

Idaho Medicaid

Short and Long-term Outlook

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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

Note: Does not include CHIP spending.
SOURCE: Center for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, National Health Expenditure Accounts, January 2010

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

Source: Kaiser Commission on Medicaid and the Uninsured and Urban Institute analysis of 2009 ASEC Supplement to the CPS; Birth data from Maternal and Child Health Update: Status Increase Eligibility for Children's Health in 2007; National Governors Association, 2008; Medicare data from USDHHS

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

NOTE: Under fee-for-service, federal law requires payments must be sufficient to enlist enough providers without prescribing the required number of providers. Under managed care, there are more detailed provider network requirements that identify what constitutes a sufficient network.

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

Fiscal Year	Aver. Monthly Enrollment	Federal Matching Percentage
2008	184,465	70% on average
2009	191,746	79% begin 10/1
2010	210,014	79% on average
2011	226,073	76% 1/11 and 74% 4/11
2012	238,240 est.	68.8% "the cliff"
2013	251,907 est.	70% est.
2014	315,802 est.	70% for existing; 100% for expansion group

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?