



Update on Medicaid
Presentation to the Legislative Health & Human Services Committee

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June 16, 2017



New Mexico Medicaid Spending

- ▶ Total Medicaid spending is increasing, primarily due to enrollment growth.
- ▶ The FY18 general fund (GF) need for Medicaid is **\$ 947.5 million**. The Legislature appropriated **\$915.6 million**, resulting in a deficit of **\$31.9 million** in FY 18.

(\$ in millions)	FY14 Actual	FY15 Projection	FY16 Projection*	FY17 Projection*	FY18 Projection*
Total Budget	\$4,200.6	\$5,162.3	\$5,412.4	\$5,570.4	\$5,859.7
General Fund Need	\$901.9	\$894.1	\$912.9	\$914.6	\$947.5

*Projection data as of January 2017. The projections include all push forward amounts between SFYs. FY16 general fund includes \$18 million supplemental appropriation and general fund transfers from other divisions. These figures exclude Medicaid administration. FY18 General Fund projection some cost containment.

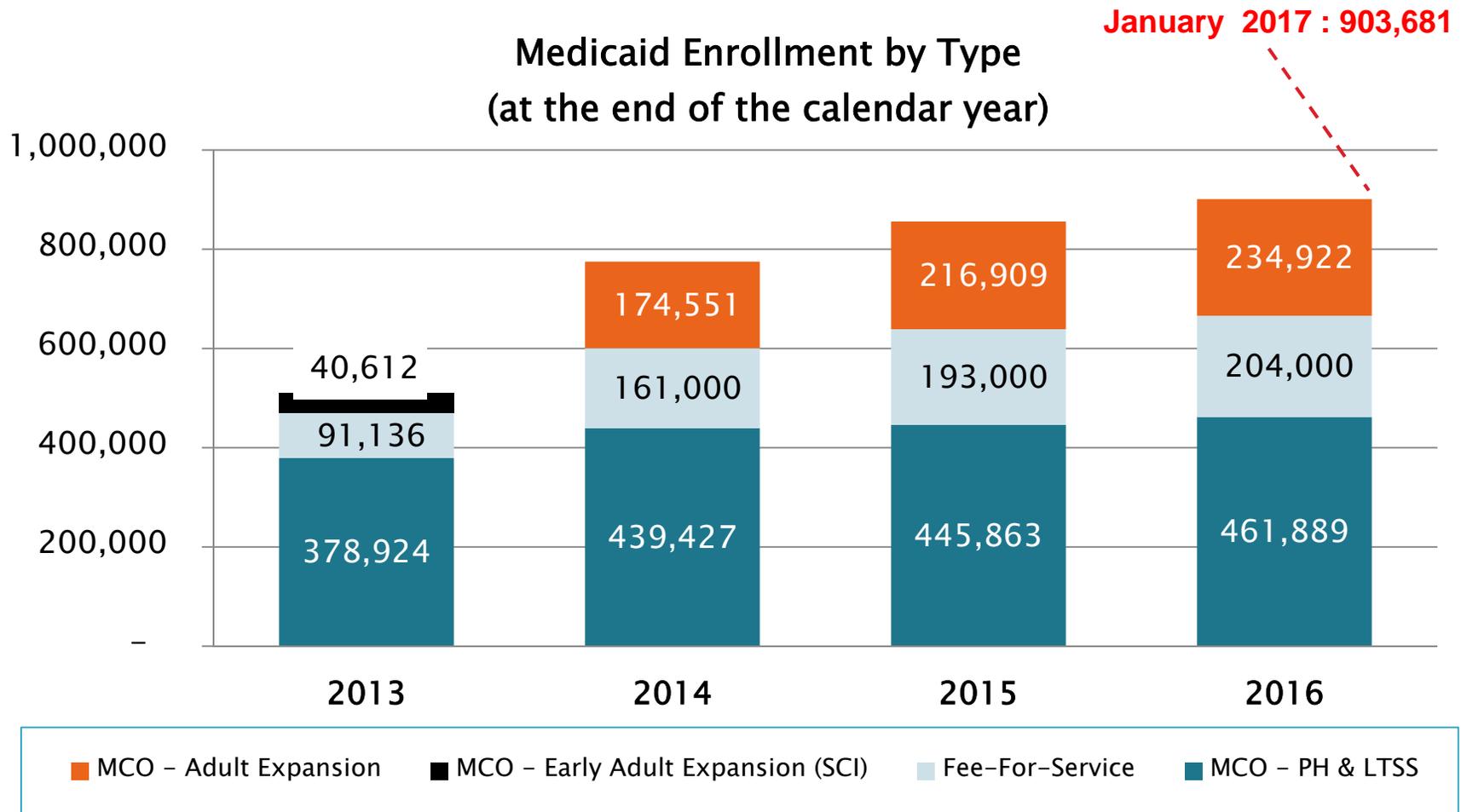
Medicaid FY18 General Fund Budget Details

	GAA	Current Projection
Full Medicaid GF need	971.83	963.54
GF Cost Containment/Changes in Projection*N1	(16.00)	(7.71)
Medicaid Projection GF	955.83	955.83
Proposed Changes		
Additional Tobacco Revenue	(4.23)	(1.50)
Additional I.H.S. Revenue	(4.00)	-
Federal Delay in Health Insurers fee*	(17.00)	-
Additional Copays and Premiums*	(3.00)	-
Discontinue Centennial Rewards*	(2.00)	-
Other Cost Containment*	(4.10)	(38.63)
Reduce Hep C Treatment*	(5.80)	-
Total Proposed Changes	(40.13)	(40.13)
GAA General Fund Appropriation	915.70	915.70

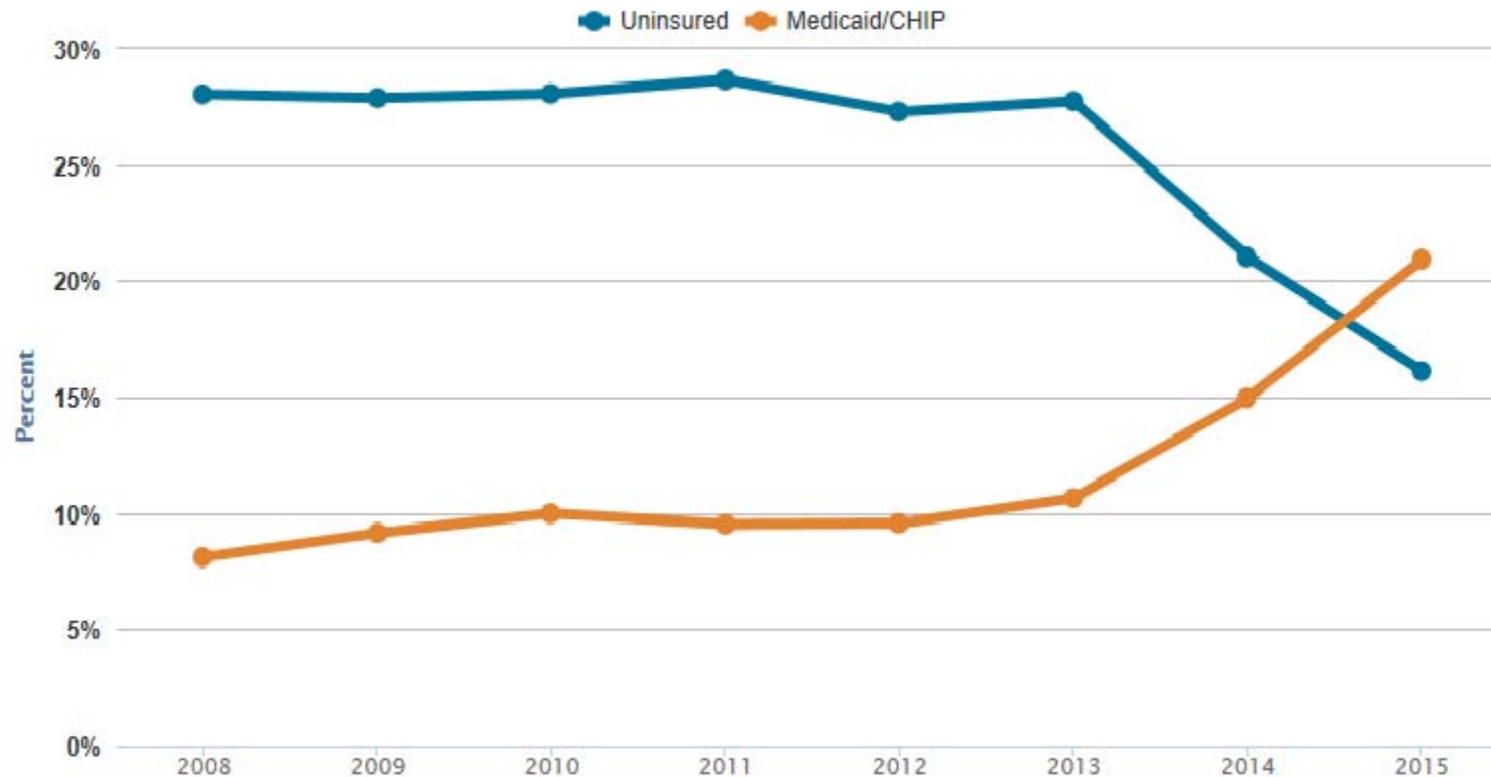
*Cost Containment Item

N1 - Slightly lower enrollment growth and lower spending due to proposed co-pays are included in the projection

Key Driver of Costs



New Mexico Uninsured and Medicaid-Insured (19-64 population)



Source: SHADAC State Health Compare, University of Minnesota

Managing Cost Growth

- ▶ Healthcare cost inflation grew an average of 2.6% in 2015 and growth averaged more than 3% in 2016
- ▶ Other national studies estimate medical cost inflation (price and utilization) at 6.5%

Centennial Care Stats

- Per capita medical services cost in Centennial Care growing only 1.3%, driven primarily by increased enrollment and pharmacy costs
- Managing cost through care coordination and other efforts
- Increases in preventive services and decreases in inpatient hospital costs
- Per person costs are lower in Centennial Care

UPDATE: CO-PAYS FOR CY17

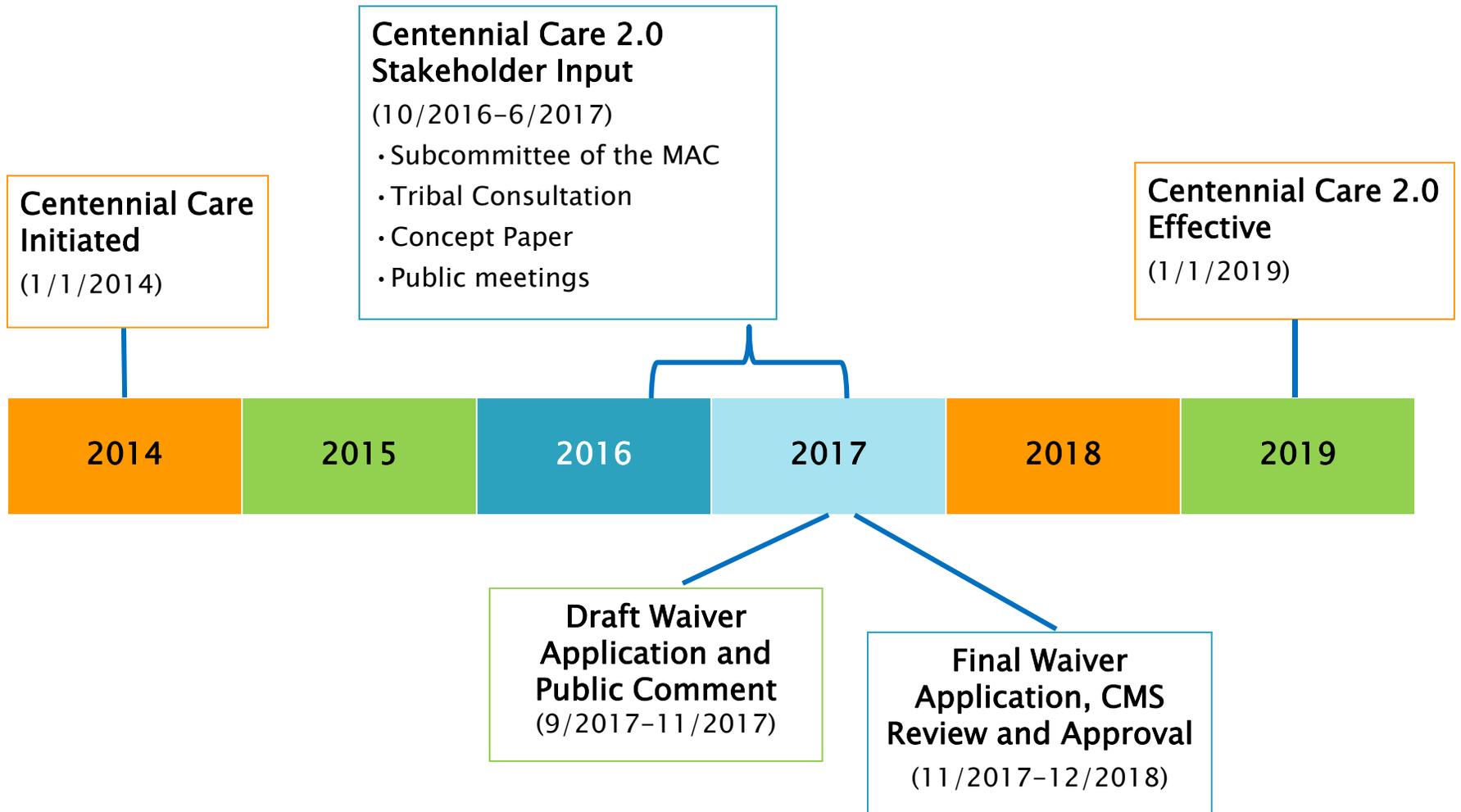
Note: Native Americans exempt from all co-pays. Notice of Proposed Rulemaking published on 6/13/17; public hearing scheduled on 7/14/17. Proposed rules are posted at www.hsd.state.nm.us/LookingforInformation/registers.aspx. Effective date 10/1/17.

	CHIP Age 0-5: 241-300% FPL Age 6-18: 191-240% FPL	WDI Up to 250% FPL	Expansion Adults Co-pays only for individuals with income greater than 100% FPL	Other Medicaid
Outpatient office visits • Preventive visits exempt • BH outpatient exempt	\$5/visit	\$5/visit	\$5/visit	No co-pay
Inpatient hospital stays	\$50/stay	\$50/stay	\$50/stay	No co-pay
Outpatient surgeries	\$50/procedure	\$50/procedure	\$50/procedure	No co-pay
Prescription drugs, medical equipment and supplies • Psychotropic drugs and family planning drugs/supplies exempt • Not charged if non-preferred drug co-pay is applied	\$2/prescription	\$2/prescription	\$2/prescription	No co-pay
Non-Preferred prescription drugs • Psychotropic drugs and family planning drugs/supplies exempt	\$8/prescription All FPLs and COEs, certain exemptions will apply			
Non-emergency ER visits	\$8/visit All FPLs and COEs, certain exemptions will apply			



New Mexico Human Services Department

Centennial Care Timeline





Vision for the future of Centennial Care

Centennial Care 2.0 builds on successes achieved during the past four years. Improvements and reforms will ensure sustainability of the program while preserving comprehensive services.

Areas of focus

- Care coordination
- Behavioral health integration
- Long-Term Services and Supports (LTSS)
- Payment reform
- Member engagement and personal responsibility
- Administrative simplification through refinements to benefits and eligibility

Care Coordination 2.0

Identified Opportunities

Opportunity #1: Increase care coordination at the provider level

Opportunity #2: Improve transitions of care

- More intensive care coordination for members during discharges from inpatient or nursing home stays, released from jails/prisons, returning home from foster care placement

Care Coordination 2.0

Opportunities

Opportunity #3: Expand programs working with high needs populations

- Collaborate with successful community programs such as: First Responders, wellness centers, personal care agencies and Project ECHO
- More use of Certified Peer Support Workers and Certified Family Support Workers, including youth peer support specialists
- Pilot a home visiting program that focuses on pre-natal care, post-partum care and early childhood services; and
- Leverage federal funding for supportive housing services

Behavioral Health Integration 2.0

Opportunities

Opportunity #1: Expanding Health Homes (CareLink NM)

Opportunity #2: Support workforce development

- Support training for both primary care and psychiatric resident physicians working in community-based practices in rural and underserved parts of New Mexico
- Focus on areas of the state where it is most difficult to attract and keep healthcare providers

Long-Term Services and Supports 2.0

Opportunities

Opportunity #1: Allow for one-time start-up goods for transitions when a member transitions from agency based to self directed

Opportunity #2: Increase caregiver respite hours

- Increase the current limit from 100 to 300 hours.

Long-Term Services and Supports 2.0

Opportunities

Opportunity #3: In order to continue to provide access to the Community Benefit services for all eligible members who meet a NF LOC, establish some limits on costs for certain Community Benefits

Self-Directed CB Service	Annual Limit
Related goods and services separate from one-time funding for start-up goods	\$2,000
Non-medical transportation	\$1,000
Specialized therapies such as acupuncture or chiropractic	\$2,000

Long-Term Services and Supports 2.0

Opportunities

Opportunity #4: Implement an automatic NF LOC approval for members whose condition is not expected to change

Opportunity #5: Include nursing facilities in Value Based Purchasing (VBP) arrangements and use Project ECHO (Extension for Community Health Outcomes) to provide expert help for nursing home staff.

Payment Reform 2.0

Opportunities

Opportunity #1: Pay for better quality and value by increasing percentage of providers payments that are risk-based

- Expand requirements for MCOs to shift provider payments from fee per service to paying for quality and improved outcomes.

Opportunity #2: Use Value Based Purchasing (VBP) to drive program goals, such as:

- Increasing care coordination at provider level, improving transitions of care, increasing physical and behavioral health integration and improving member engagement.



Member Engagement and Personal Responsibility 2.0

Opportunities

Opportunity #1: Advance the Centennial Rewards Program

Opportunity #2: Allow providers to charge small fees for three or more missed appointments

Opportunity #3: Premiums for populations with income that exceeds 100% FPL (applies only to 3 categories of eligibility)

- Adults in the Expansion with income greater than 100%
- CHIP children (income guideline extends to 300% FPL for children age 0-5 and to 240% FPL for children age 6-18)
- Working Disabled Individuals

Member Engagement and Personal Responsibility

- ▶ Proposed premium amounts

FPL Range	Annual Income (Household of 1)	Approximate Monthly Premium
101-150% FPL	\$11,881-\$16,404	\$20
151-200% FPL	\$16,405-\$23,760	\$30
201% FPL and up	\$23,761-\$29,700	\$40

- ▶ Premiums could be ‘paid’ by participating in healthy behaviors through the Centennial Rewards program

Administration Simplification through Refinements to Benefits and Eligibility 2.0

Opportunities

Opportunity #1: Cover most adults under one comprehensive benefit plan

- Today, HSD administers 2 different benefit packages for most adults in Medicaid—Parent/Caretaker category and Expansion Adult category
- HSD proposes to consolidate the 2 different plans under a single comprehensive benefit package that more closely aligns with private insurance coverage (similar to the Alternative Benefit Plan we have today for Expansion)
- Individuals who are determined “medically frail” may receive the standard Medicaid benefit package

Administration Simplification through Refinements to Benefits and Eligibility 2.0

Opportunities

Opportunity #2: Develop buy-in premiums for dental and vision services for adults

- If HSD needs to eliminate optional dental and/or vision services for adults to contain costs, then it proposes to offer dental and vision riders that members may purchase from their MCO as is standard practice with most private insurance coverage

Administration Simplification through Refinements to Benefits and Eligibility 2.0

Opportunities

Opportunity #3: Eliminate the three month retroactive eligibility period for most Centennial Care members

- In CY16 only 1% of the Medicaid population requested retro coverage (10,000 individuals)
- Populations covered in FFS would be exempt from this change
- Hospital and Safety Net Clinics are able to immediately enroll individuals at point of service through Presumptive Eligibility Program and receive payment for services

Administration Simplification through Refinements to Benefits and Eligibility 2.0

Opportunities

Opportunity #4: Eliminate the Transitional Medicaid Coverage that provides an additional year of coverage to Parents/Caregivers with increased earnings that put them over the eligibility guidelines

- Since the ACA, this program has become less needed as evidenced by declining enrollment; most individuals with increased earnings move to the Adult Expansion Group.
- In 2013: 26,000 individuals in this category
Today: fewer than 2,000 individuals
- Individuals with income above the Adult Group guidelines may receive subsidies to purchase coverage through the Exchange

Administration Simplification through Refinements to Benefits and Eligibility 2.0

Opportunities

Opportunity #5: More frequent checks of income through trusted data sources

- This was not intended to result in more frequent recertification of eligibility but only to check trusted data sources on a more regular basis to verify income
- HSD has listened to numerous concerns associated with this proposed change and is no longer considering it for inclusion in the renewal going forward

Public Comment

Share your comments

If you are unable to make your comment today, please submit your note cards or send via the website www.hsd.state.nm.us/Meetings.aspx.

Limited time for Comments

1115 Waiver Renewal Application will be drafted this summer.

Share your comments by Saturday, July 15, 2017