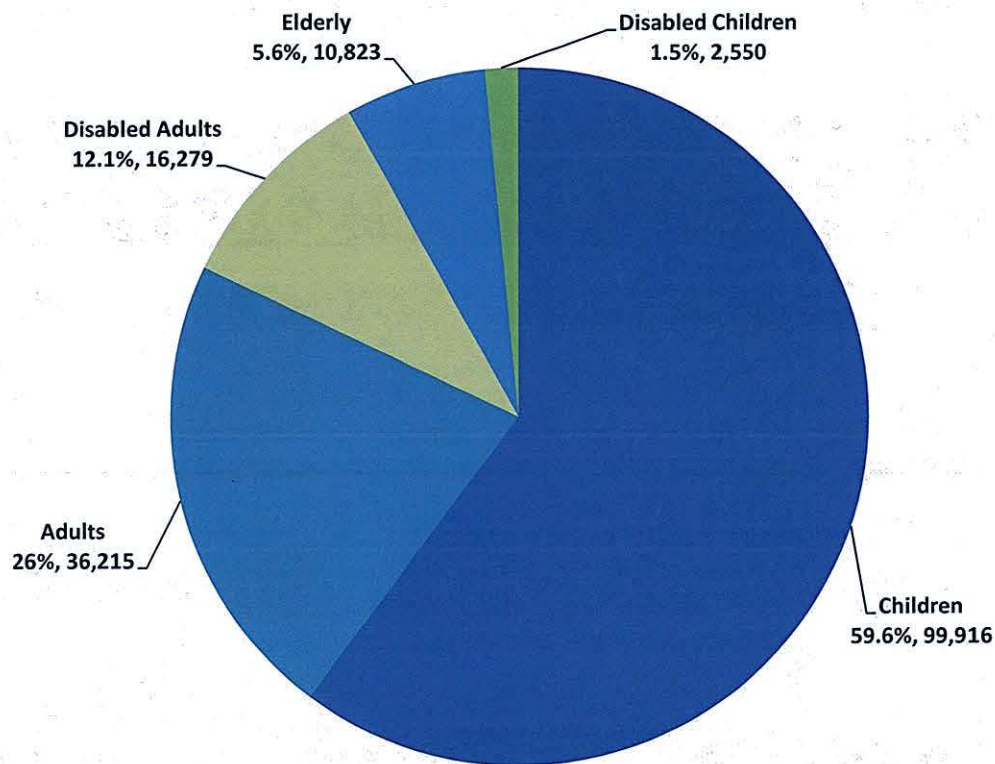
Medicaid Enrollees and Expenditures



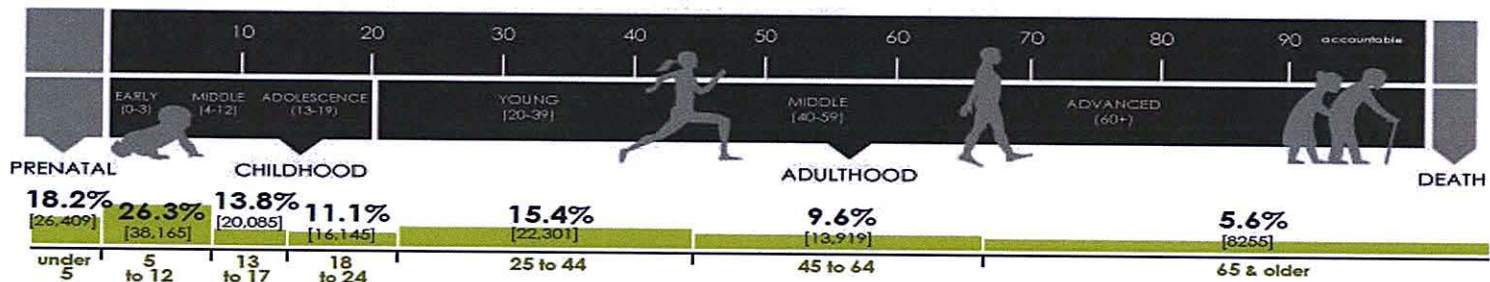
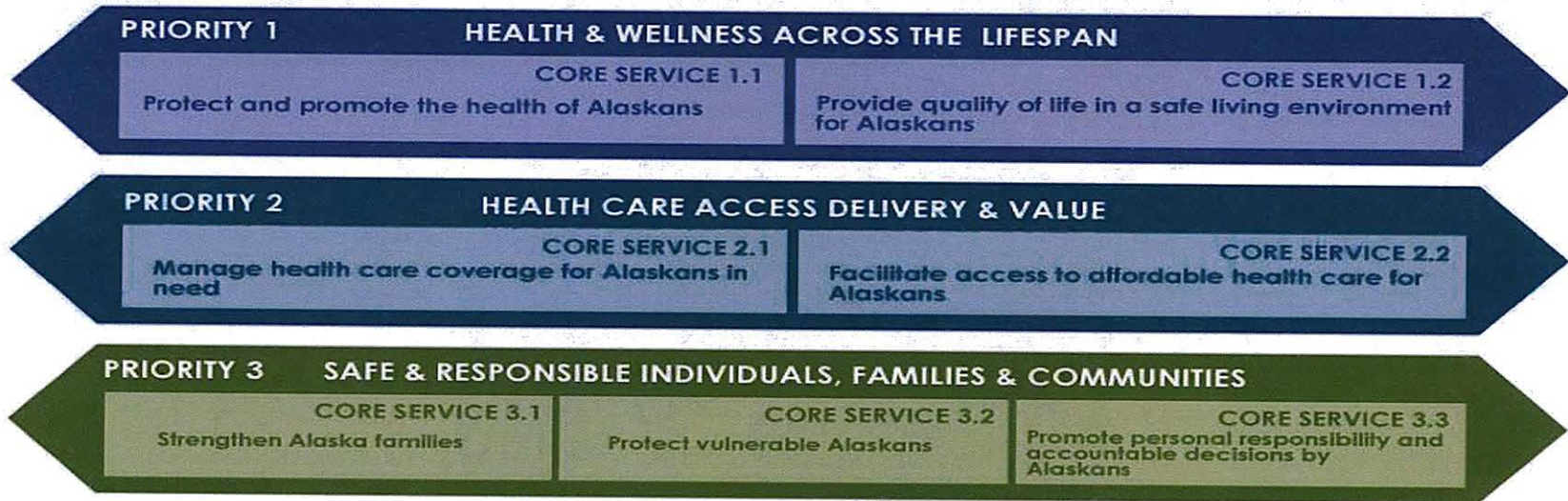
SOURCE: KCMU/Urban Institute estimates based on data from FY 2011 MSIS and CMS-64. MSIS FY 2010 data were used for FL, KS, ME, MD, MT, NM, NJ, TX, UT, OK but adjusted to 2011 spending levels.



FY2014 Total Medicaid Recipients

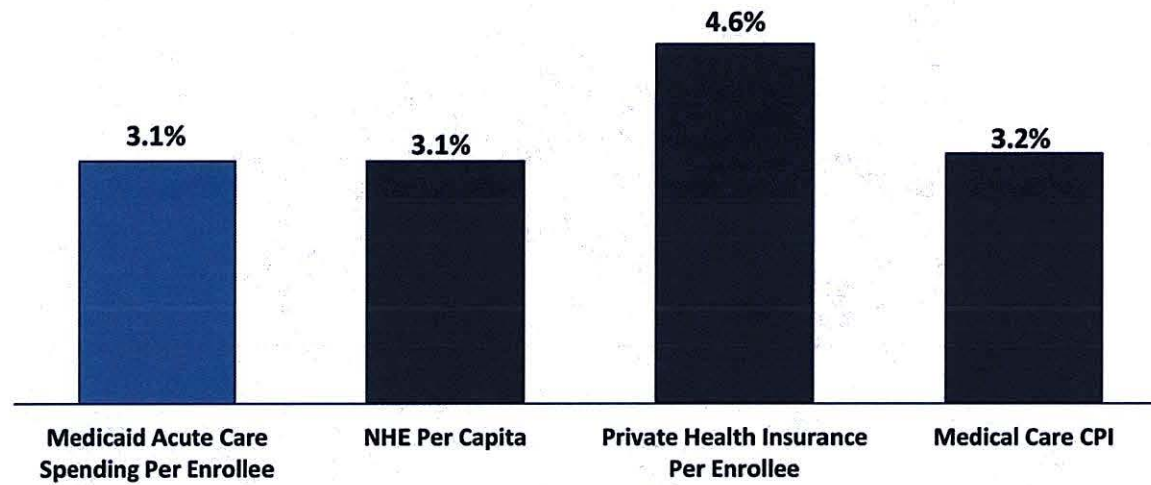


Medicaid Service Population

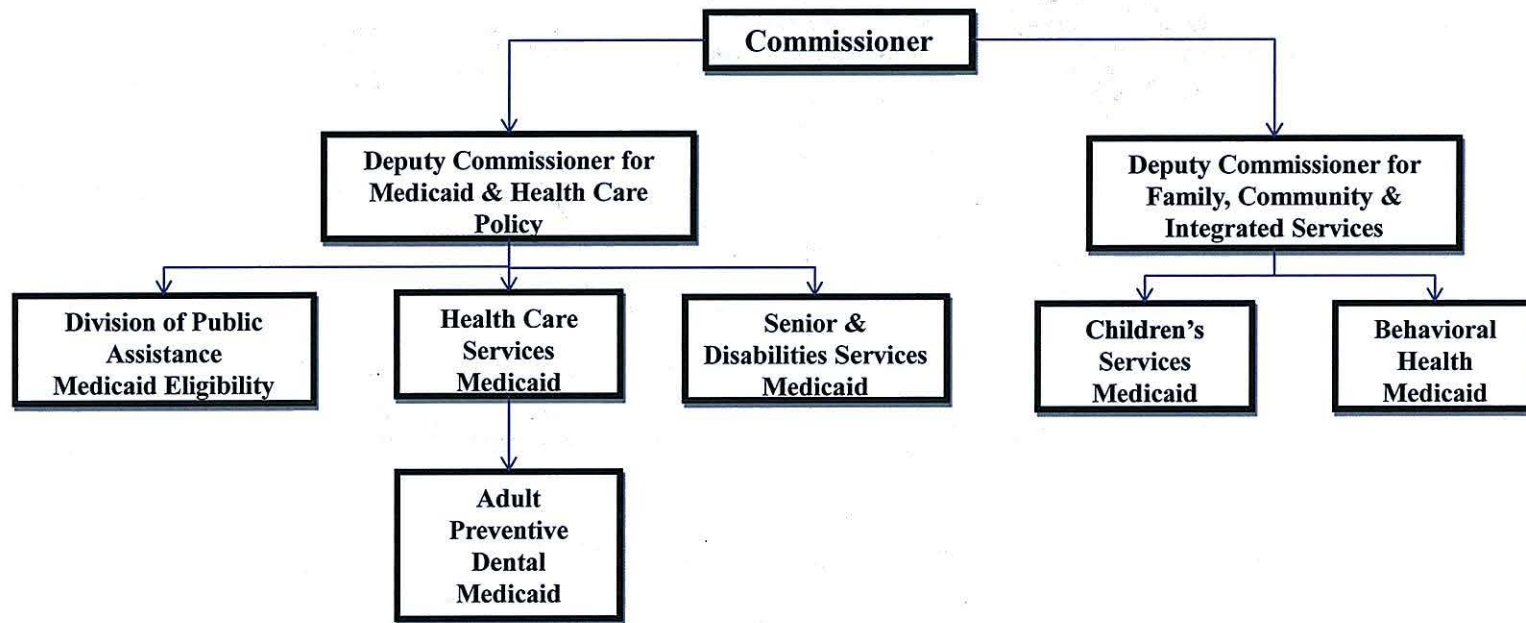


Growth in Per-Enrollee Medicaid Spending vs. Other Health Spending

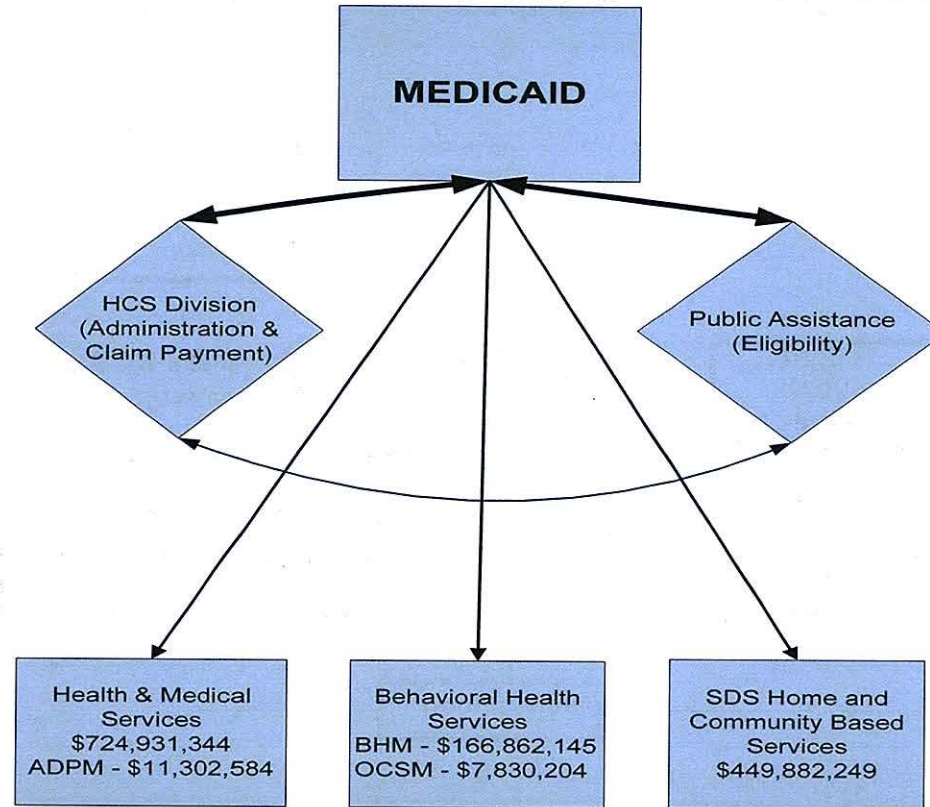
Average Annual Growth Rate, FY 2007-2012:



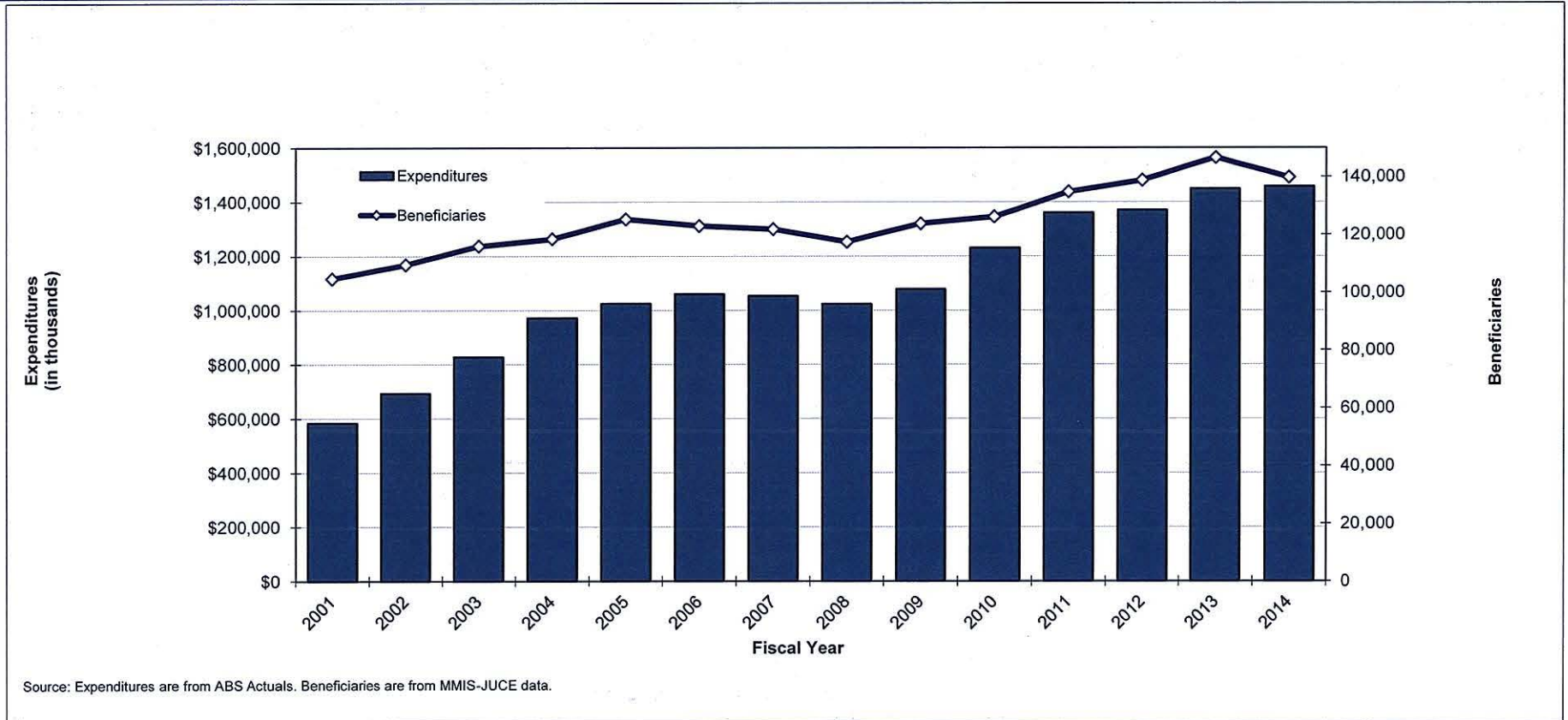
Alaska Medicaid Organizational Chart



Alaska Medicaid



All Medicaid Direct Services Beneficiaries & Expenditures

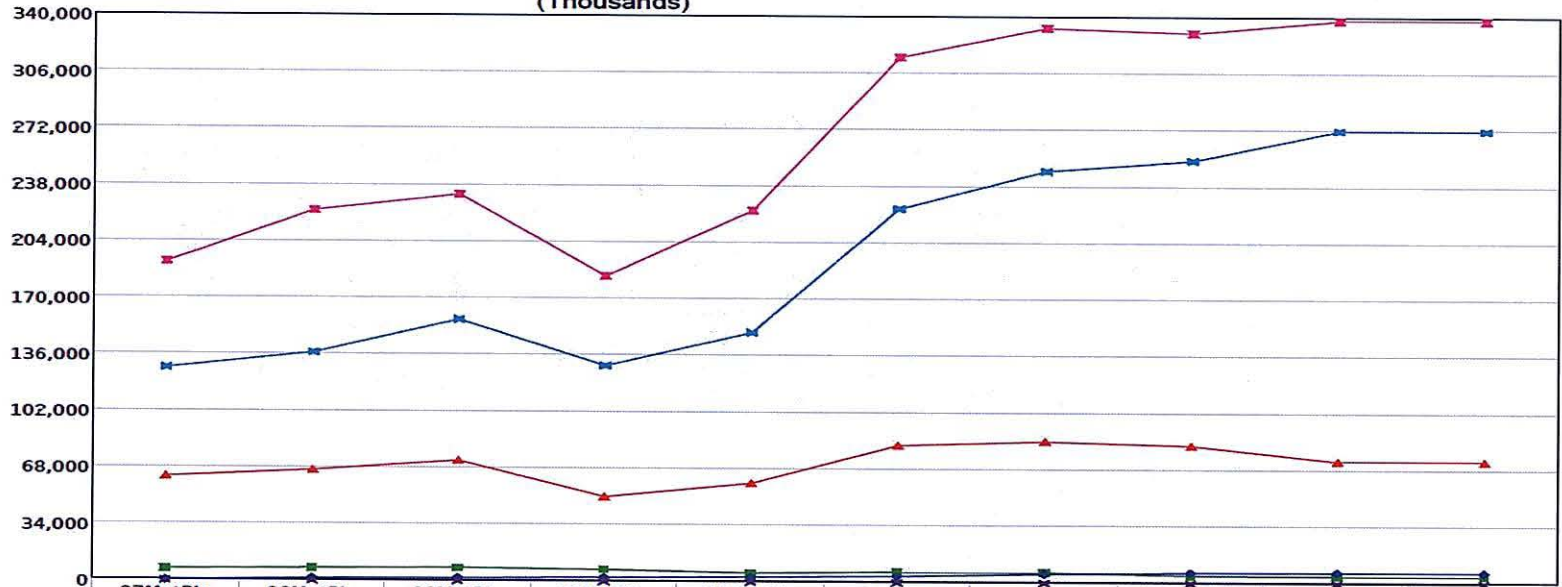


Allocation Summary 2007-2016

Multi-year Allocation Summary - Operating Budget - FY 2016 Governor Structure
 Department of Health and Social Services
 Medicaid Services Appropriation
 (Thousands)

Numbers and Language
 Fund Groups: General Funds

Provided by:
 Legislative
 Finance
 Division



	07MgtPin	08MgtPin	09MgtPin	10MgtPin	11MgtPin	12MgtPin	13MgtPin	14MgtPin	15MgtPin	16Gov
Behavioral Health Medicaid Svc	62,654.3	66,679.5	72,575.8	51,040.9	59,444.0	82,579.6	85,141.7	82,765.0	73,525.1	73,525.1
Children's Medicaid Services	7,080.6	7,570.6	7,926.2	7,139.0	5,396.5	6,308.1	6,308.1	4,659.4	4,410.7	4,410.7
Adult Prev Dental Medicaid Svc	219.7	1,543.1	1,877.0	2,416.8	2,981.7	3,804.1	5,390.2	6,377.1	6,547.2	6,547.2
Health Care Medicaid Services	191,830.7	222,805.0	232,494.1	183,688.4	223,385.2	315,890.8	333,513.3	330,549.4	338,265.2	338,265.2
Senior/Disabilities Medicaid	127,991.6	137,245.9	157,271.7	129,770.1	149,998.9	224,679.2	247,470.5	253,955.4	272,081.5	272,081.5
Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	389,776.9	435,844.1	472,144.8	374,055.2	441,206.3	633,261.8	677,823.8	678,306.3	694,829.7	694,829.7



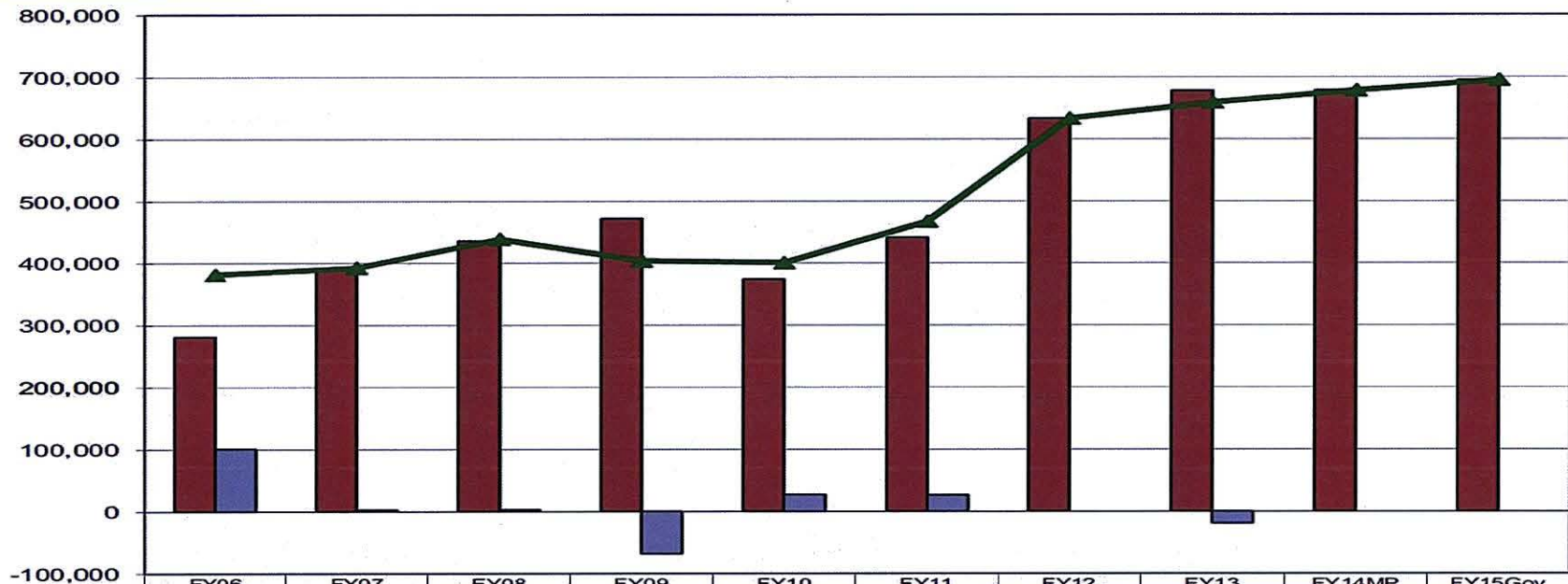
General Fund 2006-2015

Medicaid GF has grown by \$313.4 million (82%) between the FY06 Final Budget and the FY15 Budget. Of this increase:

- \$134.8 million is attributable to FairShare/ProShare
- \$75.2 million is attributable to FMAP changes
- \$32.5 million is attributable to Rate Rebasings

TOTAL MEDICAID FORMULA APPROPRIATIONS (GF ONLY) (\$ Thousands)

Provided by:
Legislative
Finance
Division



Controlling Growth in Medicaid

<i>The Options are Limited</i>	
•Eligibility	•Compliance/Anti-Fraud
•Covered Services	•Innovations in Service Delivery
•Rates	•Technology
•Utilization Controls	•Maximize Revenue



Covered Services

- Optional Benefits, *but not really*
- Limits on benefits?
- Considerations
 - Shifting bulge
 - Medicaid rules, Olmstead and other implications
 - CMS approval process
 - Access and quality impacts



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
- Drugs
- Intermediate Care Facility/ Intellectual Disability
- Personal care
- Dental
- Other home health
- Other licensed practitioners
- Transportation
- Targeted Case Management



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-for-service)



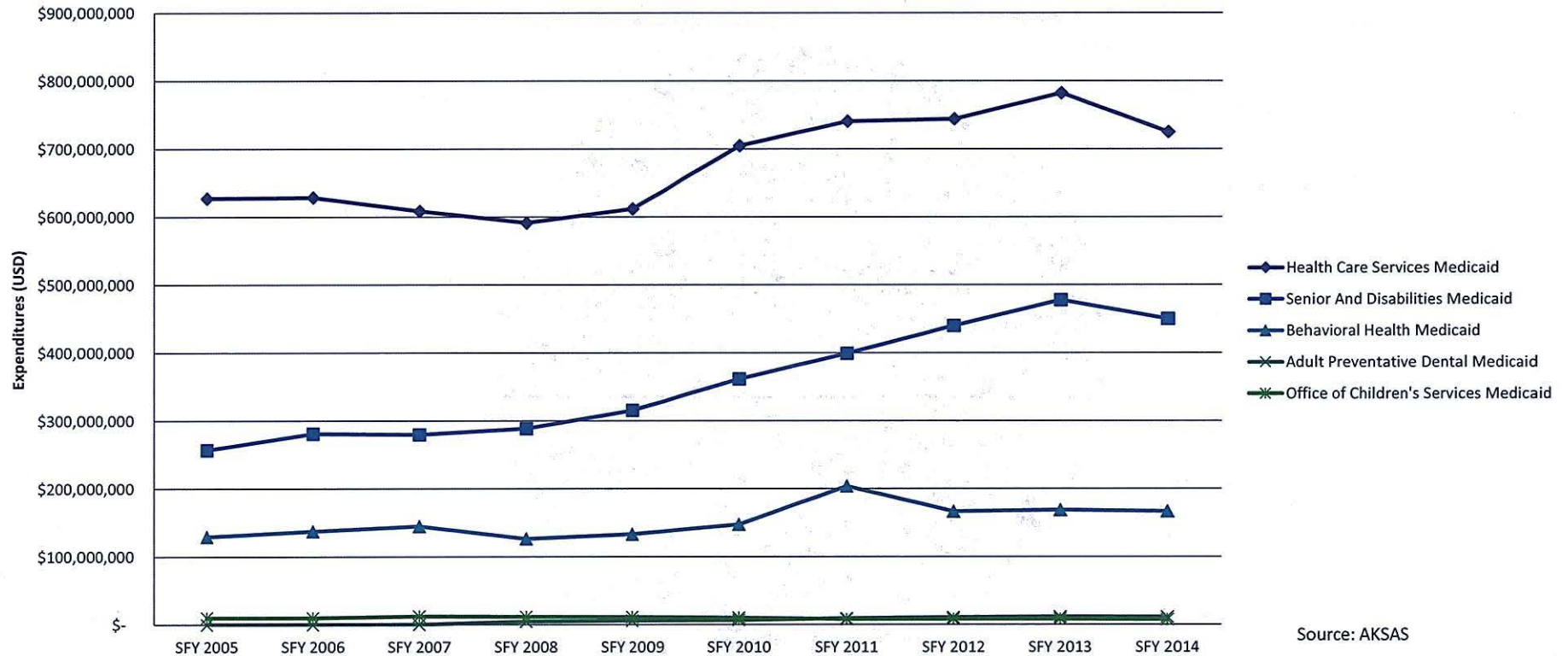
Compliance/Anti-Fraud

- In some states may be an untapped area for savings
- Fraud in Medicaid is a reality
- Numerous methods and vendors
- Fraud undermines the entire program
- Politically popular reduction



FY 2005-2014 Medicaid Expenditures by Division

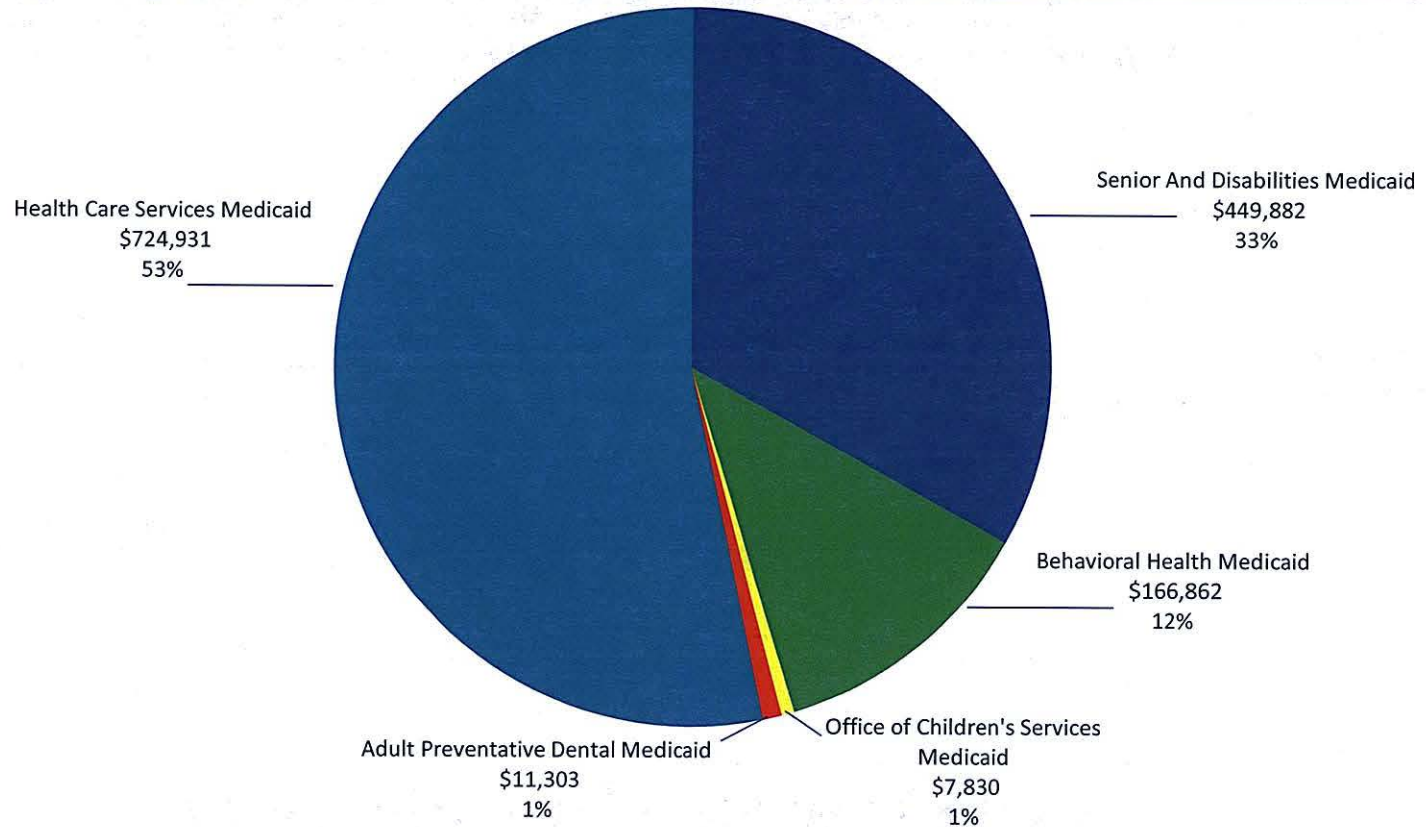
FY 2005-2014 Medicaid Direct Services Expenditures by Division



Source: AKSAS



FY 2014 Medicaid Expenditures by Division



Source: AKSAS



Services Requiring Prior Authorization to Contain Costs

- Travel
- Hospital
- High Cost Imaging
- Adult Dental
- Waiver Services
- Behavioral Health



Other Savings

- Including Rendering Providers on Claims
- Listing Referring, Ordering, and Prescribing Providers on Claims
- Meeting National Correct Coding Initiative Standards
- Auditing Providers
- Partnering with Tribes



Additional Savings

- Commercial Insurance Recoupment
- Substitution to Generic Medication
- Using ClaimCheck
- Collecting Negative Balances
- Surveillance and Utilization Reviews
- Quality Assurance sections



Independent Review

- Pain Management Contract
- Psychotropic Medication Review for Children in OCS/DJJ Custody and those on Medicaid

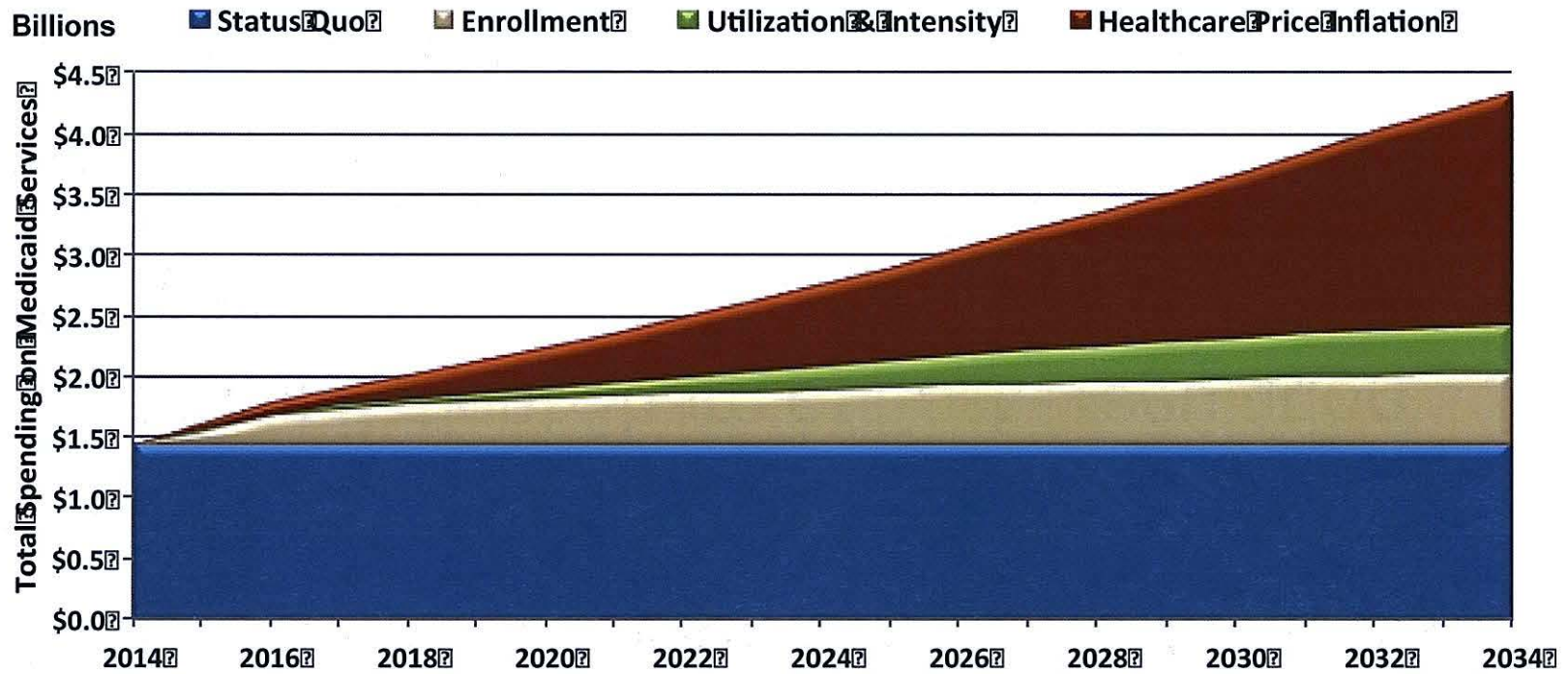


Future Cost Containment Strategies

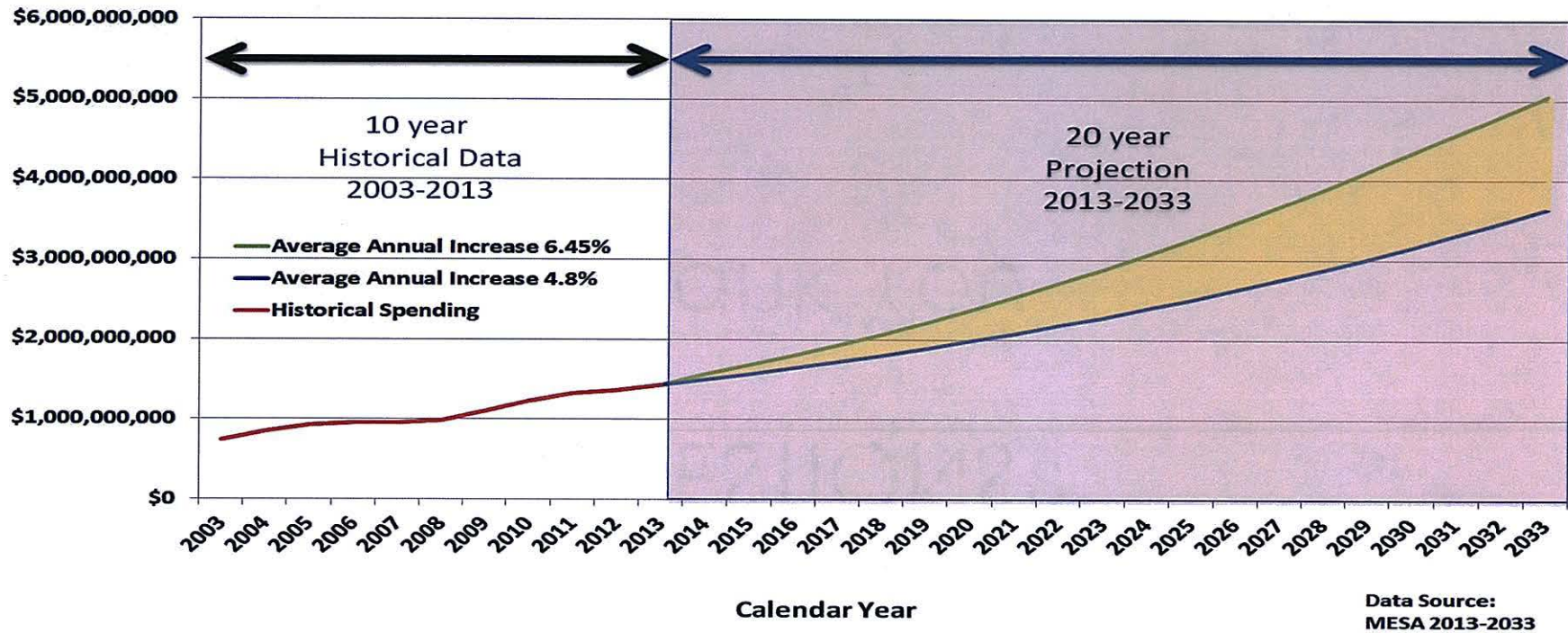
- Durable Medical Equipment payment regulation updates
- Collecting Patient Share of Cost - regulation changes
- Acuity Rate Project
- Automated Service Plan



Expenditures Avoided



Expenditures Avoided



QUESTIONS?

Thank You



Alaska Dispatch News

Published on *Alaska Dispatch News* (<http://www.adn.com>)

[Home](#) > Alaska Medicaid patients strain system with repeated emergency room visits

[Dermot Cole](#) ^[1]

January 27, 2014

Main Image:

[Hospital bed 2](#) ^[2]

Main Image Caption:

More than 6,500 people in Alaska on Medicaid, including about 1,000 in Anchorage's Mountain View neighborhood, are running up needless medical bills with repeat visits to hospital emergency rooms for minor problems.

From the office of Rep. Tarr

FAIRBANKS -- The government has a term to describe about 6,500 Medicaid patients in Alaska who make a habit of going to hospital emergency rooms with minor problems -- "super utilizers."

Margaret Brodie, state Medicaid director, told an Alaska House hearing Monday that those patients are a super problem for the program, which provides \$1 billion in state and federal funds for medical care to low-income Alaskans. A state review found that one patient used the emergency room 79 times between Jan. 1, 2012 and Sept. 17, 2013, though the average was 12 visits per person.

She said the state has found that one Anchorage neighborhood is a hotspot for many of the more than 3,000 super utilizers in the state's largest city. More than a third of the city's total, 1,069 super utilizers, were in Mountain View, the northeast neighborhood. But why?

"There's not a health clinic there," Brodie said. "The closest thing to them is Alaska Regional Hospital, and it happens to be right on the bus route. So that's where they get their primary care."

About 1,800 of the Medicaid patients in Alaska who make regular repeat visits are children 12 and under who are brought to emergency rooms by parents or guardians.

Alaska is one of five states working with the National Governors Association to come up with ways to prevent the excessive use of emergency room services. The state Division of Health Care Services (DHCS) said it "has identified a group of super utilizer patients who will have their care guided throughout a 12-consecutive-month process. By following these patients, DHCS will develop an informed sense of the challenges of providing appropriate, medically necessary health care to super utilizer patients."

"We're looking at ways that we can stop them from using the emergency room inappropriately," Brodie told the health and social services finance subcommittee. "They'll get the care that they need, but not through an emergency room setting. We'd rather pay an office visit than an emergency room visit."

The state is working with the hospital and others to see what can be done to "get some sort of health care" in Mountain View.

Rep. Les Gara, an Anchorage Democrat, said the problem could be directly addressed at the emergency room by referring patients directly to clinics for minor problems.

"There should be something at the emergency room that Medicaid works with the hospitals on that says, 'Here's a cab voucher. We've called. There's availability there. They can deal with your minor conditions. If you decide not to do that, we will garnish your Permanent Fund Dividend. It's harsh, but it's cheaper,'" he said, asking for state officials to tell him why that wouldn't be the right approach.

He said that the reason people go to the emergency room is that they know Medicaid covers the cost.

A national study said that 5 percent of Medicaid beneficiaries are responsible for 54 percent of the program's cost.

Contact Dermot Cole at [dermot\(at\)alaskadispatch.com](mailto:dermot(at)alaskadispatch.com) ^[3]. Follow him on Twitter [@dermotmcole](https://twitter.com/dermotmcole) ^[4]

Source URL: <http://www.adn.com/article/20140127/alaska-medicaid-patients-strain-system-repeated-emergency-room-visits>

Links:

- [1] <http://www.adn.com/author/dermot-cole>
- [2] <http://www.adn.com/image/hospital-bed-2>
- [3] <mailto:dermot@alaskadispatch.com>
- [4] <https://twitter.com/dermotmcole>

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STATE OF REFORM [Job Board](#) [About](#) BRIDGING THE GAP BETWEEN HEALTHCARE AND HEALTH POLICY

From the office of Rep. Tan

Alaska Medicaid Looking to Rein in ER "Super Utilizers"

By Amy Snow Landa , January 28, 2014

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Alaska is taking a closer look at its Medicaid beneficiaries who regularly visit hospital emergency departments seeking primary care services.

The state's Medicaid director, Margaret Brodie, told legislators at a House hearing on Jan. 27 that reining in these ER "super utilizers" is a primary cost-control strategy that the Department of Health and Social Services is pursuing.



"Super utilizers" are defined as people who use hospital ERs for non-emergent care at least four times per year.

A recent study found that about 25 percent of ER utilization by Medicaid beneficiaries is in one "hotspot"—the neighborhood of Mountain View in Anchorage, Brodie told the health and social services finance subcommittee. Mountain View is in northeast Anchorage and borders a military base.

There is no health clinic in that area, Brodie noted. "The closest provider is Alaska Regional Hospital, and it happens to be right on the bus route. So that is where they get their primary care."

Brodie said the Department is looking for ways to redirect super utilizers to appropriate settings for primary care. The plan includes working with Alaska Regional Hospital and the state's public health system to see if there is a way to provide "some sort of health care in that area," she said.

The Department is under pressure to contain growth in Medicaid expenditures, with Gov. Sean Parnell calling for the state to restrain spending across the board in FY 2015.

Total Medicaid expenditures are about \$1.65 billion in FY 2014.

The Governor's budget proposal calls for an increase of about \$8.2 million in FY 2015, Brodie said.

The increase was initially going to be about \$16 million, noted the subcommittee's chairman, Rep. Mark Neumann, R-Wasilla.

He asked Brodie how that increase was reduced. She responded that each of the divisions had made cuts, largely by eliminating certain staff positions.



'The Department will still be providing the same level services we do now,"
 STATE OF REFORM Events News Issues Commentary 5 Things
 Brodie said.

Job Board About Search

Legislators urged her and Craig Christenson, deputy commissioner for
 Medicaid and health care policy, to continue to find efficiencies in the budget
 to reduce cost growth.

Brodie's presentation slides noted (on slide 11) that the average cost per Medicaid recipient in Alaska has been declining over the past few years, from more than \$5,400 in FY 2011 to less than \$5,100 in FY 2013.

The average cost per Medicaid recipient under age 17 using psychotropic medication has also dropped during the same period, from nearly \$1,600 to less than \$1,300 per year. (slide 8).

Share this:



From the office of Rep. Tan

Amended Request for Proposals: Alaska Medicaid Coordinated Care Initiative (AMCCI - ER Superutilizers)

****Amendment #1 issued 10/22/14 serves to change the deadline for receipt of proposals to October 31, 2014 @ 1:00 pm, Alaska Prevailing Time. All other sections of the RFP remain the same. Refer to the attached amendment.****

The Department of Health and Social Services (DHSS), Division of Health Care Services (DHCS), is soliciting proposals to award one or more contracts at DHSS sole discretion, if budget permits, to provide case management and utilization review (CM/UR) services in support of Alaska Medicaid Coordinated Care Initiative (AMCCI).

DHCS has identified high utilizers of emergency room services (superutilizers) whose care would be the initial focus of this contract and the AMCCI (see section 4.02.3). However, at the sole discretion of DHCS, AMCCI participants may include any or all AK Medicaid member.

Initially, the AMCCI aims to reduce the number of emergency room (ER) visits, specifically those that are not emergent. Other goals include increased use of preventive care, comprehensive care coordination, and enhanced integration of primary medical care and behavioral health services. The intended outcome of the AMCCI is to improve access to services and healthcare outcomes, as well as promoting more efficient use of services thereby reducing unnecessary and wasteful health care expenditures.

Issue Date: October 10, 2014

Deadline for receipt of proposals: October 31, 2014 @ 4:00 pm, Alaska Prevailing Time. Faxed or oral proposals are not acceptable. An offeror's failure to submit a proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation.

Important Notice: If you received this solicitation from the State of Alaska's "Online Public Notice" web site, you must register with the Procurement Officer listed in this document to receive subsequent amendments. Failure to contact the procurement officer may result in the rejection of your offer.

Procurement Officer: Lois Lemus
907-269-3002p, 907-269-7829f, 907-465-3196tdd
Email: lois.lemus@alaska.gov

Attachments:
RFP 2015-0600-2824

Attachments Separate from RFP:

1. Standard Agreement Form - EXAMPLE
2. Notice of Intent to Award - EXAMPLE
3. Vendor Report Template
4. Medication Screening
5. Satisfaction Survey

Attachments, History, Details

Attachments

2015-0600-2824 - RFP Amendment #1.pdf
EXAMPLE -Notice of Intent to Award.pdf
EXAMPLE -Standard Agreement.pdf
FROM Vendor Report Template 2014-10-09.pdf
Init Hlth Screen (AMCCI) 2014-10-09.pdf
Monthly Medication Compliance Form.pdf
Patient Satisfaction Survey 2014-10-09.pdf

Details

Department:	Health and Social Services
Category:	Procurement
Sub-Category:	
Location(s):	Statewide
Project/Regulation #:	
Publish Date:	10/22/2014
Archive Date:	11/3/2014



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAR - 6 2015

The Honorable Bill Walker
Governor of Alaska
Juneau, AK 99811

Dear Governor Walker:

Thank you for your efforts regarding Medicaid expansion in Alaska. In follow up to our staffs' discussions, I wanted to provide you with the following information on the Medicaid coverage expansion provision of the Affordable Care Act.

As you know, the law provides that the federal government will pay 100 percent of the amounts expended by the state for medical assistance for such newly-eligible adult beneficiaries through 2016. The federal contribution gradually declines beginning in 2017, but it is never less than 90 percent of the cost of care. In previous guidance, we notified states of the opportunity to extend coverage, and the absence of federal financial penalties if a state does not do so, or if it does so and later drops such coverage. See question and answer 25 of the Frequently Asked Questions on Exchanges, Market Reforms and Medicaid, issued on December 10, 2012, and available at: <http://www.cms.gov/CCIIO/Resources/Files/Downloads/exchanges-faqs-12-10-2012.pdf>.

Consistent with that guidance, Alaska may take up the Medicaid coverage expansion, and then later drop it at state option. There is no requirement for a state to maintain coverage for the new adult group. We generally encourage states that eliminate any coverage category elected at state option to plan for a smooth transition process for phasing out that coverage. For that reason, states' 1115 demonstrations include a standard phase out term and condition. This includes requiring that any individuals who may continue to be eligible for Medicaid in other eligibility categories are notified and given the opportunity to continue coverage through that alternative category. We also note that if Alaska expands Medicaid coverage and then drops such coverage at a later point, there would be no resulting financial penalty and no reduction to the federal matching dollar rates otherwise available to Alaska for its Medicaid program.

I hope this information is useful in your efforts to help low-income Alaska residents gain coverage and to reduce uncompensated care for Alaska health care providers. Please do not hesitate to contact me if you have any further thoughts or concerns.

Sincerely,



Sylvia M. Burwell