Virginia Health Reform Initiative: Legislative and Budget Implications

Secretary of Health and Human Resources
Dr. Bill Hazel
January 21, 2011
Opportunity

- Offer an alternative state model for health system reform
- Meet the needs of Virginia’s citizens and government
- Create a health system that contributes to Virginia’s economy

Support for this Initiative came from the Virginia Health Care Foundation and the Robert Wood Johnson Foundation. Health policy support was provided by Dr. Len Nichols, Director of the Center for Health Policy Research and Ethics at George Mason University.
VHRI
Advisory Council
(24 Members, Secretary Bill Hazel is Chair)
(6 taskforces, additional 46 members, including consumer representatives)

• From August to December 2010, the Advisory Council met three times; the six task forces met 18 times


• Continue the role of the Advisory Council through 2011

Vision: Virginia should aspire to have the healthiest individuals, the healthiest communities, the best health care system and the strongest economy in the nation.
Health Benefit Exchange – Virginia should create and operate its own Health Benefit Exchange in order to preserve and enhance competition in the health insurance market.

- §1 bill calling for the Secretary to work with the General Assembly, relevant experts, and stakeholders to provide recommendations regarding governance and structure for consideration by the 2012 Session.
  - HB 1366 – Delegate Kilgore
  - SB 2434 – Senator Saslaw
Virginia Health Reform Initiative: Legislative Package

Insurance Enforcement – The General Assembly should amend the statutes to enable the Bureau of Insurance (and the Virginia Department of Health as it pertains to MCHIP) to implement and enforce the immediate market reforms and other applicable provisions of federal health reform.

- Legislation drafted in conjunction with the Bureau of Insurance and Virginia Department of Health pertaining to the enforcement of the September 23rd provisions of the Patient Protection and Affordable Care Act.
  - HB 1958 – Delegate Rust
Virginia Health Reform Initiative: Budget Amendments

**Information Technology:** funding and implementation of the Virginia Gateway project, which includes the automation of an eligibility system across health and human services agencies

- GF: 2011: $1,140,895
- GF: 2012: $3,490,580
- NGF: 2011: $3,955,398
- NGF: 2012: $23,828,496

**Electronic Submission of Fee–For–Service claims:**
Language Amendment: DMAS should require fee for service providers to submit electronic claims submissions and receive electronic funds transfers.
Phased in approach beginning October 1, 2011.
Exclusions allowed.
Virginia Health Reform Initiative: Critical Outcomes

**Capacity:** The Secretary should develop recommendations on evidenced-based scope of practice changes, expansion of clinical training sites, scholarship and loan forgiveness programs, and how best to attract health care professionals to certain communities.

**Delivery and Payment Reform:** The Commonwealth should convene multiple stakeholders in collaborative efforts to identify, pilot, and spread effective models of delivery and payment reform.
Federal Health Reform: Impact on Medicaid Eligibility

*Does not include 5% income disregard;
133% of federal poverty is $14,404 for an individual and $29,327 for family of four (in 2010)
Virginia Health Reform Initiative

Care Coordination
Expand principles of care coordination to all services, populations, and regions

- Southwest Virginia expansion
- Foster care children in Richmond City
- EDCD waiver members
- HCBC waiver members – for medical care
- Behavioral health services
- Dually eligible members
- ID waiver members

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<tr>
<td>GF</td>
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Funds in Millions

- Jul 2011
- Oct 2011
- Jan 2012
- Apr 2012
- July 2012
Item 297 MMMM.1

Language has 8 parts:
- a. Expands the managed care model to Southwest Virginia (July 1, 2011).
- b. Provides for managed care pilot project for foster children residing in the City of Richmond (July 1, 2011).
- c. Provides care coordination model for the community long term care services provided through the Elderly and Disabled with Consumer Direction (October 1, 2011).
Item 297 MMMM.1

- d. Enroll all home and community based care waiver recipients in managed care for acute and primary care needs. (January 1, 2012).


- f. Implementation of the behavioral health model by January 1, 2012
Item 297 MMMM.1

- g. This allows us to fully integrate acute, primary, and long term care services and funding sources for all the dual eligibles (both Medicaid and Medicare) (April 1, 2012).

- h. This calls for DBHDS and DMAS to work together to improve the existing waivers for individuals with disabilities (ID) that will increase efficiency and cost effectiveness, enable more individuals to be served, strengthen the delivery of person-centered supports, and provide viable alternatives to institutional placement.
Item 297 0000

- Requires an independent assessment for children at risk of out of home placement. Services include:
  - Residential (levels A and B)
  - Intensive In–Home
  - Therapeutic Day Treatment
  - Mental Health Support
Stakeholder Input

MMMM.1. – Handout currently being reviewed by stakeholders

OOOOO. – Met with stakeholders earlier this week, drafting meeting this afternoon