

Alabama Medicaid

Health Support, Alternative Care, Family Planning, CHIP and Mental Health

May 26, 2016

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AGENDA

- Overview
- Expenditures
- Funding

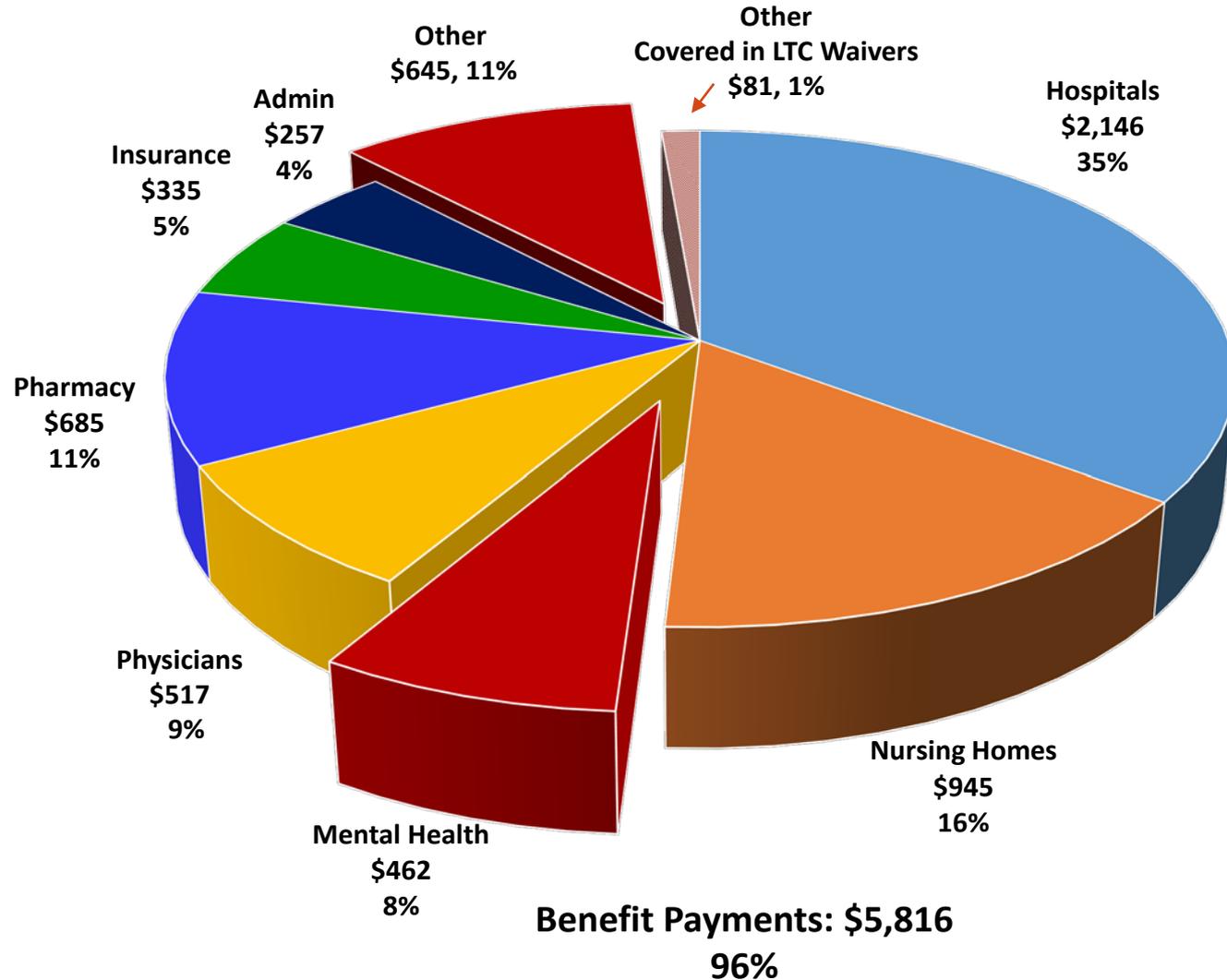


Overview



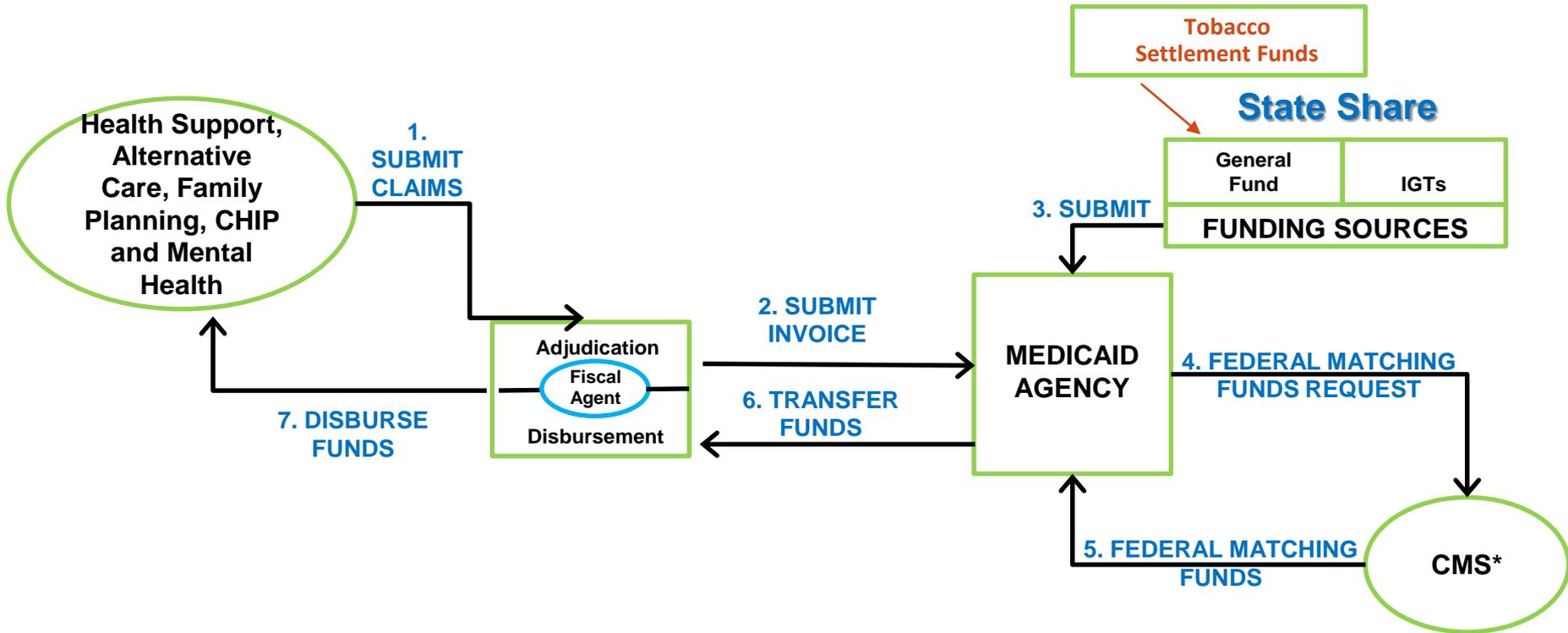
FY 2015 Medicaid Expenditure Analysis

Benefit Payments and Administrative Costs (in millions)



REIMBURSEMENT PROCESS

(PAID TWICE PER MONTH)



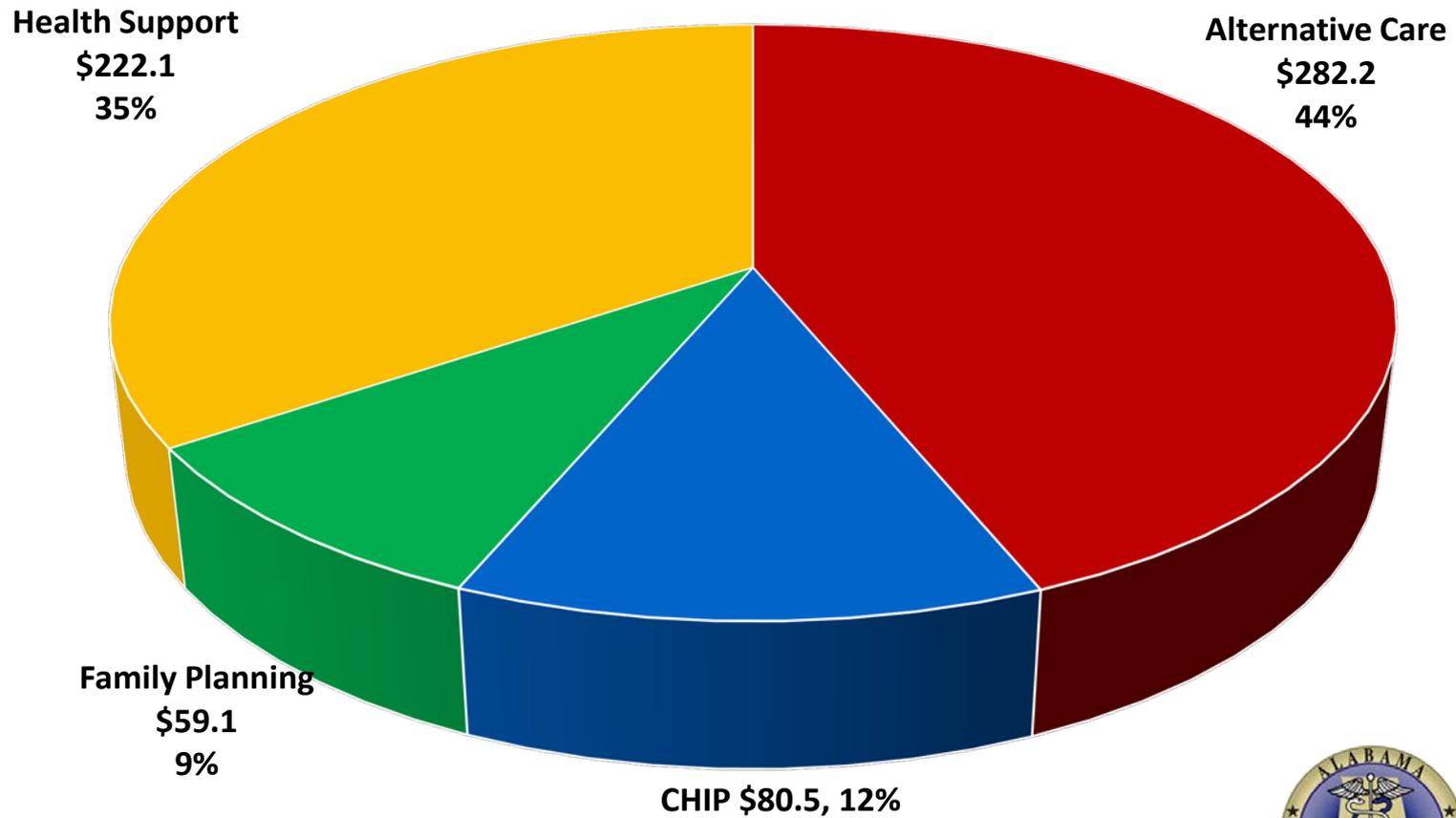
* Center for Medicare & Medicaid Services



FY 2015 Medicaid Expenditure Analysis

“Other” Benefit Payments*

(in millions)



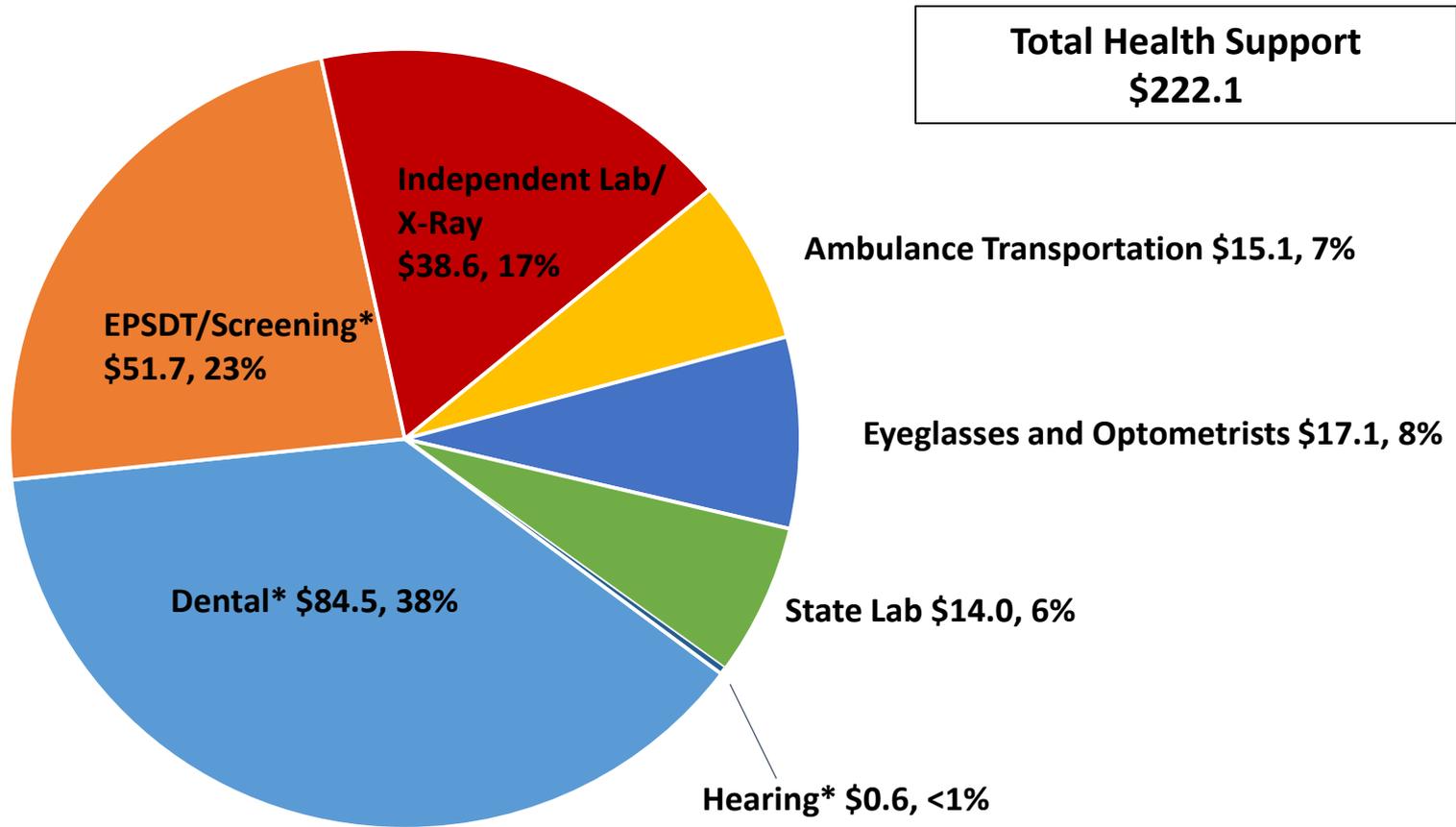
* Does not include funding for LTC Waivers



Health Support



FY 15 Health Support Budget Line Expenditures (in millions)



*Services only provided to individuals under 21



Dental

- Dental services are mandated for recipients under age 21
- Adult dental – not covered
- Dental services are for diagnostic, preventive, or corrective procedures administered by or under the direct supervision of a licensed dentist
 - Dental checkup and cleaning every six months
 - Crowns and buildups
 - Extractions (medical necessity)
- Certain services require Prior Authorization
- Fee for Service reimbursement is based on 2006-2007 commercial rates
- Braces not covered



Dental continued

- In FY 2015
 - 2,478* dentists were licensed in Alabama
 - 648 were Medicaid participating dentists
 - However, approximately 25% of participating dentists received 75% of payments
- In FY 2015, Medicaid had 290,000** recipients who received dental services at an average cost per dental recipient of \$290**
- Expenditures for FY 2015 were **\$84.5 million**

*Provided by the Alabama Board of Dental Examiners. Excludes oral surgeons.

**Does not include dental services provided by an FQHC/RHC or dental services provided to CHIP children.



Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program

The acronym EPSDT stands for:

Early - A Medicaid-eligible child should begin to receive high quality preventive health care as early as possible in life.

Periodic - Preventive health care occurring at regular intervals according to an established schedule that meets reasonable standards of medical, vision, hearing, and dental practice established by recognized professional organization.

Screening - A comprehensive, unclothed head-to-toe physical examination to identify those who may need further diagnosis, evaluation, and/or treatment of their physical and mental problems.

Diagnosis - The determination of the nature or cause of physical or mental disease, conditions, or abnormalities identified during a screening.

Treatment - Any type of health care or other measures provided to correct or ameliorate defects, physical and mental illnesses, or chronic conditions identified during a screening.



Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program

- Fee for Service reimbursement for a comprehensive array of prevention, diagnostic, and treatment services for low-income infants, children and adolescents under age 21
- Coverage of EPSDT is federally mandated by CMS
- Provides coverage for medically necessary health care, diagnostic, treatment and/or other measures which are necessary to correct or ameliorate defects, physical and mental illnesses and conditions discovered during or as a result of an EPSDT screening
- Through the EPSDT benefit, children's health problems should be addressed before they become advanced and treatment is more difficult and costly.
- Expenditures for the EPSDT program for FY 2015 were **\$52 million**



Independent Laboratory and X-Ray

- Fee for Service reimbursement for laboratory tests performed by independent laboratory in an office or similar facility other than a hospital outpatient department or clinic
- Fee for Service reimbursement to State Lab for certain medically necessary laboratory services provided. Public Health pays the state share of costs for State Lab services and costs of all newborn screening tests
- Fee for Service reimbursement for X-Ray services ordered by a physician
- Coverage of Lab and X-Ray services are mandatory
- Prior Authorization (PA) is required for certain X-Ray services, such as MRI, CT scan, heart catheterization, etc.
- FY 2015 expenditures for Lab and X-Ray were **\$38.6 million**
- FY 2015 expenditures for State Lab were **\$14.0 million**



Ambulance Transportation

- Fee for Service reimbursement of ambulance service (Ground & Air) to and from medical care facilities
- Air transportation services must be manually reviewed before payment
- Air transportation may be rendered only when basic and advanced life support land ambulance services are not appropriate
- Medicaid requires that the recipient be taken to the nearest hospital that has appropriate facilities, physicians, or physician specialists needed to treat the recipient's condition
- Coverage of transportation to medical care is mandatory
- In FY 2015 expenditures for ambulance transportation were **\$15 million**



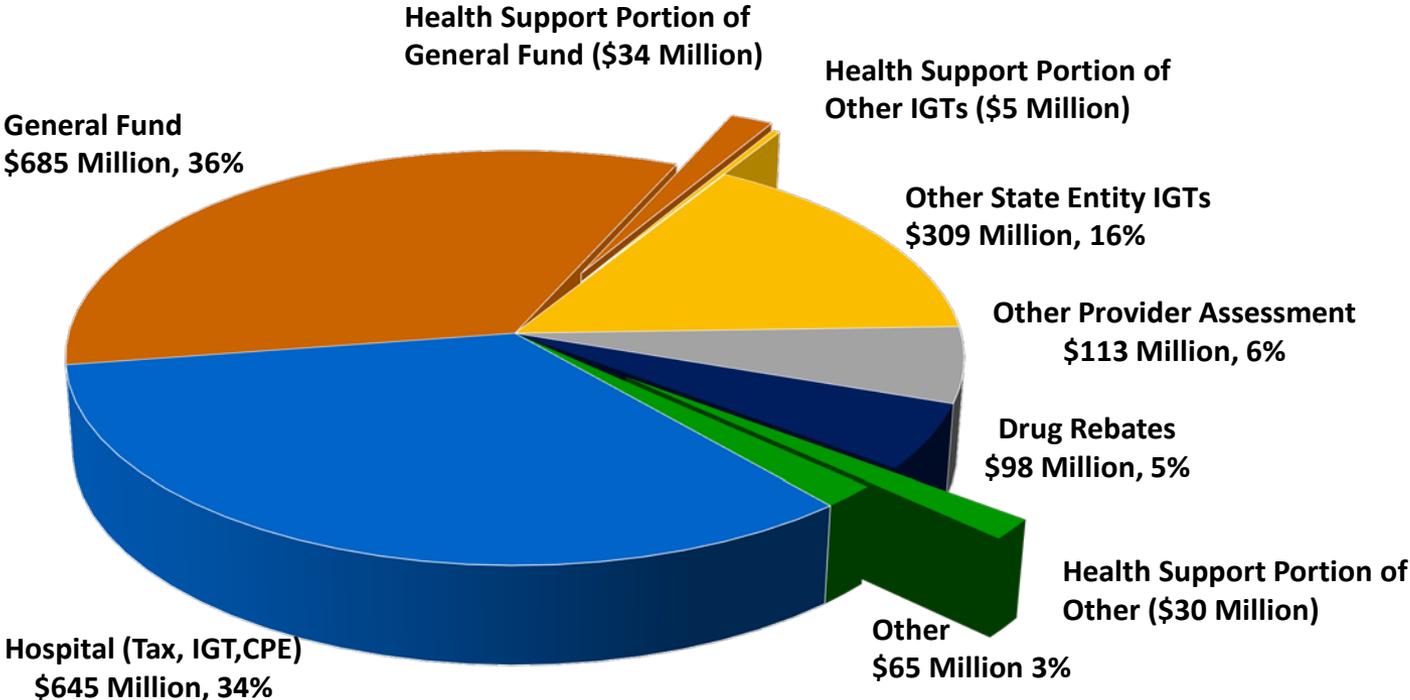
Expenditures Categorized in the Health Support Budget Line

(In millions)

	FY 2015	FY 2016	FY 2017*
Dental	\$84.5	\$89.0	\$89.9
EPSDT/Screening	\$51.7	\$53.2	\$0.8
Independent Laboratory/X-Ray	\$38.6	\$39.2	\$1.2
Eyeglasses and Optometrists	\$17.6	\$18.4	\$1.6
Ambulance Transportation	\$15.1	\$15.3	\$1.4
State Lab	\$14.0	\$14.1	\$14.3
Hearing	\$0.6	\$0.7	\$0.7
	\$222.1	\$229.9	\$109.9
*FY 2017 estimates based on RCO implementation			



FY 2015 State Share Sources: Health Support



Total State Share Approximately \$1.915 Billion



Health Support Budget Line FY 2015

State Share Funding

(in millions)

Service Category	Expenditures	State Share Funding			
	FY 2015	State Share	General Fund	Other State Agencies	Other
Dental	\$84.5	\$26.2	\$11.4		\$14.8*
EPSDT/Screening	\$51.7	\$16.0	\$0	\$0.8	\$15.2*
Independent Laboratory/X-Ray	\$38.6	\$11.9	\$11.9		
Eyeglasses and Optometrists	\$17.6	\$5.5	\$5.5		
Ambulance Transportation	\$15.1	\$4.7	\$4.7		
State Lab	\$14.0	\$4.6	\$0	\$4.6	
Hearing	\$0.6	\$0.2	\$0.1	\$0.1	
	\$222.1	\$69.1	\$33.6	\$5.5	\$30.0

*Includes \$28.3 million of discretionary allocation of Tobacco Settlement Funds



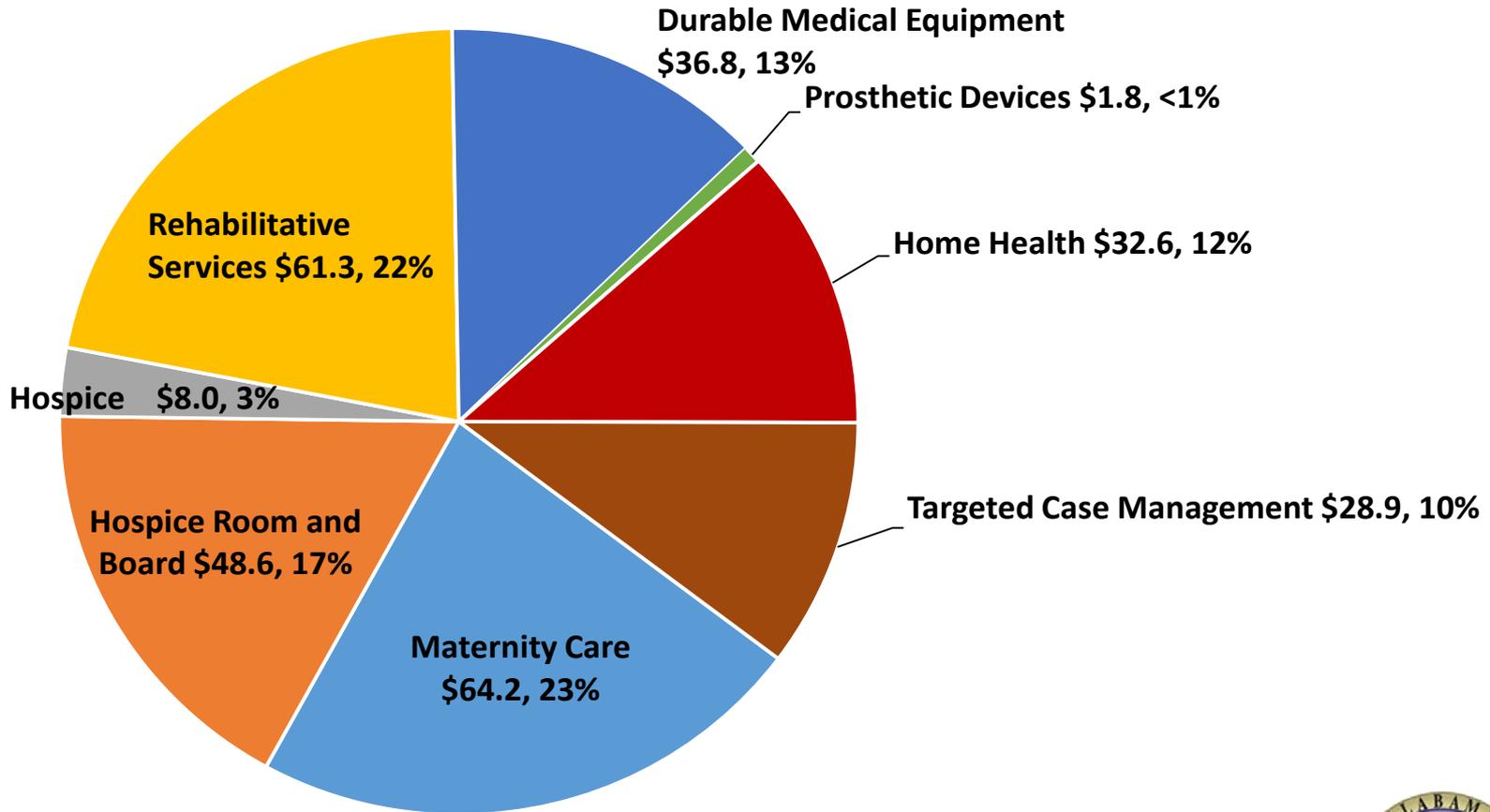
Alternative Care



FY 15 Alternative Care Budget Line Expenditures

(in millions)

Alternative Care
\$282.2



Maternity Care

- Most Maternity Services provided by Medicaid are through the Maternity Care Program including Prenatal Care, Care Coordination, Delivery, Post Partum (hospital costs are in the hospital budget line)
 - Type of Managed Care program
 - Competitively bid by Request for Proposals
 - Single payment to the contractor per delivery
 - 14 Districts throughout the state – Montgomery region is covered as fee for service and paid through another budget line (starting in January 2016)
 - Expenditures for FY 2015 were **\$64 million**
- No copayment is required for maternity related services
- Coverage of pregnant women is mandatory
- As of May 2016, the number of FY 2015 total deliveries was 34,675



Rehabilitative Services

- Rehabilitative Services are specialized medical services delivered by uniquely qualified practitioners designed to treat or rehabilitate persons with
 - mental illness, and/or
 - substance abuse
- These services are provided to recipients on the basis of medical necessity
- At a minimum, the services include the following:
 - Individual, group, and family counseling
 - Crisis intervention
 - Consultation and education services
 - Case management services
 - Assessment and evaluation



Rehabilitative Services continued

- Fee for Service reimbursement to other state agencies for Rehabilitative Services
 - Department of Mental Health (Expenditures for DMH are included under Mental Health section of the presentation)
 - Department of Human Resources
 - Department of Youth Services
- Rehabilitative Services is an optional program for adults
- Expenditures for FY 2015 were **\$61 million**



Hospice/Hospice Room & Board

- Reimbursement rates established by CMS. Expenditures for FY 2015 for Hospice Services were **\$8 million** for Hospice Care and **\$49 million** for Hospice Room and Board
- Hospice Services are optional for adults
- Medicaid is mandated to pay Nursing Home Room and Board for a dually eligible Hospice patient residing in a Nursing Home
 - Medicaid has an edit to ensure there is no double payment for room and board under hospice and nursing home
- Applicants must be certified, by their attending physician or hospice medical director, to have a terminal illness with a life expectancy of six months or less
- Care may be provided in a patient's home or in a nursing facility
 - Of the 4,158 recipients receiving Hospice services during FY 2015, 80% reside in a Nursing Home
- All hospice providers are subject to a 100% review of medical records containing documentation of admission



Durable Medical Equipment (DME)

- Fee for service reimbursement for supplies, appliances, and durable medical equipment
- Must be medically necessary and suitable for home use
- Examples include wheelchairs, beds, diabetic test strips, nebulizers
- DME is mandated by CMS through the Home Health benefit
- Many products require Prior Authorization and have service limitations
- Most products are reimbursed at 80% of the 2005 Medicare rate
- Expenditures for FY 2015 were **\$37 million**



Targeted Case Management

- Medicaid provides fee for service reimbursement to other state agencies for certain case management services provided to Medicaid recipients
 - Department of Mental Health (Expenditures for DMH are included under Mental Health section of the presentation)
 - Department of Human Resources
 - Department of Rehabilitative Services
 - Department of Senior Services
 - Department of Youth Services
- Five core services provided:
 - Needs Assessments
 - Service Arrangement
 - Social Support
 - Reassessment and follow-up
 - Monitoring
- TCM is an optional program for adults
- In FY 2015, 28,944 unduplicated recipients received TCM services
- FY 2015 expenditures for TCM were **\$29 million**



Home Health

- Reimbursement is based on a per visit rate
- Public Health provides 80% of the state share
- Home Health services are mandated by CMS
- Services must be deemed medically necessary for home health
- Covered services include restorative, preventive, maintenance and supportive care provided by a registered nurse, licensed practical nurse, home health aide or orderly. Limited physical, occupational, and speech therapies are covered for children
- Physician must recertify care every sixty days to determine if home health services are medically necessary
- Expenditures for FY 2015 were **\$33 million**



Expenditures Categorized in the Alternative Care Budget Line

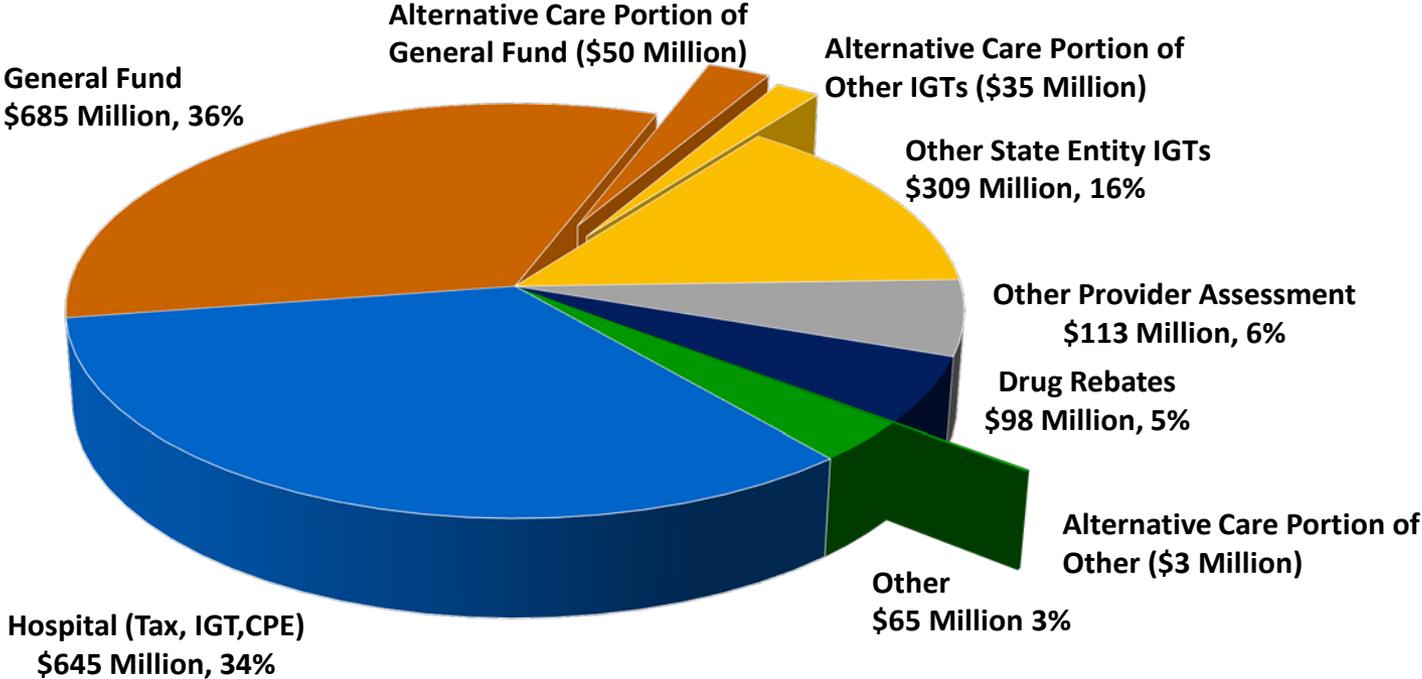
	FY 2015	FY 2016	FY 2017*
Maternity Care	\$64.2	\$64.3	\$0.6
Rehabilitative Services	\$61.3	\$62.0	\$62.0
Hospice Room and Board	\$48.6	\$49.1	\$49.7
Durable Medical Equipment	\$36.8	\$37.4	\$16.1
Home Health	\$32.6	\$33.0	\$33.3
Targeted Case Management	\$28.9	\$29.0	\$29.0
Hospice	\$8.0	\$8.0	\$8.1
Prosthetic Devices	\$1.8	\$1.8	\$0
	\$282.2	\$284.6	\$198.8
Long Term Care (LTC) Waivers**	\$81.3	\$81.3	\$82.7
TOTAL	\$363.5	\$365.9	\$281.5

*FY 2017 estimates based on RCO implementation

**Discussed in LTC presentation



FY 2015 State Share Sources: Alternative Care*



* Does not include funding for LTC Waivers

Total State Share Approximately \$1.915 Billion



Alternative Care Budget Line FY 2015

State Share Funding

(in millions)

Service Category	Expenditures	State Share Funding			
	FY 2015	State Share	General Fund	Other State Agencies	Other
Maternity Care	\$64.2	\$19.9	\$18.4		\$1.5
Rehabilitative Services	\$61.3	\$19.8	\$0	\$19.8	
Hospice Room and Board	\$48.6	\$15.1	\$13.6		\$1.5
Durable Medical Equipment	\$36.8	\$11.4	\$11.4		
Home Health	\$32.6	\$10.1	\$2.1	\$8.0	
Targeted Case Management	\$28.9	\$8.9	\$1.6	\$7.3	
Hospice	\$8.0	\$2.5	\$2.5		
Prosthetic Devices	\$1.8	\$0.5	\$0.5		
	\$282.2	\$88.2	\$50.1	\$35.1	\$3.0
LTC Waivers**	\$81.3	\$25.1	\$3.2	\$21.9	
TOTAL	\$363.5	\$113.3	\$53.3	\$57.0	\$3.0

**Discussed in LTC presentation



CHIP and Family Planning



Children's Health Insurance Program (CHIP)

- As of FY 2016 Alabama's Federal CHIP Match is 100%
 - Prior to FY 2016 the Federal Match was 78.29% and Public Health paid the state share
 - CHIP funding (enhanced match) is a separate allotment from the federal government
- The CHIP program is split between Medicaid and Public Health (ALL Kids)
 - Medicaid is federally mandated to cover all children up to 146% of Federal Poverty Level (FPL)*
 - Medicaid claims CHIP funds for uninsured children age 6-18 with income from 108-146% FPL
- ALL Kids covers CHIP uninsured children age 0-18 with income 147-317% of FPL

*FPL level includes 5% disregard



Family Planning

- Family Planning services are various birth control methods for women and men on Medicaid
- Family Planning is reimbursed fee for service
- Family Planning is a mandatory service
- Federally matched at 90/10
- Total Family Planning expenditures for FY 2015 were **\$59 million**, (**\$32 million** of which is covered on the next slide)



Plan First

- Plan First is a 1115 waiver for men and women who can only receive birth control services
 - Not eligible for other Medicaid Services
 - Public Health pays a majority of the state share
 - Approximately 9% (100,313) of Medicaid's eligibles are in the Plan First program
- This is an optional program



CHIP and Family Planning Budget Lines

	FY 2015	FY 2016	FY 2017*
CHIP	\$80.5	\$52.3	\$26.2
Family Planning/Plan First	\$59.1	\$59.1	\$44.9
TOTAL	\$139.6	\$111.4	\$71.1
*FY 2017 estimates based on RCO implementation			



CHIP and Family Planning Budget Lines FY 2015 State Share Funding

(in millions)

Service Category	Expenditures FY 2015	State Share Funding			
		State Share	General Fund	Other State Agencies	Other
CHIP	\$80.5	\$17.7	\$0	\$8.5	\$9.1
Family Planning/Plan First	\$59.1	\$5.9	\$2.1	\$3.8	
TOTAL	\$139.6	\$22.6	\$2.1	\$12.3	\$9.1



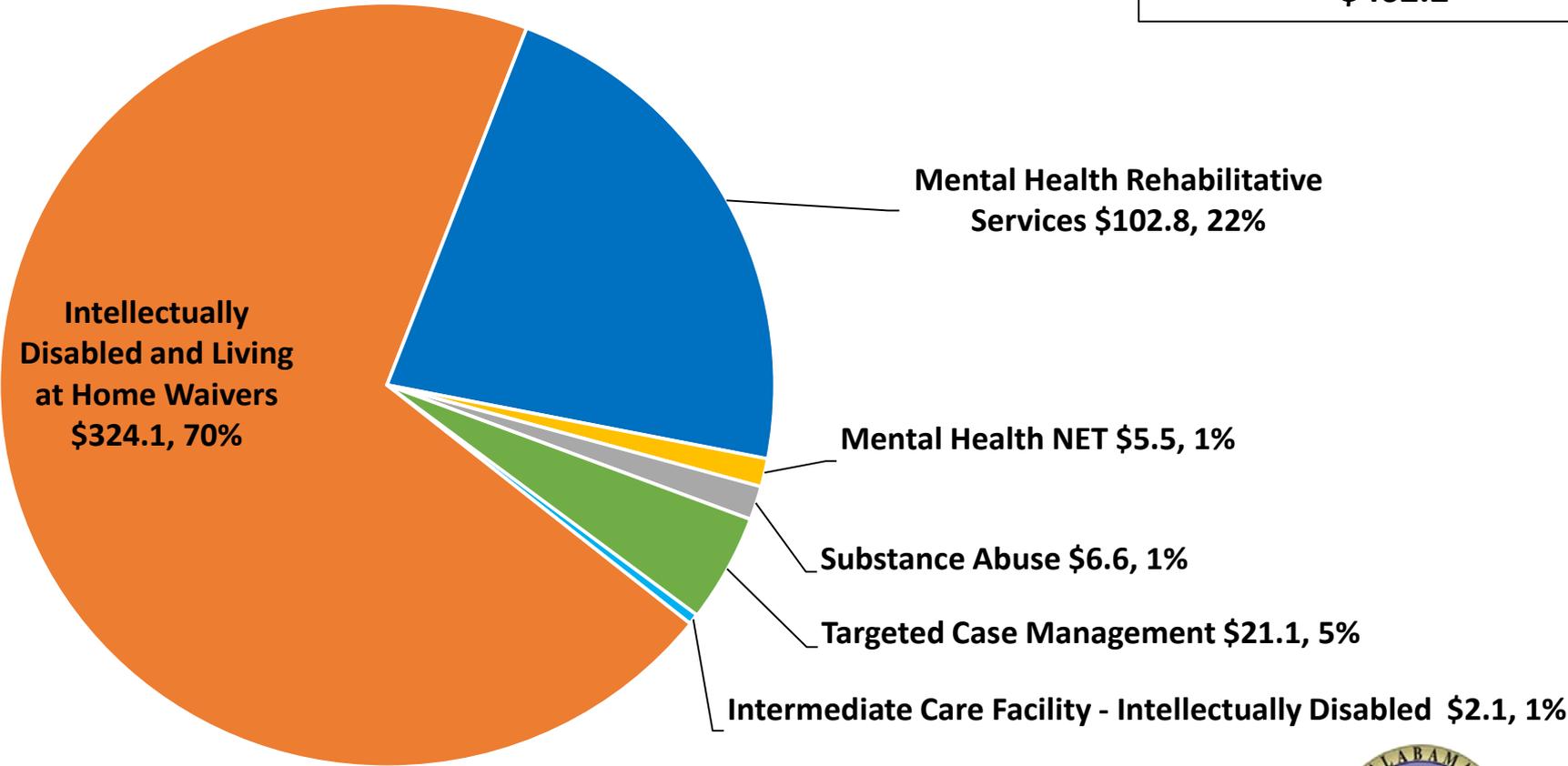
Mental Health



FY 15 Mental Health Budget Line Expenditures

(in millions)

**Total Mental Health
\$462.2**



Intermediate Care Facilities (ICF) and Home and Community Based Waivers

- Home and Community Based Waivers for Intellectually Disabled (ID) and Living at Home (LAH) have limited slot capacity
 - These expenditures were not covered in the Long Term Care discussion
 - Recipients must meet IQ level requirements
 - Recipients must have intellectual disabilities diagnosis
 - FY 2015 Expenditures were **\$324.1 million**
- 2 privately owned ICF-IID facilities with a total of 26 beds
 - To qualify, recipients must have intellectual disabilities diagnosis
 - Recipient must meet ICF-IID level of care
 - Cost report submitted to determine the room and board rate
 - FY 2015 Expenditures were **\$2.1 million**



HCBS Program Information

ID and LAH Waivers

	Intellectually Disabled (ID) Waiver	Living at Home (LAH) Waiver
Age Requirement	3 years and older	3 years and older
Enrollment Limit	5,260	569
Enrollment as of January 2016	4,885	407
2015 Expenditures	\$318,908,377	\$5,261,944
State Funding Source	Mental Health	Mental Health

Expenditures are for HCBS services only and do not include any additional expenditures for the recipient, including Pharmacy, Physician, and Hospital expenditures.



	Intellectually Disabled (ID) Waiver	Living at Home (LAH) Waiver
Target Population	<p>Individuals with a diagnosis of Intellectual Disabilities (ID); Individuals meeting an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)</p>	<p>Individuals with a diagnosis of Intellectual Disabilities (ID); Individuals meeting the Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) Level of Care; Persons not residing in a group home setting or environment; Persons currently on the waiting list for ID services</p>
Services Provided	<ul style="list-style-type: none"> • Residential Habilitation • Residential Habilitation – Other Living Arrangement • Day Habilitation – Level 1-4 • Day Habilitation with Transportation – Level 1-4 • New Day Habilitation • Prevocational Services • Supported Employment • Individual Job Coach • Individual Job Developer • Occupational Therapy • Speech and Language Therapy • Physical Therapy • Behavior Therapy – Level 1-3 • In-Home Respite Care • Out-of-Home Respite Care • Institutional Respite Care • Personal Care • Personal Care on Worksite • Personal Care Transportation • Environmental Accessibility Adaptation • Specialized Medical Equipment • Specialized Medical Supplies • Skilled Nursing • Adult Companion Services • Crisis Intervention • Community Specialist 	<ul style="list-style-type: none"> • Residential Habilitation In-Home • Day Habilitation – Level 1-4 • Day Habilitation with Transportation – Level 1-4 • New Day Habilitation • Prevocational Services • Supported Employment Small Group • Supported Employment • Individual Job Coach • Individual Job Developer • Occupational Therapy Services • Speech and Language Therapy • Physical Therapy • Behavior Therapy – Level 1-3 • In-Home Respite • Out-of-Home Respite • Personal Care • Personal Care on Worksite • Personal Care Transportation • Environmental Accessibility Adaptation • Specialized Medical Equipment • Specialized Medical Supplies • Skilled Nursing • Community Specialist • Crisis Intervention • Individual Directed Goods and Services

Mental Health Rehabilitative Services

- Medicaid reimburses the Department of Mental Health for Mental Health Rehabilitative Services to children with Serious Emotional Disturbances (SED) and adults with Serious Mental Illness (SMI)
- There are 26 Community Mental Health Centers
- Expenditures for FY 2015 were **\$103 million**



Substance Abuse

- Medicaid reimburses the Department of Mental Health for services provided to treat adolescents and adults who have alcohol and drug use disorders
- In FY 2015, 5,002 recipients received substance abuse rehabilitation services
- Mental Health has 46 substance abuse treatment providers approved to provide Medicaid rehabilitation services
- FY 2015 expenditures were **\$6.6 million**



Non-Emergency Transportation (NET) for Mental Health

- The NET program for Mental Health provides non-ambulance one-way or round trip transportation to a Medicaid mental health rehabilitation service
- The services must occur on the same date as the transportation event
- Transportation providers must have a contract with the Mental Health Agency and enrolled in Medicaid to provide mental illness and substance abuse rehab services
- Mental Health Substance Abuse transportation providers must fully document medical necessity for non-emergency transportation utilizing a treatment/service plan that is signed by the Medicaid recipient and direct service provider
- Reimbursement will not be provided for:
 - Transportation to any services other than Medicaid Mental Health Rehabilitation Services
 - Services that are not medically necessary or that are not provided in compliance with covered services



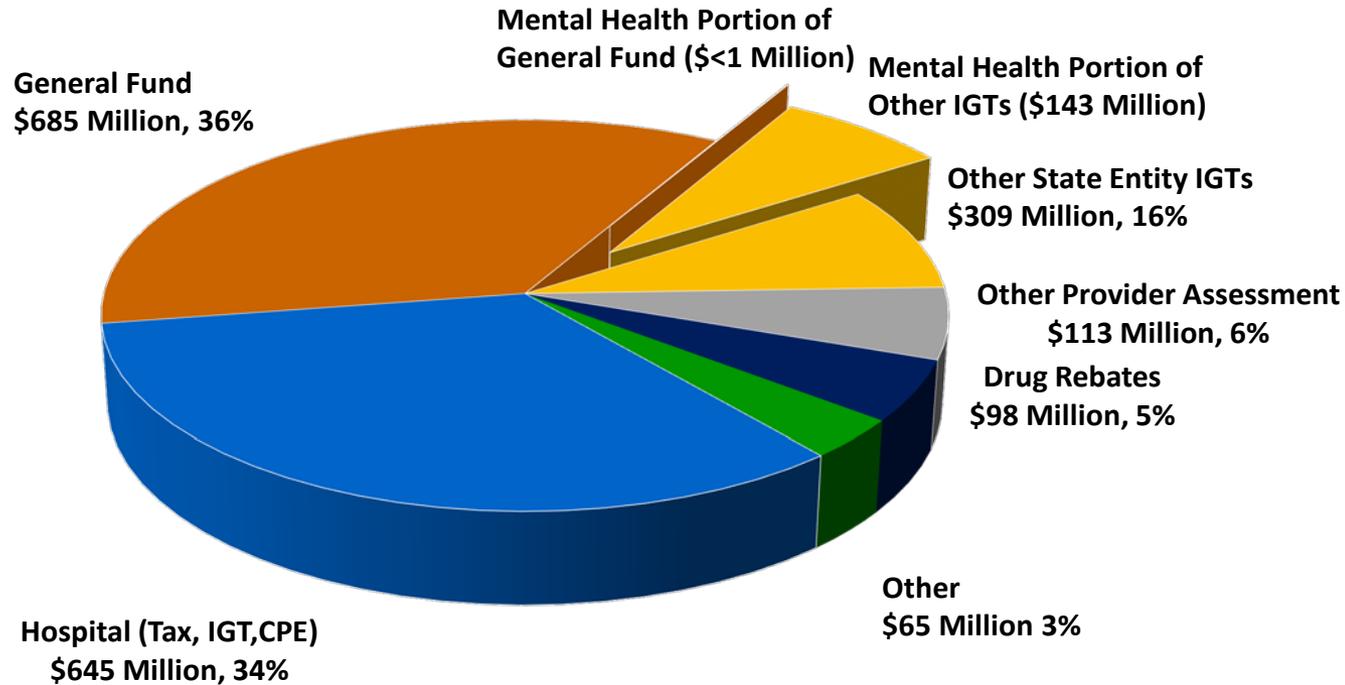
Expenditures Categorized in the Mental Health Budget Lines

	FY 2015	FY 2016	FY 2017*
Intellectually Disabled and Living at Home Waivers	\$324.1	\$324.2	\$324.2
Mental Health Rehabilitative Services	\$102.8	\$103.7	\$30.6
Targeted Case Management	\$21.1	\$21.2	\$21.2
Mental Health Non-Emergency Transportation	\$5.5	\$5.5	\$5.5
Substance Abuse	\$6.6	\$6.5	\$6.5
Intermediate Care Facility – Intellectually Disabled	\$2.1	\$2.1	\$2.1
	\$462.2	\$463.2	\$390.1

*FY 2017 estimates based on RCO implementation



FY 2015 State Share Sources: Mental Health



Total State Share Approximately \$1.915 Billion



Mental Health Budget Line FY 2015

State Share Funding

(in millions)

Service Category	Expenditures	State Share Funding		
	FY 2015	State Share	General Fund	Other State Agencies
Intellectually Disabled and Living at Home Waivers	\$324.1	\$100.5		\$100.5
Mental Health Rehabilitative Services	\$102.8	\$31.8		\$31.8
Targeted Case Management	\$21.1	\$6.5		\$6.5
Mental Health Non-Emergency Transportation	\$5.5	\$1.7		\$1.7
Substance Abuse	\$6.6	\$2.0		\$2.0
Intermediate Care Facility – Intellectually Disabled	\$2.1	\$0.6	\$0.3	\$0.3
	\$462.2	\$143.1	\$0.3	\$142.8

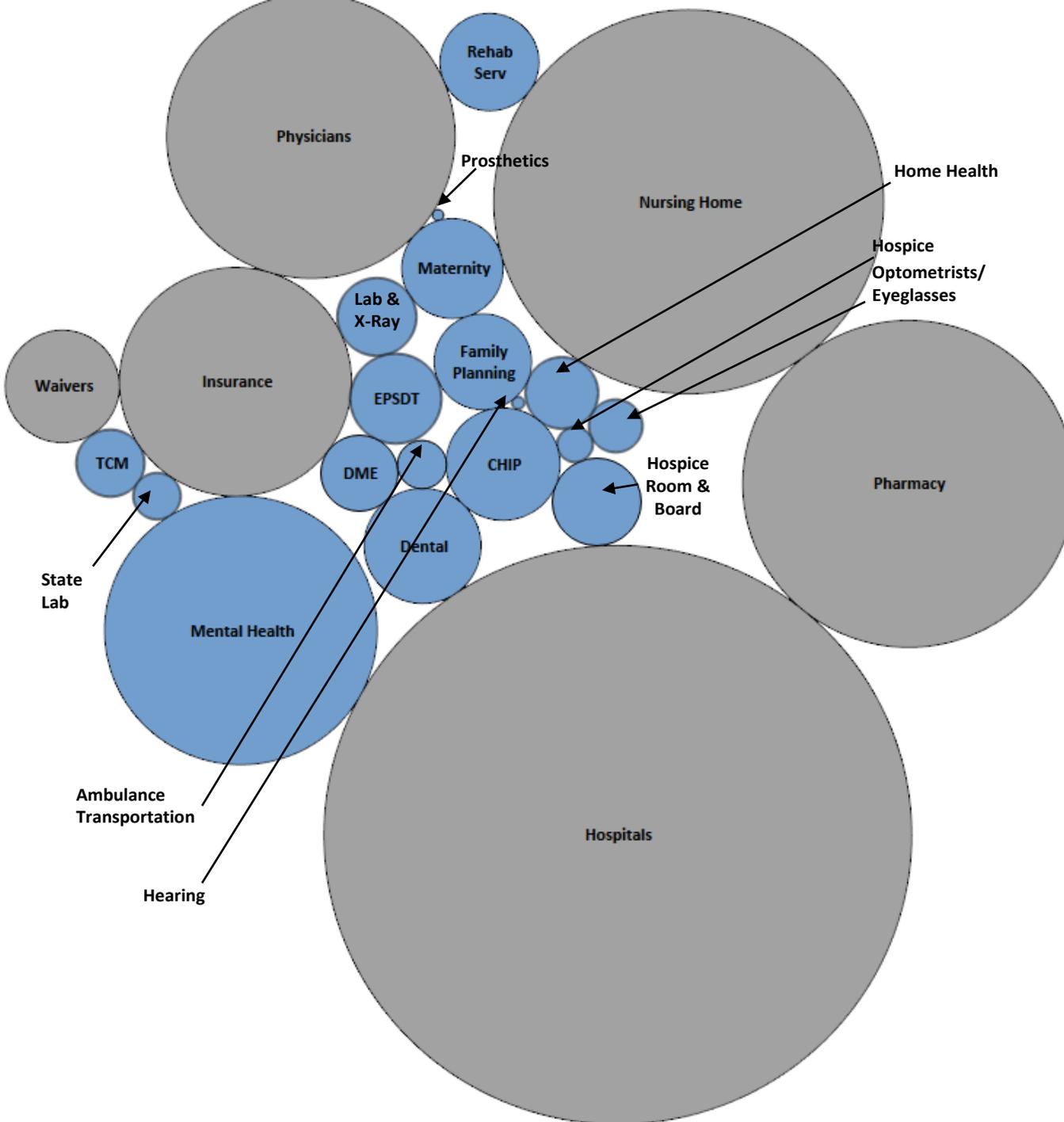


Today's Agenda

- Mental Health
- EPSDT/Screening
- Dental
- Lab/X-ray
- Transportation
- Optometrists/Eyeglasses
- State Lab
- Hearing
- Maternity Care
- Rehabilitative Services
- Hospice/Hospice Room & Board
- DME
- Home Health
- Targeted Case Management
- Prosthetic Devices
- CHIP and Family Planning

■ Previously Covered

■ Covered Today



Summary

- Medicaid is inextricably linked to the operation of other State Agencies
- These important ancillary services support the healthcare infrastructure of the state
- Medicaid is vital to the health care system of Alabama

