

ENGROSSED SENATE BILL 2012
HOUSE APPROPRIATIONS
HUMAN RESOURCES DIVISION
REPRESENTATIVE JON NELSON, CHAIRMAN

Medical Services Division

Maggie Anderson, Division Director

HEALTH CARE COVERAGE

- Traditional Medicaid
- Health Tracks (Early and Periodic Screening, Diagnosis and Treatment)
- Children's Health Insurance Program (CHIP)
- Medicaid Expansion
- Autism Voucher
- Program of All-Inclusive Care for the Elderly (PACE)
- Children's Medicaid Waivers
 - Medically Fragile
 - Autism Spectrum Disorder
 - Hospice

FUNCTIONS

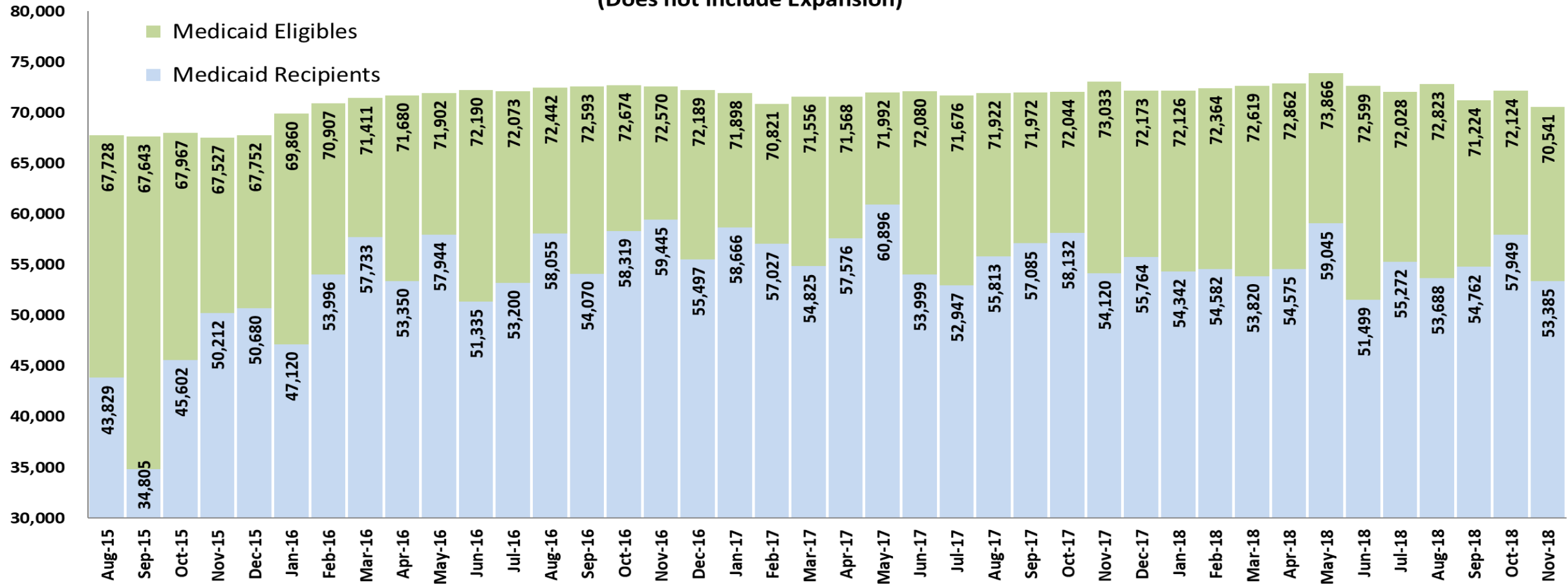
- Program Administration
 - Managing State Plan
 - Administrative Rules
 - Federal Reports
- Defining Covered Services
- Rate Setting
- Claims Processing and Health Plan Payments
- Assisted Living Licensing
- Program Integrity
 - Recipient and Provider Audits
 - Provider Enrollment
 - Third Party Liability
- Utilization Review
 - Service Authorization
 - Monitor Service Quality
 - Primary Care Case Management

DIVISION INTERIM WORK

- MMIS Certification
- Re-write of Rehabilitative Services State Plan
- Clarifying Coverage of Addiction Services
- Tribal efforts
 - Care Coordination
 - Enrollment and Billing
 - Clinic and “4 walls”
- Telemedicine
- School Individualized Education Plan Services
- Dental Initiative
- Completed Medicaid Fraud Control Unit Study

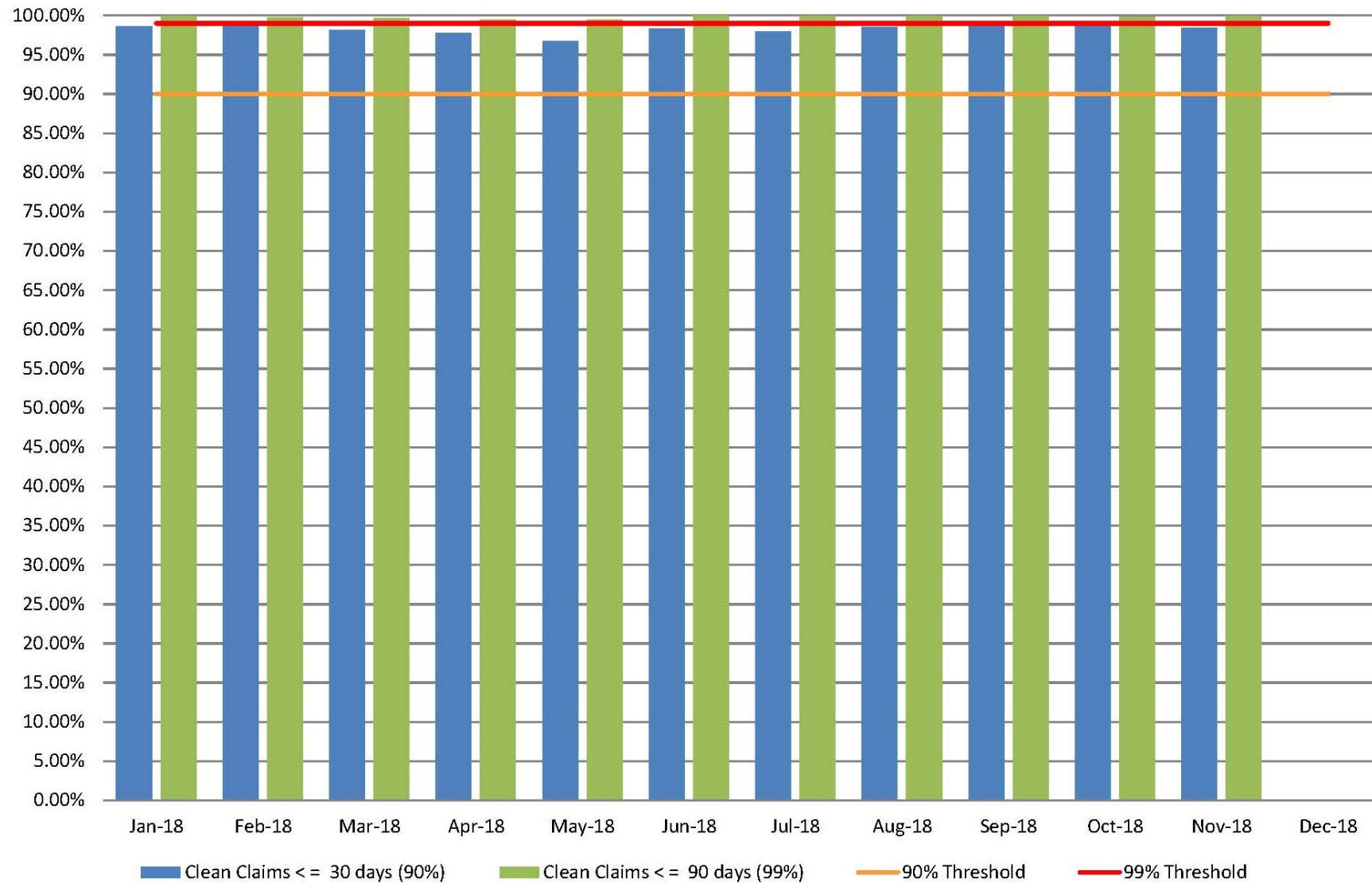
NORTH DAKOTA MEDICAID ELIGIBLES AND RECIPIENTS

Traditional Medicaid Eligibles and Recipients (Does not include Expansion)

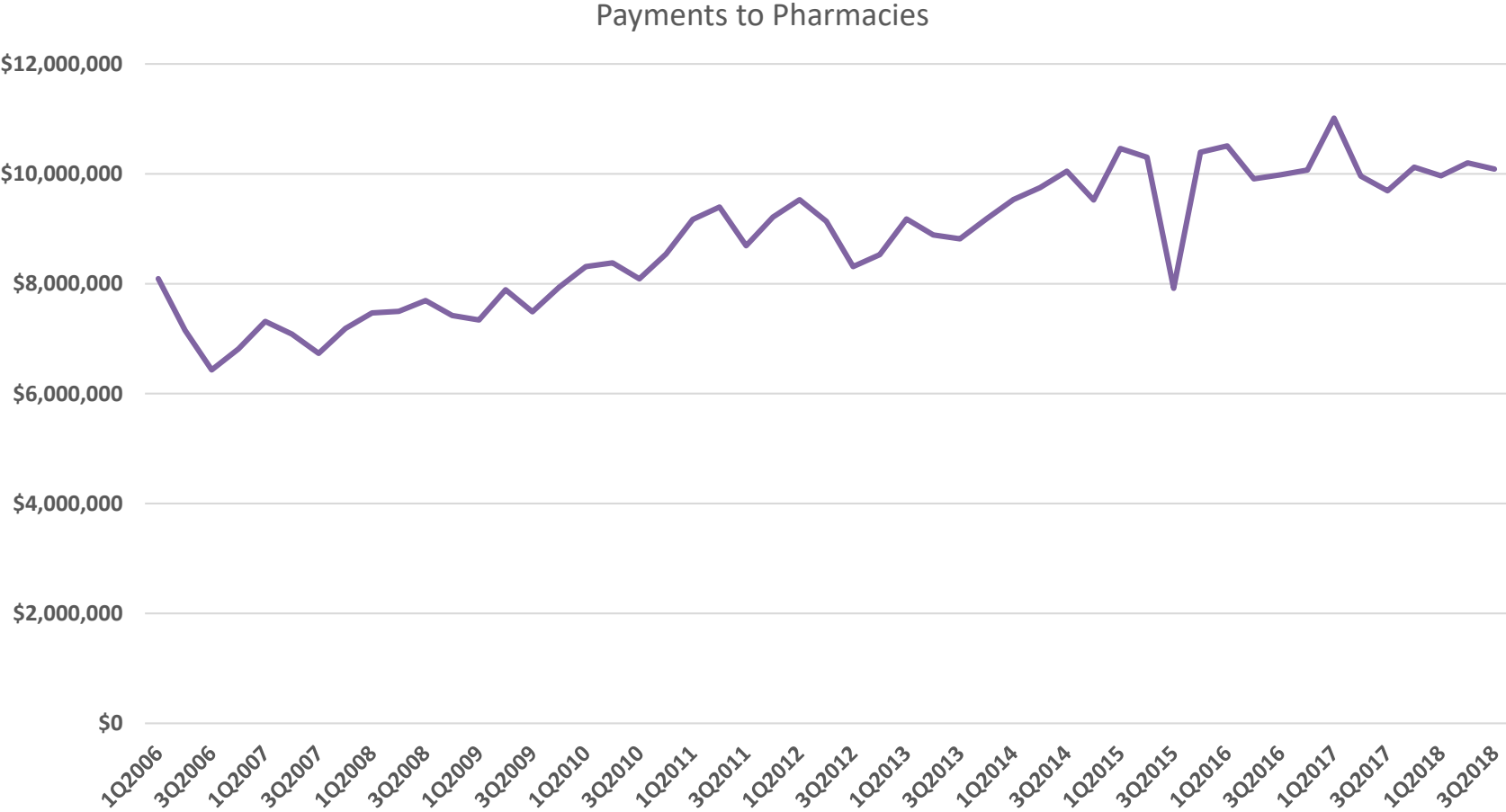


January 2016 to September 2016 Eligibles were restated due to Eligibility System transitions.
 SFY 2017 shows an increase of 3.03% of Eligibles and an increase of 13.59% in Recipients.
 SFY 2017 average Eligible children increased 4.49% to 41,418 children.

PROMPT PAY TRENDING - 2018

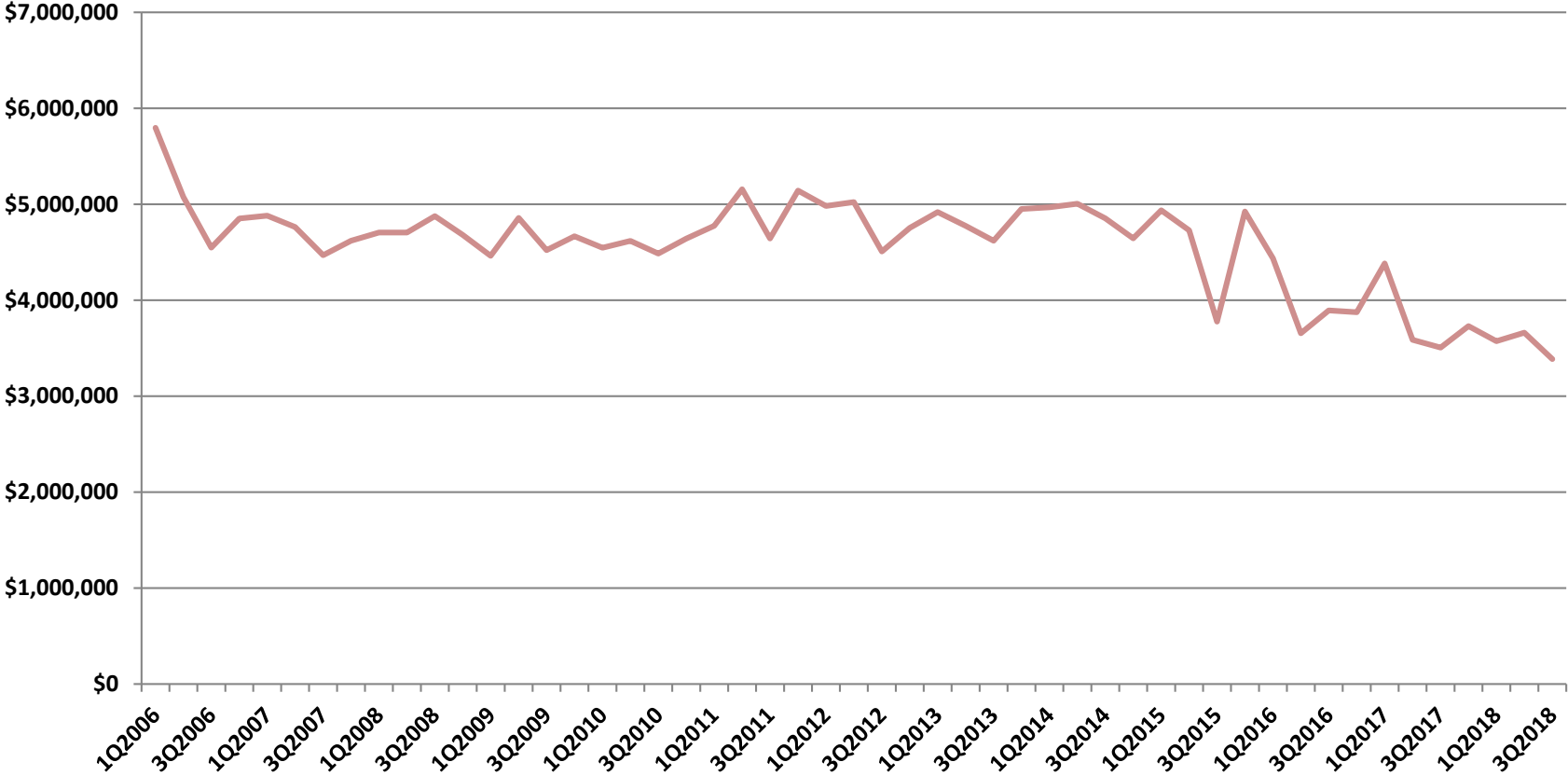


MEDICAID PHARMACY SPEND TREND



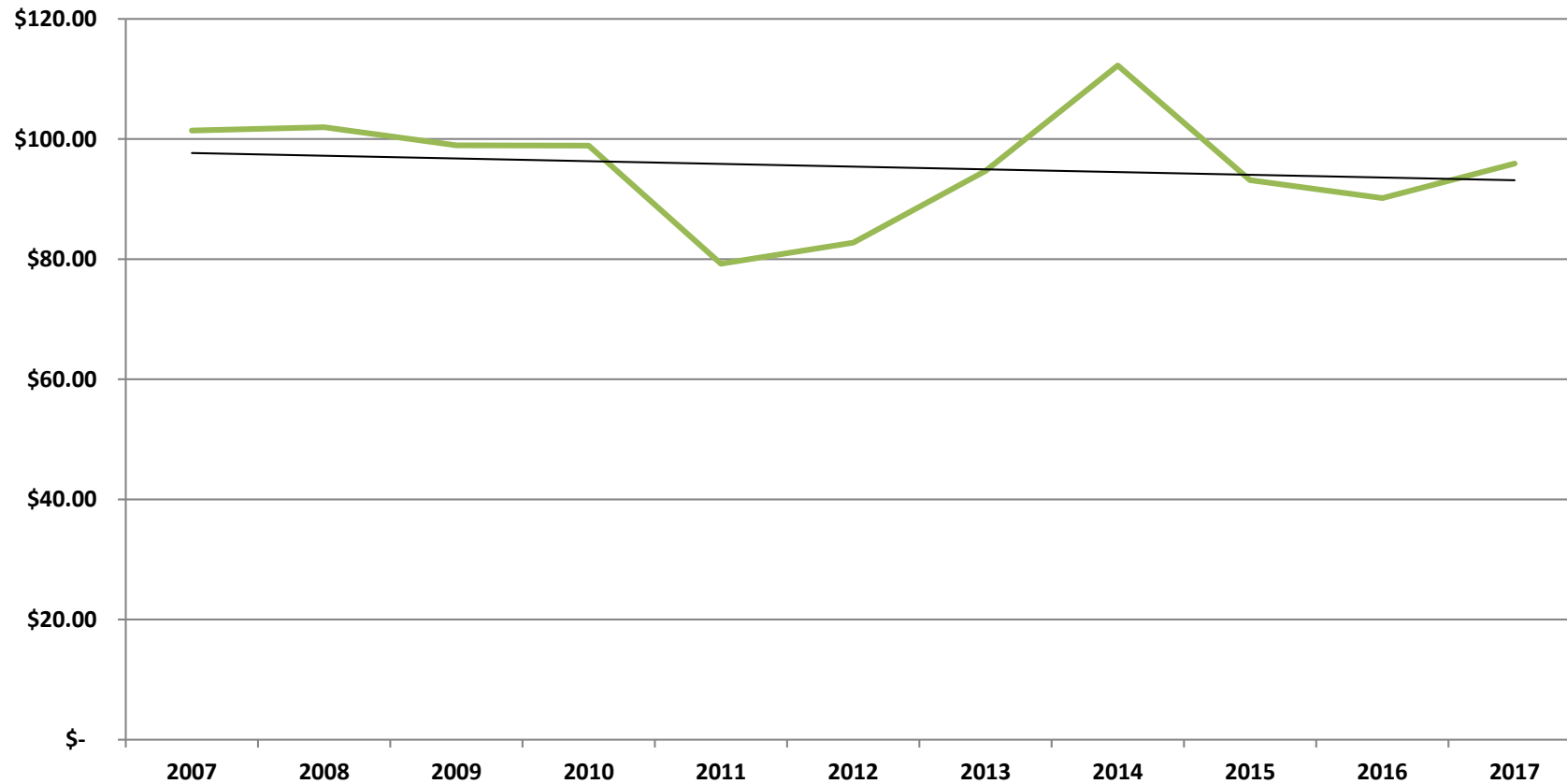
MEDICAID NET PHARMACY SPEND

Includes Traditional and Supplemental Rebates



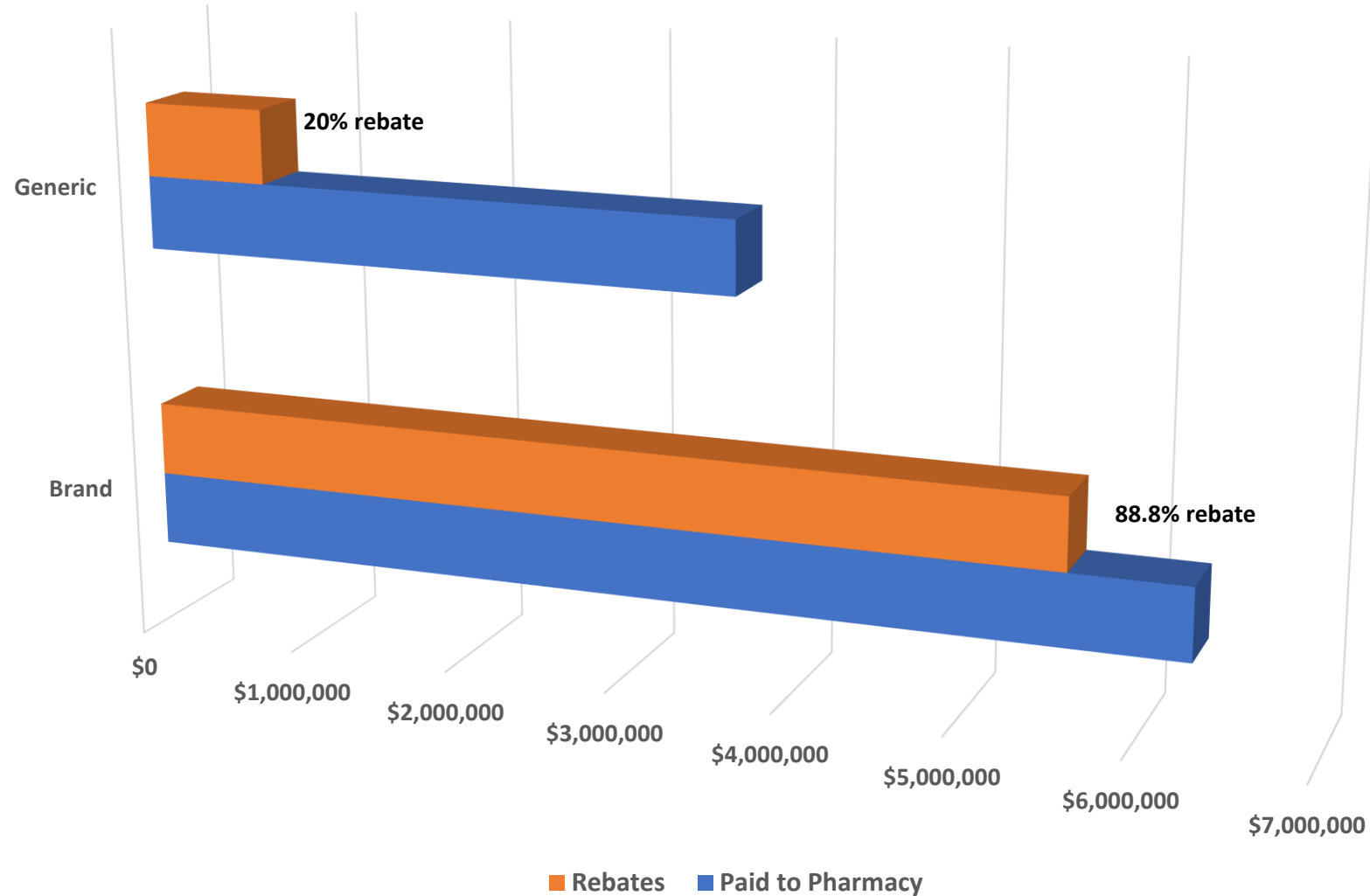
PER UTILIZER PER MONTH COST

Per Utilizer Per Month (AVG) – Post Rebates

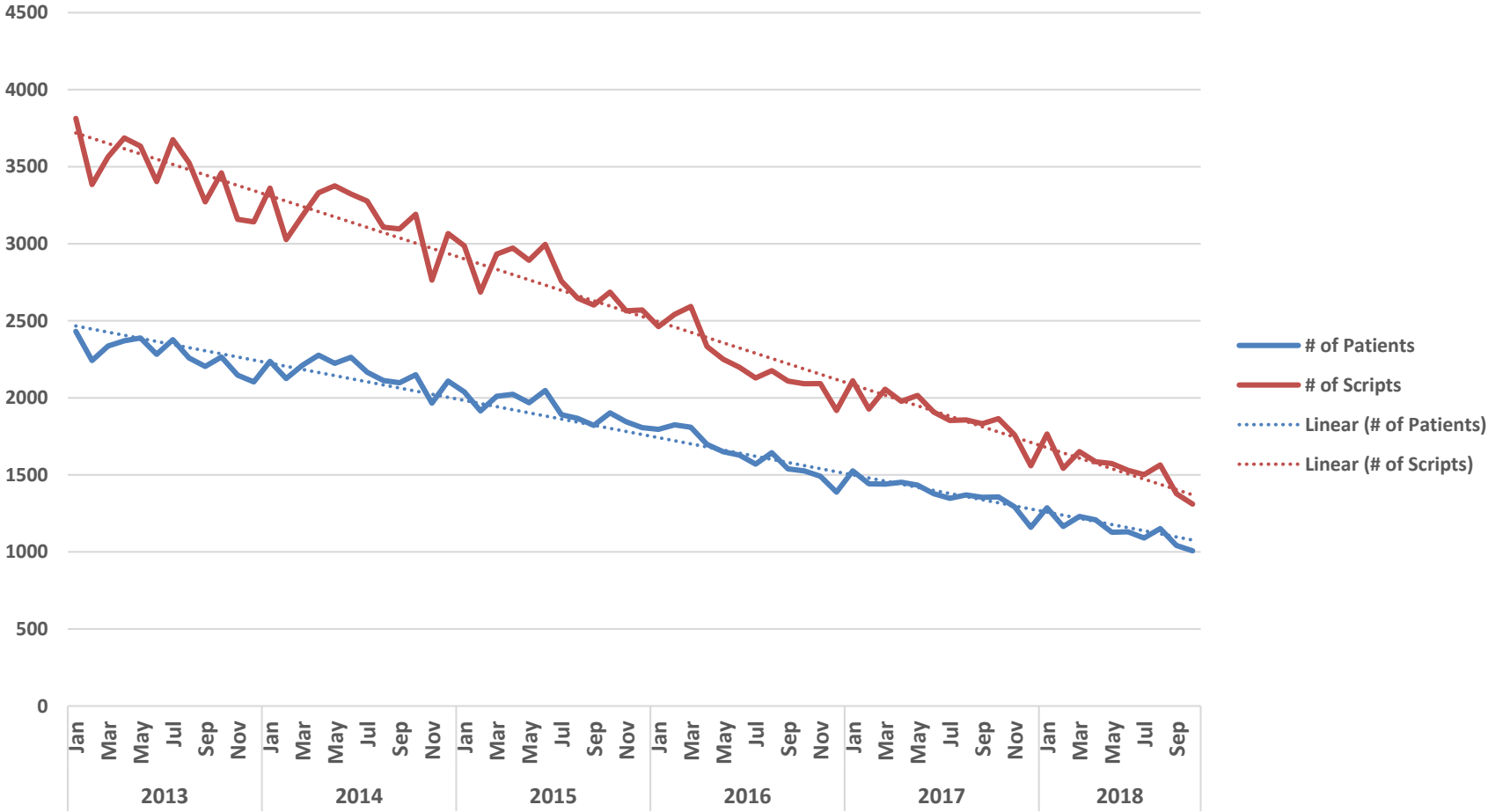


REBATE SNAPSHOT

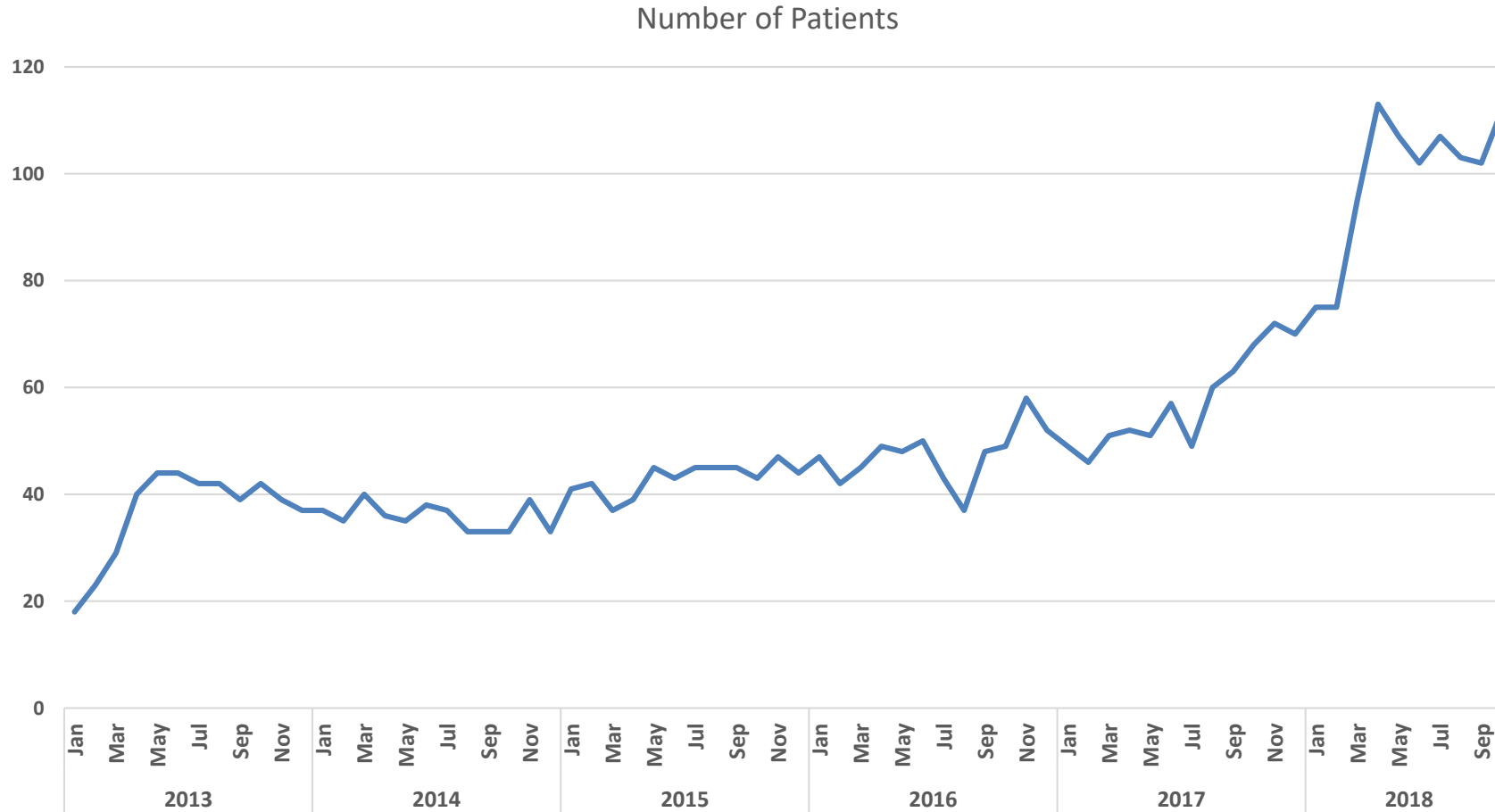
Brand vs. Generic Rebate Percentage



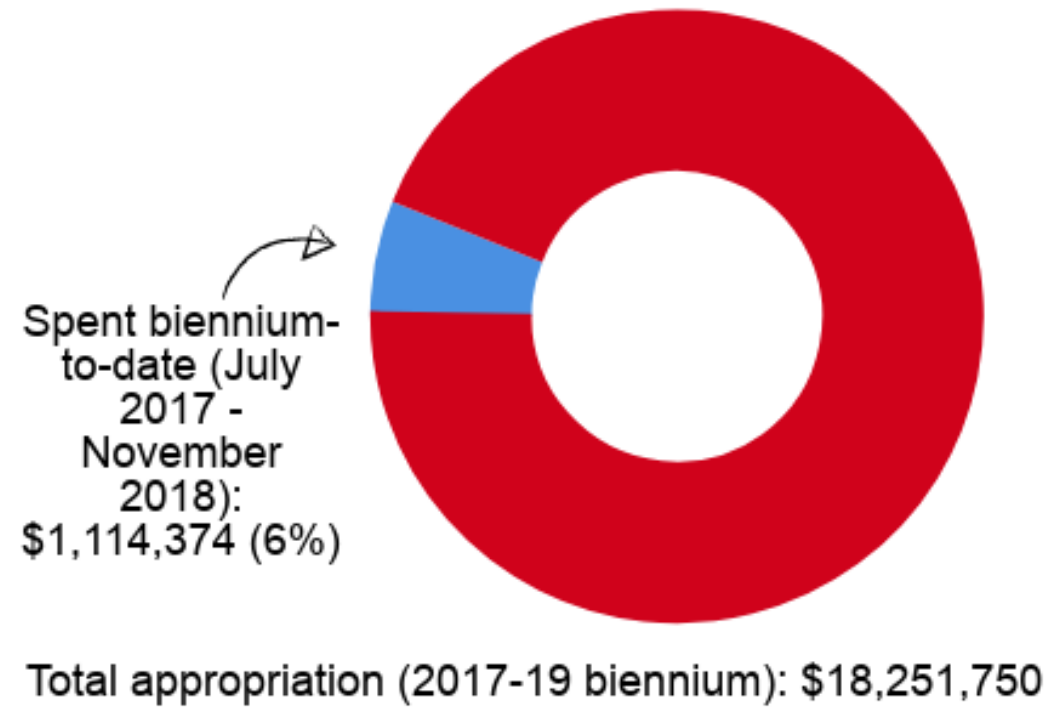
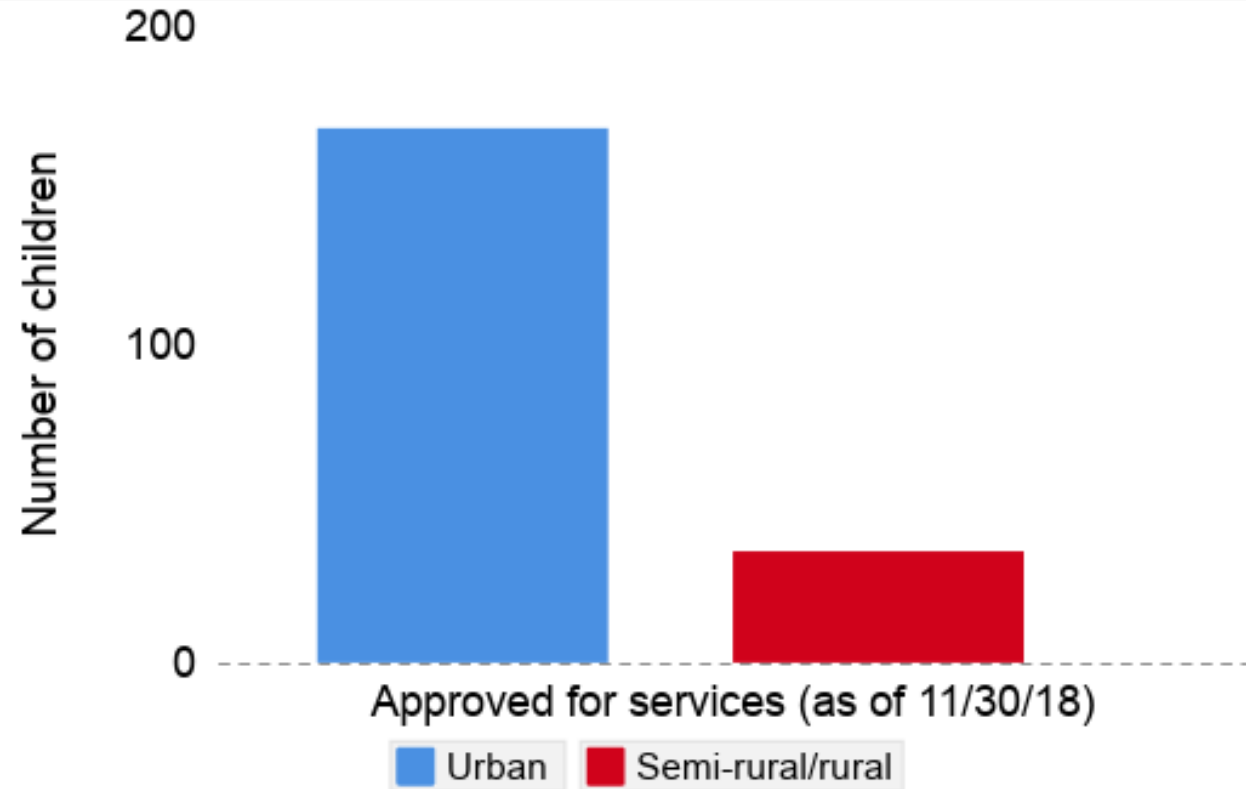
NARCOTICS



BUPRENORPHINE TREATMENT



MEDICAID STATE PLAN APPLIED BEHAVIOR ANALYSIS



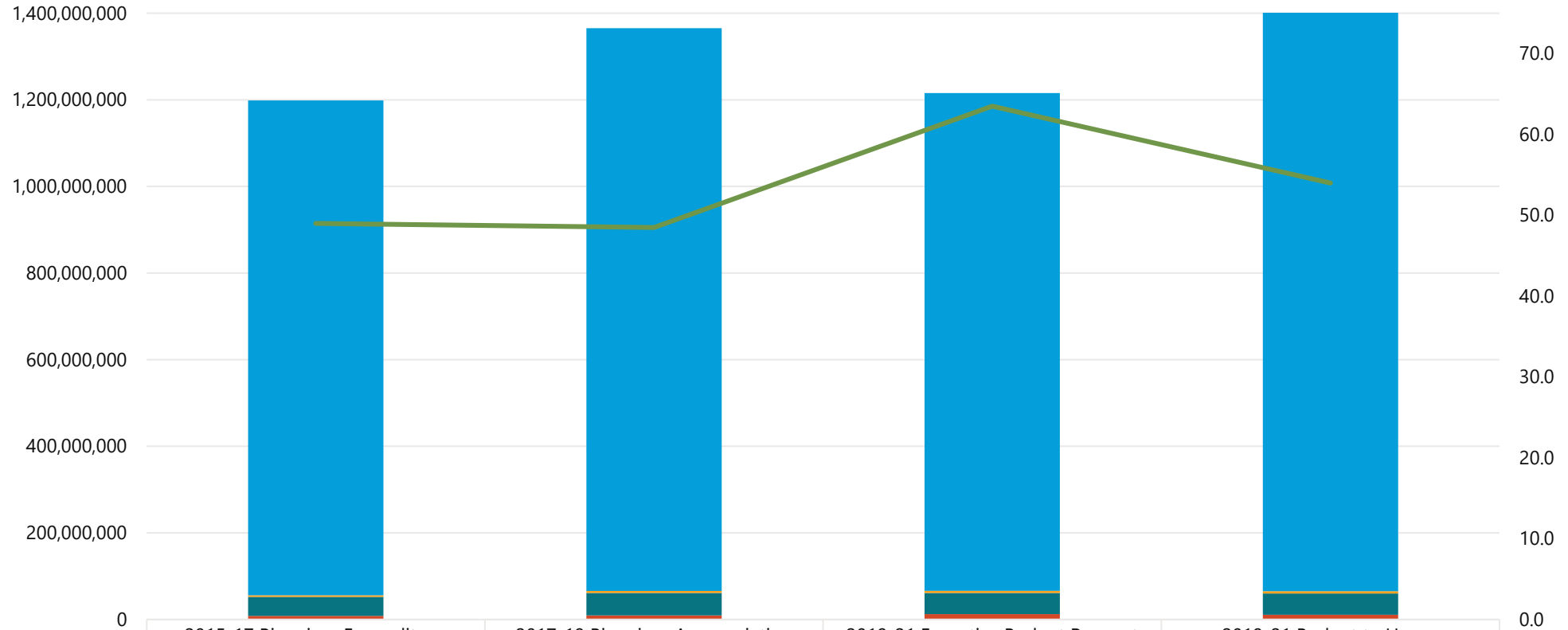
Applied behavior analysis (ABA) is available for Medicaid-eligible children with a diagnosis of autism spectrum disorder.

OVERVIEW OF BUDGET CHANGES

Description	2017-2019 Budget	Increase/ (Decrease)	2019-2021 Executive Budget	Senate Changes	2019-2021 Budget to House
Salary and Wages	9,393,858	2,993,969	12,387,827	(1,510,547)	10,877,280
Operating	52,029,495	(3,085,286)	48,944,209	415,300	49,359,509
Grants	4,544,810	550,500	5,095,310	-	5,095,310
Medical Grants	1,299,345,141	(150,127,079)	1,149,218,062	213,632,971	1,362,851,033
Total	1,365,313,304	(149,667,896)	1,215,645,408	212,537,724	1,428,183,132
General Fund	283,413,217	78,720,593	355,457,195	27,150,252	382,607,447
Federal Funds	961,303,725	(163,483,467)	797,817,627	179,387,472	977,205,099
Other Funds	120,596,362	(64,905,022)	62,370,586	6,000,000	68,370,586
Total	1,365,313,304	(149,667,896)	1,215,645,408	212,537,724	1,428,183,132
Full Time Equivalent (FTE)	48.5	15.00	63.50	(9.50)	54.00

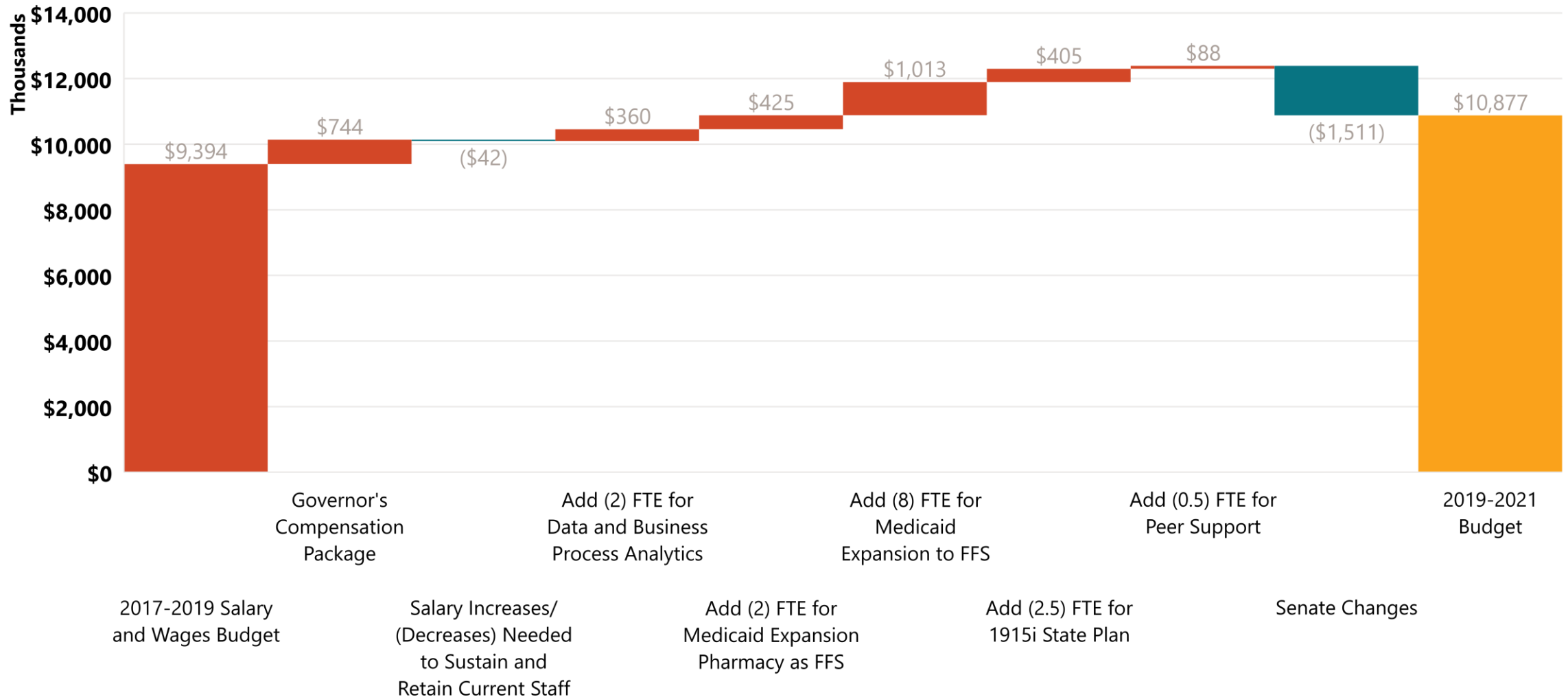
OVERVIEW OF BUDGET CHANGES

Budget Analysis

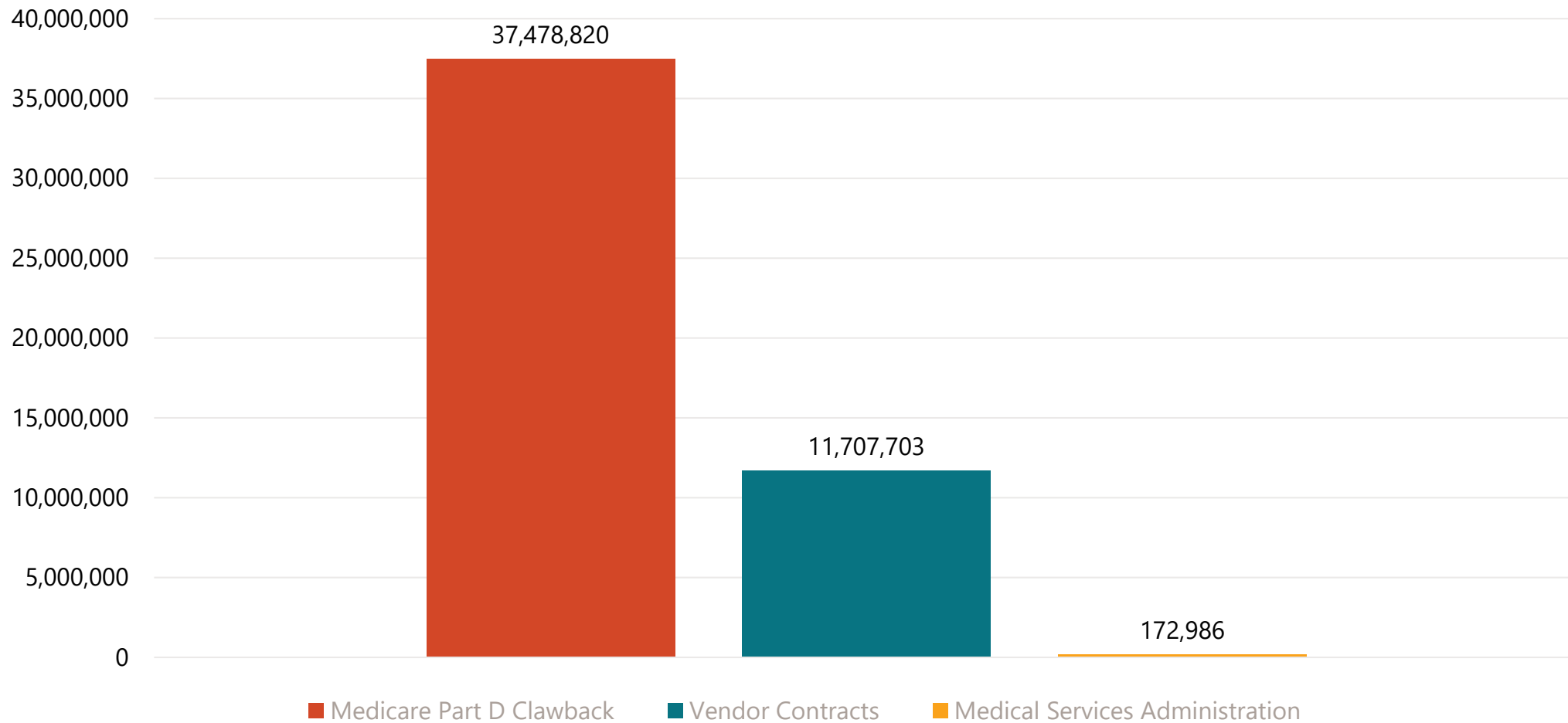


	2015-17 Biennium Expenditures	2017-19 Biennium Appropriation	2019-21 Executive Budget Request	2019-21 Budget to House
Medical Grants	1,142,325,620	1,299,345,141	1,149,218,062	1,362,851,033
Grants	3,862,007	4,544,810	5,095,310	5,095,310
Operating Expenses	43,857,648	52,029,495	48,944,209	49,359,509
Salaries and Wages	8,423,563	9,393,858	12,387,827	10,877,280
FTE	49.0	48.5	63.5	54.0

MAJOR SALARY AND WAGE DIFFERENCES

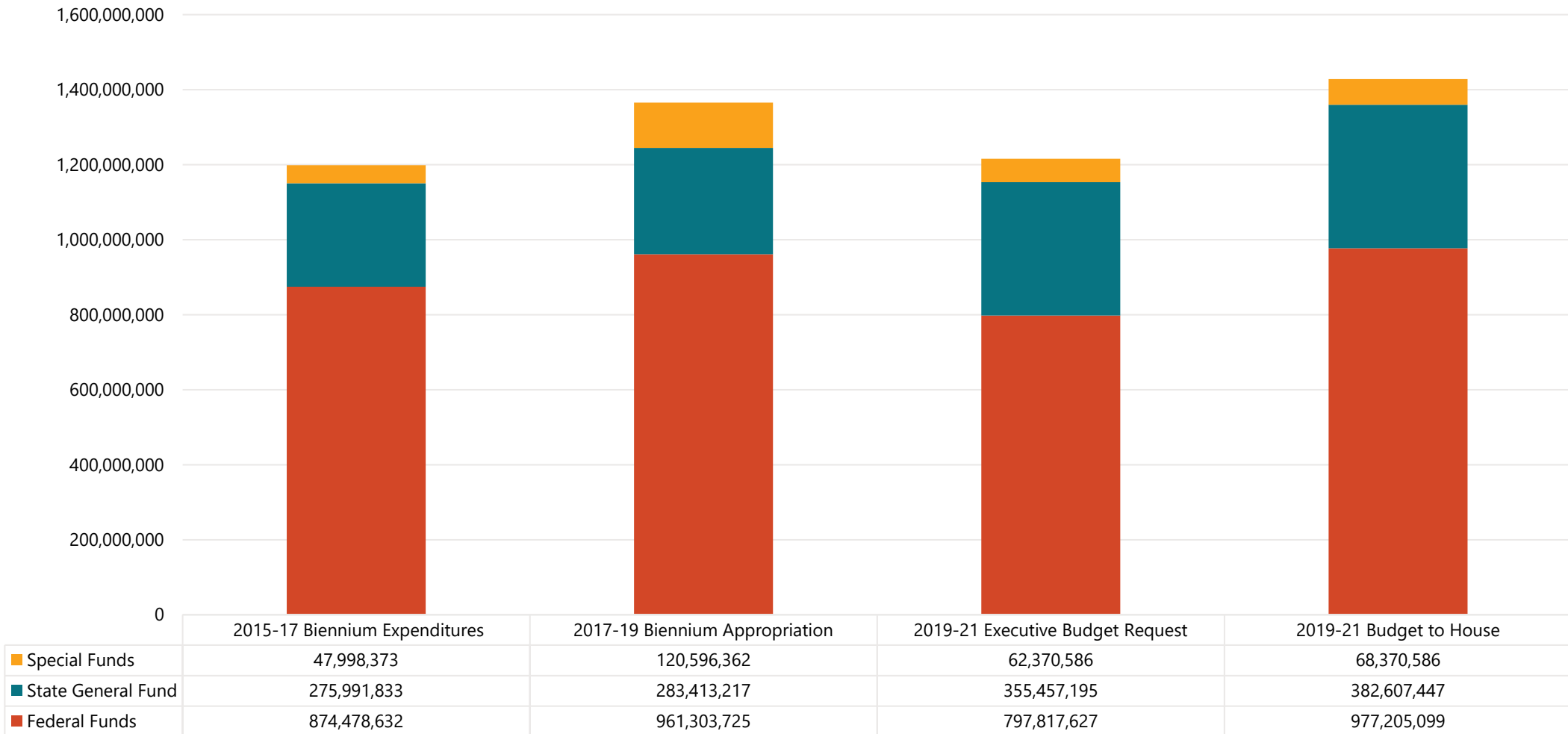


OVERVIEW OF OPERATING BUDGET (WITH SENATE CHANGES)



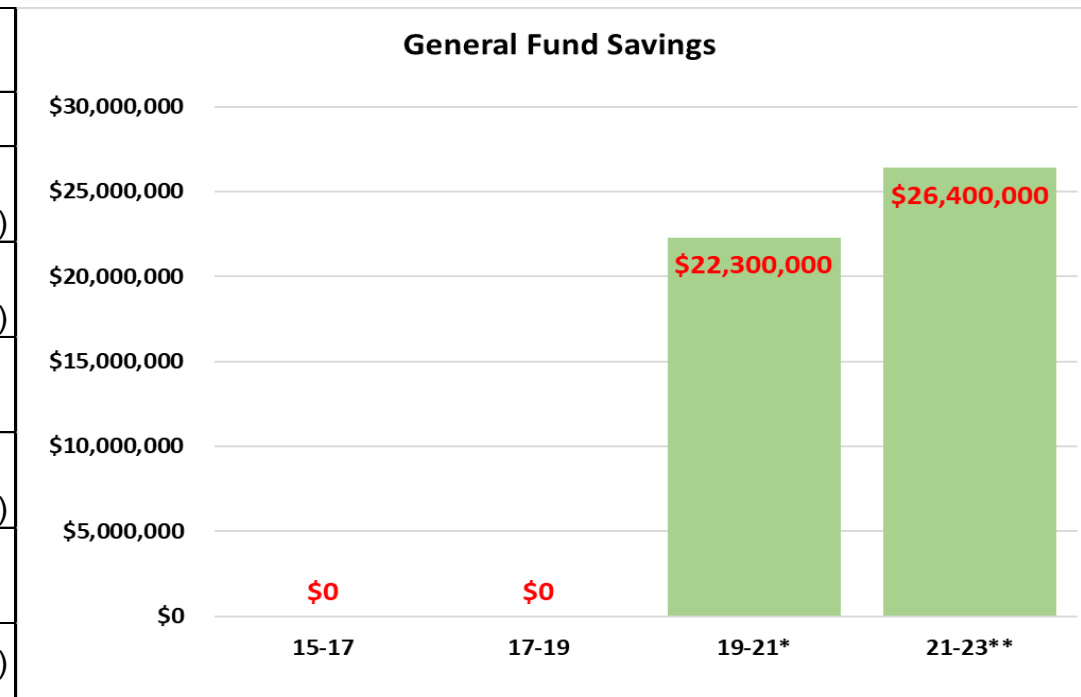
OVERVIEW OF FUNDING

Funding Sources



MEDICAID EXPANSION MOVED FROM MANAGED CARE ORGANIZATION (MCO) TO DHS ADMINISTRATION

Expansion Transition (Savings) from Commercial Rates to DHS Administration at Traditional Fee Schedule			
	Total	Federal	State
Grant savings to move to Traditional Medicaid Fee Schedule	\$ (154,377,059)	\$ (135,824,123)	\$ (18,552,936)
MCO Admin savings to move to DHS Admin	(28,604,883)	(25,172,297)	(3,432,586)
Primary Care Case Management	746,604	657,012	89,592
Pharmacy Savings to move to DHS Admin	(6,054,290)	(5,327,775)	(726,515)
DHS Admin expenses	1,011,848	735,006	276,843
Total	\$ (187,277,780)	\$ (164,932,178)	\$ (22,345,603)



* 2019 – 2021 Biennium savings is for 18 months (January 1, 2020 – June 30, 2021).

** 2021 – 2023 Biennium savings is for 24 months, and includes the 3% decrease in FMAP impact for 6 months.

EXPANSION TO FEE FOR SERVICE (FFS)

- Adults in household will have same benefit package
 - With transition of CHIP to FFS, children would also have same coverage
- Adult dental and vision will be part of benefit package
 - Positive for all adults, including refugees
- Legislature may want to revisit “estate collections”
 - 50-24.1-07 2.b. The department may not file a claim against an estate to recover payments made on behalf of a recipient who was eligible for Medicaid under section 50-24.1-37 and who received coverage through a private carrier.
- Client repayment for eligibility overpayments will be limited to actual claims paid vs. the cost of the monthly premium

NORTH DAKOTA MEDICAID EXPANSION - MCO RATES

EFFECTIVE 07/01/2018

Category	Age Cohort	Gender	Urban
Childless Adults	19-44	M	\$853.21
Childless Adults	19-44	F	\$826.67
Childless Adults	45-64	M	\$1,918.01
Childless Adults	45-64	F	\$1,526.19
Adults with Children	19-44	M	\$853.21
Adults with Children	19-44	F	\$826.67
Adults with Children	45-64	M	\$1,918.01
Adults with Children	45-64	F	\$1,526.19
Retroactive Only, Not currently eligible - URBAN			\$1,717.11

Category	Age Cohort	Gender	Rural
Childless Adults	19-44	M	\$913.42
Childless Adults	19-44	F	\$885.01
Childless Adults	45-64	M	\$2,053.35
Childless Adults	45-64	F	\$1,633.88
Adults with Children	19-44	M	\$913.42
Adults with Children	19-44	F	\$885.01
Adults with Children	45-64	M	\$2,053.35
Adults with Children	45-64	F	\$1,633.88
Retroactive Only, Not currently eligible - RURAL			\$1,717.11

EXPANSION TO FEE FOR SERVICE (FFS)

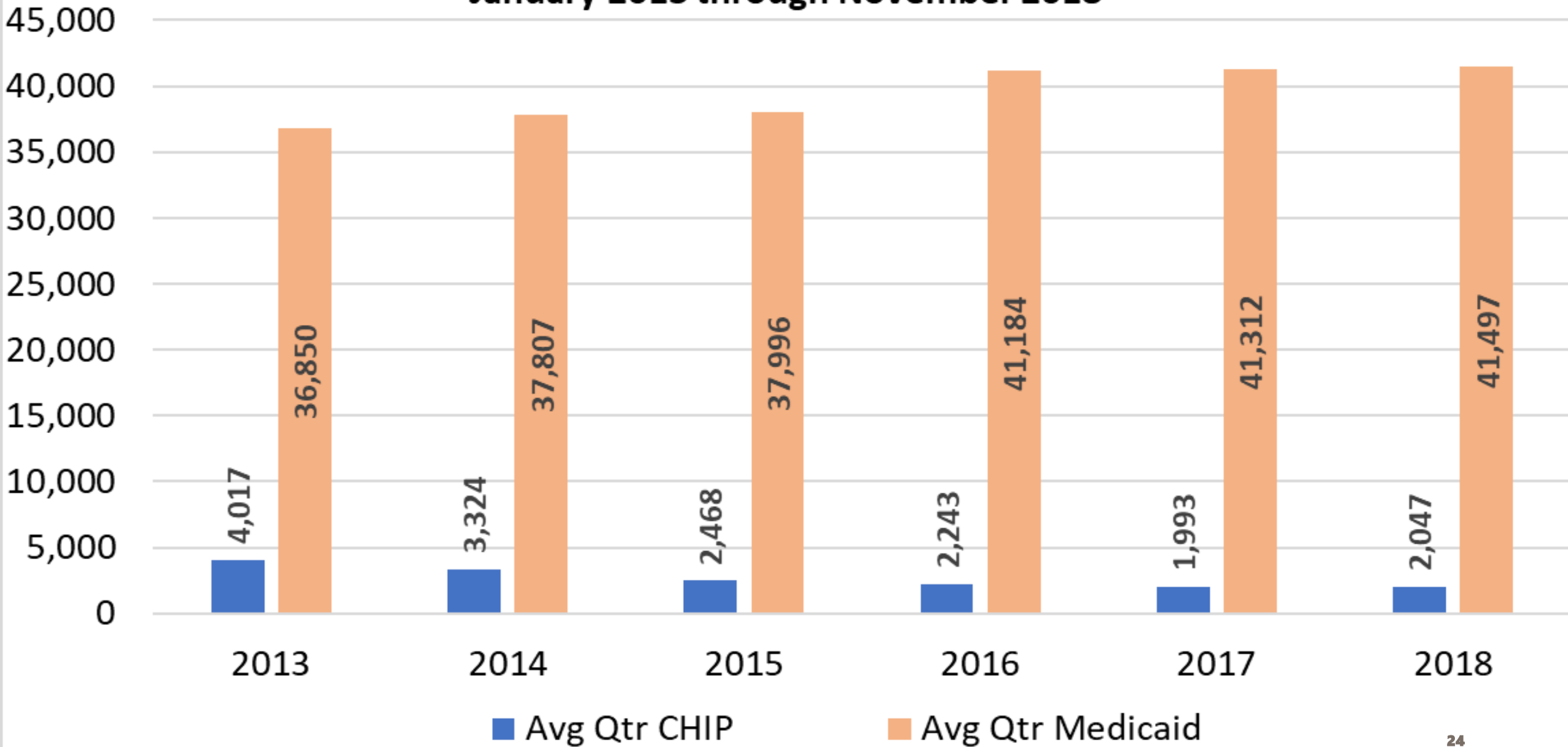
- Significant administrative simplification to manage
 - Staff time available to develop an overall care coordination for Traditional and Expanded Medicaid, including review of Targeted Case Management, Primary Care Case Management, and Coordinated Services Program.
- Provider payments would be according to the Traditional Medicaid fee schedule.
 - For Professional (“Physician”) Fee Schedule – ND Medicaid is at Medicare rates, which according to a 2016 Kaiser Family Foundation report is the third highest level in the country.
 - Critical Access Hospitals would be cost-settled to 100% of allowable costs.

CHILDREN'S HEALTH INSURANCE PROGRAM MOVED FROM MANAGED CARE ORGANIZATION (MCO) TO DHS ADMINISTRATION

Projected CHIP Costs (Savings) to move DHS Administration FFS			
Period	Total	Federal	State
Total	\$ (4,252,822)	\$ (2,896,473)	\$ (1,356,349)
SFY 2020	(1,391,776)	(982,200)	(409,576)
SFY 2021	(2,861,046)	(1,914,273)	(946,773)
Total (Savings) of CHIP Transition from MCO to DHS FFS for 2019 - 2021 Biennium			
	Total	Federal	State
Grants	\$ (4,252,822)	\$ (2,896,473)	\$ (1,356,349)
PCCM	72,000	50,940	21,060
MCO Admin	(1,227,683)	(863,286)	(364,397)
Subtotal	\$ (5,408,505)	\$ (3,708,819)	\$ (1,699,686)
DHS Admin (less PCCM)	(648,634)	(458,694)	(189,940)
Total	\$ (6,057,139)	\$ (4,167,513)	\$ (1,889,626)

2019 – 2021 Biennium savings is for 18 months (January 1, 2020 – June 30, 2021).

Medicaid Eligible Children and Healthy Steps (CHIP) January 2013 through November 2018



CHIP TO FEE FOR SERVICE (FFS)

- Same benefit plan for all children (CHIP and Medicaid)
 - Includes EPSDT
- Same eligibility rules as Medicaid
 - Three-months prior (TMP) coverage vs. 1st of next month
 - No copayments for children
 - EXCEPTION: Third Party Liability
- CHIP MCO to FFS (number of kids, ACA fluctuations over, one benefit plan for all kids (including EPSDT), same eligibility rules (TMP vs. 1st of next month)

CHIP TO FFS

- Allows DHS to simplify administration of the program and save state and federal funds ~ without compromising services to children.
- Senate Bill Number 2106 introduced to implement the policy changes needed. Link to DHS testimony for SB 2106 can be found here: <http://www.nd.gov/dhs/info/testimony/2019/senate-human-services/sb2106-chip-2019-1-9.pdf>
- Proposed changes would be effective January 1, 2020 (state plan changes, notifications to households)

Peer Support and 1915i break down of criteria, services and expenditures. 2019-2021 Biennium

These estimates do not expand Medicaid eligibility levels, and assume Expansion is administered as Fee for Service. Must be eligible for Medicaid or Medicaid Expansion to be screened for Peer Support or 1915i services.

Peer Support OAR

Offered to all Eligible individuals that meet qualifying criteria. Such as individuals with SUD, SMI and TBI who need support to manage their condition. People with SUD, SMI and TBI can be difficult to connect with and reach by traditional health care providers, due to their living arrangements, distrust of traditional health care providers and other factors.

1915i State Plan OAR

Available to individuals aged 18 and older and diagnosed with a mental health condition and/or substance use disorder and/or brain injury and currently experiencing one or more of the following needs-based criteria:

- * Housing instability as demonstrated by homelessness or being at risk of homelessness
- * Intensive service needs as demonstrated by past year use of: Behavioral health-related inpatient hospital, State hospital, Behavioral health or brain injury-related long-term care facility/nursing home; Residential treatment services; Repeated (more than one) behavioral health-related emergency department in the past year; or Adults age 18 and older who were in treatment foster care in the past year
- * Intensive forensic service needs as identified by criminal justice system involvement: Repeated law enforcement contacts, Parole and probation, Jail and prison; or Adults 18 and older involved in the juvenile justice system in the past year
- * Any other significant functional limitations expected to result in homelessness, intensive service need, or justice involvement

The service offered through the **Peer Support OAR** is Peer Support and is not as comprehensive as the 1915i State Plan OAR proposed.

The services offered through the 1915i OAR are **service coordination, employment and education supports, housing supports, peer support, and wraparound supports.**

Peer Support OAR ONLY Funded			
	Total	Peer Support for those not eligible for 1915i Services	1915i Peer support "Crossover"
FTE	0.5	0	0.5
General	\$ 432,287	\$ 152,392	\$ 279,895
Federal	\$ 563,906	\$ 152,392	\$ 411,514
Total	\$ 996,193	\$ 304,784	\$ 691,409

1915i State Plan OAR ONLY Funded			
	1915i Peer support "Crossover"	Additional Services and Recipients 1915i	Total
FTE	0.5	2.5	3.0
General	\$ 279,895	\$ 2,553,466	\$ 2,833,361
Federal	\$ 411,514	\$ 3,844,914	\$ 4,256,428
Total	\$ 691,409	\$ 6,398,380	\$ 7,089,789

This is the population overlap and consists of the same people

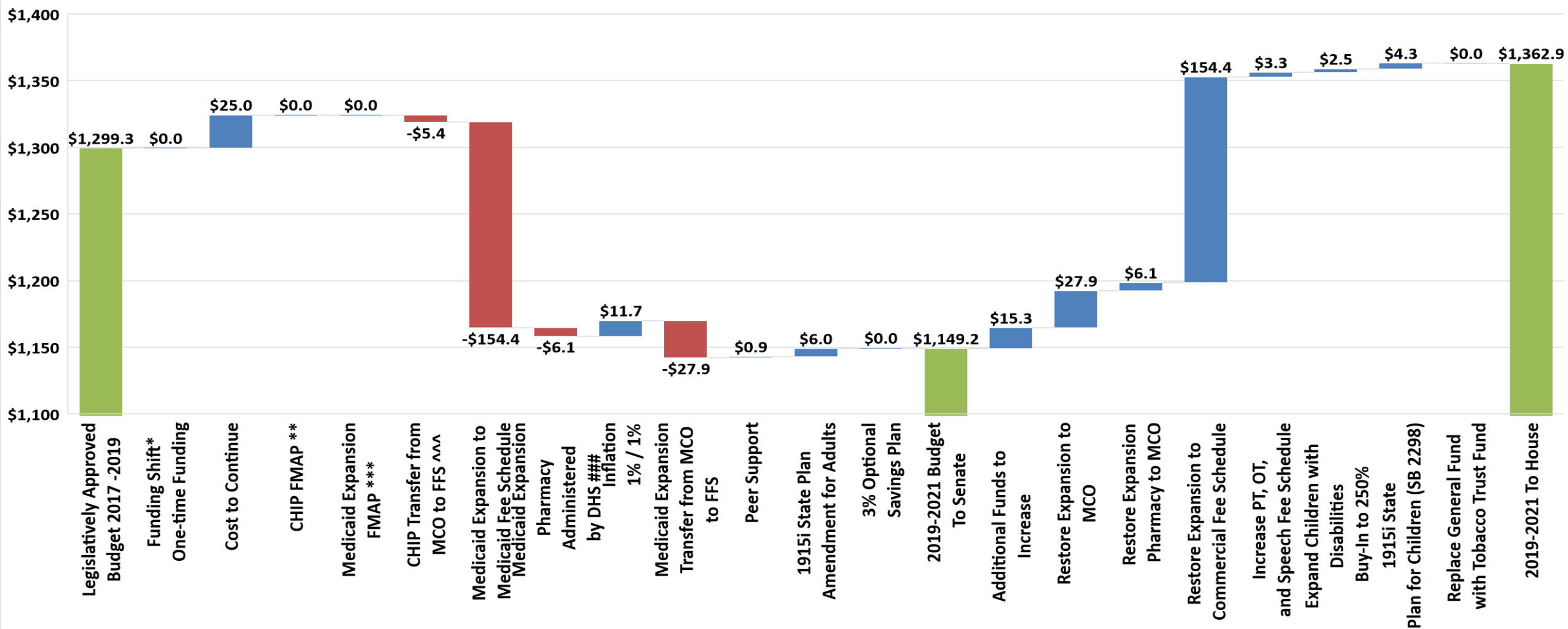
Total Peer	\$ 996,193
Total 1915i	\$ 7,089,789
Total	\$ 8,085,982
Less: Crossover	\$ (691,409)
Adjusted Total	\$ 7,394,573

Total if both OARs are funded				
	Peer Support for those not eligible for 1915i Services	Additional Services and Recipients 1915i	1915i Peer support "Crossover"	Total to Fund Both OARS
FTE	0	2.5	0.5	3
General	\$ 152,392	\$ 2,553,466	\$ 279,895	\$ 2,985,753
Federal	\$ 152,392	\$ 3,844,914	\$ 411,514	\$ 4,408,820
Total	\$ 304,784	\$ 6,398,380	\$ 691,409	\$ 7,394,573

MEDICAID TOTAL FUND CHANGE (IN MILLIONS)

Medical Total Fund Change (In Millions)

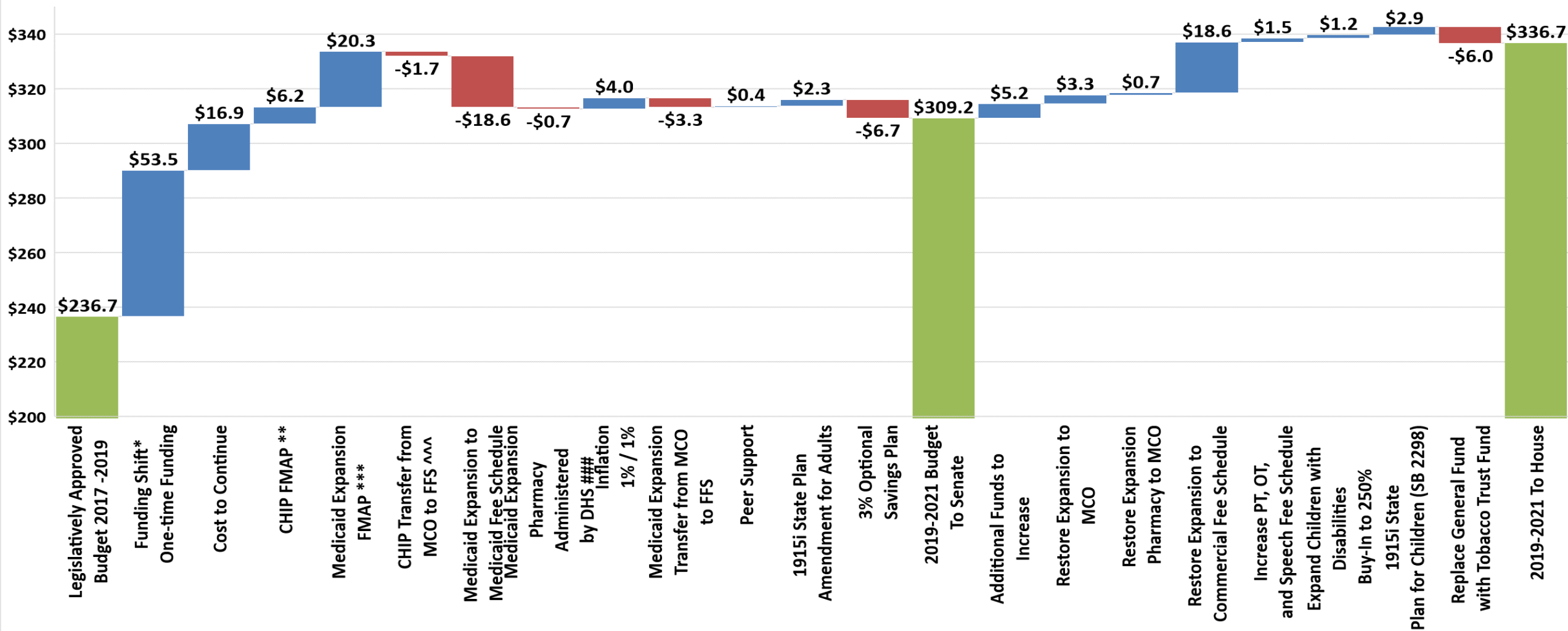
■ Increase ■ Decrease ■ Total



MEDICAID GENERAL FUND CHANGE (IN MILLIONS)

Medical General Fund Change (In Millions)

■ Increase ■ Decrease ■ Total



Human Services 2019-2021 Executive Budget Medical Assistance Grants \$2,544.7M (expressed in millions)

