

FY 2015 Medicaid Budget

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Overview

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2. Redeterminations
3. Background Information
4. Items of Interest
 - Chronic Health Homes
 - Rebalancing Efforts
 - The In-Home Supports Assurance System (ISAS)
 - Electronic Health Record (EHR) Incentives Program

Response to DLS Recommendations

DHMH agrees with the following recommendations

- Recommendation 1: Prohibiting certain budget transfers.
- Recommendation 6: Deleting MMIS early takeover funds.
- Recommendation 7: Reviewing the approach to Value-Based Purchasing
- Recommendation 10: Provided our edits are accepted, tying funding to the MMIS development to various requirements.

DHMH disagrees with the following recommendations:

- Recommendation 2: Related to using MHIP assessment revenue instead for Medicaid.
- Recommendation 3: Applying the MCO rate cut into CY 2015.
- Recommendation 4: Cutting funding to home and community-based long-term services and supports.
- Recommendation 5: Deleting additional home and community-based funding by cutting Balancing Incentive Payment Program (BIPP) funds.
- Recommendation 8: Deleting the staffing needed to support new work activities in behavioral health.
- Recommendation 9: Deleting support for the Kidney Disease program.

DHMH's positions on the these issues follow:

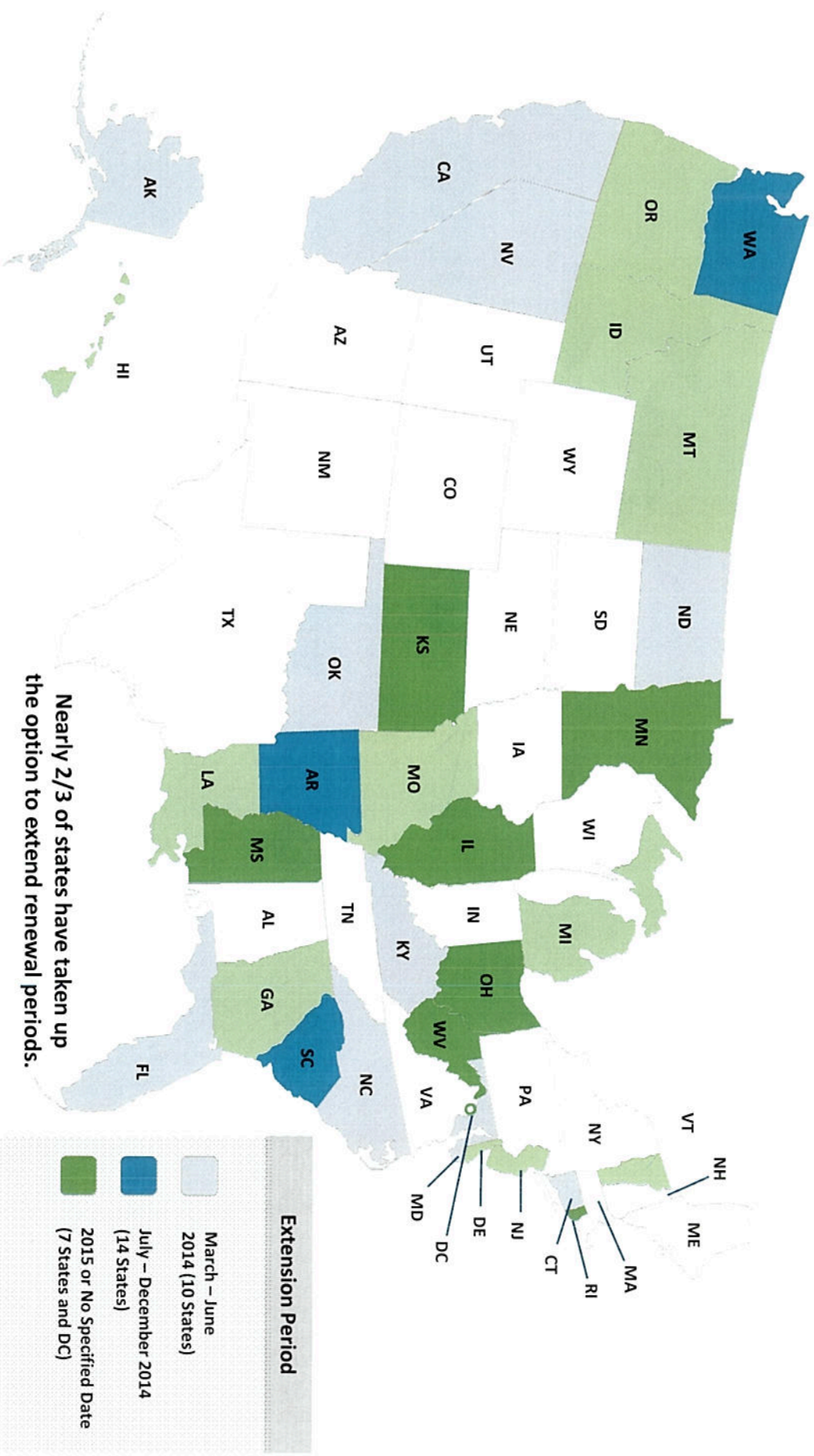
- Page 13: Agrees to study the value-based purchasing issue.
- Page 23: Disagrees that all provider rate increases should begin on July 1, 2014, at half the rate of increase in the Governor's budget. Among other things, this would have a significant unintended consequence of hurting the conversion to a RUGs based approach for nursing facilities.
- Page 29: Disagrees with the recommendation regarding the assessment that supports MHIP; same as response to Recommendation 2.
- Pages 44 and 45: Regarding MMIS issues, specifics as follows:
 - Agrees with the recommendation to reduce funding by \$2 million.
 - Same as Recommendation 10 (agrees with budget language, subject to targeted edits).
 - Agrees to provide quarterly updates.
 - Same as Recommendation 6 (agrees with deletion of early takeover funds).
- Page 65: Agrees with the recommendation to release the funds associated with the pediatric restorative dental JCR.

Redeterminations

Redetermination Grace Period

- ❑ Every twelve months, Medicaid recipients must go through an eligibility redetermination (renewal) to see whether they continue to be eligible. This occurs whenever in the anniversary month for recipients.
- ❑ For Medicaid recipients who are moving from the old Medicaid eligibility rules to the new “Modified Adjusted Gross Income” (MAGI) rules, they need to be redetermined in the HIX.
- ❑ Well before any issues in the HIX came to light, Maryland obtained a grace period from the federal government to postpone this process for people who were scheduled for redetermination between January-March 2014, in order to focus on new people during open enrollment.
- ❑ Once issues in the HIX came to light, we extended the grace period to the end of June 2014.
- ❑ As shown on the next slide, 21 states and DC have already requested and received from CMS an even longer grace period than that.

So far, 32 States Have Taken Up the Option to Extend the Renewal Period for Most Medicaid Cases*



Source: Department of Health and Human Services, <http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Targeted-Enrollment-Strategies/targeted-enrollment-strategies.html> (accessed Feb. 17, 2014).

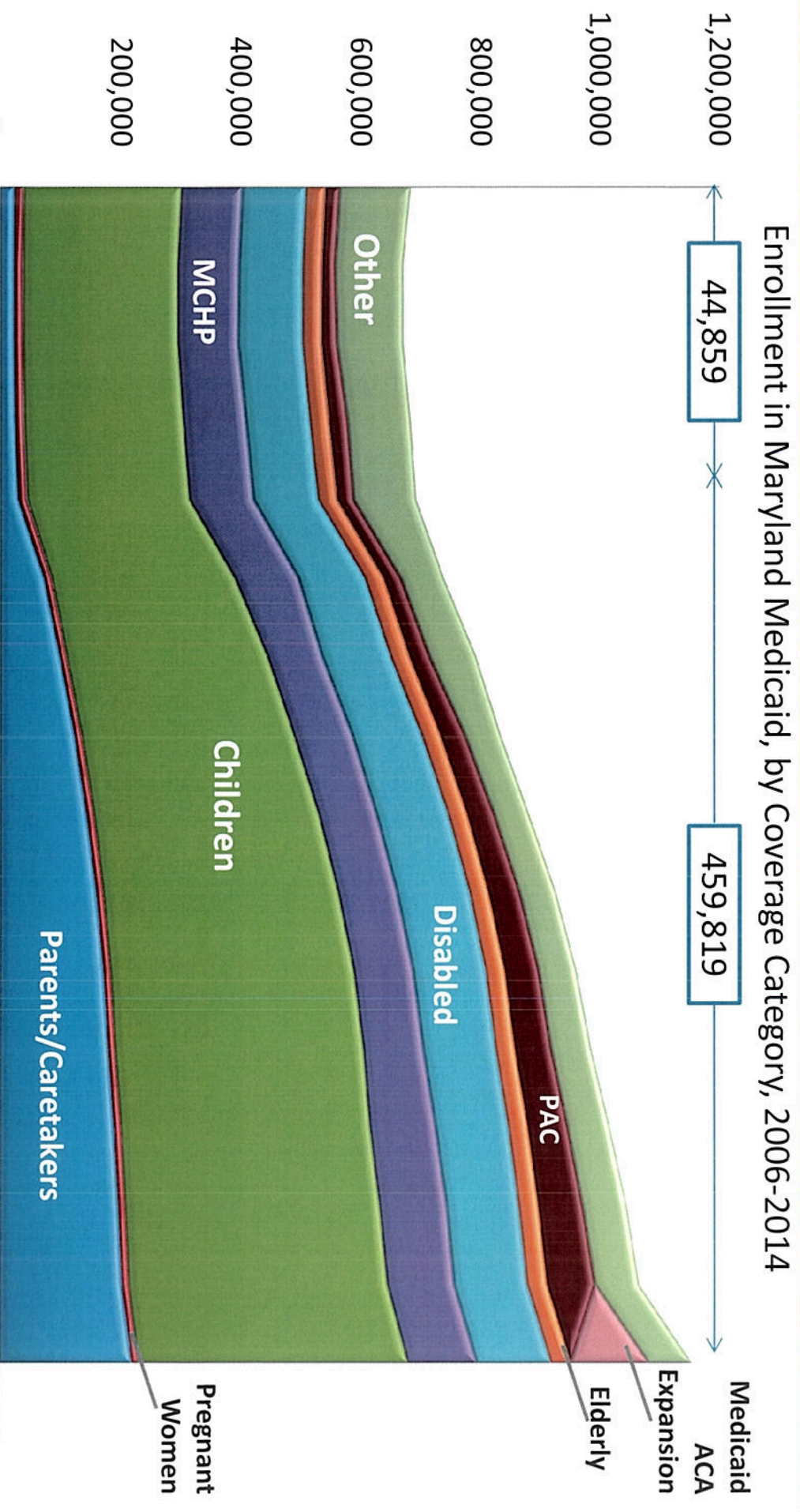
*In guidance released May 17, 2013, HHS gave states the option to extend renewal periods for individuals whose Medicaid eligibility is based on new Modified Adjusted Gross Income (MAGI) rules. States cannot extend the renewal period of people who qualify for Medicaid based on non-MAGI rules (e.g. seniors and people with disabilities).

Background Information

Maryland Medicaid: Facts at a Glance

- ❑ As of January 2014, Medicaid covers 19% of all Maryland residents
- ❑ As of January 2014, Medicaid or MCHP covers 38% of all Maryland children
- ❑ In FY 2012, Medicaid paid for 43.5% of all deliveries in the state
- ❑ In 2012, Medicaid paid for 64.8% of all nursing facility days in the state
- ❑ The current number of enrolled Maryland Medicaid providers is 55,000
- ❑ In federal fiscal year 2013, Medicaid reimbursed services in the amount of \$7.95 billion, including the budget being presented today, plus funding of DDA, MHA, MSDE, and other service programs that separately budget Medicaid revenue.
- ❑ The projected spending in FY 2014 exceeds \$9 billion, with the expansion.

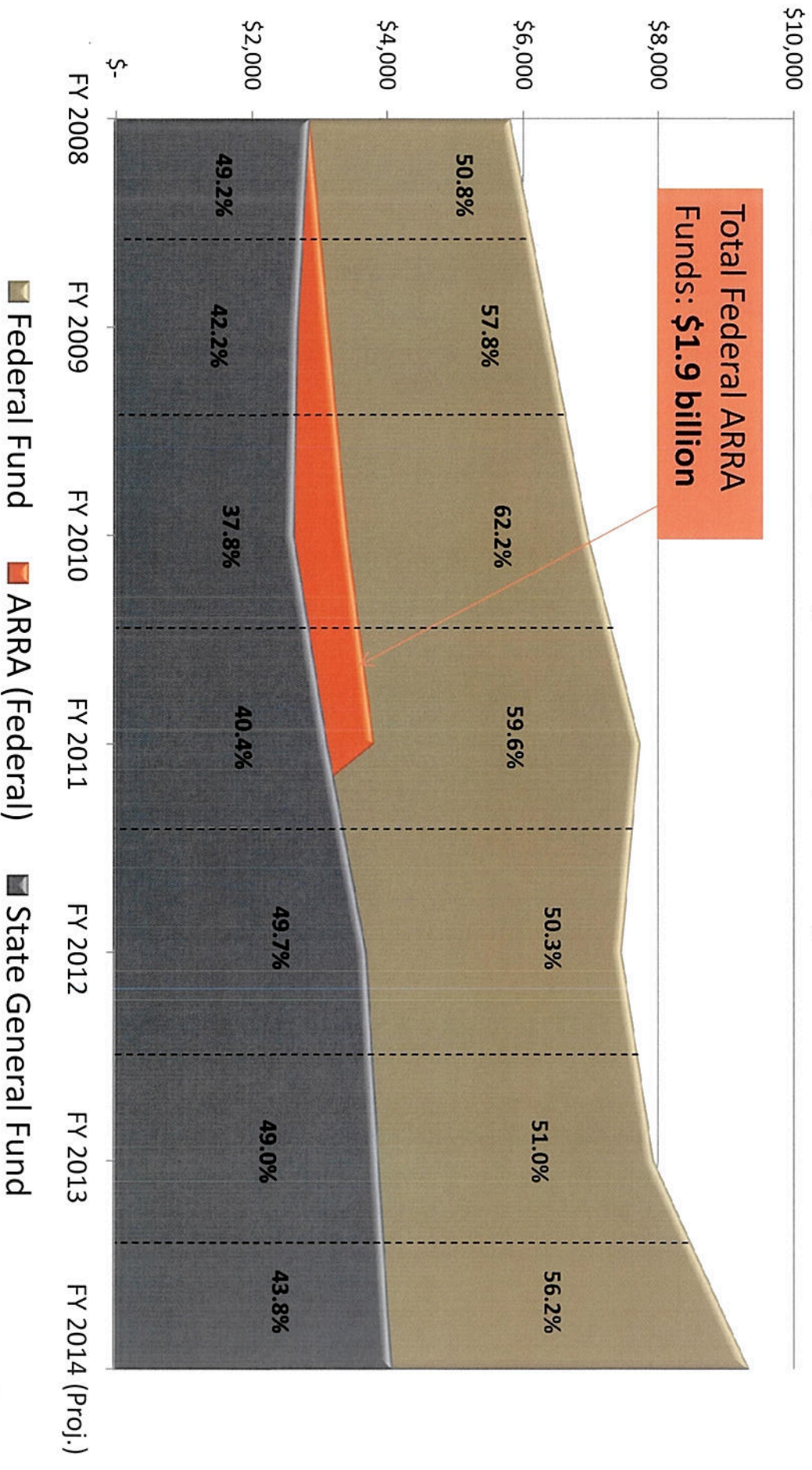
The enrollment increase in Maryland Medicaid was primarily the result of the Medicaid expansions in 2008, as well as the ACA Medicaid expansion in 2014.



Source: DHMH, Office of Health Care Financing

The overall payment mix shifted toward federal funds in FY 2014, due to the infusion of federal funds for the expansion population starting in January 2014, replacing the general funds that supported PAC.

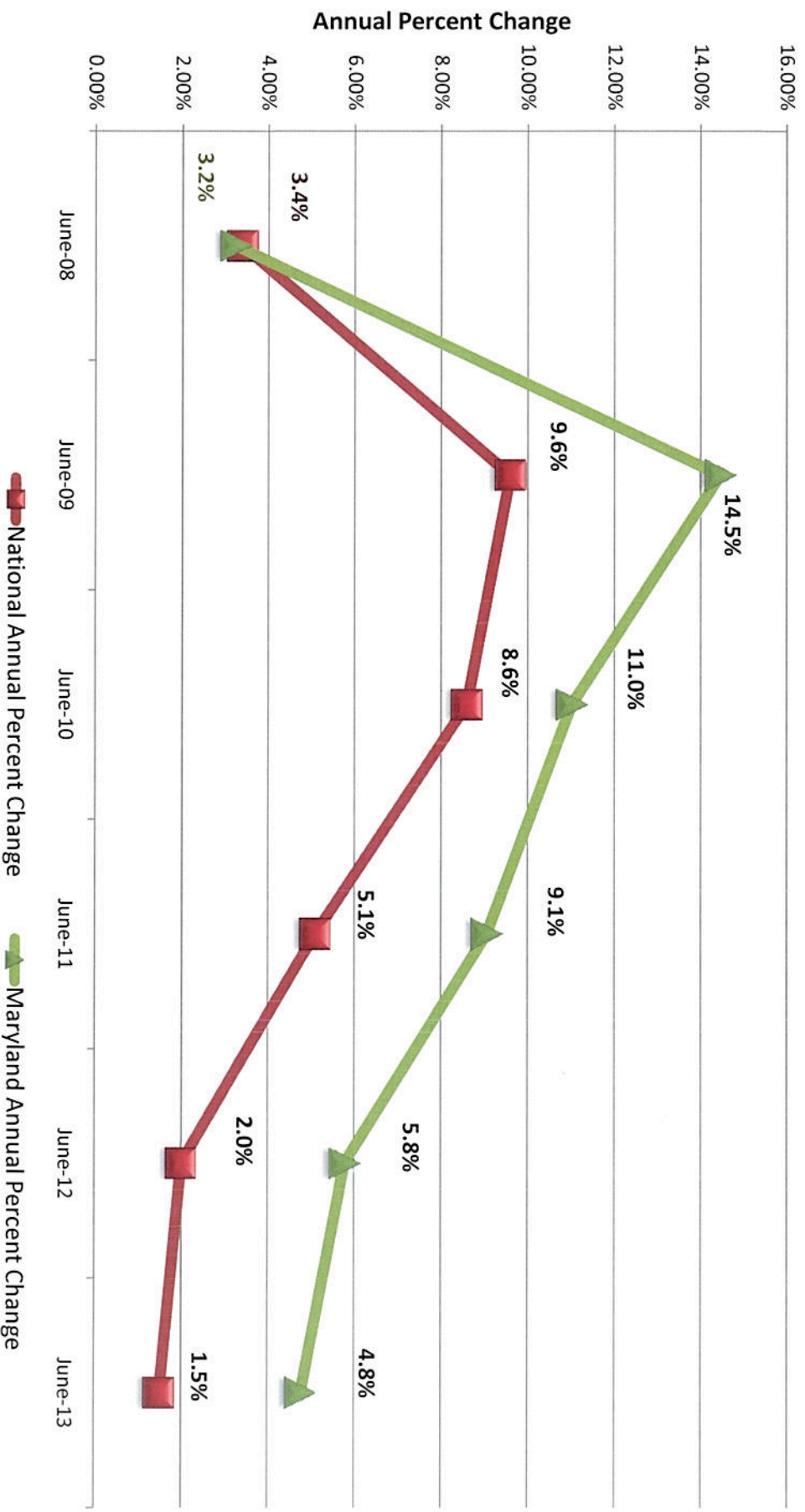
Maryland Medicaid State, Federal, and ARRA Expenditures, in Millions: FY 2008- 2014



Source: DHMH, Office of Health Care Financing

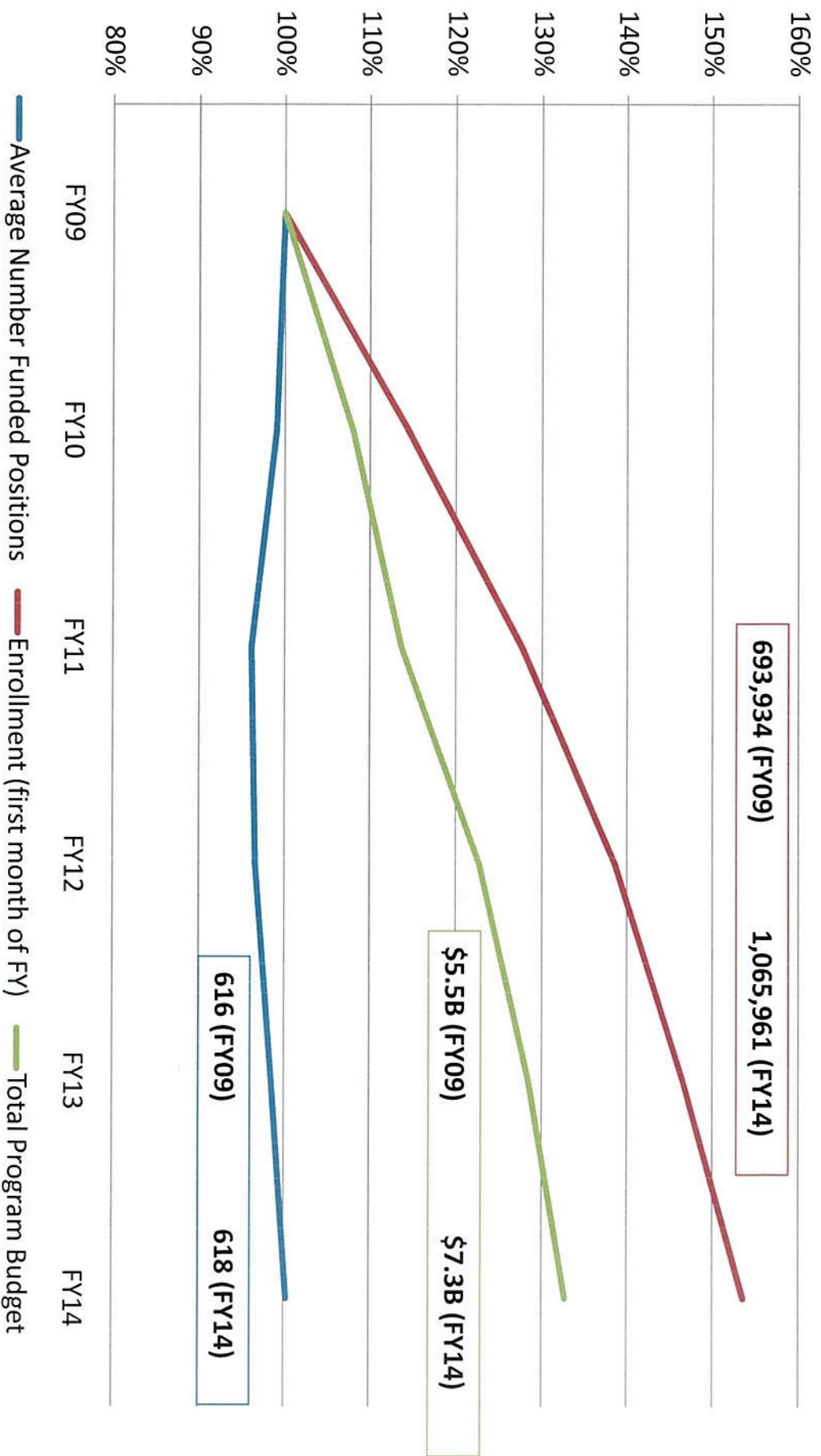
After the expansion 2008, Maryland's Medicaid enrollment growth routinely outpaced the national rate of growth.

Maryland Medicaid Enrollment Percent Change vs. National Medicaid Enrollment Percent Change, 2008 – 2013



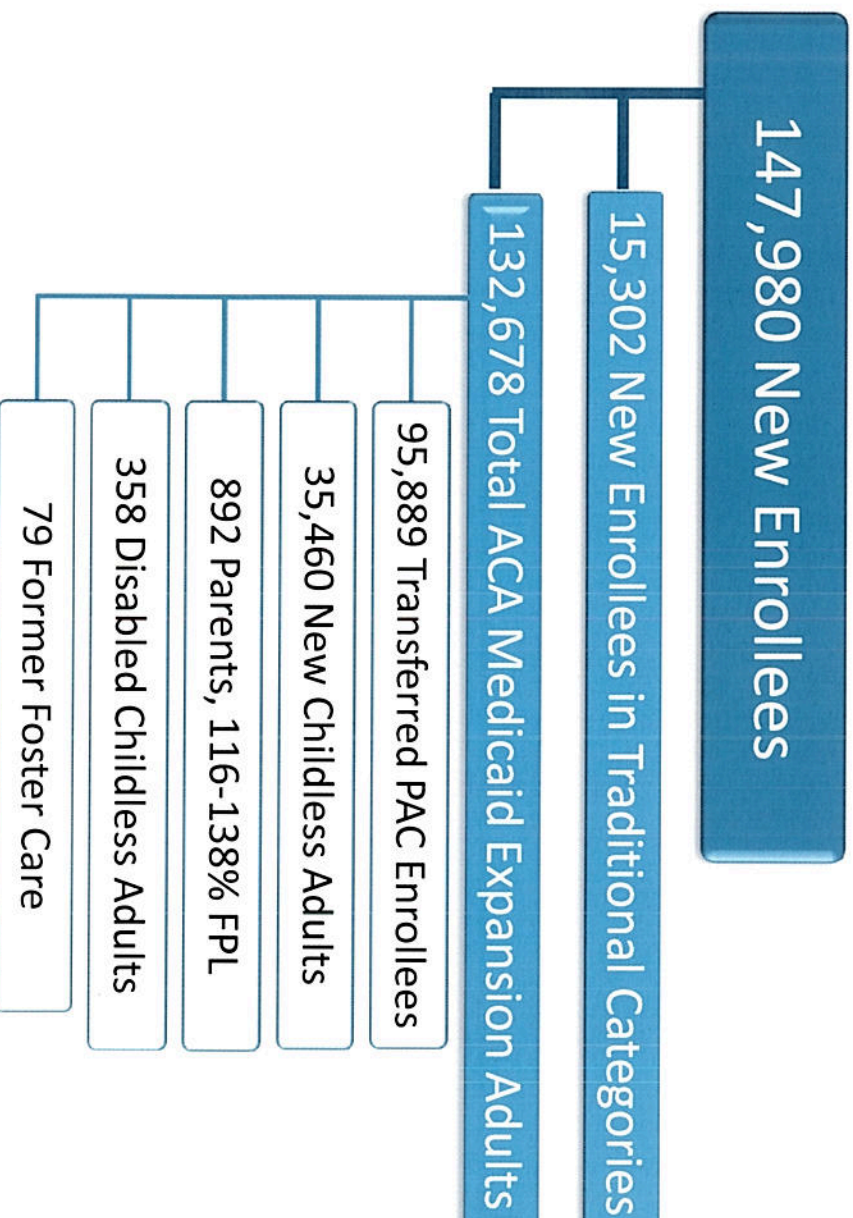
Source: DHMH, Office of Health Care Financing; The Kaiser Commission on Medicaid and the Uninsured, *Medicaid Enrollment: June 2013 Data Snapshot*

This enrollment growth occurred during an era that saw a constant level of funded positions at Medicaid.



As of February 11, 2014, Medicaid enrolled nearly 150,000 more people in coverage that started on January 1, including over 130,000 in the new ACA expansion groups.

As of February 11, 2014:

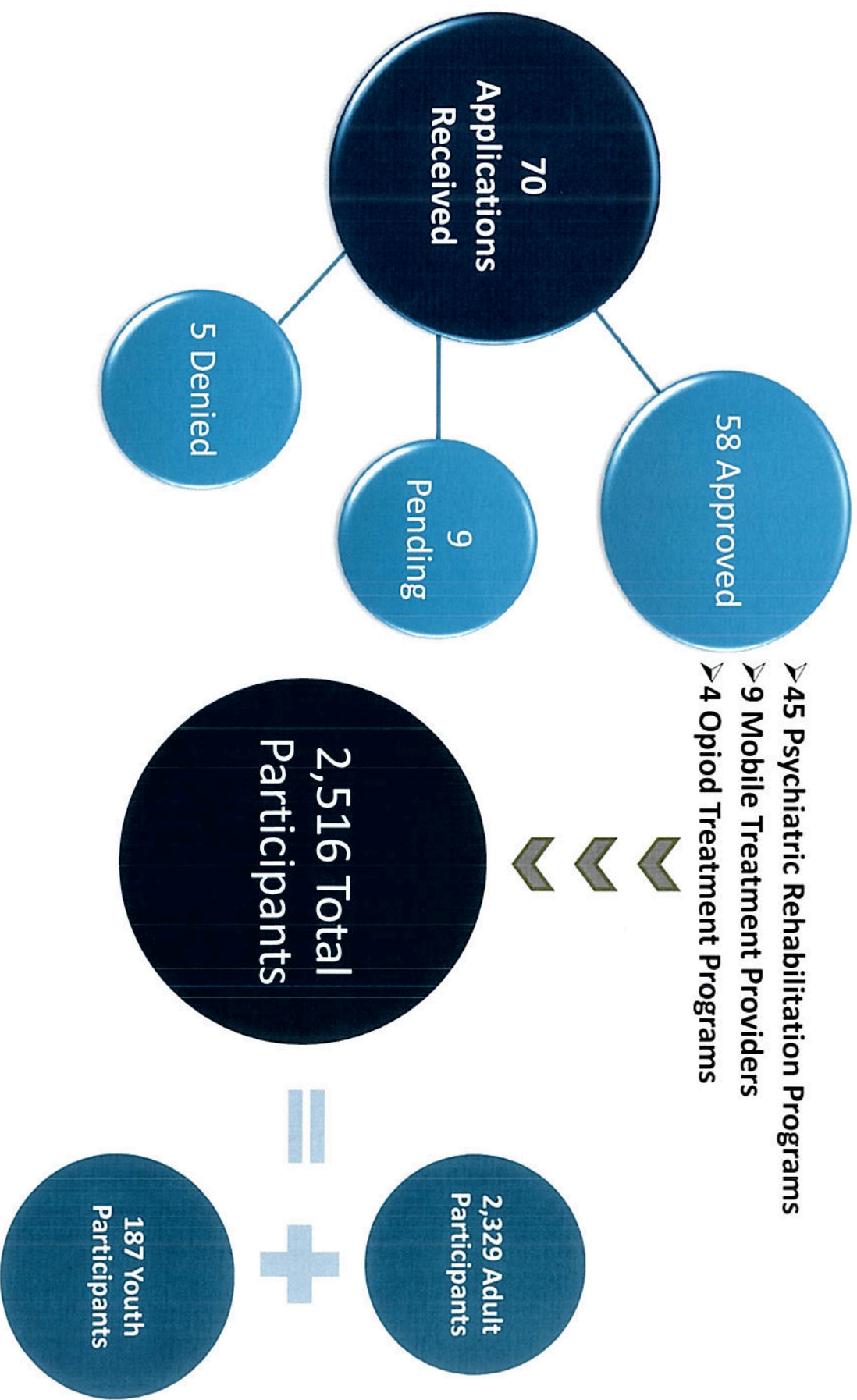


Initiatives

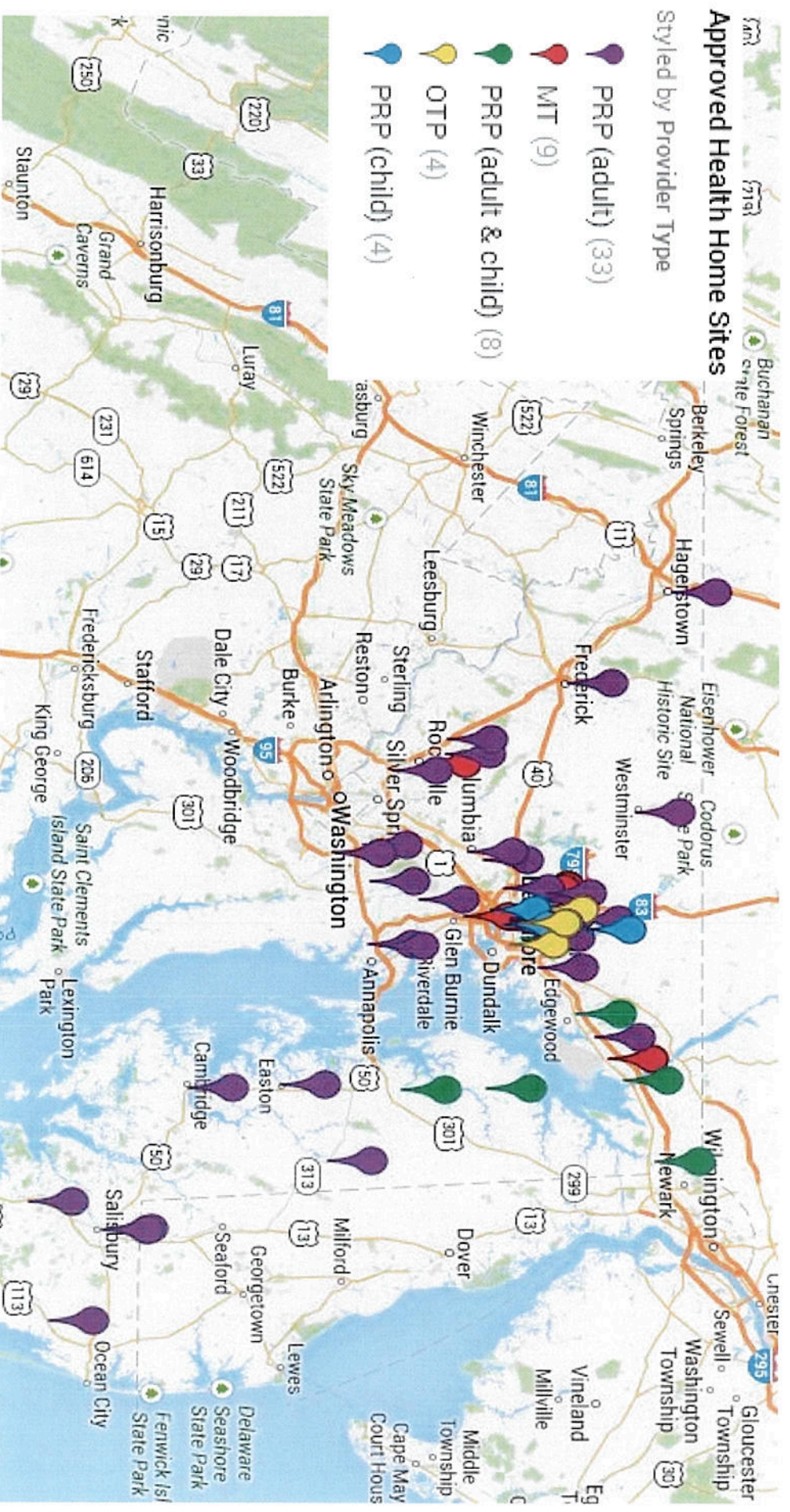
Highlighting several initiatives:

- ❑ Promoting Behavioral Health Integration
 - ✓ Full Implementation of the Chronic Health Home model
 - ✓ Carve out services for substance use disorders
- ❑ Promoting long-term care rebalancing
 - ✓ Fully implement Community First Choice
 - ✓ Merge Living at Home Waiver and Older Adults Waivers to establish the Home and Community Based Options Waiver
 - ✓ Implement standardized assessment (InterRAI) for long term services and supports
 - ✓ Improve the accuracy and timeliness of reimbursements for personal care providers
- ❑ Continue to encourage the adoption of electronic health records through the EHR Incentives Program

There are currently 58 approved Chronic Health Home sites throughout Maryland. In the 19 participating counties, and over 2,500 participants are enrolled in the Health Homes program.

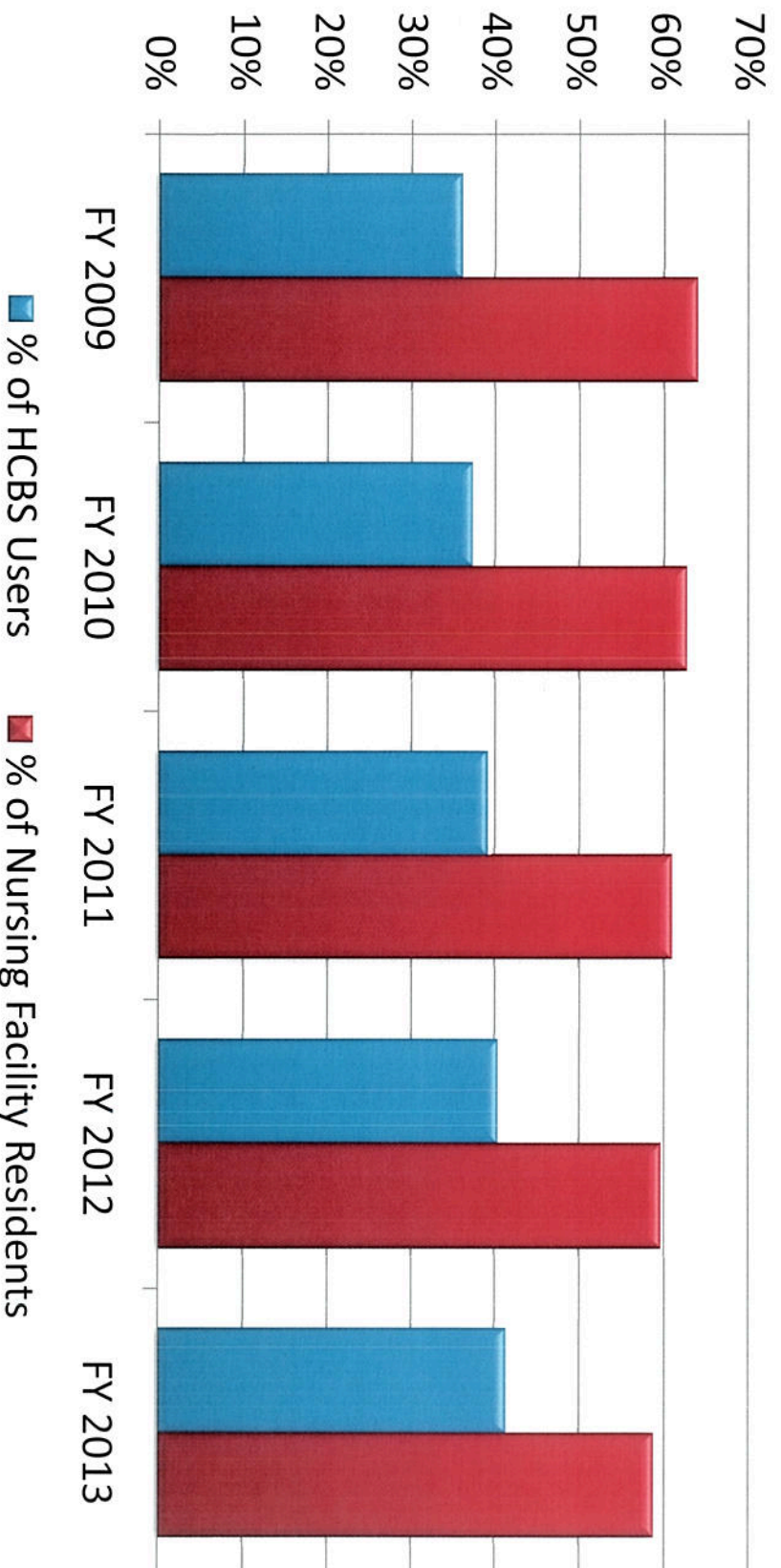


The 58 Health Homes sites span 19 of Maryland's 23 counties. With 18 approved sites as of February 4, Baltimore City has the most participating Health Homes.



Rebalancing efforts are working. Between FY 2009 and 2013, the percentage of Home- and Community Based Users increased by 19%, and the percentage of nursing facility residents decreased by 4%.

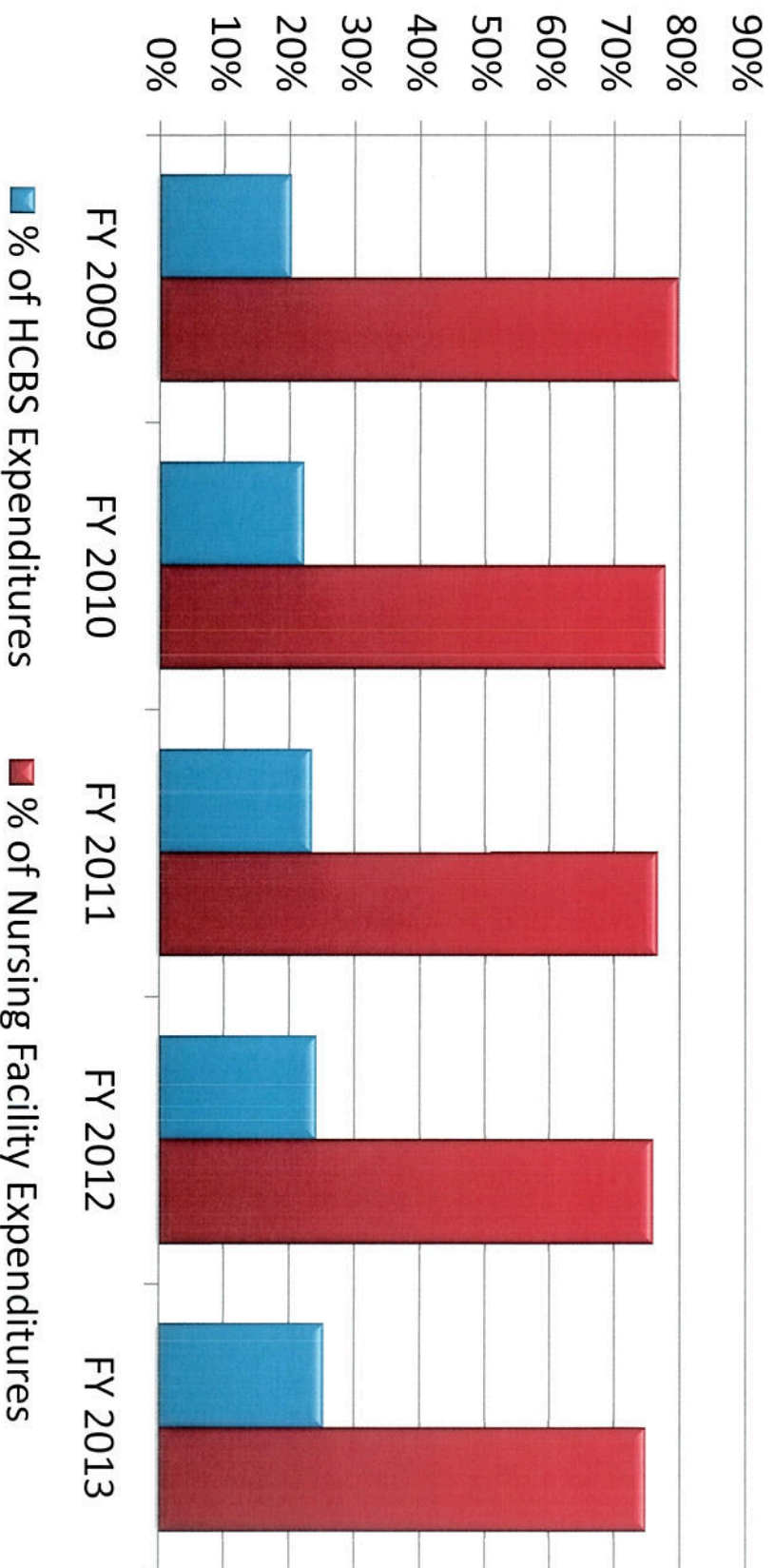
Proportion of Home- and Community Based Users and Nursing Facility Residents, FY 2009-2013



Note: For purposes of this chart, HCBS refers to waiver programs targeting older adults and younger adults with disabilities (specifically the LAH, OAW, MAPC and Medical Day Care programs) and does not include services for individuals with developmental or intellectual disabilities. FY13 numbers may be adjusted based on claims not yet submitted.

The State's rebalancing efforts are also reflected in spending. Between FY 2009 and FY 2013, Medicaid spending for HCBS grew five times as fast as spending on nursing facilities (\$100 million vs. \$21.7 million).

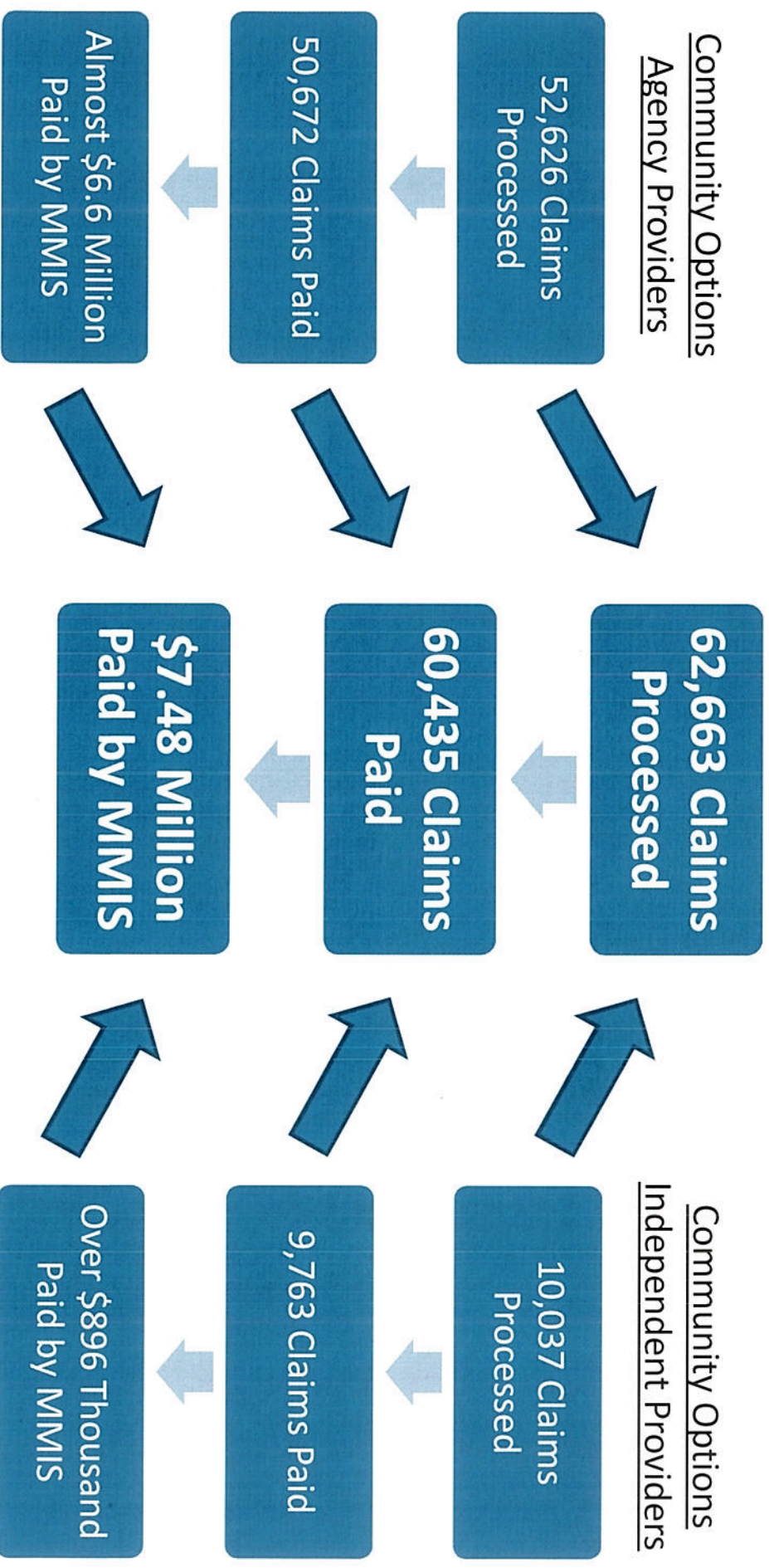
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The In-Home Supports Assurance System (ISAS) was deployed to ensure accurate and quick provider reimbursement. In January, MMIS paid 60,435 processed claims (with a 96.75% payment rate).

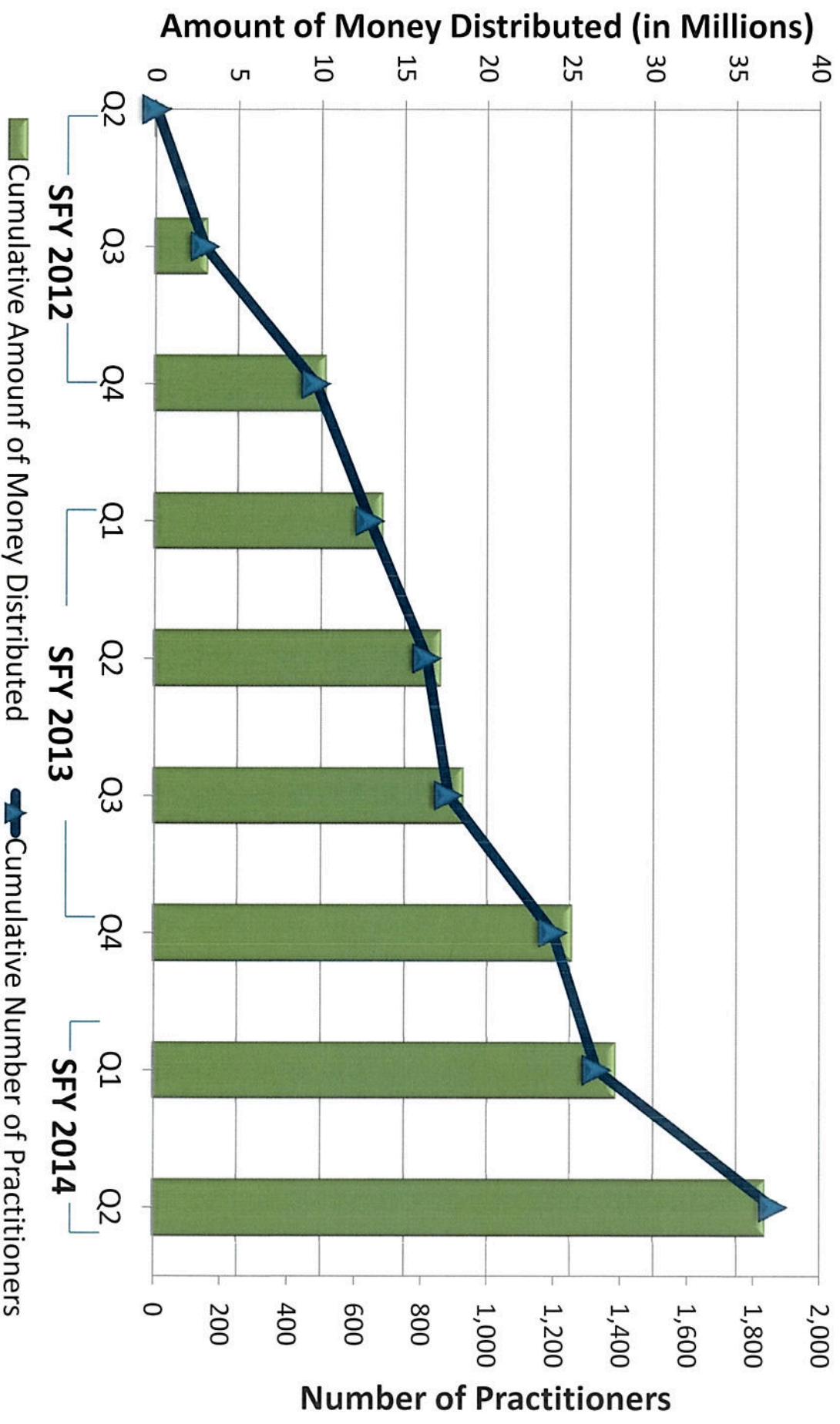
Community Options January 2014 Totals



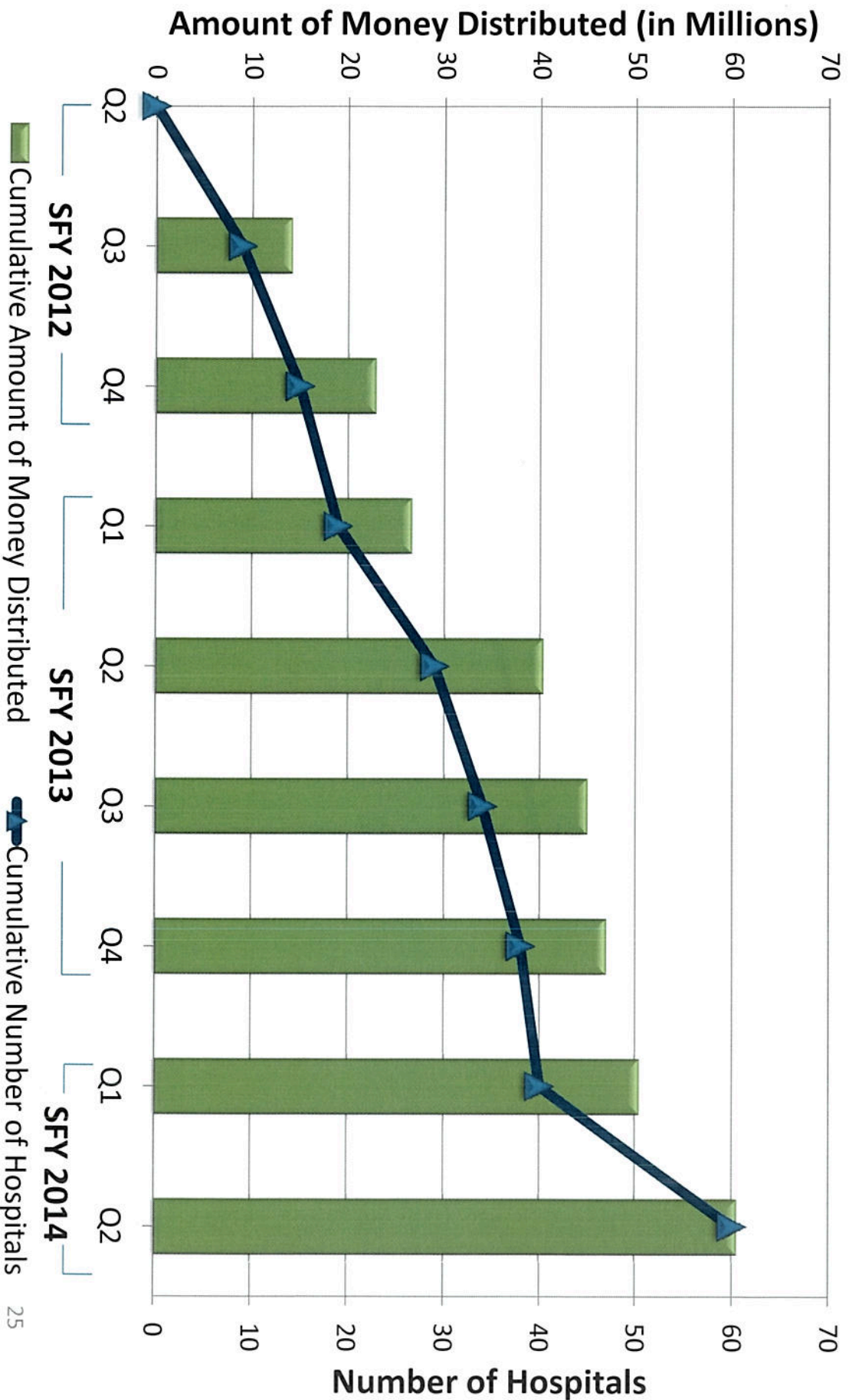
Note: Effective January 6th, the Department merged the Living at Home waiver (LAH) and the Waiver for Older Adults (WOA), and enrolled providers in the Community Options Program.

Source: In-Home Assurance System (ISAS) January 2014 Report

Since the inception of the Electronic Health Record (EHR) Incentives program in 2010, 1,674 individual providers have received a payment, worth a total since the inception of the program of about \$36.7 million.



Since the inception of the Electronic Health Record (EHR) Incentives Program in 2010, 40 hospitals have received payment, worth a total since the inception of the program of about \$60.5 million.





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