Update on Medicaid Projects: MLTSS, DSRIP and SUD

Presentation to:

House Appropriations Committee

Subcommittee on Health and Human Resources

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Agenda

- ❑ Introduction
- ❑ Managed Long Term Services and Supports (MLTSS)
- ❑ Delivery System Reform Incentive Payment (DSRIP)
- ❑ Substance Use Disorders (SUD) Program Changes

Virginia's Medicaid Program Key Facts

1 Million +

Virginians covered by Medicaid/CHIP

1 in 8

Virginians rely on Medicaid

2 in 3

Residents in nursing facilities supported by Medicaid - Primary payer for LTSS

50%

Medicaid beneficiaries are children

58%

Long-Term Services & Supports spending is in the community

1 in 3

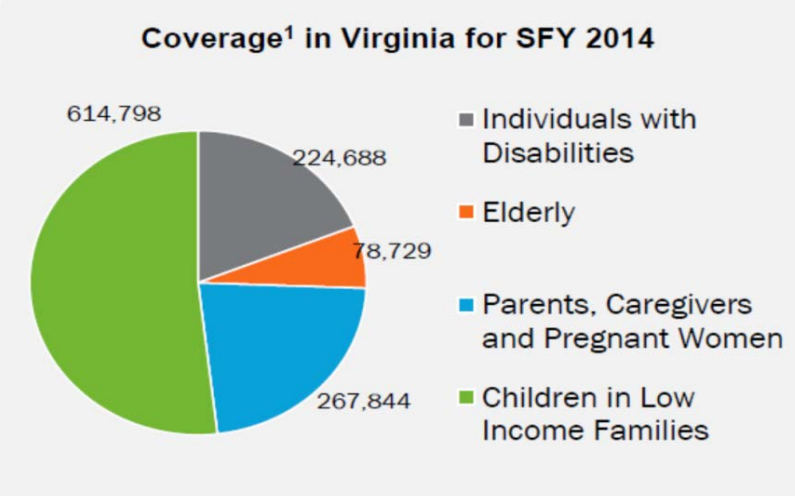
Births covered in Virginia

Behavioral Health

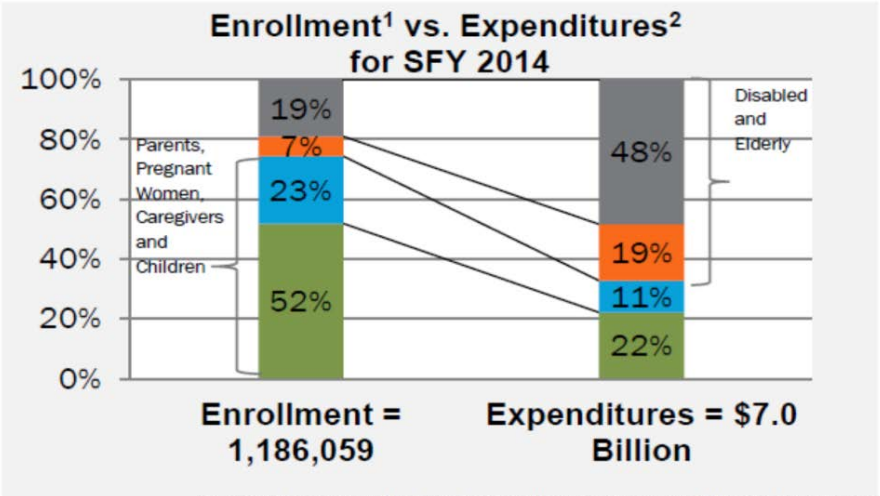
Medicaid is primary payer for services

Overview: Virginia Medicaid

Virginia's Medicaid population breakdown and expenditures



Medicaid coverage is primarily available to Virginians who are children in low-income families, pregnant women, elderly, individuals with disabilities and parents meeting specific income thresholds.



[1] Coverage and enrollment numbers show the total annual unduplicated enrollments for Virginia's Title XIX program
[2] Expenditures represent claims expenditures for Virginia's Title XIX program

Medicaid expenditures are disproportionate to covered populations. Seniors and individuals with disabilities make up over 25% of the total population, yet almost 70% of expenditures are attributed to this group.

Managed Care

Management of Medicaid population has been an ongoing and evolving process over the last 20 years

Population focused – improving care and costs for broader population groups

- ✓ Managed Care (full-risk):
  - Pregnant Women & Children (1996)
  - ABD (1996)
  - ALTC (2007)
  - PACE (2006)
  - Statewide Coverage (2012)
- ✓ Waivers – HCBS (1980's)
- ✓ Magellan – BHSA (2013)
- ✓ CCC Demo (2014)

Innovation efforts and additional programs – improve care for complex population

- ❑ Pilots (BH homes in MCOs, 2014 and 2015), also in CCC
- ❑ MLTSS
- ❑ DSRIP
- ❑ GAP and SUD
- ❑ ID/DD System Redesign
- ❑ Brain Injury Population Programs

Major delivery system reform

- ❑ VIPs through DSRIP – Provider partnerships focused on super-utilizers/high-risk beneficiaries
- ❑ Provider-led Care Management – high-touch, person-centered care
- ❑ Moving from population-based to needs-based service delivery model
- ❑ Full-risk managed care and shared-risk with providers

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MLTSS – Top Five Things to Know

1. MLTSS is a Legislative Mandate and an administrative priority.
2. MLTSS will ensure a comprehensive care coordination strategy that will help control costs.
3. MLTSS has a strong person-centered, fully integrated delivery model.
4. MLTSS will be statewide.
5. MLTSS implementation will be phased-in, beginning in 2017.

MLTSS – Legislative Mandate

Consistent with the Virginia General Assembly and Medicaid reform initiatives, DMAS is moving forward with transitioning individuals from fee-for-service delivery models into managed care

General Assembly Directives beginning 2011 through 2015

Continue to transition fee-for-service populations into managed care

Phase 3 of Medicaid Reform Initiatives

Move forward with managed long term services and supports (MLTSS) initiatives

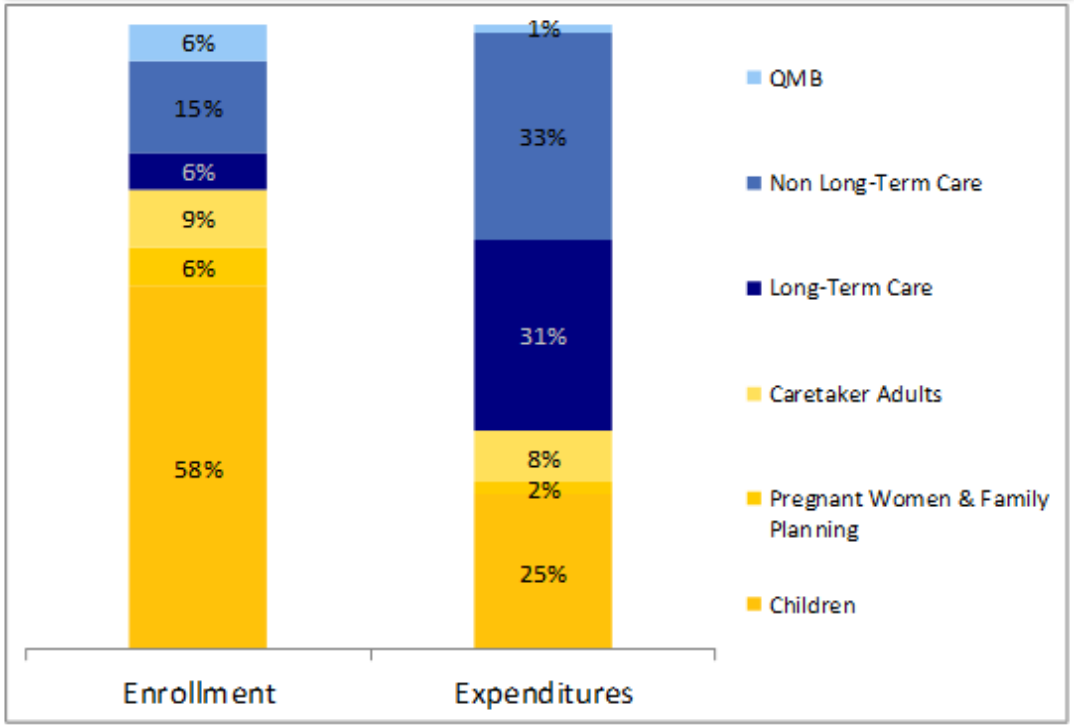
Value of Managed Care

Timely access to appropriate, high-quality care; comprehensive care coordination; and budget predictability

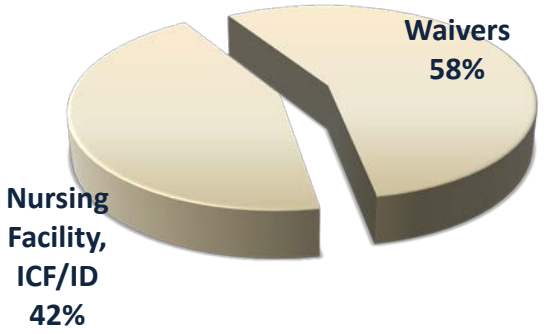
Benefit of MLTSS

The current fee-for-service system lacks comprehensive care coordination, the flexibility to provide innovative benefit plans & value-based payment strategies, and budget predictability

Medicaid Enrollment v. Expenditures

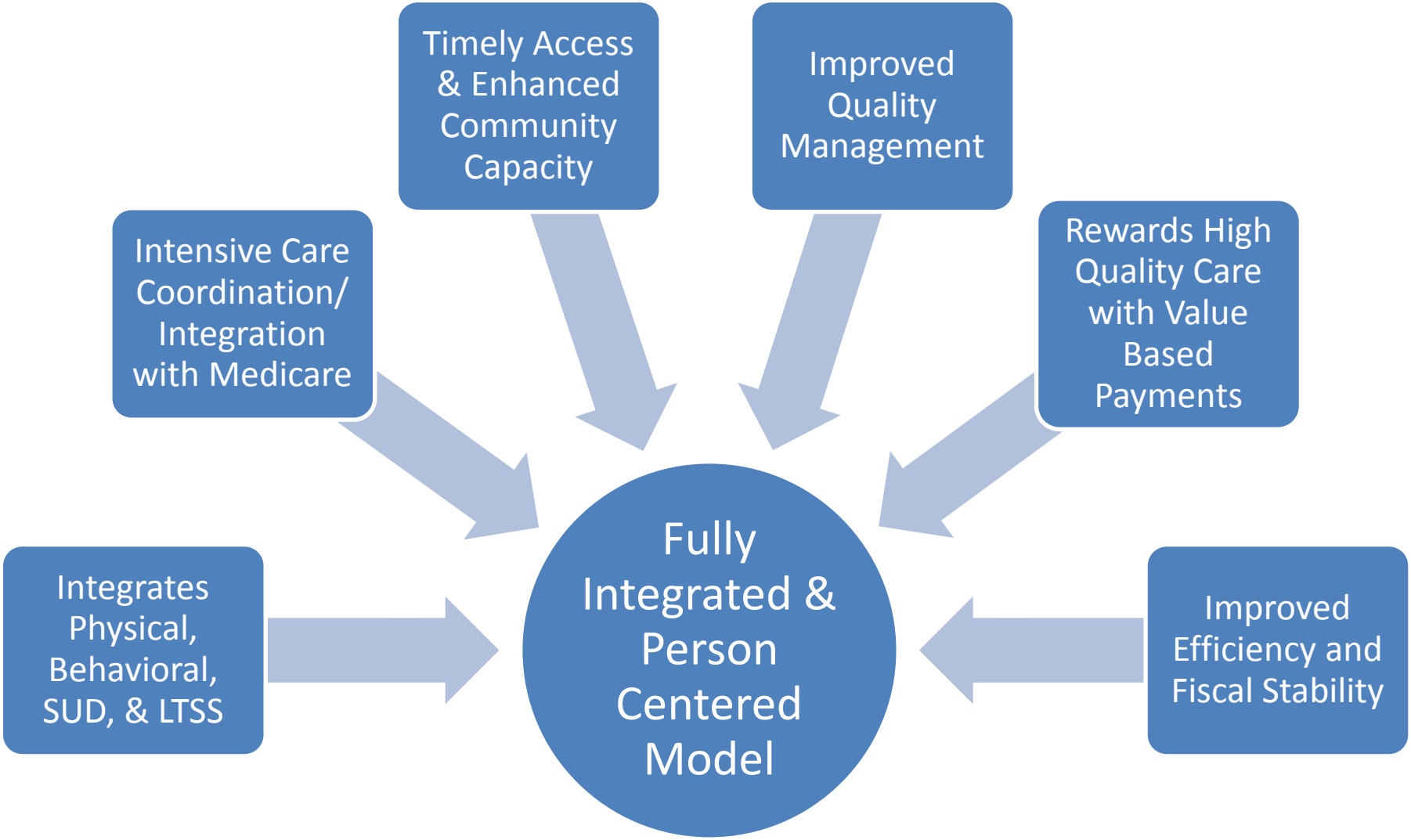


Long-Term Care Expenditures



Current LTSS spending trends are unsustainable

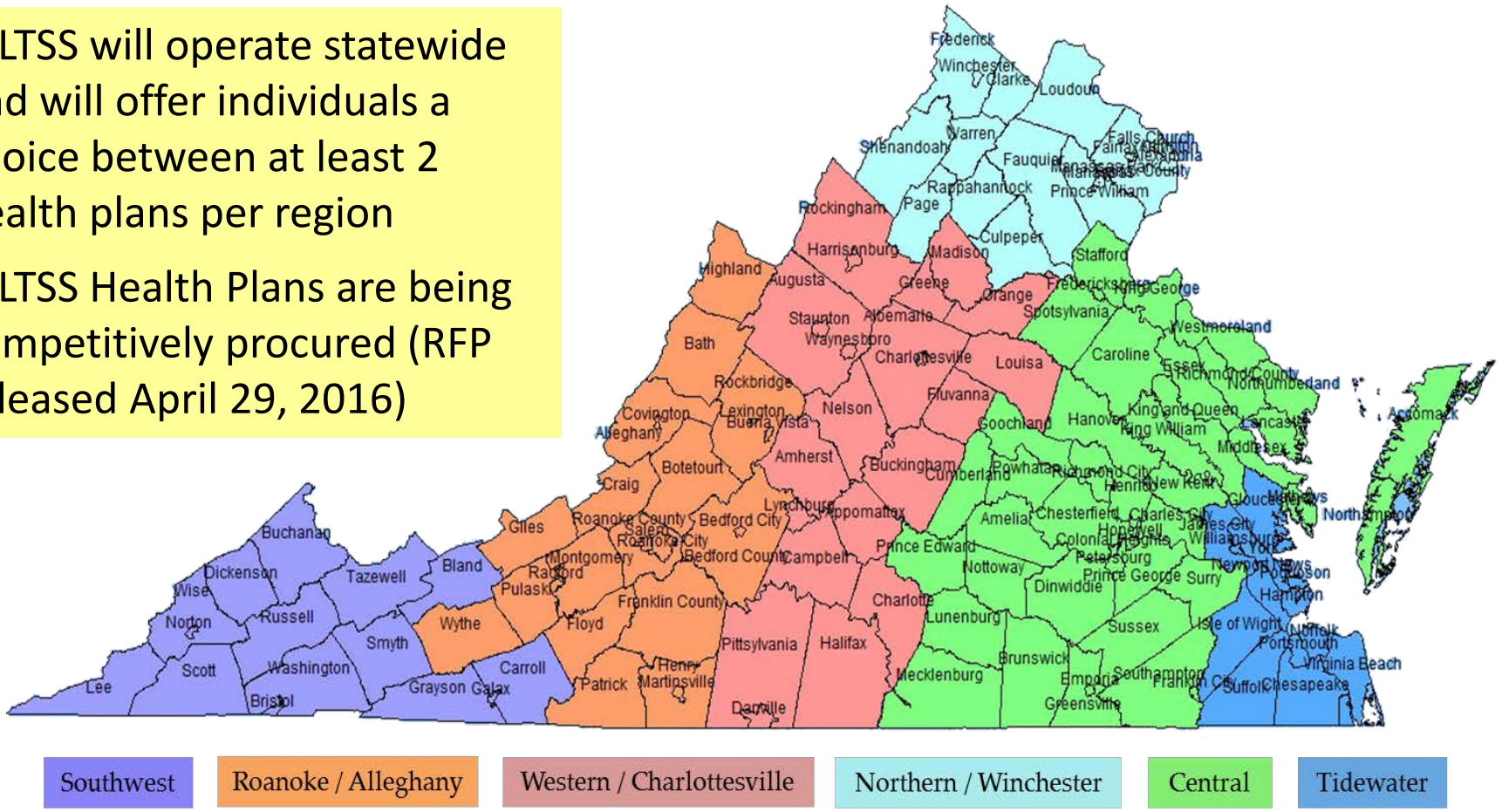
MLTSS Person Centered Delivery Model



MLTSS Regional Map

Virginia Medicaid's Regional Map for Managed Long-Term Services and Supports (MLTSS)

- MLTSS will operate statewide and will offer individuals a choice between at least 2 health plans per region
- MLTSS Health Plans are being competitively procured (RFP released April 29, 2016)



MLTSS Proposed Program Launch

Date	Region	Totals	
		At Time of Regional Launch	With CCC& ABD
7/1/2017	Tidewater	17,395	42,910
9/1/2017	Central	23,573	54,275
10/1/2017	Charlottesville/Western	16,481	29,614
11/1/2017	Roanoke/Alleghany/Southwest	23,665	47,291
12/1/2017	Northern/Winchester	25,099	37,964
1/1/2018	CCC Enrolled	29,510	*included above*
1/1/2018	Aged, Blind, and Disabled (from Medallion 3.0	76,331	*included above*
Total	**All Regions**	**212,054**	**212,054**

**Source – VAMMIS Data; approximate totals based upon MLTSS targeted population as of March 2016*

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DSRIP – Top Five Things to Know

1. Virginia's Medicaid population is aging with more disabilities and complex needs.

2. Health care is provided in silos and cannot meet the complex needs of the Medicaid population.

3. Health outcomes are not improving while health care spending is increasing, and as a result the Medicaid cost trajectory is not sustainable.

4. DSRIP presents the opportunity to fundamentally shift how care is delivered for the whole person and align payment incentives through culture and process changes.

5. Value will improve and be sustained with shared accountability across providers and payers, resulting in better Medicaid health outcomes and decrease in the growth of Medicaid spending.

Driving Medicaid Transformation

Virginia's Medicaid Program continues to evolve and transform. Delivery System Reform Incentive Payment (DSRIP) Program presents the opportunity to continue Medicaid reforms to achieve **quality, better outcomes, and efficiency**.

The Medicaid Delivery System is...

..how providers, payers, health care settings, and community resources work together to deliver health care and support services to meet the needs of the Medicaid population.

Delivery System Reform

DSRIP is a one-time investment where all Terms & Conditions with CMS are clearly outlined before Virginia moves forward.

What is DSRIP?

DSRIP programs provide the opportunity to invest in delivery system reform across the entire health care landscape.

DSRIP programs cannot pay for...

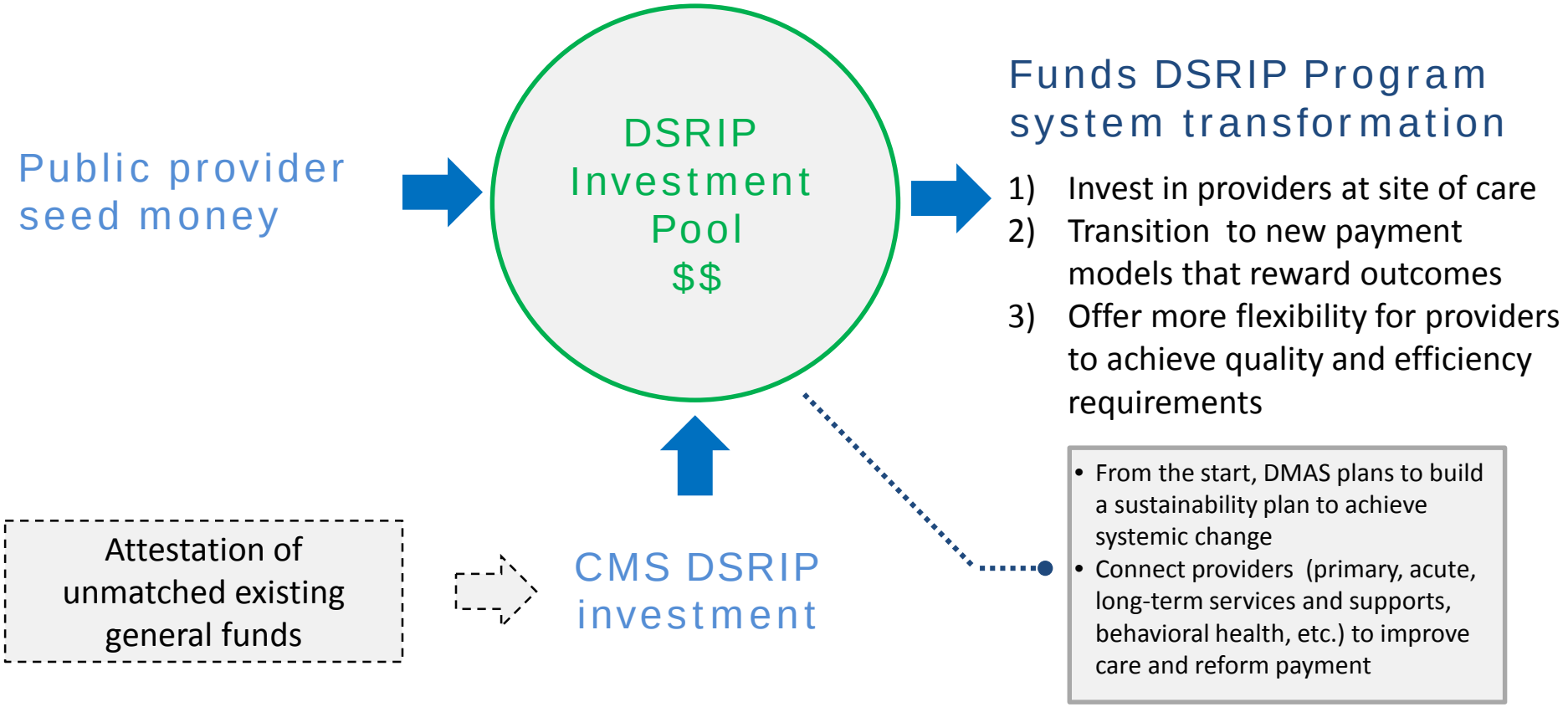
- ...new Medicaid services
- ...new populations
- ...bricks and mortar

...and must be strictly focused on **infrastructure development** for the **current** Medicaid population.

DMAS will invest in Medicaid provider infrastructure and process improvements in order for providers, payers, health plans, and the Department to succeed in the shift toward a new model of care and Medicaid payment models.

DSRIP Financing

DSRIP seed money fuels an investment pool that supports delivery system reform and provider readiness for value-based payments.



DSRIP Initiatives

The DSRIP investment starts with the formation of new provider partnerships to implement initiatives.

Form Provider Partnerships (about 10 partnerships in Virginia)

Example Projects:

- Formalize partnership across all different public and private provider types (medical, behavioral health, long-term services and supports, and others)

Implement Initiatives to Improve Care Delivery

Example Projects:

- Integrate behavioral and medical health services with bi-directional coordination to breakdown silos and increase capacity
- Integrate social determinants of health into medical care
- Implement strong transitions between care settings
- Create real time data sharing across all provider partners to enable clinical action
- Implement emergency department information system

Transition to Value-Based Payments

Example Projects:

- Implement alternative payment models to reward outcomes

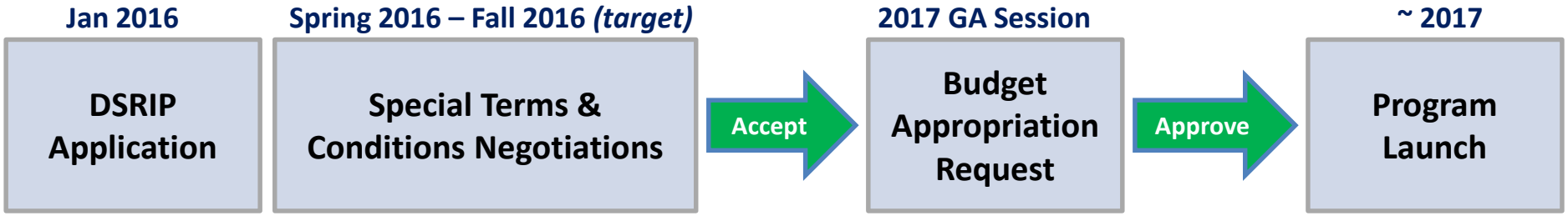
DSRIP Critical Success Factors

Virginia's proposed DSRIP Program "thinks big, starts focused, and scales fast."

Critical Success Factor	Virginia's Approach
 CMS supports Virginia's concept for a transformed Medicaid delivery system	Innovative proposal with delivery system and payment reform within 5 year period
 Stakeholders are supportive and willing to engage in the transformation	Formed stakeholder working groups and holding multiple public meetings to engage and build support
 Time is of the essence	Responsive to CMS to stay on target for approval by Fall 2016
 Strong budget neutrality and financing approach	Proposed sound budget neutrality approach to protect Virginia's investment

Next Steps and Timeline

Negotiations with CMS will occur throughout 2016 and the earliest the program could start is in 2017. DMAS is in the preliminary stages of developing a potential budget for this program.



- Submitted application to CMS

- Negotiation on scope of innovation and demonstration
- DMAS stakeholder engagement to define details
- Negotiation of program details (administration, expectations, milestones, financing, and reporting/evaluation)
- Length varies

How can we best keep you involved?

- Launch first year of five year program
- Request for Application from Provider Partnerships
- Strong alignment with Managed Care and sustainability plan

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SUD – Top Five Things to Know

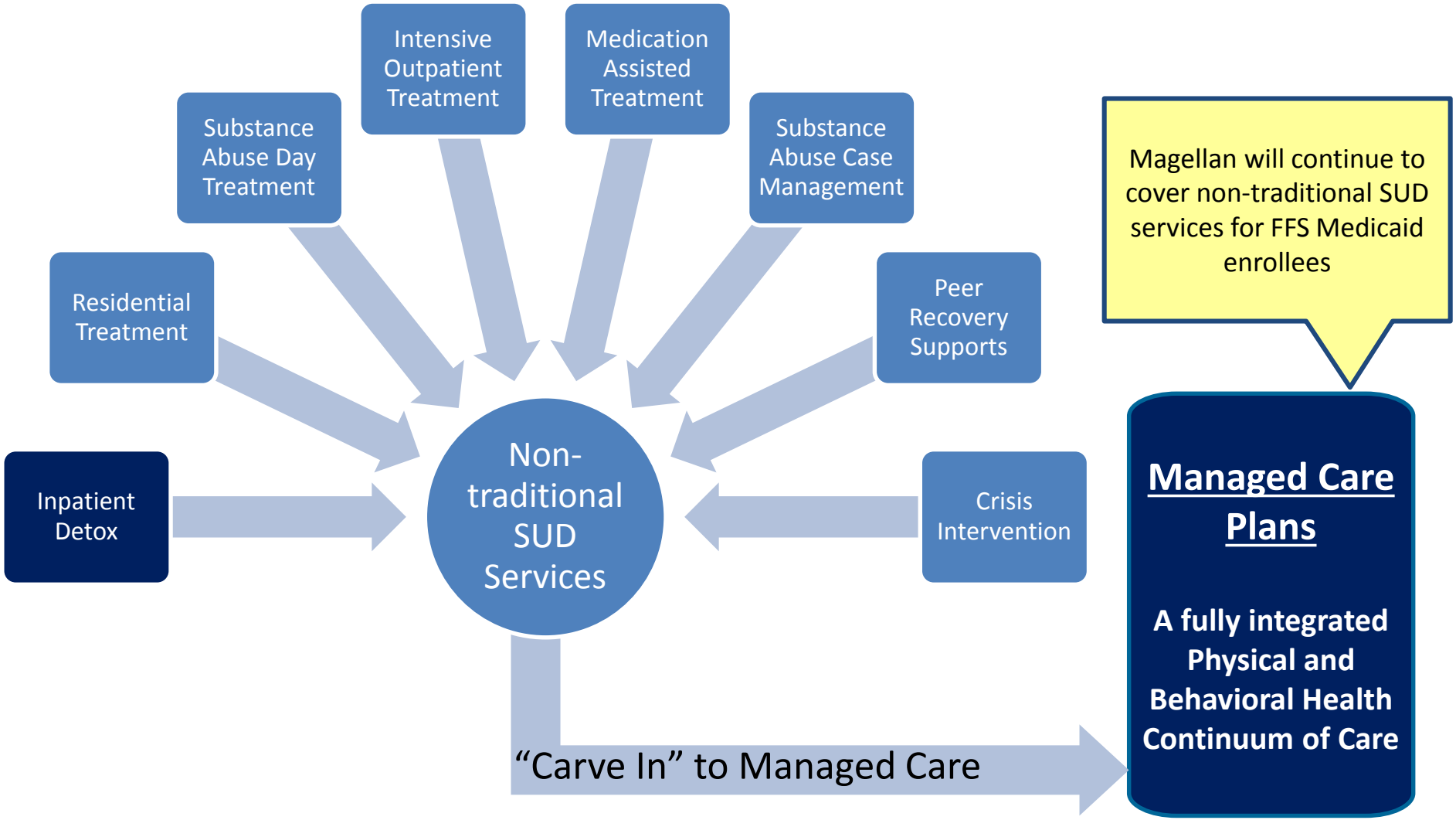
1. SUD changes will increase access to addiction treatment.
2. The current Medicaid SUD delivery system will be reformed.
3. There are many SUD activities currently underway.
4. Intensive provider education, recruitment and training will occur.
5. SUD service implementation will occur in April 2017.

Increasing Access to Addiction Treatment

Six approved SUD service enhancements for current Medicaid members

1. Expand short-term SUD inpatient detox to all Medicaid members
2. Expand short-term SUD residential treatment to all Medicaid members
3. Increase rates for existing Medicaid/FAMIS SUD treatment services
4. Add Peer Support services for individuals with SUD and/or mental health conditions
5. Require SUD Care Coordinators at Medicaid health plans
6. Provide Provider Education, Training, and Recruitment Activities

Reforming the Current Medicaid SUD Delivery System



Current Activities

Workgroup

- Define benefit & service limits
- Determine payment structure

Criteria

- Align ASAM criteria with licensing
- Standardize operating procedures among MCOs & Magellan

Training & Outreach

- ASAM Criteria Training
- Medication Assisted Treatment Training

1115 Waiver

- Increase Residential Bed Capacity
- Application for Waiver to CMS in May

Intensive Provider Education, Recruitment, and Training

Medication Assisted Treatment (MAT) Training Curriculum	• Partner with VDH and MAT experts to develop comprehensive **in-person and online training curricula**
Conduct Trainings	• Training around the State for physicians, pharmacies, counselors, hospitals and any other provider of services • Family, advocacy sessions to educate about service array
Ongoing Support	• Statewide **Virginia MAT Support Network** for new providers • **Regional champions (mentors)** • Regular case conferences where new MAT providers can bring challenging patient cases and receive advice.

SUD Implementation Timeline