Overview of Medicaid

Medicaid covers a broad low-income population, including parents and children in both working and jobless families, individuals with diverse physical and mental conditions and disabilities, and seniors.

Medicaid’s beneficiaries include many of the poorest and sickest people in the nation.

Integral part of Health Care System

- Nationally, Medicaid pays for:
  - 16% of Health Services and Supplies
  - 17% of Hospital Care
  - 13% of Professional Services
  - 41% of Nursing Home Care
  - 8% of Prescription Drugs

Medicaid’s Role for Selected Populations

- Nationally, Medicaid programs cover:
  - 70% of nursing home residents
  - 20% of people with severe disabilities
  - 17% of Medicare beneficiaries
  - 56% of low-income children
  - 41% of births (low income pregnant women)
  - 42% of poor individuals

Medicaid Goals & Requirements

- Improve the health of Medicaid enrollees while controlling costs:
  - Promote quality by improving care coordination
  - Ensure access to health care providers
  - Payments to be consistent with principles of economy and efficiency
  - Ensure program accountability and integrity

By design, Medicaid expands to cover more people during economic downturns

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Avg. Monthly Enrollment</th>
<th>Federal Matching Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>184,465</td>
<td>70% on average</td>
</tr>
<tr>
<td>2009</td>
<td>191,746</td>
<td>79% begin 10/1</td>
</tr>
<tr>
<td>2010</td>
<td>210,034</td>
<td>79% on average</td>
</tr>
<tr>
<td>2011</td>
<td>225,573</td>
<td>76% 1/11 and 74% 4/11</td>
</tr>
<tr>
<td>2012</td>
<td>238,249 est.</td>
<td>68.8% “the cliff”</td>
</tr>
<tr>
<td>2013</td>
<td>251,907 est.</td>
<td>70% est.</td>
</tr>
<tr>
<td>2014</td>
<td>315,952 est.</td>
<td>70% for existing; 100% for expansion group</td>
</tr>
</tbody>
</table>

*Note: Does not include CHIP spending.*

Short-term Outlook

- Benefit and pricing reductions began in 2008 and continue through state fiscal year 2012 with the largest reductions to be made this year.
- HB 260 combined multiple strategies to achieve $35 M in general fund and $100 M in total fund savings.

2012 Budget Management Needs

Change policy, operations and systems to:

- Reduce and change payment rates
- Reduce benefits
- Add & increase Provider Assessments
- Add cost sharing requirements
- Add provider fees to cover operating costs
- Change benefit management approaches
- Prepare for 2013 when short-term strategies end

Long-term Outlook

- HB 260 directs the department to deliver a managed care plan that:
  - Moves from fee-for-service to an accountable care system that results in improved health outcomes.
  - Focuses on high-cost populations, includes improved coordination of care through medical homes, reduces costs, improves health outcomes, includes managed care for behavioral health benefits and includes more predictable payment methods such as capitation.

Idaho Managed Care Today

- Majority of Medicaid enrollees mandated to participate in Healthy Connections, a primary care case management system
- Dental Health Carve-out for all Medicaid enrollees
- Transportation Brokerage (a selective contract)
- Medicare Medicaid Coordinated Plan (capitated payment for Medicaid wrap-around benefits)
- No comprehensive risk-based contracts

Managed Care Initiatives underway

- Medicaid Mental Health Benefit carve-out
  - 6 MCOs have responded to Request for Information
- Medicaid actively participating in the Governor’s Multi-Payer Medical Home Collaborative
  - Adds Health Homes to Healthy Connections
- Contact with HHS Office on the Duals to explore opportunities to improve care coordination
  - Intent to build on existing Medicare Medicaid Coordinated plans

Planning

- Data to inform our State decision-making
  - Actuarial data will inform policy makers of the feasibility and opportunities for managed care approaches.
    - current Medicaid populations (children, adults, elders),
    - costs related to chronic diseases,
    - costs by geographic area (counties),
    - costs of certain benefits (mental health) and
    - projected costs of the 2014 expansion population
- Research and review other state managed care approaches
  - To identify best practices and benefit from “lessons learned” by other states
What is Idaho’s Plan for Medicaid Managed Care?

• Listening sessions to hear what our businesses and citizens need & want
  ▫ Prior to implementing new managed care contracts, key health care business representatives along with consumers and advocates will be invited to share their values and concerns about managed care.

Questions?