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Medical Assistance Division
Presentation to the Legislative Health & Human Services Committee

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July 25, 2016

Today's Topics

- Medicaid Cost Containment Update
- MCO Care Coordination in Native American Communities
- Senate Memorial 105 – Nurse Advice Line Taskforce

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Medicaid Enrollment Growth

Medicaid Category	Enrollment June 2013	Enrollment June 2016	Percentage Increase
Children	327,373	333,331	2%
CHIP	7,760	14,377	85%
Parents/Caretaker Adults	40,776	73,626	81%
Low-Income Adults	36,812 (SCI)	248,612 (Adult Expansion)	575%
Family Planning	49,754	67,639	36%
All Medicaid	**527,940**	**867,890**	**64%**

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2016 General Appropriations Act

The human services department shall implement changes in the medicaid program to reduce projected spending. The department shall reduce reimbursement rates paid to medicaid providers in medicaid managed care and fee-for-service programs. These reductions may include but are not limited to rescinding the primary care physician rate increase, first initiated by the federal Patient Protection and Affordable Care Act, and reducing rates paid to hospitals, including safety net care pool hospitals. The department shall reduce spending on managed care administrative costs.

The medical assistance program of the human services department shall pursue necessary federal authority to include additional cost sharing requirements for recipients of medicaid services, including co-payments for certain services and monthly premiums for certain individuals.

The general fund appropriation to the medical assistance program of the human services department assumes the department may be required to consider changes to the amount, duration and scope of allowable medicaid services and benefits, including pharmaceuticals, and implement processes to enhance eligibility verification.

The human services department shall submit fiscal impact analysis to the legislative finance committee and the department of finance and administration regarding changes to medicaid as a result of this section.

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MAC Cost-Containment Subcommittees

- Provider Payments Cost-Containment Subcommittee
  - **Charge**: Recommendations for reducing provider reimbursement rates effective 7/1/16 in accordance with HB2.
    - Savings goal = $30 million GF.
    - Recommendations received from subcommittee on April 8th.
    - Savings based on subcommittee recommendations = $18.5-$25 million GF.
    - HSD proposal issued on April 22nd based on subcommittee's recommendations, but with additional reductions to achieve savings goal.
      - Savings = $26-$33.5 million GF.
      - Public comments were accepted through May 31st
      - Tribal consultation held on June 6th

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FY 17 Provider Rate Changes

Final Provider Supplement released on June 29th for rate reductions effective 7/1:

- Rescinds enhanced PCP payments;
- Reduces hospital inpatient rates-5%
- Reduces hospital outpatient rates-3%
- Reduces Safety Net Care Pool hospital enhanced rates from 62% to 49.5% above the base rate (except for UNMH);
- Reduces dental rates—2%;
- Reduces certain Community Benefit codes-1%

FY17 Professional Fee Schedule Changes

- Practitioner reimbursement fee schedule reduction – effective 8/1/16
  - 4% reduction to codes currently paid between 90–99% of Medicare
  - 6% reduction to codes currently paid at 100% of Medicare
  - For **non-radiology** codes, reduction to 110% of Medicare
  - For **radiology** codes, reduction to 130% of Medicare
    - Distinction made to ensure greater parity and proportionality on impact to providers
  - 5% **increase** to codes for EPSDT Well-Child screens
  - No reduction to obstetric or family planning codes; specialized BH services exempt

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Professional Fee Schedule Changes

- **Effective** 1/1/17, reduction of all codes that remain above 100% of Medicare to 94% of Medicare
  - Except OB, EPSDT, family planning and specialized BH
  - Services paid at OMB or encounter rates not affected; no reduction for ambulatory surgical centers at IHS or tribal health facilities
    - IHS and tribal health facilities **will** be affected by the reduction when they are paid on a fee schedule basis
  - Total FY 17 savings from all provider rate reductions = $105-122 million total ($21-$26 million GF)

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Medicaid-to-Medicare Comparison Index

- NM's 2014 Medicaid rates were 7th highest in the nation relative to Medicare, at an overall average of 91% of Medicare and 25% above the national average

Location	All Services	Primary Care	Obstetric Care	Other Services
US Average	**66%**	**59%**	**76%**	**74%**
Arizona	81%	73%	92%	86%
Colorado	72%	73%	66%	77%
New Mexico	91%	82%	99%	104%
Texas	65%	59%	66%	82%
Utah	74%	74%	69%	79%

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Cost-Containment Public/Tribal Notification & Comment Period

3/18/16 - 4/8/16	MAC Provider Payments Cost-Containment Subcommittee meetings and submission of recommendations.
4/8/16	Subcommittee recommendations posted on HSD website; comments accepted through hsd-publiccomment2016@state.nm.us .
4/29/16	HSD proposed rate reductions posted on website and issued Provider Supplement 16-01. Tribal notice sent via email with opportunity to request consultation. Tribal comment period open through 5/31/16.
4/30/16	Newspaper notice published - *Albuquerque Journal* and *Las Cruces Sun News*. Public comment period open through 6/1/16.
5/2/16	Tribal notice sent via postal mail.
5/9/16	MAC meeting; tribal representation. Open public comments accepted.
5/18/16	Notifications sent to NATAC.
5/23/16	NATAC quarterly meeting with update on cost-containment and tribal consultation date.
5/24/16	Outlook invitation with documents sent for tribal consultation
6/6/16	In-person tribal consultation - Santa Fe; tribal comment period extended to 6/15/16.

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MAC Cost-Containment Subcommittees

- Benefit Package, Eligibility Verification & Recipient Cost-Sharing Subcommittee
  - Charged with submitting recommendations for achieving cost-savings in Medicaid benefits, eligibility verification measures and recipient cost-sharing, including premiums.
  - Began meeting in mid-April with final recommendations submitted on June 15th
  - Recommendations included co-pays for prescription drugs at $4 for preferred and $8 for non-preferred (exempting certain populations per federal CFR)
  - Will require a State Plan Amendment submission to CMS
  - Pending Department's final decision
- Long-Term Leveraging Medicaid Subcommittee
  - Charged with developing recommendations for longer-term strategies, including ways to leverage Medicaid differently.
  - First meeting was held on June 29th and included updates on current value-based purchasing initiatives.
  - Will continue to meet through the end of August.

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Reducing MCO Administrative Costs

- MCO rate changes implemented on 7/1/16 will result in reductions to administration costs, including:
  - Changes to care coordination program to more effectively target high-needs/high-cost members;
  - Changes to the member rewards program to reduce administrative costs and better align rewards with acuity of Centennial Care population; and

  - Estimated savings:
    - $20.6 million total
    - $4.3 million in GF

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Native American Enrollment in Medicaid

Native Americans enrolled in Medicaid: 126,050

- Native Americans enrolled in Medicaid Fee-for-Service: 90,866
- Native Americans enrolled in Centennial Care: 35,184

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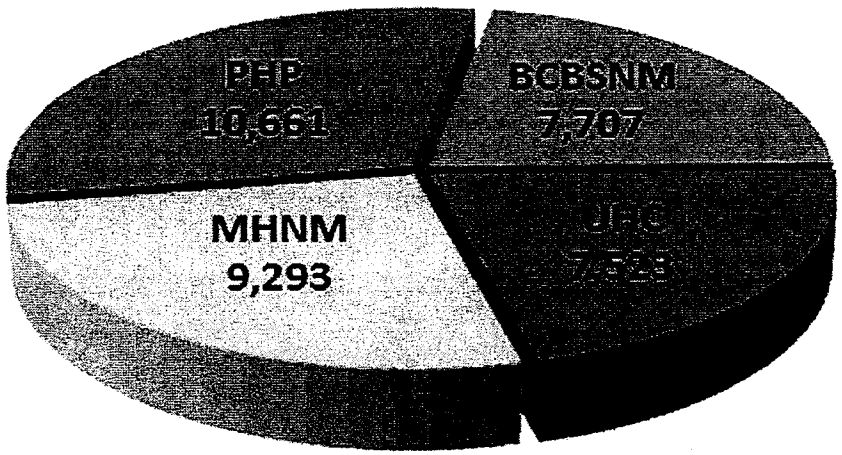
Native American Enrollment by Managed Care Organization



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Native Americans Receiving Higher Level of Care Coordination

Native Americans in Higher Levels of Care Coordination (Levels 2 and 3):

	HCBS	MHC	BHP	UFC	Total
CC2	774	1685	617	3106	6,182
CC3	200	188	100	201	689

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MCO Outreach Initiatives

BCBS

- Enrollment Services at Food Banks that serve Native American Communities
- Training for IHS business office staff in Network Information

Molina

- Connecting Native American members with social determinants of health with a Community Connector who provides outreach, advocacy, and assistance with connecting members to services in the community
- Agreements to have Community Health Representatives (CHRs) assist with completing health assessments

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MCO Outreach Initiatives (cont.)

Presbyterian

- Utilizes Tribal-based radio stations to deliver public service announcements that target priority health conditions and promote health literacy.
- Agreements to have Community Health Representatives (CHRs) assist with completing HRAs

UHC

- Opened a Resource Center on the Navajo Nation at Shiprock. Resource Center serves as a cyber cafe where members can conduct job searches, write resumes, and conduct research on educational assignments.

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Native American Technical Advisory Committee

- Collaboration between HSD and appointed Tribal representatives; meets quarterly
- Accomplishments last year:
  - Facilitated resolution of issues with MCOs, including payment
  - Discussed care coordination and health assessment processes
  - Reviewed program data
  - Worked through ICD-10 implementation issues

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100% FMAP for Services Received Through IHS/Tribal Facilities

- CMS released new clarification of policy in February 2016
- HSD meetings with IHS began in March 2016
- HSD participating in 6 State Study Group composed of states with highest percentage of Native Americans enrolled in their Medicaid programs

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100% FMAP for Services Received Through IHS/Tribal Facilities (cont.)

CMS Requirements:

- The Medicaid member must have an established relationship with the IHS/Tribal facility
- The IHS/Tribal facility must refer the member to the non IHS/Tribal facility and document the referral
- The non IHS/Tribal provider must be an enrolled Medicaid provider
- All care must be provided pursuant to a written Care Coordination Agreement (CCA) between IHS/Tribal facility and non IHS/Tribal facility
- The medical records from the non IHS/tribal facility must be shared with the IHS/Tribal facility

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100% FMAP for Services Received Through IHS/Tribal Facilities (cont.)

- What we have learned:
  - 100% funding opportunity applies to Native Americans in FFS or Managed Care
  - In Centennial Care, the largest potential for savings is with Long Term Care Services
  - IHS and Tribal 638 facilities have not, traditionally, had a significant role in delivery of long term care services
  - In FFS, the largest potential for savings is with inpatient hospital stays with four hospitals

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100% FMAP for Services Received Through IHS/Tribal Facilities (cont.)

- Next Steps:
  - Prepare a concept paper and proposal to CMS
  - Release concept paper and proposal for public and Tribal comment and Tribal Consultation, if requested
  - Begin with a pilot program with largest IHS facilities
  - Work with IHS and Tribal representatives to develop processes for Care Coordination Agreements, referrals, and sharing of medical records

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Senate Memorial 105
New Mexico Nurse Advice Line (NMNAL)

- HSD convened Taskforce on June 30th
- Accomplishments:
  - Medicaid Portal Access was provided to the NMNAL
  - Improvements to the NMNAL/MCO invoicing process
  - NAL continues to explore revenue diversification options
- Next Steps
  - Medicaid to research reimbursement options for NMNAL for Fee-for-Service members
  - NMNAL meeting with the Hospital Association to explore options for contracting with additional hospitals

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