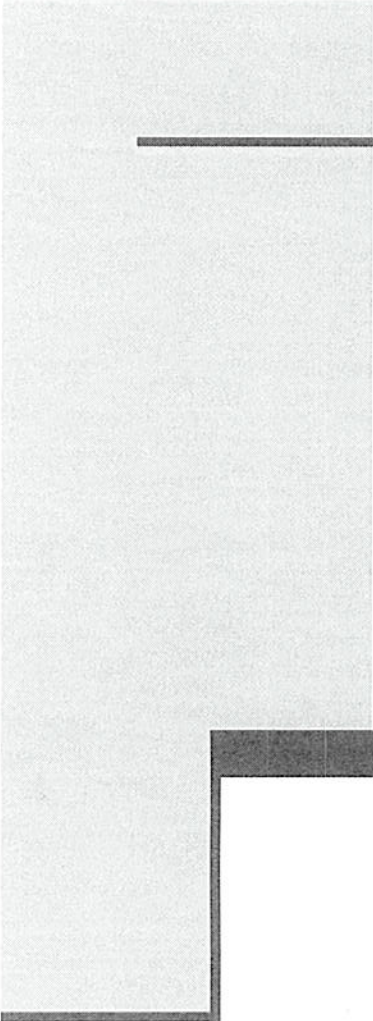




**FY 2012
Medicaid Budget
Overview**



**Medicaid Advisory Committee
January 24, 2011**

FY 2012 Medicaid Budget Allowance

- Provider Reimbursement - \$6.8 B(\$2.5B GF, .8M SF)
- MCHP - \$209 M (\$66.7 M GF)
- Kidney - \$12 M (\$11.6 M GF)
- Administration - \$101.6 M (\$29 M GF)
- Total \$7.1 B TF (\$2.6 B GF, .8M SF)
14.6% increase; 11.4% increase if include deficiency appropriation)
- \$911 M TF increase over FY 2011 appropriation

Enrollment Impact

■ MCHP

- Growth of 1% vs FY 2011 appropriation (100,000 to 101,000)

■ Medicaid

- Projected growth of 13% vs FY 2011 appropriation (720,000 to 815,000)
- Includes adult expansion population of 82,000

FY 2012 Allowance Additions

- Patient Centered Medical Home \$1.5M
- Increase in Rural Access Incentive for MCOs to improve access \$7M
- Allocation of approximately 20 contractual Medicaid positions to support the evaluation and implementation of a new MMIS system \$0.9M
- Pharmacy initiatives (addition of 7 PINS) \$0.8M
- Increased funding for LHD to review eligibility application \$2.3M

Cost Containment and Adjustments Included in FY 2012 Allowance (TF)

- MCO 1% reduction in July for 6 months \$12.7 M
- Tighten MCO efficiency adjustment criteria \$5.2M
- Increase of \$254 M in Hospital assessments
- 1% Provider reimbursement rate reduction for Community Based LTC Providers excluding Personal Care, Physicians and Private Duty Nursing \$10.5M
- Enforcement of stricter criteria for emergency services for non citizens \$10M

Cost Containment and Adjustments Included in FY 2012 Allowance (TF) cont'd

- Reduction in the Adult Day Care Grant by 15%
\$367,000
- Reduction of AERS grants by 18% with offset in
increase to STEPS rates by 4% \$159,000
- Require DC Hospitals to accept FFS rates from
MCOs \$12.4M
- Implement recommendations identified in 2 JCRs
related to reducing claims and eligibility errors and co
payment options \$15M
- Pharmacy initiatives i.e., requiring clinical based
preauthorization of off-label uses of antipsychotics,
evidence based medication usage \$7M

FY 2012 Activities Requiring Legislation

- Alternative to Graduate Medical Education payment to Hospitals (\$35M TF)
- The HSCRC will need regulations to establish an alternative method for financing the reasonable total costs of hospital uncompensated care and hospital graduate medical education (2.2% to 4% assessment)
- Nursing Home provider assessment from 4 to 5.5% (\$13M GF savings and 1.5% rate increase)