Medical Services Budget- House Bill 1012 Traditional and Expansion

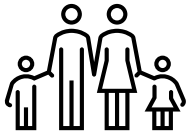
House Appropriations – Human Resources Division, Chairman Nelson

Caprice Knapp, PhD Medical Services Director

NORTH Dakota | Human Services

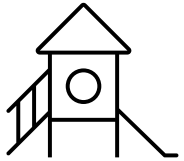
Be Legendary.™

DHS 2021-2025 KEY PRIORITIES



Strong Stable Families

- Maintain family connections
- Improve stability and prevent crises
- Promote and support recovery and well-being



Early Childhood Experiences

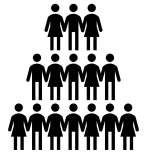
- Support workforce needs with improved access to childcare
- Help kids realize their potential with top quality early experiences
- Align programs for maximum return on investment

Services Closer to Home

- Create pathways that help people access the right service at the right time
- Engage proactively with providers to expand access to services

Efficiency Through Redesign

- Embrace process redesign to find efficiencies in our work
- Leverage technology to support greater efficiency, quality and customer service



High-Performing Team

- Develop a One DHS Team culture
- Engage team with opportunities for learning and development
- Implement fiscal scorecard to drive efficiency and effectiveness

Reinforce the Foundations of Well-being

Economic Health | Behavioral Health | Physical Health

MEDICAL SERVICES DIVISION

Our Values

We help...

our members receive safe, appropriate, quality care in a timely manner.

We communicate...

by listening, sharing information, and seeking feedback.

We partner...

with stakeholders, other state agencies, and tribes to achieve shared goals.

We oversee...

Medicaid to ensure integrity, efficiency, and stewardship of public resources.

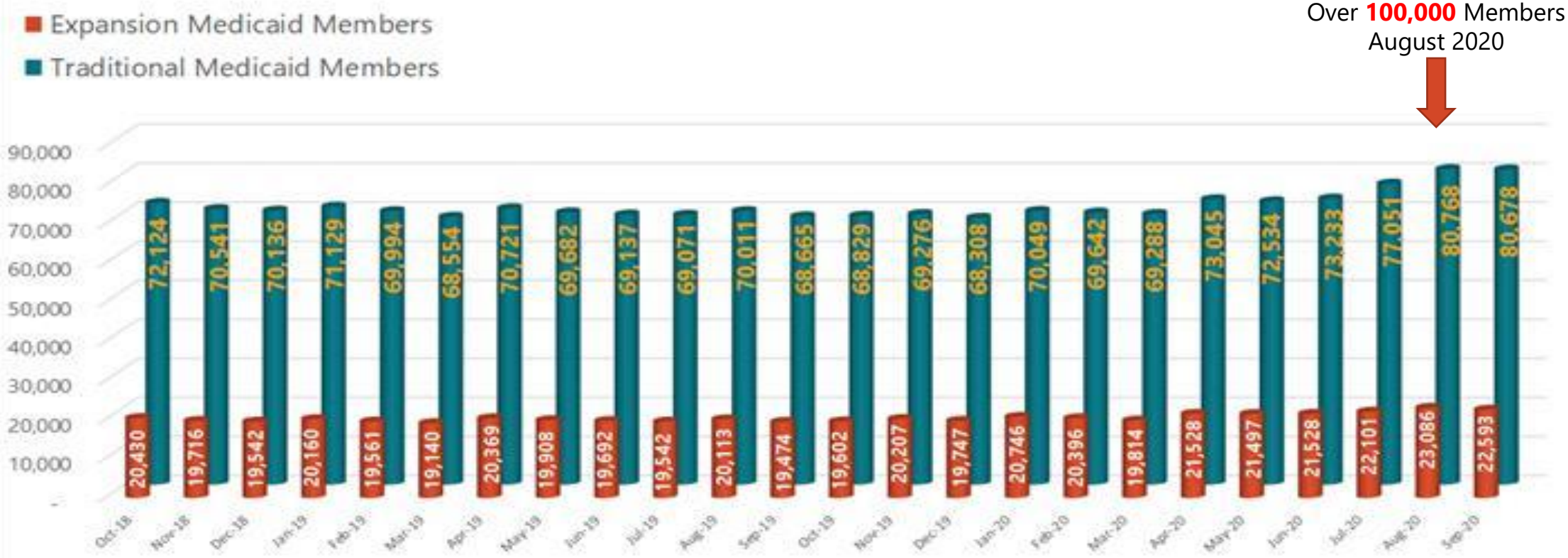
MEDICAL SERVICES DIVISION

Who We Serve

Traditional and Expansion Medicaid Members

24 Month Period

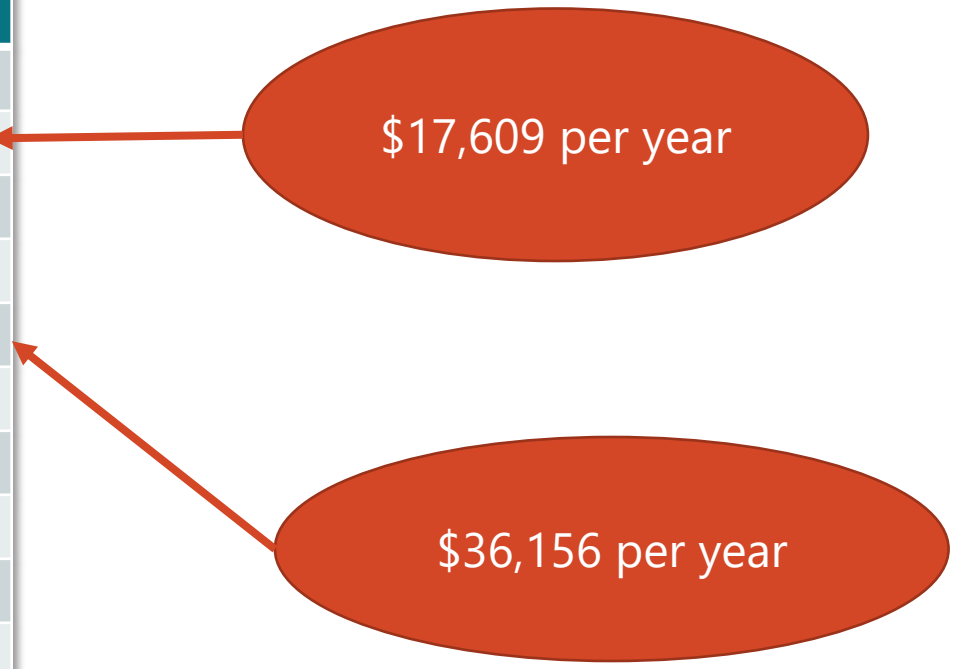
October 2018 - September 2020



Note: Children's Health Insurance Program numbers prior to January 1, 2020 are included in the Traditional Medicaid Members count.
Effective January 1, 2020, Healthy Steps children transitioned to Traditional Medicaid and are included in the Traditional Medicaid Members count.

Medicaid Expansion Eligibility for Adults

Family Size	Medicaid Expansion 138% of PL
	Monthly
1	$ 1,468
2	$ 1,983
3	$ 2,498
4	$ 3,013
5	$ 3,529
6	$ 4,044
7	$ 4,559
8	$ 5,074
9	$ 5,589
10	$ 6,105
+1	$ 516



MEDICAL SERVICES DIVISION

How We Pay

Contracted Services 1915(b) Waiver

- States design an Alternative Benefit Plan that describes the services and must include Essential Health Benefits
- Medicaid Expansion **does not** cover:
  - Skilled Nursing Facility Services*
  - Dental Care Office Visits**
  - Routine Eye Care**
  - Any waivered services
  - Long Term Care services
  - Room and Board for Residential Treatment Services**

** Only covers up to 30 days and only covers a skilled level of care*
*** Only covered for 19- and 20-year-olds*

Medicaid Expansion

Managed Care Organization:

- Risk Based Capitation paid on a per member, per month basis
- Current Vendor: Sanford Health Plan (SHP)
- Contract is currently being re-bid
  - Notice of Intent to Award will be issued approximately 5/21/2021
  - Contract Start will be approximately 1/1/2022

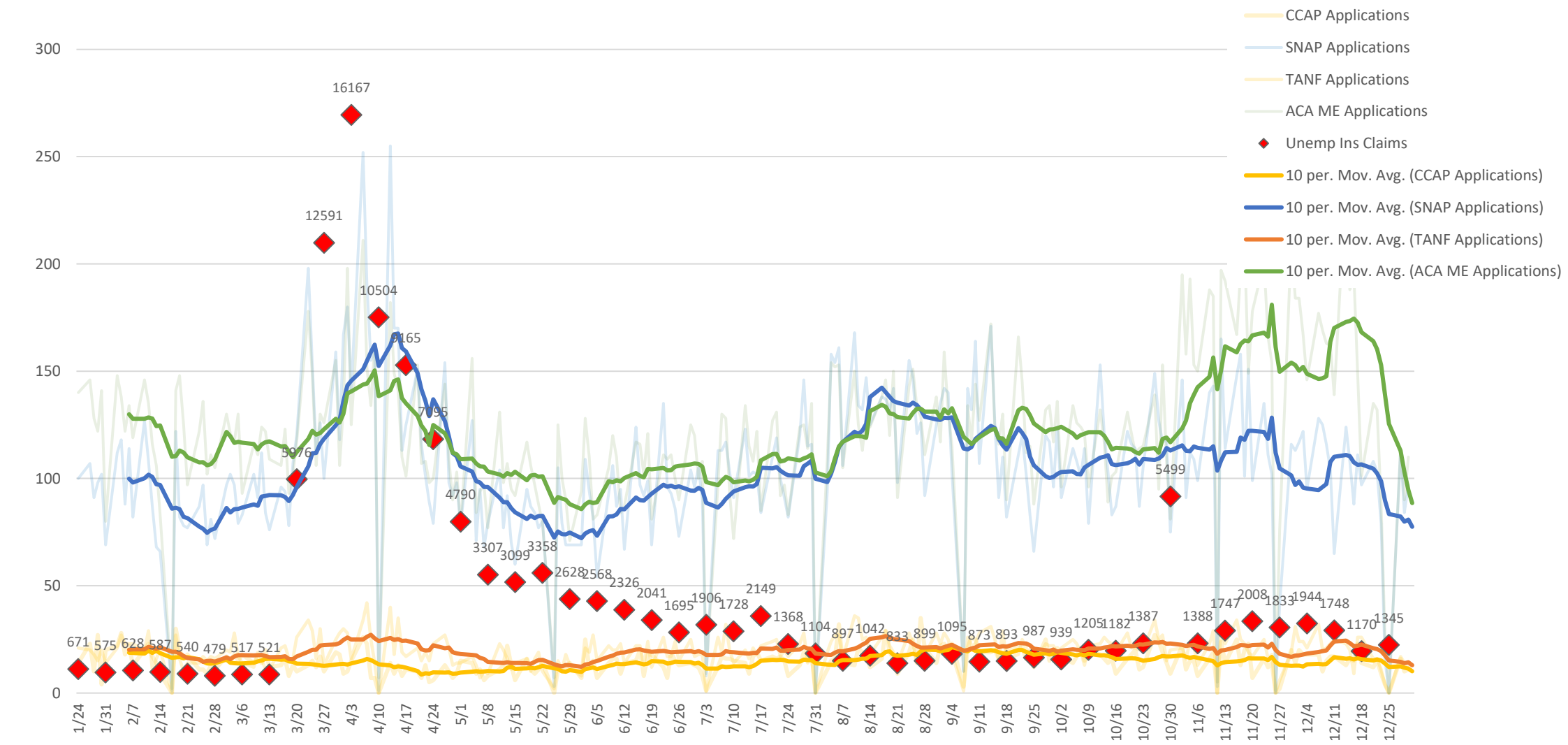
Medicaid Expansion:

http://www.nd.gov/dhs/medicaidexpansion/

FMAP 6.2%

Maintenance of Effort

ECONOMIC ASSISTANCE APPLICATIONS DURING 2020



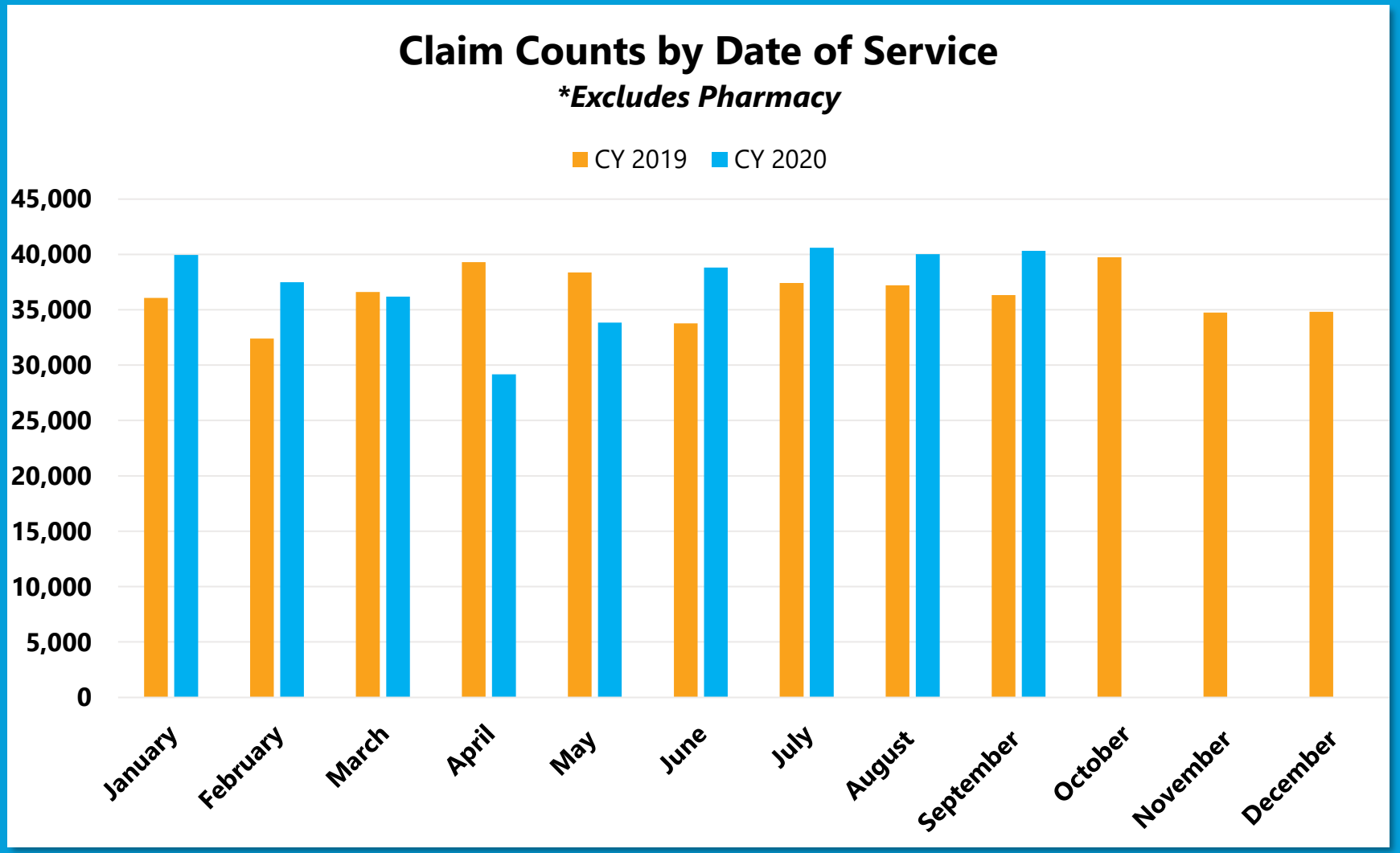
COVID-19: **FMAP 6.2% IMPACT**

Average General Fund Expenditures

	DD	LTC	Traditional	Expansion
August 2019 - March 2020	$13,315,738.78	$15,054,484.62	$11,719,483.00	$2,775,323.00
April 2020 - September 2020	$10,541,758.98	$12,856,855.67	$10,801,010.83	$3,285,486.83
Difference of Average	-$2,773,979.80	-$2,197,628.95	-$918,472.17	$510,163.83
Total Average Difference	**-$5,379,917.09**	Average General Fund Expenditures for Months April 2020 – September 2020 were less than months August 2019 - March 2020		

COVID-19: **MEDICAID EXPANSION UTILIZATION**

Utilization Comparison 2019 v. 2020



** For September 2020 data, the CY2020 data is provided through 09/30/2020 (3rd Quarter 2020), as claims are still being submitted for the remainder of 2020 and utilization data based on claims is incomplete due to claims run-out.

EXECUTIVE REQUEST 2021-2023

NORTH Dakota | Human Services

Be Legendary.™

OVERVIEW OF BUDGET

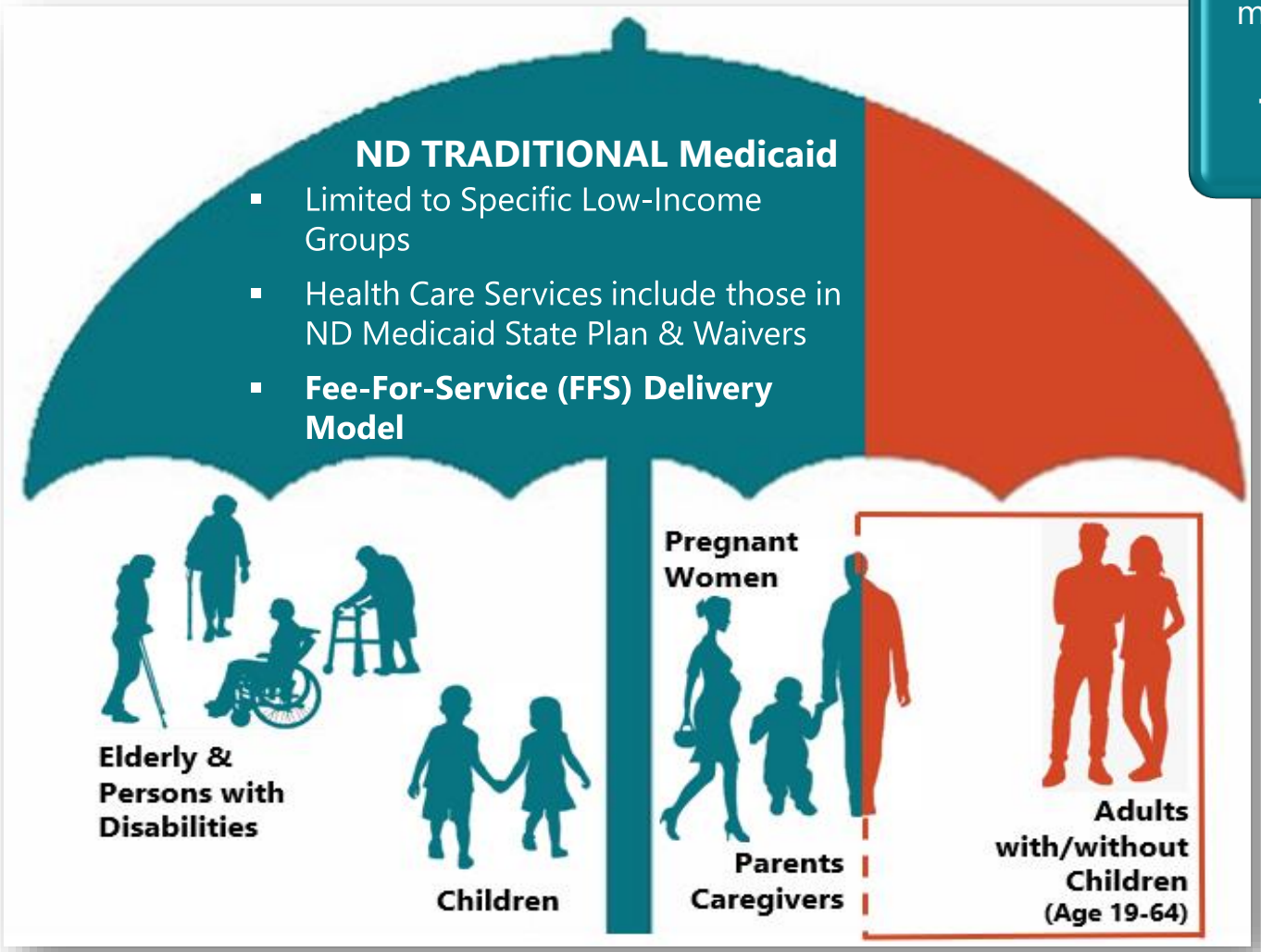
Description	2013-2015 Appropriation	2015-2017 Appropriation	2017-2019 Appropriation	2019-2021 Appropriation	Changes	2021-2023 Executive Budget
Salary and Wages	9,361,167	11,006,399	9,217,240	17,623,821	839,862	18,471,683
Operating	39,355,085	44,241,160	53,320,237	48,290,789	8,712,126	57,002,915
Grants						
Medical Grants	806,717,552	1,215,896,867	1,303,690,959	1,352,417,879	49,551,425	1,401,969,304
Total	**855,433,804**	**1,271,144,426**	**1,366,228,436**	**1,418,332,489**	**59,111,413**	**1,477,443,902**
General Fund	289,891,636	313,547,595	284,162,440	342,465,788	42,758,835	385,224,623
Federal Funds	514,107,184	914,467,704	962,268,730	977,292,683	30,619,126	1,007,911,809
Other Funds	51,434,984	43,129,127	119,797,266	98,574,018	(14,266,548)	84,307,470
Total	**855,433,804**	**1,271,144,426**	**1,366,228,436**	**1,418,332,489**	**59,111,413**	**1,477,443,902**
Full Time Equivalent (FTE)	**59.50**	**59.50**	**48.00**	**86.50**	**12.00**	**98.50**

BUDGET SAVINGS ITEMS

NORTH Dakota | Human Services

Be Legendary.™

NORTH DAKOTA MEDICAID



The 2013 ND Legislative Assembly (HB 1362) directed DHS to expand medical assistance as authorized by the federal Patient Protection and Affordable Care Act.

This included implementing the expansion by bidding through private carriers or utilizing the health insurance exchange

ND Medicaid Expansion

Limited to individuals age 19-64 with income below 138% of the Federal Poverty Level (FPL)

Health Care Services include those in ND Alternative Benefit Plan

Managed Care (MC) Delivery Model

NORTH DAKOTA LEGISLATION TO DATE

Since the initial implementation, each subsequent session of the ND Legislative Assembly has reauthorized ND Medicaid Expansion as administered and managed through a **Private Carrier**.

The 2019 ND Legislative Assembly (SB 2012) did make the following updates to the ND Medicaid Expansion Program:

- Directed the Department to continue the utilization of a private carrier for the administration and management **except for pharmacy services**, effective January 1, 2020.
- Directed the Managed Care Organization (MCO), while under contract with the Department, to
  - **Develop and implement a uniform provider reimbursement methodology**
  - **Add 1915(i) Behavioral Health Services through the MCO**

Medicaid Expansion: Transition from Managed Care to DHS Administration

Issue: Rates

Medicaid Expansion Reimbursement Comparison Per Capita Costs Per State

	Expansion Group - TOTAL Spending	Expansion TOTAL Group Enrollment	Expansion TOTAL Per Capita Amount	Rank
North Dakota	$297,650,200	21,100	$14,107	1
Alaska	$412,994,600	45,300	$9,117	2
Delaware	$569,892,300	63,100	$9,032	3
New Hampshire	$510,384,900	57,400	$8,892	4
Maryland	$2,699,785,000	313,600	$8,609	5
Minnesota	$1,808,509,000	210,300	$8,600	6
Connecticut	$2,051,390,800	256,200	$8,007	7
Indiana	$3,492,894,100	449,500	$7,771	8
Illinois	$5,434,013,700	752,000	$7,226	9
Montana	$690,420,200	98,600	$7,002	10

North Dakota is **54% higher** than **Alaska**

Note
Enrollment from the Medicaid Budget and Expenditure System (MBES) is reported for each month. In an effort to take into account that some beneficiaries are enrolled for only part of the year, maximum monthly enrollment for each state is used to estimate total enrollment over the period.

Source
Kaiser Family Foundation analysis of Medicaid enrollment data collected from the Centers for Medicare and Medicaid Services (CMS) Medicaid Budget and Expenditure System (MBES)

Medicaid Expansion Reimbursement Comparison

Provider Reimbursement % of Medicaid

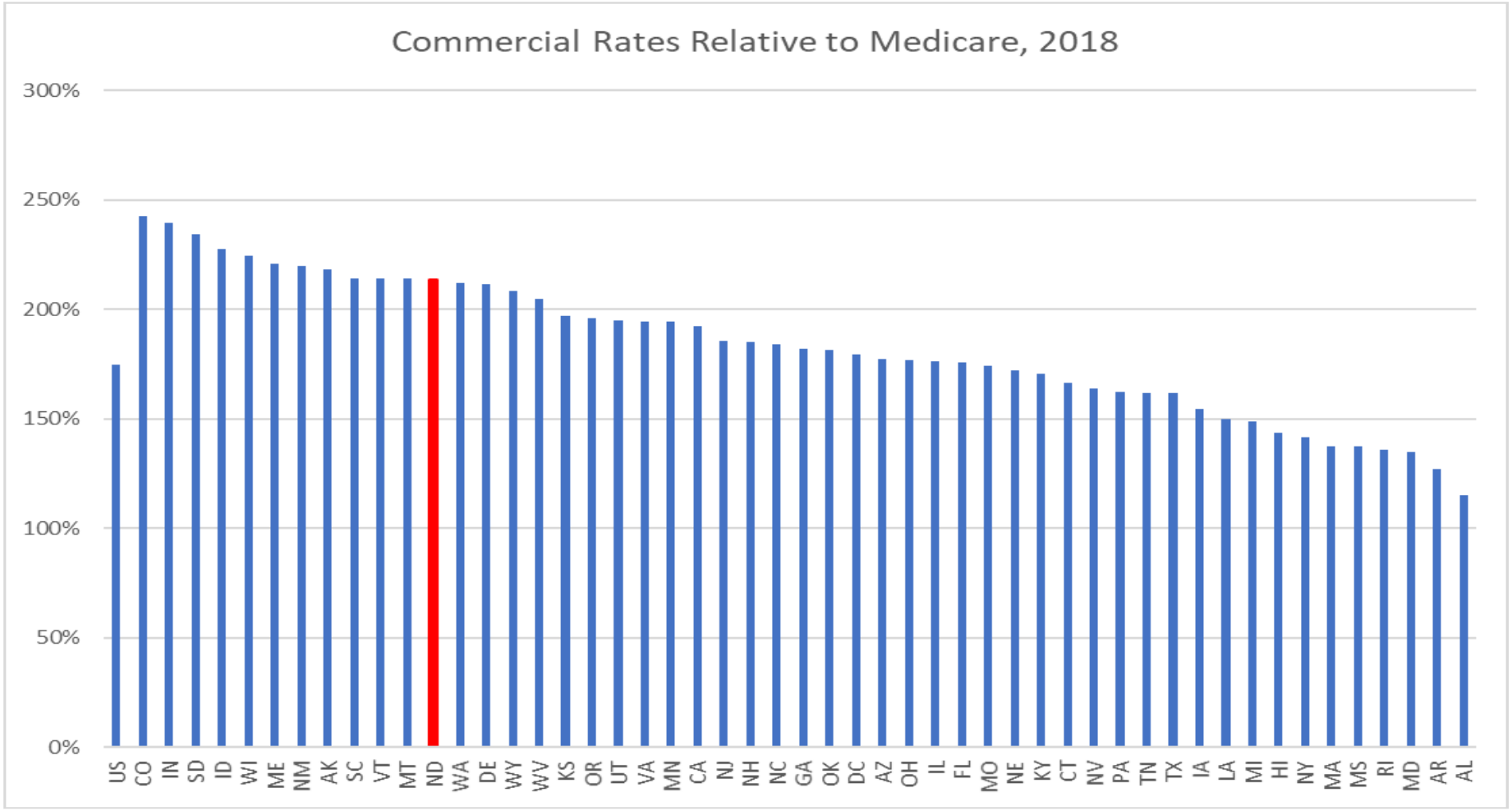
Actual % of Medicaid*

Type of Service	CY17	CY18	CY19
Inpatient	158.7%	165.8%	151.7%
Outpatient	209.8%	208.0%	204.2%
Professional	168.2%	168.2%	165.4%
Total	**175.0%**	**177.8%**	**170.3%**

***Excludes pharmacy expenditures and FQHC/RHC/IHS expenditures**

Medicaid Expansion Reimbursement Comparison

Commercial Insurance Payment Rates



- **Commercial payments** for hospital services in ND are **214%** of the Medicare rate.
- **ND's commercial-to-Medicare** rate ratio for hospital payments is the **12th highest** in the U.S.

Source: North Dakota Insurance Department, "North Dakota 66th Legislative Assembly Interim Health Care Study," August 12, 2020

Medicaid Expansion Reimbursement Comparison

Medicaid FFS Physician Services

NORTH DAKOTA'S FFS MEDICAID PHYSICIAN FEE INDEX COMPARED TO NEIGHBORING OR SIMILAR STATES

STATE	ALL MD SERVICES	PRIMARY CARE SERVICES	OTHER SERVICES (EXCLUDING OB-GYN)
North Dakota	**1.35**	**1.52**	**1.15**
Minnesota	1.04	1.19	0.92
Montana	1.56	1.65	1.36
South Dakota	1.10	1.06	1.34
Wyoming	1.38	1.44	1.27

Source: Kaiser Family Foundation State Health Facts, based on Stephen Zuckerman, Laura Skopec, and Marni Epstein, "Medicaid Physician Fees After the ACA Primary Care Fee Bump," Urban Institute, March 2017.

Medicaid Expansion: Transition from Managed Care to DHS Administration

Issue: Administration

Comparison Medicaid Expansion Financial Arrangement

Why do State Medicaid Programs use MCOs?

1. Managed Care Organization Takes on the Risk versus the State
2. Budget Predictability
3. Budget Savings
4. Improved Outcomes

Risk & Predictability

- As in any risk-based model the more people in the risk pool the more likely the managed care organization can spread the risk across health and less health individuals
- The larger the risk pool, the more predictable and stable premiums will be.
- Premiums also rely on the average health care costs of the enrollees
- Adverse selection occurs when the insurer attracts individuals when they have greater health care needs
- In **North Dakota**, the
  - **risk pool** is the **smallest** in the **entire country** using managed care
  - **premiums** have **not** been **predictable** or **stable**
  - **churn rate** indicates that **adverse selection** is probably occurring

Medicaid Expansion Comparison: under 100K People Delivery of Care Model

Medicaid Expansion Population

No MCOs

- Maine 19,812
- Alaska 51,144
- Vermont 55,431
- Montana 98,741

1 MCO

- North Dakota 20,369

Only State with 1 MCO

2 MCOs

- New Hampshire 53,424
- Delaware 62,534 **2 MCOs serve traditional and expansion ~199K*
- Rhode Island 66,641 **2 MCOs serve traditional and expansion ~250K*

Source: Medicaid Enrollment Report Updated 2/2020
https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/medicaid-enrollment-data-collected-through-mbes/index.html
https://www.kff.org/medicaid/stateindicator/totalmedicaidmcos/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

Comparison Medicaid Expansion 2019 Churn Numbers

Medicaid Expansion 2019 Churn

Month	Expansion SHP Members	Expansion SHP Members Non-Expansion Eligibility	Expansion SHP Members Any Medicaid Eligibility	Percent Remaining in Expansion SHP	Percent Remaining with Any Medicaid Eligibility
Jan 2019	20,719		20,719	100.0%	100.0%
Feb 2019	19,441	270	19,711	93.8%	95.1%
Mar 2019	18,399	436	18,835	88.8%	90.9%
Apr 2019	17,515	624	18,139	84.5%	87.5%
May 2019	16,594	812	17,406	80.1%	84.0%
Jun 2019	15,551	1,002	16,553	75.1%	79.9%
Jul 2019	14,672	1,155	15,827	70.8%	76.4%
Aug 2019	13,873	1,295	15,168	67.0%	73.2%
Sep 2019	13,117	1,372	14,489	63.3%	69.9%
Oct 2019	12,523	1,463	13,986	60.4%	67.5%
Nov 2019	11,937	1,532	13,469	57.6%	65.0%
Dec 2019	11,491	1,579	13,070	55.5%	63.1%

Medicaid Expansion: Transition from Managed Care to DHS Administration

Other Issues

Proposed Solution
Health Homes

Transition from managed care to managed fee-for-service

- requires a more robust management program than current PCCM program

DHS brought in presenters from

- Alabama (Medical Homes to ACO)
- South Dakota (Health Homes Model)
- Connecticut (ASO model) in early 2020

South Dakota avoided $7.3 million in costs using Health Homes in 5 years

Feedback from North Dakota Medicaid Stakeholders

- Noted that **Health Homes** was the preferred model
- Subsequent meeting with outpatient stakeholders

2021-2023 Executive Request

- Authorizes DHS to plan for **Health Homes** and seek CMS approval
- Enhanced payment will offset some of the reduction in rates.

Proposed Solution
Health Homes

Medicaid Health Homes

- Established by the Affordable Care Act
- Created an optional Medicaid State Plan benefit for states to establish Health Homes to coordinate care for Medicaid members with chronic conditions
- For the first 2 years of the program, the state receives an **enhanced federal match (90%)** for the health home-specific services.
- Section 1945 of the SSA: https://www.ssa.gov/OP_Home/ssact/title19/1945.htm

Prior Testimony
Critical Access Hospital Impact

Prior testimony implied that DHS has not considered the impact on critical access hospitals.
Handout shows the Medicaid percentage of payer mix for all hospitals. Average Medicaid is 8% of payer mix across all hospitals. According to enrollment data, about 20% of that is expansion enrollees.

HOSPITAL NAME	TOWN	HOSPITAL TYPE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ST ALEXIUS MEDICAL CENTER	BISMARCK	SHORT TERM		4%	4%	5%	4%	3%	1%	7%	7%	6%
TRINITY HOSPITALS/ST JOES	MINOT	SHORT TERM		0%	0%	0%	3%	4%	11%	11%	13%	13%
SANFORD MEDICAL CENTER - FARGO	FARGO	SHORT TERM		6%	4%	3%	4%	7%	9%	8%	8%	8%
SANFORD BISMARCK	BISMARCK	SHORT TERM		7%	7%	7%	5%	8%	7%	7%	8%	6%
ALTRU HEALTH SYSTEM - ALTRU HOSPTIAL	GRAND FORKS	SHORT TERM		10%	10%	10%	12%	8%	9%	9%	8%	
INNOVIS HEALTH	FARGO	SHORT TERM		5%	5%	5%	6%	7%	7%	8%	6%	6%
TIOGA MEDICAL CENTER	TIOGA	CRITICAL ACCESS HOSPITALS		0%	0%	0%	1%	1%	1%	1%	1%	1%
MOUNTRAIL COUNTY MEDICAL CENTER	STANLEY	CRITICAL ACCESS HOSPITALS		0%	0%	1%	2%	2%	2%	3%	3%	2%
MCKENZIE COUNTY HEALTHCARE SYSTEM	WATFORD CITY	CRITICAL ACCESS HOSPITALS		1%	1%	1%	3%	4%	6%	5%	4%	4%
GARRISON MEMORIAL HOSPITAL	GARRISON	CRITICAL ACCESS HOSPITALS		19%	20%	17%	26%	25%	25%	23%	22%	24%
TURTLE LAKE COMMUNITY HOSPITAL	TURTLE LAKE	CRITICAL ACCESS HOSPITALS		9%	23%	25%	28%	30%	34%	30%	11%	26%
KENMARE COMMUNITY HOSPITAL	KENMARE	CRITICAL ACCESS HOSPITALS		0%	0%	0%	25%	33%	26%	25%	19%	17%
COOPERSTOWN MEDICAL CENTER	COOPERSTOWN	CRITICAL ACCESS HOSPITALS		1%	1%	3%	9%	0%	4%	3%	6%	6%
ST ANDREWS HEALTH CENTER	BOTTINEAU	CRITICAL ACCESS HOSPITALS		12%	13%	14%	18%	16%	14%	14%	17%	13%
NELSON COUNTY HEALTH SYSTEMS-HO	MCVILLE	CRITICAL ACCESS HOSPITALS		1%	1%	1%	1%	1%	0%	1%	1%	3%
SANFORD MAYVILLE	MAYVILLE	CRITICAL ACCESS HOSPITALS		1%	1%	3%	1%	2%	3%	3%	3%	3%
DAKAKAWEA MEDICAL CENTER	HAZEN	CRITICAL ACCESS HOSPITALS		5%	2%	2%	4%	3%	1%	5%	6%	5%
LISBON AREA HEALTH SERVICES	LISBON	CRITICAL ACCESS HOSPITALS		6%	8%	11%	9%	11%	10%	4%	7%	8%
NORTHWOOD DE												5%
SOUTHWEST HEAL												1%
JACOBSON MEMO												19%
OAKES COMMUNI												9%
PRESENTATION M												20%
CARRINTON HEAL												6%
PEMBINA COUNTY MEMORIAL HOSPITAL	CAVALIER	CRITICAL ACCESS HOSPITALS		2%	1%	1%	4%	4%	2%	14%	2%	1%
UNITY MEDICAL CENTER	GRAFTON	CRITICAL ACCESS HOSPITALS		4%	4%	3%	3%	3%	6%	5%	4%	5%
WISHEK COMMUNITY HOSPITAL	WISHEK	CRITICAL ACCESS HOSPITALS		3%	3%	2%	1%	1%	2%	2%	2%	2%
ASHLEY MEDICAL CENTER	ASHLEY	CRITICAL ACCESS HOSPITALS		33%	11%	11%	1%	1%	1%	2%	2%	2%
CAVALIER COUNTY MEMORIAL HOSPITAL	LANGDON	CRITICAL ACCESS HOSPITALS		1%	8%	2%	3%	3%	1%	8%	1%	4%
MERCY HOSPITAL OF VALLEY CITY	VALLEY CITY	CRITICAL ACCESS HOSPITALS		2%	4%	3%	4%	6%	7%	4%	1%	9%
ST LUKES HOSPITAL	CROSBY	CRITICAL ACCESS HOSPITALS		5%	1%	1%	1%	0%	2%	1%	4%	3%
FIRST CARE HEALTH CENTER	PARK RIVER	CRITICAL ACCESS HOSPITALS		3%	3%	2%	2%	4%	3%	3%	3%	3%
ST ALOISIUS MEDICAL CENTER	PARVEY	CRITICAL ACCESS HOSPITALS		0%	0%	0%	4%	3%	5%	5%	4%	4%
LINTON HOSPITAL	LINTON	CRITICAL ACCESS HOSPITALS		0%	2%	1%	1%	3%	2%	3%	4%	2%
SANFORD HILLSBORO	HILLBORO	CRITICAL ACCESS HOSPITALS		28%	27%	31%	43%	3%	2%	2%	3%	4%
WEST RIVER REGIONAL MEDICAL CENTER	HETTINGER	CRITICAL ACCESS HOSPITALS		28%	1%	2%	1%	3%	1%	3%	3%	
TOWNER COUNTY MEDICAL CENTER	CANDO	CRITICAL ACCESS HOSPITALS		1%	1%	1%	1%	2%	3%	3%	3%	2%
HEART OF AMERICA MEDICAL CENTER	RUGBY	CRITICAL ACCESS HOSPITALS		1%	21%	26%	21%	2%	25%	30%	3%	14%
MERCY HOSPITAL OF VALLEY CITY	DEVILS LAKE	CRITICAL ACCESS HOSPITALS		12%	16%	15%	20%	23%	26%	10%	14%	34%
MERCY MEDICAL CENTER	WILLISTON	CRITICAL ACCESS HOSPITALS		4%	3%	4%	5%	4%	6%	6%	3%	6%
JAMESTOWN REGIONAL MEDICAL CENTER	JAMESTOWN	CRITICAL ACCESS HOSPITALS		9%	9%	8%	9%	10%	13%	13%	7%	10%
ST JOSEPHS HOSPITAL AND HEATLH CENTER	DICKINSON	CRITICAL ACCESS HOSPITALS		5%	6%	5%	5%	8%	8%	7%	2%	8%

Average estimated expansion payer mix for CAHs is 1.58% and 1.3% for PPS

Prior Testimony
ND Medicaid Demonstrated Results in Pharmacy Management

Prior testimony implied that DHS does not have demonstrated results in management

- In 2019, both CHIP and expansion Pharmacy was moved to DHS administration.

Estimated total pharmacy savings is $17.26 million

Prior Testimony
ND Medicaid Demonstrated Results in Pharmacy Management

Administrative Costs

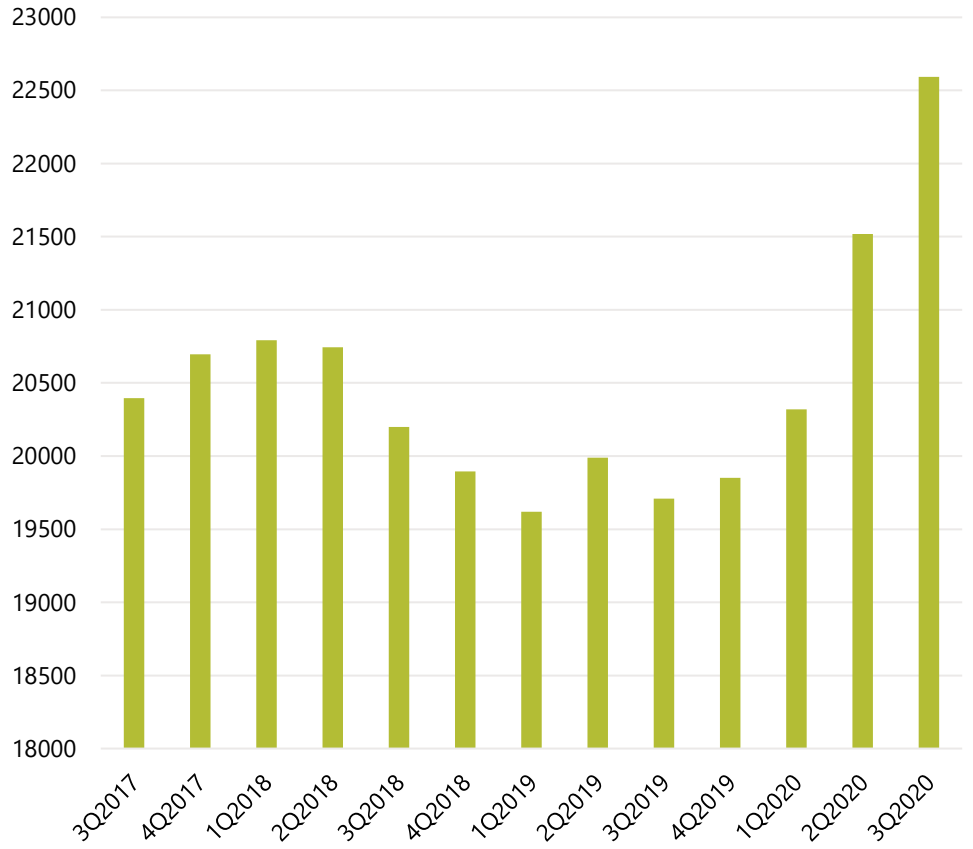
- As discussed during the 2019 session, DHS estimated $3.991 million in net administrative savings
  - Avoidance of paying $4.554 million to Sanford Health Plan for administrative costs (admin, profit, and the Health Insurance Provider Fee (CY 2020 plus first six months of CY 2021))
  - Incurring additional $562,347 in administrative costs by bringing the pharmacy claims in-house
    - Health Insurance Provider Fee will now not exist in 2021, so that removes $550,000 of expected admin savings

Pharmacy Claims Costs

- As discussed during the 2019 session, DHS estimated $2.1 million in pharmacy claim cost savings from additional utilization management efficiencies
  - Faster changes in coverage criteria
  - Management of non-Preferred Drug List (PDL) medications
  - More robust, Medicaid population centered claims processing system
  - Closer management and control of state claims system within MMIS

Prior Testimony
ND Medicaid Demonstrated Results in Pharmacy Management

Average Number of Recipients by Quarter



COVID resulted in increasing number of eligibles for Medicaid Expansion

- Pre-COVID **average of 20,166**
- Post-COVID
  - 2Q20 = **21,518**
  - 3Q20 = **22,593**

Prior Testimony
ND Medicaid Demonstrated Results in Pharmacy Management

RX Claims- Net Costs By Quarter

Quarter	Spend	Per Member Per Month
3Q 2019	$3,030,829.88	$51.26
4Q 2019	$2,934,056.57	$49.27
1Q 2020	$2,419,967.44	$39.70
2Q 2020	$2,591,717.60	$40.15
3Q 2020	$2,794,276.77	$41.23

RX Claims Savings

- Rx Average PMPM 4Q17 – 4Q19
  - $48.16
- Rx average quarterly spend 4Q17 – 4Q19
  - $2.91 million
- Rx Average PMPM 1Q20 – 3Q20
  - $40.36
- Rx average quarterly spend 1Q20 – 3Q20
  - $2.6 million

Prior Testimony
ND Medicaid Demonstrated Results in Pharmacy Management

Summary – Claims Savings

PMPM dropped 16%

- Average of $48.16 (4Q17 – 4Q19)
- Average of $40.36 (1Q20 – 3Q20)

$1.509 million savings (1Q20 – 3Q20)

- If PMPM would not have changed from $48.16 average, net spend would have projected to be $9.315 million
- Net spend since carve out has been $7.806 million

With 3 quarters left, we are on track for total savings of $3.018 million

- Which is above the 2019 legislative testimony estimate of $2.1 million in claims savings

Prior Testimony ND Medicaid Demonstrated Results in Pharmacy Management

Savings From RX Carve Out- IHS

- **IHS claims are now 100% FMAP**
  - Prior to carve out, claims simply part of the rate
- **$3.6 million saved (1Q20 – 3Q20)**
  - Currently trending at $1.2 million per quarter
  - $3.8 million projected for next three quarters for total of $7.4 million in savings
- **Expansion contract included contractor being responsible for ensuring Medicaid Expansion was the payer of last resort**
- With DHS paying Rx claims, we have now included Expansion population in our processes for finding other coverage
- **A minimum of 190 recipients have been found to have Medicare coverage**
  - Premium ranges from roughly $900 to $1400 per month for different expansion recipients
  - 190 recipients X $1052 per month = $200,000 per month
- **$2.2 million in premium savings (Feb 2020 through Jan 2020)**
  - $1.2 million expected for next six months to total $3.4 million

Prior Testimony
ND Medicaid Demonstrated Results in Pharmacy Management

RX Carve Out Savings

	Realized Savings	Expected Total Savings
Claims	$ 1,509,000	$ 3,018,000
IHS	$ 3,600,000	$ 7,400,000
Premiums	$ 2,200,000	$ 3,400,000
Administration	$ 2,641,000	$ 3,441,000
Total	**$ 9,950,000**	**$ 17,259,000**

Expected Total Savings

- Claims = $3.018 million (> $2.1 million projected in 2019 session)
- IHS = $7.4 million **(*New savings)**
- Premiums = $3.4 million **(*New savings)**
- Admin = $3.441 million (< $3.991 million projected in 2019 session due to HIPF going away in 2021)

Total = $17.259 million (> $6.091 projected in 2019 session)

Prior Testimony
ND Medicaid Demonstrated Results in CHIP Management

CHIP Savings (1Q20-3Q20)

- Expected CHIP cost = $6,706,332
  - Average 2377.77 kids per month x Average $313.38 premium per month
- Actual CHIP cost = $1,932,582
  - Actual Provider Payments = $2,872,734
  - Drug rebates = $940,152
- Savings = $4,773,750
- % reduction = 71.18%

Prior Testimony Federal Funds

During revenue downturns, 100% state-funded programs and **traditional Medicaid providers are disproportionately targeted for savings** versus expansion providers due to the funding split. Again, this creates a **non-equitable** Medicaid system.

100% General Fund	50%/50%	90%/10%
Autism Voucher Basic Care	Developmental Disabilities, HCBS, Nursing Homes, Dental, Vision Pediatrics	Expansion

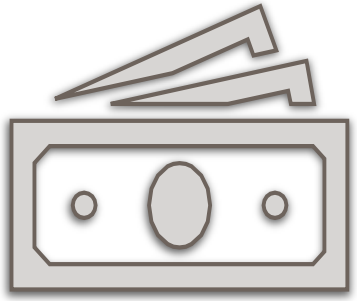
Developmental Disability providers and **Nursing Homes** have put in the hard work to have **more equitable reimbursement**, reducing the financial burden on the State

MEDICAL SERVICES
Medicaid Expansion Transition

NORTH Dakota | Human Services
Be Legendary.™

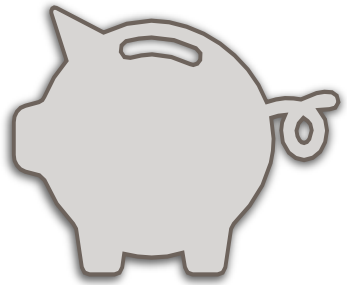
From MCO Administration to DHS Administration

SAVINGS



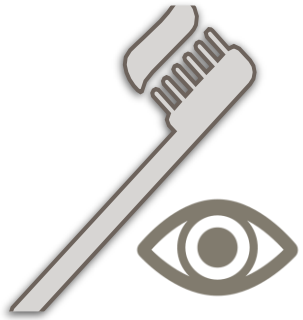
Transition from MCO to In-House Traditional (Grants)

$(11,017,190.00)



MCO Administrative PMPM Savings

$(1,573,182.00)



Addition of Dental and Vision Coverage

$1,169,714.00

DHS Administrative Expenses

Staff Costs	$568,234.00
Contracts	$ 79,520.00
Other (Notices)	$ 23,332.00

$(10,749,572.00) Amendment

FUNDING REQUEST
2021-2023

NORTH Dakota | Human Services
Be Legendary.™

OVERVIEW OF BUDGET CHANGES
TOTAL FUNDS (IN MILLIONS)

OVERVIEW OF BUDGET CHANGES GENERAL FUND (IN MILLIONS)

Thank you!

North Dakota Medicaid

Caprice Knapp, PhD
Division Director

Phone: (701) 328-1603
E-Mail: cknapp@nd.gov

NORTH Dakota | Human Services
Be Legendary.™