

Update on the Medicaid Innovation and Reform Commission

The Honorable R. Steven Landes

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Genesis of Medicaid Innovation and Reform Commission

- Medicaid expansion became optional for states with the Supreme Court June 2012 ruling
 - State policy decision is required to elect whether or not to expand Medicaid under the ACA
 - States can opt out without jeopardizing federal funding for existing Medicaid programs
- The 2013 General Assembly adopted budget language to
 - Reform the existing Medicaid program and implement innovative service delivery prior to expanding eligibility for Medicaid
 - Establish a new legislative Medicaid Innovation and Reform Commission (MIRC)
 - Responsible for reviewing, recommending and approving reform proposals
 - Must determine if reforms are met prior to Medicaid expansion

Medicaid Innovation and Reform Commission (MIRC)

- The MIRC has held three substantive meetings and one public hearing during 2013
 - June 17th
 - August 19th
 - October 15th public hearing
 - October 21st
- All presentation materials can be found on the MIRC website: <http://mirc.virgiia.gov>
- June 17 meeting
 - Organizational
 - Overview of the Medicaid program and financing
 - Goals of reform and reform phases to be implemented

Focus on Other States and Medicaid Expansion

- August 19th MIRC meeting
 - Brought in national expert on Medicaid programs
 - Examined cost estimates and assumptions related to Medicaid expansion in Virginia
- At least six other states are exploring options as they determine whether or not to expand Medicaid
 - Michigan, Ohio, Indiana, Arkansas, Iowa and Arizona
- Options include
 - Imposing personal responsibility requirements
 - Purchasing private insurance for enrollees
 - Requiring recipients to be enrolled in managed care or
 - Tailoring coordinated/integrated care services to populations with chronic conditions

National Trends in Reforming Medicaid

- October 21st MIRC meeting
 - Heard from several national experts on trends in Medicaid reform
 - Updated on the progress of Virginia Medicaid reforms
- National trends in reforming Medicaid include:
 - Expanding managed care
 - Goal is to bend the Medicaid cost curve, improve quality, ensure value and provide budget predictability
 - Testing of new payments models and delivery structures
 - Pay for performance
 - Patient centered medical homes
 - Risk sharing (accountable care organizations)
 - Full risk integrated networks (e.g., provider based systems, payer-led affiliation or health system)
 - Focusing on the patient as a consumer
 - More consumer choice
 - Customized benefit packages
 - Rewards/incentives for healthy behaviors
 - Incentives/options to move to private coverage

Progress on Virginia Medicaid Reforms

- Medicaid managed care is now available statewide in Virginia through seven managed care plans
 - Nationally-accredited
 - Diverse practice models compete in the marketplace (physician owned, hospital owned, privately commercial owned)
 - Full risk arrangement
- Majority of Medicaid enrollees receive services through managed care plans (700,000 enrollees)
- Two newer populations will have care coordinated
 - Individuals dually eligible for Medicare and Medicaid
 - Demonstration project approved by federal government
 - Foster care children
- Behavioral health services changes underway
 - Stronger regulations to improve integrity and quality of care
 - Behavioral Health Services Administrator (Magellan) in December 2013

Progress on Virginia Medicaid Reforms

- Phase 2 reforms are in process, but moving more slowly
 - Transition to commercial (“alternative”) benefit
 - Cost sharing and wellness
 - Limited provider networks and medical homes
 - New payment/delivery model
 - Quality payment and incentives
- Phase 3 reforms that require DMAS to transition long-term care service recipients into managed or coordinated care are on a longer time horizon
 - Home and community-based waiver enrollees in managed care for medical needs
 - Target date of October 2014
 - All inclusive care for long-term care beneficiaries
 - Target date of July 2016
 - Statewide dual eligible coordinated care, including children
 - Target date of July 2018

Private Options for Low-Income Adults

- MIRC also heard from national experts about private options to provide health care coverage to uninsured, low-income adults
 - Consider tailoring a program to meet Virginia's unique needs
 - Examine use of private coverage in lieu of Medicaid coverage
 - Choice of available health plans
 - Consider use of a contracted enrollment broker to facilitate consumer choice
 - Consider use of premium assistance and health savings accounts