

A Strong Foundation for System Transformation

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Some Medicaid Basics

- Medicaid is a State/Federal Partnership
- Within broad requirements, States may receive Federal matching dollars for certain health (including mental health) and long term services and supports provided to eligible individuals.
- There are some services States must provide: Mandatory Services
- There are additional services that States may choose to cover: Optional Services

Medicaid Basics, Cont'd

Medicaid Benefits

MANDATORY

- Physician services
- Laboratory & x-ray
- Inpatient hospital
- Outpatient hospital
- EPSDT
- Family planning
- Rural and federally-qualified health centers
- Nurse-midwife services
- NF services for adults
- Home health

OPTIONAL

- Dental services
- Therapies –
PT/OT/Speech/Audiology
- Prosthetic devices, glasses
- Case management
- Clinic services
- Personal care, self-directed personal care
- Hospice
- ICF/MR
- PRTF for <21
- Rehabilitative services
- Home and Community Based Services

Medicaid Basics, Cont'd

- Since its enactment in 1965, the Medicaid statute has been amended a number of times – most recently by the Affordable Care Act.
- To understand these important changes, it is important to have the Medicaid basics in mind...

Affordable Care Act

- Focus on expanding coverage
 - Continue role of employer-based coverage
 - Expand Medicaid to 133% FPL
 - Subsidize private coverage through State-operated exchanges

2014 Health Insurance Subsidies

- Simplified eligibility rules apply to most people qualifying for Medicaid/CHIP
 - Income only; no assets for adults up to 133% of FPL
 - Exchange subsidies available up to 400% of FPL for adults
 - For most people, eligibility is no longer tied to “category”
 - In most cases, the same income rules apply to Medicaid/CHIP/Premium Tax Credit (“MAGI”)

Traditional Medicaid Continues for Seniors, and Individuals who are Blind or Have Other Disabilities

- Challenges, opportunities and questions:
 - Overlap with new MAGI-based mandatory population
 - Benchmark benefit design for newly eligible population
 - Medicaid-Exchange interface

Beyond Coverage to Delivery System Reform

- Payment reform to drive improved value
- Innovate system designs
- Quality
- Workforce
- Health Information Technology

Provisions of The Affordable Care Act

- Supports most integrated setting appropriate
 - Offers new option for integrating and linking services for complex, high cost populations
 - Offers new or improved HCBS State Plan options
 - Offers enhanced FMAP to help states modify delivery systems
 - Creates special focus on dual eligibles
 - The newly available provisions in Medicaid are in addition to the tools (noted earlier).

Section 2703: Health Homes for Individuals with Chronic Conditions

- Option for individuals with multiple chronic conditions or serious mental illness effective January 1, 2011
- Coordinated, person-centered care
- Primary, acute, behavioral, long term care, social services = whole person
- Enhanced FMAP (90%) is available for the health home services (first 8 quarters)

Health Home Services

- Health home services include:
 - Comprehensive care management;
 - Care coordination and health promotion;
 - Comprehensive transitional care from inpatient to other settings;
 - Individual and family support;
 - Referral to community and social support services;
 -
 - Use of health information technology, as feasible and appropriate.

Designated Provider Types and Functions

- States have flexibility to define health home providers
- Providers must address several functions:
 - Assure health home services are quality-driven, cost-effective, culturally appropriate, person/family-centered
 - Coordinate and provide access to high-quality health care services informed by evidence-based guidelines
 - Coordinate and provide access to full range of services: primary, acute, behavioral, long-term care

Section 2403: Money Follows the Person

- Extends and expands MFP through 2016
- Offers States substantial resources and additional program flexibilities to remove barriers
- Enhanced FMAP for community services for first year following transition from facility
- 43 States and the District of Columbia now participating in the demonstration

Section 2402: Removing Barriers to HCBS

- Section 1915(i) established by DRA of 2005
- State option to offer waiver-like HCBS under state plan; breaks “eligibility link” between HCBS and institutional level of care under 1915(c)
- 1915(i) was modified through the ACA with the changes becoming effective October 1, 2010
 - Allows waiver of comparability, expands service definitions
 - Eliminates ability to “cap” enrollment or waive statewideness

Section 2401: Community First Choice Option

- Adds Section 1915(k)
- Optional State Plan benefit to offer Attendant Care and related supports in community settings, providing opportunities for self-direction
- Does not require institutional Level of Care under 150% Federal Poverty Line
- Includes 6% enhanced FMAP

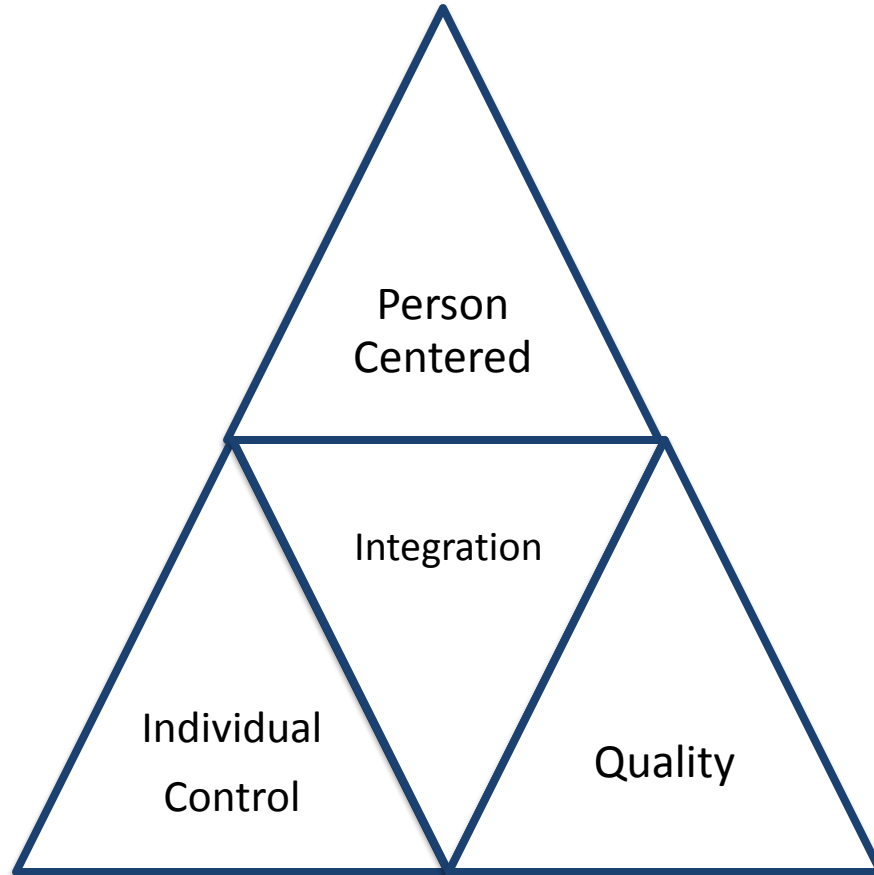
Section 10202: Balancing Incentive Program

- Effective October 1, 2011
- Enhanced FMAP to increase diversions and access to Home and Community Based Services
 - 2% if less than 50% Long-term Services and Supports (LTSS) spending in non-institutional settings
 - 5% if less than 25% LTSS spending in non-institutional settings
- CMS Guidance and Application targeted for mid-2011

Federal Coordinated Health Care Office

- Section 2602 of the Affordable Care Act (ACA) – Duals Office
- Purpose: Improve quality, reduce costs, and improve the beneficiary experience.
 - Ensure individuals have full **access** to services
 - Improve the **coordination** between federal-state government
 - Develop **innovative** care coordination and integration models.
 - Eliminate financial **misalignments** that lead to poor quality and cost shifting

The Foundation for a Redesigned Service System for Individuals with Chronic Conditions



State Medicaid Directors Letters and Regulations

Medicaid Prescription Drug Rebates: SMD 10006,SMD 10019

Community Living Initiative (Olmstead Tool Kit): SMD 10008

Money Follows The Person Extension: SMD 10012

1915(i): SMD 10015

Concurrent Hospice Care for Children: SMD 10018

5yr Approval/Renewal Period: SMD 10022

Health Homes for Enrollees w/ Chronic Conditions: SMD 10024

Code of Regulations Rx AMP Withdrawal: CMS-2238-P2

NPRM Community First Choice: CMS-2337-P

NPRM 1915 (c) Waivers: CMS-2346-F

Additional Information

CMS: Community Services and Long-Term Supports

http://www.cms.gov/CommunityServices/01_Overview.asp#TopOfPage

State Medicaid Director Letters

<http://www.cms.gov/SMDL/SMD/list.asp#TopOfPage>

MFP Technical Assistance Website

<http://mfp-tac.com/>

CFC NPRM

<http://edocket.access.gpo.gov/2011/pdf/2011-3946.pdf>

1915(c) NPRM

After April 19, 2011, the regulation can be accessed at

http://www.access.gpo.gov/su_docs/fedreg/frcont11.html