GOOD MORNING, MEDICAID!

STATE HEALTH AND HUMAN SERVICES COMMITTEE CHAIRS

Emily Blanford
Program Principal
NCSL Health Program
SESSION OVERVIEW

- Medicaid overview
  Emily Blanford, NCSL

- North Carolina’s 1115 Waiver: Medicaid Reform Demonstration
  Dr. Roxane Townsend, Managing Principal, Health Management Associates

- Roundtable Discussion
MEDICAID: WHY SO IMPORTANT?

- 29.7% of total state spending from all sources in Fiscal Year 2018
  - (includes both federal and state funds)
- Total expenditures of $603.2 Billion in FY 2018
- Primary payer of long-term services and supports (LTSS)
  - Covers 3 out of 4 nursing home residents
- Funds about 50% of U.S. births on average
- Covers about 39% of children
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION
FISCAL YEARS 1987 TO 2018

Source: National Association of State Budget Officers
MEDICAID POLICY OPTIONS – “LEVERS”

- Eligibility levels
- Mandatory and optional benefits
- Delivery systems
- Provider reimbursement
Median eligibility levels as a percent of the Federal Poverty Level (FPL), as of January 2017

Source: Kaiser Family Foundation
Mandatory Benefits

- Inpatient hospital services
- Outpatient hospital services
- EPSDT: Early and Periodic Screening, Diagnostic, and Treatment Services
- Nursing facility services
- Home health services
- Physician services
- Rural health clinic services
- Federally qualified health center services
- Laboratory and X-ray services
- Family planning services
- Nurse midwife services
- Certified pediatric and family nurse practitioner services
- Freestanding birth center services (when licensed or otherwise recognized by the state)
- Transportation to medical care
- Tobacco cessation counseling for pregnant women
MEDICAID BENEFITS

Optional Benefits

- Prescription drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language disorder services
- Respiratory care services
- Other diagnostic, screening, preventive and rehabilitative services
- Podiatry services
- Optometry services
- Dental services
- Dentures
- Eyeglasses
- Chiropractic services
- Other practitioner services
- Private duty nursing services
- Personal care
- Hospice
- Case management
- Services for individuals age 65 or older in an Institution for Mental Disease (IMD)
- Intermediate care facility for individuals with intellectual disability
- State Plan Home and Community Based Services- 1915(i)
- Self-Directed Personal Assistance Services- 1915(j)
- Community First Choice Option-1915(k)
- Tuberculosis related services
- Inpatient psychiatric services for individuals under age 21
- Health Homes for Enrollees with Chronic Conditions – Section 1945
- Other services approved by the Secretary
Managed care is the primary service delivery system in most states

- 33 states report 75% or more of Medicaid beneficiaries are enrolled in managed care

- Primary Care Case Management (PCCM) – primary care provider coordinates services

Source: Kaiser Family Foundation
Patient Centered Medical Homes (PCMH)
  - Similar to Primary Care Case Management Model

Health Home
  - Builds on the PCMH model and targets individuals with multiple chronic conditions

Accountable Care Organization
  - Similar to PCCM model, but an organization takes responsibility for coordinating care.
    Generally includes primary and specialty care and one hospital
Fee-For-Service
- Medicaid agency establishes the fee levels for covered services and pays participating providers directly for each service they deliver to Medicaid beneficiaries.

Capitation Payments
- Fixed per-member-per-month (PMPM) amount that a state Medicaid agency pays a managed care organization (MCO)

Value-Based Purchasing or Pay for Performance
MEDICAID STATE PLAN

- The Medicaid State Plan is an agreement between a state and the Federal government describing how that state administers its Medicaid program.
  - Changes to the State Plan are called State Plan Amendments (SPAs).
- The state plan defines:
  - groups of individuals to be covered
  - services to be provided
  - provider reimbursement methodologies
Services in the State Plan must meet certain requirements:
- Service comparability
- Offered statewide
- Freedom of provider choice
WHAT IS A MEDICAID WAIVER?

States seeking additional flexibility to design their Medicaid programs (influence “policy levers”) may apply for formal waivers of some statutory requirements.

- 1915 (b) Managed Care Waivers
- 1915 (c) Home and Community Based Services (HCBS) Waivers
- 1115 Demonstration Waivers
HOME AND COMMUNITY BASED SERVICES WAIVERS 1915 (C)

- Authorized by Section 1915 (c) of the Social Security Act
- Option for children and women who meet institutional level of care
  - Hospital, Nursing Facility, Intermediate Care Facility
- Allows states to waive certain provisions in order to:
  - Target populations
  - Target geographic areas
  - Place limits on enrollment
1115 DEMONSTRATION WAIVERS

- 1115 waivers provide an option for experimental, pilot, or demonstration projects that are likely to assist in promoting the objectives of the Medicaid program.
- Like 1915 waivers, allows states to waive certain provisions but has more flexibility.
- Requires more time to implement than other “traditional” options.
What Affects Health?

Researchers at the University of Wisconsin Population Health Institute estimated the percentage of people's health—including length and quality of life—that is affected by factors that can be changed or modified (i.e., excluding genetics).

Non-medical factors can include, but is not limited to:

- Stable, affordable housing
- Transportation
- Access to healthy food

Medicaid often does not provide supports for these non-medical factors, or limits to specific populations.
“What if we provided solutions for the whole person, including addressing housing, nutrition and other social needs?”

- Alex Azar, Secretary U.S. Department of Health and Human Services, November 2018
NON-MEDICAL SUPPORTS AND MEDICAID – SHIFTING FEDERAL LANDSCAPE

Updates to Medicare Advantage Plans in 2020 – Will Cover Non-Medical Supports Including:

- Meal Delivery Services
- Transportation (e.g., to the grocery store)
- Environment services (e.g., home air cleaners for people with asthma)

Accountable Health Communities Model – Center for Medicare and Medicaid Innovation

- Provides funding to support building systems to connect individuals with community service providers to address their non-medical needs
HEALTHY OPPORTUNITY PILOTS — A FEDERAL PERSPECTIVE

“As we seek to create a health care system that truly rewards value, we must consider the impact that factors beyond medical care have in driving up health costs. That’s why many states are beginning to think about ways to better address the root cause of chronic illness. As part of this demonstration, North Carolina will implement a groundbreaking program in select regions to pilot evidence-based interventions addressing issues like housing instability, transportation insecurity, food security, interpersonal violence and toxic stress.”

Seema Verma, CMS Administrator; Health Affairs, Oct. 24, 2018
Thank you!

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Health Program
NCSL-Denver
NC General Assembly passed SL-2015-245 that changed the way the program would operate.

Four goals targeted:

- Attain budget predictability through shared risk and accountability
- Balance quality, patient satisfaction, and financial measures
- Develop efficient and cost-effective administrative systems and structures
- Sustainability

Source: Holton, Andrew, Managing Medicaid, NC Center for Public Policy, 08/18/2017
**THE VALUE PROPOSITION**

**Statewide Quality Strategy**
- Single set of statewide quality measures to assess performance and drive progress
- NC Institute of Medicine taskforce on measure development

**Value-Based Payment**
- Population health metrics, appropriateness of care
- Incentivize prepaid health plans to use alternative payment models
- Supplemental Payments

**Care Management**
- Build on what’s working well today
- Advanced medical homes
- Data analytics capabilities
• Move to Medicaid Managed Care
• Behavioral Health Integration, Tailored Plans and Specialized Health Homes
• Opioid Strategy
• **Healthy Opportunities Pilots**
• Evaluation
• Budget Neutrality
Healthy Opportunities - Funding Social Determinants through Medicaid

+ NC received waiver approval to spend Medicaid dollars through pilot programs to address Social Determinants of Health
  + Program rolls out in late 2020/early 2021
    + Lead Pilot Entities selected in 2019
  + Rolls out in 2-4 regions of the State
  + Up to $650M in funding over the five year waiver
Social Determinants for NC Pilot

• Transportation
• Food Insecurity
• Housing
• Personal Safety
Funding Social Determinants through Medicaid

Health Plans

Local Human Service Organization

Lead Pilot Entity
## Healthy Opportunities Screening Tool

**Health Screening**

We believe everyone should have the opportunity for health. Some things like not having enough food or reliable transportation or a safe place to live can make it hard to be healthy. Please answer the following questions to help us better understand you and your current situation. We may not be able to find resources for all of your needs, but we will try and help as much as we can.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td><strong>Food</strong></td>
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<tr>
<td>1. Within the past 12 months, did you worry that your food would run out before you got money to buy more?</td>
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<tr>
<td>2. Within the past 12 months, did the food you bought just not last and you didn’t have money to get more?</td>
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<tr>
<td><strong>Housing/Utilities</strong></td>
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<td>3. Within the past 12 months, have you ever stayed: outside, in a car, in a tent, in an overnight shelter, or temporarily in someone else’s home (i.e. couch-surfing)?</td>
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<td>4. Are you worried about losing your housing?</td>
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<td>5. Within the past 12 months, have you been unable to get utilities (heat, electricity) when it was really needed?</td>
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<tr>
<td><strong>Transportation</strong></td>
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<td>6. Within the past 12 months, has a lack of transportation kept you from medical appointments or from doing things needed for daily living?</td>
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<tr>
<td><strong>Interpersonal Safety</strong></td>
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<tr>
<td>7. Do you feel physically or emotionally unsafe where you currently live?</td>
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<td>8. Within the past 12 months, have you been hit, slapped, kicked or otherwise physically hurt by anyone?</td>
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<td>9. Within the past 12 months, have you been humiliated or emotionally abused by anyone?</td>
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<td><strong>Optional: Immediate Need</strong></td>
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<td>10. Are any of your needs urgent? For example, you don’t have food for tonight, you don’t have a place to sleep tonight, you are afraid you will get hurt if you go home today.</td>
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<tr>
<td>11. Would you like help with any of the needs that you have identified?</td>
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The NCCARE360 solution is a unified approach to delivering whole health care to NC residents. Each partner in this solution brings expertise in the following areas:

- **NC 2-1-1** has more than a decade of experience connecting individuals and families across NC to free and confidential information on local health and human services resources, through a simple dialing code 2-1-1, and a statewide resource database and call-center.

- **Unite Us** provides a care coordination platform that allows healthcare providers, community-based organizations and others to work together securely in real-time.

- **Expound Decision Systems** has created a successful data repository model for organizations in Ontario, which will be extended to manage resources specific to the Social Determinants of Health in NC.
Healthy Opportunities – Pilot

**Sample Regional Pilot**

- **Healthy Opportunities Pilot Enrollee**
  - Works with assigned care manager to address physical, behavioral, and social needs
  - Makes use of authorized Pilot services from in-network HSOs

- **North Carolina**
  - Prepaid Health Plans
  - AMH/Care Managers

- **Lead Pilot Entity**
  - Human Service Organizations (HSOs)

**Key Roles & Responsibilities**

- **Healthy Opportunities Pilot Enrollee**
  - Works with an assigned care manager to address physical, behavioral, and social needs
  - Makes use of authorized Pilot services from in-network HSOs

- **North Carolina (Department of Health and Human Services)**
  - Oversees Pilot design and implementation, providing program oversight and evaluation
  - Procures Lead Pilot Entities

- **Prepaid Health Plans (PHPs)**
  - Manage a Pilot budget
  - Approve which enrollees qualify for Pilot services and which services they qualify to receive
  - Ensure the provision of integrated care management to Pilot enrollees

- **Care Managers (at Tier 3 Advanced Medical Homes, Local Health Departments, PHPs or other qualified care management entity)**
  - Frontline service providers that interact with beneficiaries to identify those who would benefit from and qualify for Pilot services and manage coordination of pilot services, in addition to managing physical and behavioral health needs

- **Lead Pilot Entity**
  - Develops, pays and oversees a network of HSOs
  - Convenes Pilot entities to share best practices

- **HSOs**
  - Frontline social service providers that deliver authorized pilot services to Pilot enrollees
GROUP DISCUSSION