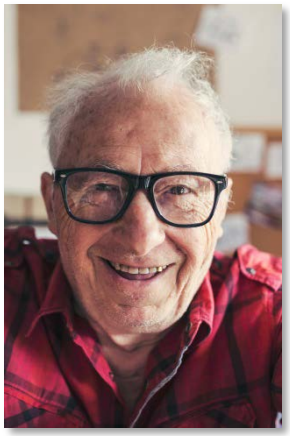






# DMAS UPDATE

Joint Subcommittee for Health and Human Resources Oversight

August 21, 2017

# Agenda

- DMAS Mission
- Medicaid Reforms
- CCC Plus
- Medallion 4.0
- Implementing JLARC Recommendations
- Other Program Updates

# The DMAS Mission


**Superior Care**

**Cost Effective**

**Continuous Improvement**

# Virginians Covered by Medicaid/CHIP

**1 in 8** Virginians rely on Medicaid

Medicaid is the primary payer for **behavioral health** services

Medicaid covers **1 in 3** births in Virginia

**33% of** children in Virginia are covered by Medicaid & CHIP

**2 in 3** nursing facility residents are supported by Medicaid

**62%** of long-term services and supports spending is in the community

**Medicaid plays a critical role in the lives of over 1.3 million Virginians**

# Benefits: Covered Groups and Services

Medicaid coverage is primarily available to Virginians who meet specific income thresholds and other eligibility criteria, including:

- children
- pregnant women
- Parents, caregivers
- Seniors, blind, and individuals with disabilities


**Eligibility is complex and not all Virginians with low income are covered**

# Funding Medicaid Coverage

State Appropriates General Funds

State Receives Federal Match (50% Match Rate)

DMAS

DMAS Pays for Enrollee Health Care Services

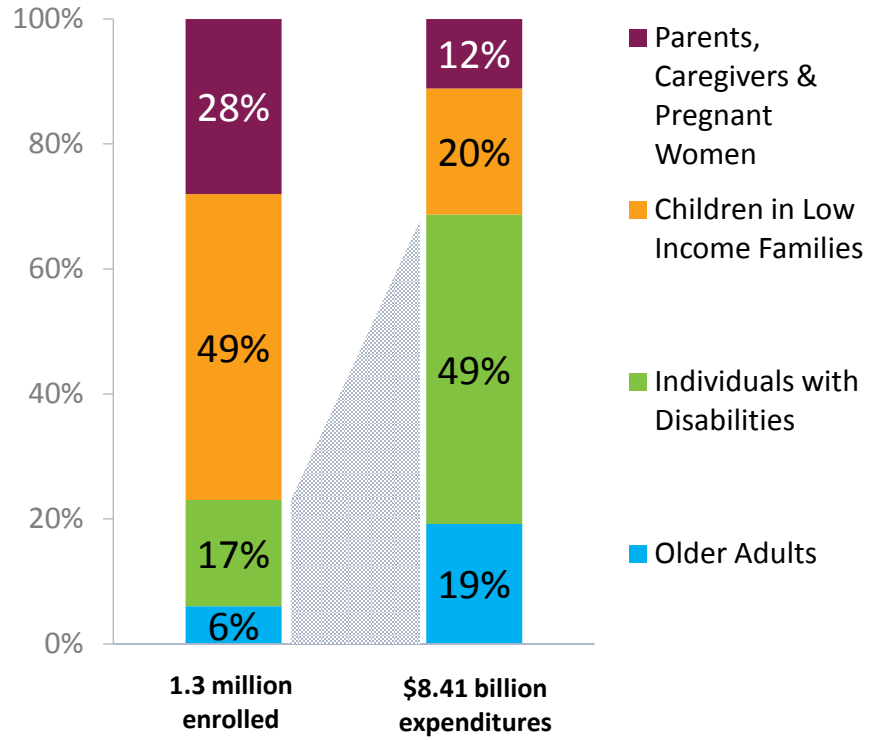
**25% of Medicaid Enrollees**

Fee-For-Service (FFS) Providers Paid Directly

**75% of Medicaid Enrollees**

Managed Care: MCO Coordinates Care and Contracts with Providers to Deliver Services

## Enrollment vs. Expenditure SFY 2016




**23% of the Medicaid population** **Drives** **68% of total expenditures**

# MEDICAID REFORMS

# Medicaid Innovation and Reform Commission

Three phases of Medicaid reform outlined in the 2013 *Virginia Acts of Assembly* focused on:

Phase One: Advancing reforms in progress
Phase Two: Implementing innovations in service delivery, administration and beneficiary engagement
Phase Three: Including long-term care in a coordinated system

| Results | Medicaid Reforms | Accomplishment |
|---|---|---|
| Coordinated Service Delivery | **Dual Eligible Demonstration Pilot** | Implemented Medicare-Medicaid Enrollee Financial Alignment demonstration (Commonwealth Coordinated Care) |
| | **Foster Care** | Implemented inclusion of children enrolled in foster care in managed care |
| | **Behavioral Health** | Expedited the tightening of regulatory standards, services limits, provider qualification, and licensure requirements for community behavioral health services |
| | **Commercial-like Benefit Package** | Changed services and benefits to be the types of services and benefits provided by commercial insurers in managed care where feasible |
| | **Limited Provider Networks and Medical Homes** | Implemented changes to support beneficiaries receipt of higher quality coordinated care through a limited network arrangement in Northern Virginia |
| | **ID/DD Waiver Design** | Implementing the redesign of the ID/DD waiver to provide more comprehensive and targeted service options |
| | **All Non-Medicare EDCD Waiver Enrollees in Managed Care for Medical Needs** | Phase 1: Implemented changes and EDCD waiver enrollees are covered by health plans for medical needs (HAP)<br><br>Phase 3: Implementing Commonwealth Coordinated Care Plus (CCC Plus) |
| | **All Inclusive Coordinated Care for Long Term Care Beneficiaries** | Phase 1: Implemented Commonwealth Coordinated Care and Initiated transition of all non-dual waiver recipients into managed care<br><br>Phase 3: Implementing Commonwealth Coordinated Care Plus (CCC Plus) |

# Medicaid Innovation and Reform Commission

| Results | Medicaid Reforms | Accomplishment |
|---|---|---|
| Efficient Administration | **Enhanced Program Integrity and Fraud Prevention** | Enhanced Recovery Audit Contracting (RAC), data mining, service authorization, coordination with Medicaid Fraud Control Unit (MFCU), and Payment Error Rate Measure (PERM) |
| | **eHHR** | Implemented new eligibility and enrollment information system for Medicaid and other social services |
| | **Coordinate Behavioral Health Services** | Aligned and coordinated behavioral health services through the behavioral health services administrator (BHSA); implemented behavioral health homes |
| | **Quality Payment Incentives** | Implemented financial incentives and high quality outcomes through the Medallion Care System Partnership and alternative payment methods to encourage accountability within the Medicaid provider and MCO program |
| | **Parameters to Test Innovative Models** | Implemented over 100 quality measures to evaluate pilot innovations such as behavioral health homes and streamlined care transitions. Payment withhold based on attainment of quality indicators |
| Beneficiary Engagement | **Cost Sharing and Wellness** | Developed programs to incent enrollee participation in health and wellness activities to improve health and control costs in managed care; increased patient responsibility by reinstating copayments for FAMIS |

**All reform initiatives were successfully completed**

# Major Initiatives of Virginia Medicaid

1. Launched Commonwealth Coordinated Care Plus in August 2017
2. Procure Managed Care for pregnant women and children (Medallion 4.0) in 2017
3. Procure many technology changes (Medicaid Enterprise System) 2017-18
4. Implement Addiction and Recovery Treatment Services (ARTS) in 2017
5. Advance Delivery System Reforms

**90% of Virginia Medicaid enrollees will soon be in managed care (currently 75%)**

# Driving Improvements on Multiple Fronts

## DMAS is working on a number of initiatives in the following categories:


- Evolve Managed Care
- Improve Care
- Transform Delivery System
- Increase Program Efficiency and Controls
- Implement Mandatory Federal Changes
- Modernize Technology
- Enhance Internal Operational Effectiveness

# Strategic Transition to Managed Care

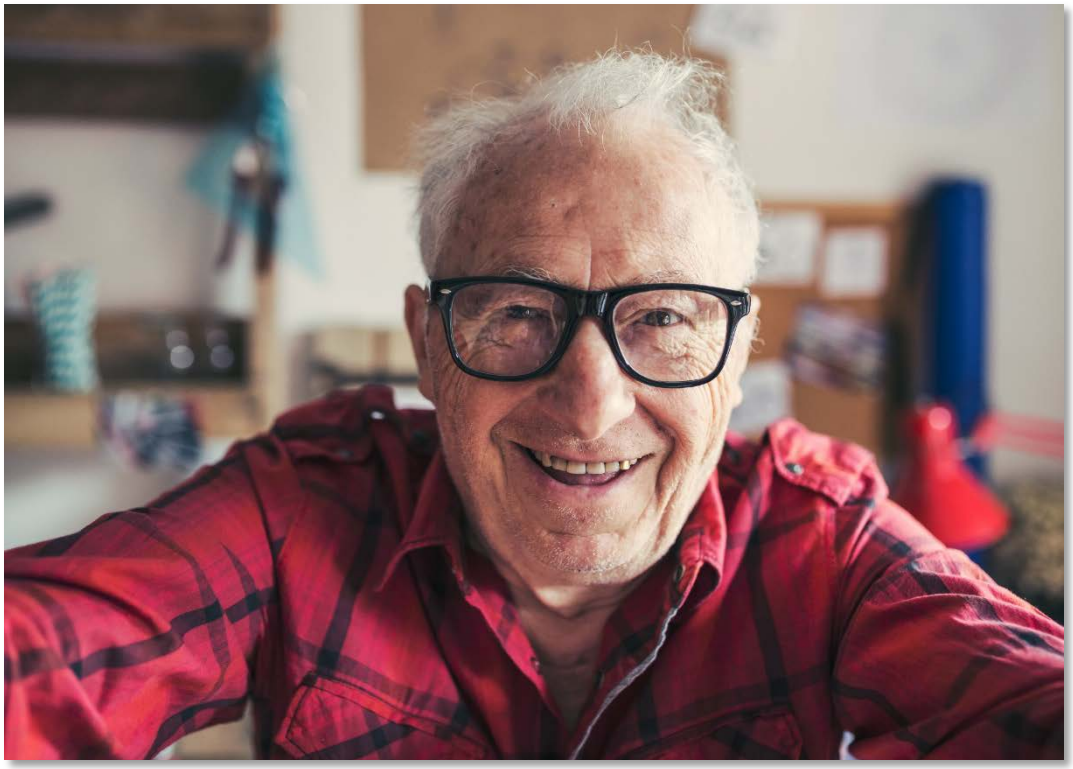
## Two managed care programs

| | CCC Plus | Medallion 4.0 |
|---|---|---|
|  | ▪ Serving older adults and disabled<br>▪ Includes Medicaid-Medicare eligible<br>▪ 216,000 individuals | ▪ Serving infants, children, pregnant women, parents<br>▪ 760,000 individuals |
|  | ▪ Long-term services and supports in the community and facility-based, acute care, pharmacy<br>▪ Incorporating community mental health | ▪ Births, vaccinations, well visits, sick visits, acute care, pharmacy<br>▪ Incorporating community mental health |
|  | ▪ Implementation started Aug 2017<br>▪ Implement statewide by Jan 2018 | ▪ New procurement 2017<br>▪ Building on two decades of managed care experience<br>▪ Implement statewide 2018 |
|  | ▪ Approximately $30B over 5 years | ▪ Estimated $10B - $15B over 5 years |

# Managed Care Alignment

**CCC Plus and Medallion 4.0 managed care programs are aligned in many ways**

- Regions
- Services (where possible)
- Integrated behavioral health models
- Common core formulary
- Care management
- Provider and member engagement
- Innovation in managed care practices including VBP
- Quality, data and outcomes
- Strong compliance and reporting
- Streamlined processes and shared services



# CCC PLUS OVERVIEW

# Commonwealth Coordinated Care Plus (CCC Plus)

- New statewide Medicaid managed care program beginning August 2017 for over 216,000 individuals
- Participation is required for qualifying populations
- Integrated delivery model that includes medical services, behavioral health services and long term services and supports (LTSS)
- Care coordination and person centered care with an interdisciplinary team approach

# Six Health Plans Contracted Statewide

- Aetna Better Health of Virginia
- Anthem HealthKeepers Plus
- Magellan Complete Care of Virginia
- Optima Health
- United Healthcare
- Virginia Premier Health Plan

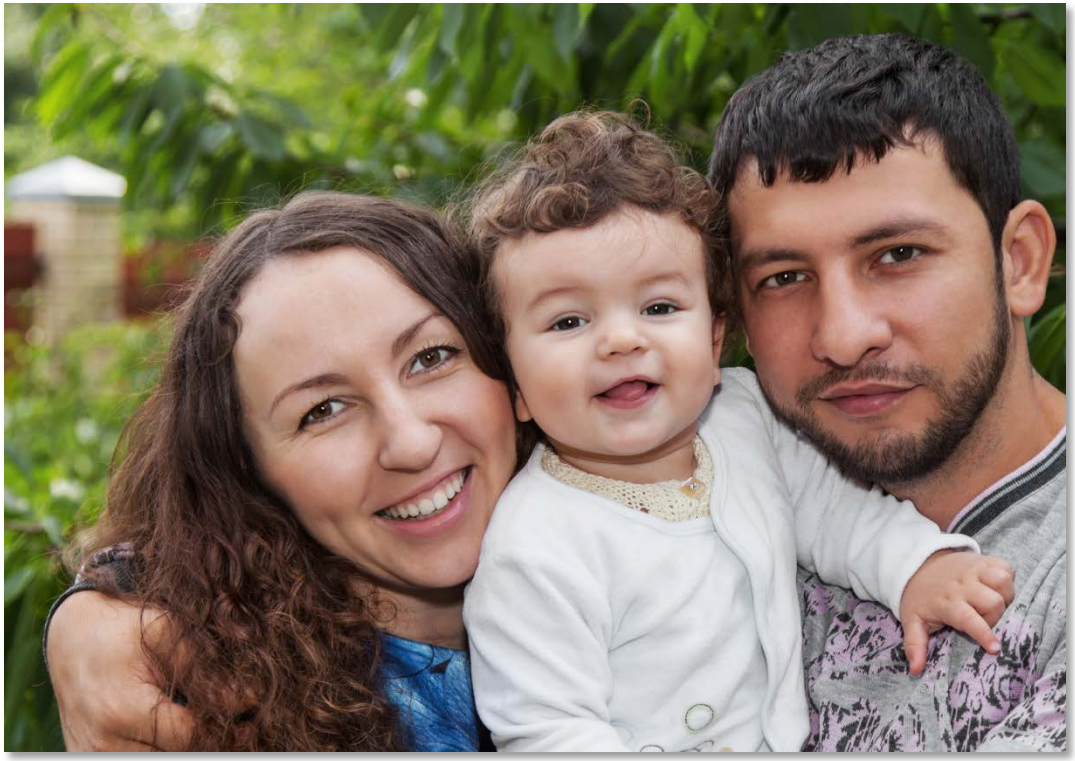

A list of CCC Plus regions by locality is available at: http://www.dmas.virginia.gov/Content_pgs/mltss-proinfo.aspx

# CCC Plus Regional Launch

## CCC Plus has a phased in approach

### August 2017 – January 2018

| August | September | October | November | December | January |
|---|---|---|---|---|---|
| Tidewater | Central | Charlottesville | Roanoke Alleghany & Southwest | Northern & Winchester | CCC and remaining ABD |
| Effective 8/1/17 | Effective 9/1/17 | Effective 10/1/17 | Effective 11/1/17 | Effective 12/1/17 | Effective 1/1/18 |



# MEDALLION 4.0 OVERVIEW

# Medallion 4.0

- Medallion 4.0 will cover 760,000 Virginians
- Medicaid enrollees have a choice of 3 or more plans in each of the six regions
- New carved-in populations and services:
  - Early Intervention Services
  - Third Party Liability (TPL)
  - Community Mental Health and Rehabilitation Services (CMHRS)

# Optional Services in the Medallion 4.0 RFP

Medallion 4.0 presents optional carved-out services, such as:

- School-based services
- Early Intervention
- Dental Care
- Plan First

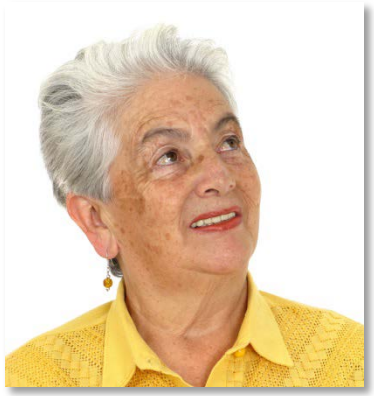
DMAS will not consider optional services before 2019

# Medallion 4.0 Timeline

## Medallion 4.0 has a phased in approach

### 2017–2018

| August 2018 | September 2018 | October 2018 | November 2018 | December 2018 |
|---|---|---|---|---|
| Tidewater Region | Central Region | Northern / Winchester | Charlottesville/ Western Region | Roanoke / Alleghany / Southwest Region |
| Effective 8/1/18 | Effective 9/1/18 | Effective 10/1/18 | Effective 11/1/18 | Effective 12/1/18 |



# IMPLEMENTING JLARC RECOMMENDATIONS

# JLARC Project Functional Categories

## Projects fit into one of more of the following categories:

| | |
|---|---|
| **Uniform Assessment Instrument (UAI)** | Recommended efforts to improve UAI reliability for children; UAI training and screening; ensure timely screening; and strengthen oversight of UAI process |
| **Rates** | Adjust rates to: account for expected savings; allow negative historical trends to carry forward; rebase administrative rates for enrollment changes and deduct unallowable administrative expenses from rate setting |
| **Financial Oversight** | Strengthen oversight by requiring: detailed MCO financial and utilization reporting; control of related party spending; excessive related party spending is not included in capitation; and underwriting gain returns above three percent |
| **Programs** | Administer compliance review and sanctions, report on MCO performance and incentivize MCO performance improvement. Additionally, strengthen oversight of behavioral health and LTSS service delivery |
| **Trend Impact** | Monitor MCO spending and utilization trends and analyze what is driving those trends. To include: identifying inefficiencies and adjusting rates accordingly, and monitoring MCO utilization control methods and evaluating their impact |
| **Policy** | Submit for CMS review, a proposal requiring cost-sharing based on family income for LTSS eligible individuals eligible through the optional 300 percent of SSI |

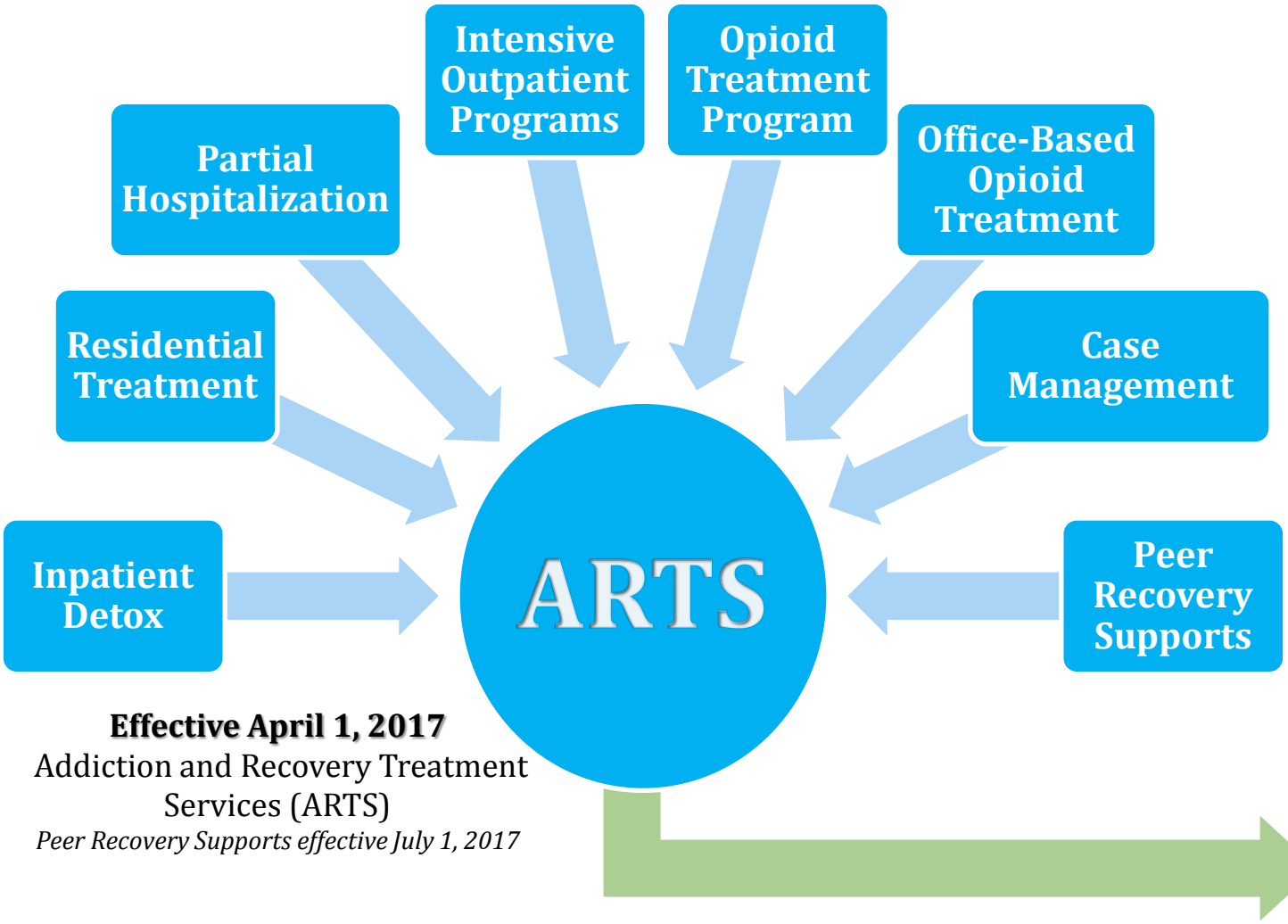
**12 FTES and $3,046,792 appropriated to DMAS over the next two years**

# JLARC Project Implementation Work to Date

- ✓ Issued and reviewed responses from MCO Trend Analysis RFI
- ✓ Organized projects across different areas of DMAS
- ✓ Began process of hiring contractors and staff, including a Chief Health Economist, to complete JLARC projects

# OTHER PROGRAM UPDATES

# Addiction and Recovery Treatment Services (ARTS) Transformation




**Effective April 1, 2017**
Addiction and Recovery Treatment Services (ARTS)
*Peer Recovery Supports effective July 1, 2017*

Magellan will continue to cover community-based substance use disorder treatment services for fee-for-service members

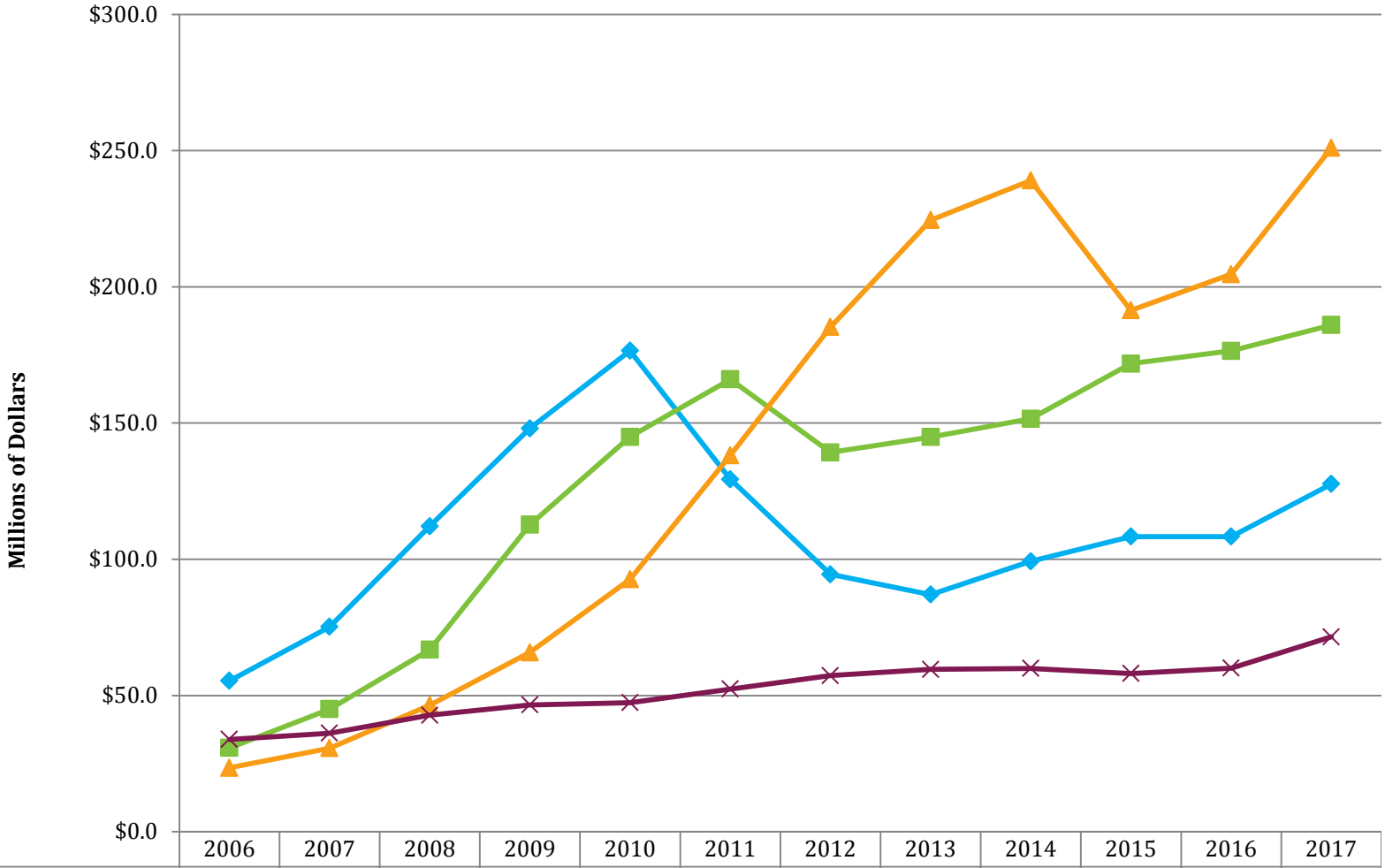
**All Community-Based SUD Services will be Covered by Managed Care Plans**

A fully integrated Physical and Behavioral Health Continuum of Care

# Preliminary Increases in Addiction Providers Due to ARTS

| Addiction Provider Type | # of Providers before ARTS | # of Providers after ARTS | % Increase in Providers |
|---|---|---|---|
| Inpatient Detox (ASAM 4.0) | Unknown | 103 | NEW |
| Residential Treatment (ASAM 3.1, 3.3, 3.5, 3.7) | 4 | 78 | ↑ 1875% |
| Partial Hospitalization Program (ASAM 2.5) | 0 | 13 | NEW |
| Intensive Outpatient Program (ASAM 2.1) | 49 | 72 | ↑ 47% |
| Opioid Treatment Program | 6 | 29 | ↑ 400% |
| Office-Based Opioid Treatment Provider | 0 | 55 | NEW |

# Total Expenditures on Community-Based Behavioral Health Services

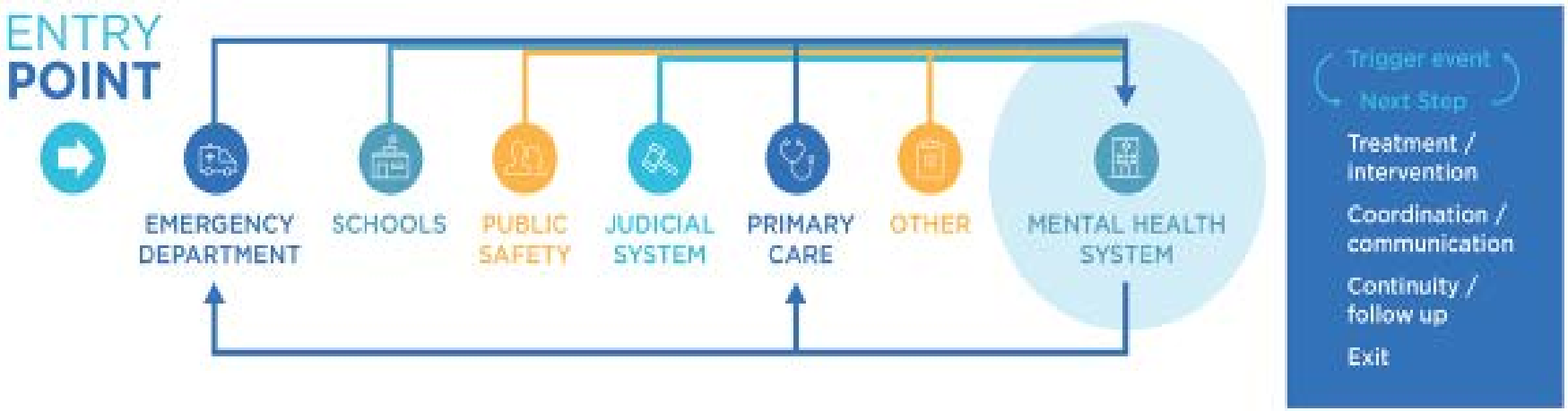



| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intensive In-Home | $55.4 | $75.2 | $112.1 | $148.0 | $176.5 | $129.3 | $94.4 | $87.1 | $99.3 | $108.3 | $108.3 | $127.6 |
| Therapeutic Day Treatment | $30.8 | $45.0 | $66.8 | $112.7 | $144.9 | $166.1 | $139.2 | $144.9 | $151.6 | $171.8 | $176.5 | $186.0 |
| Mental Health Skill Building | $23.4 | $30.7 | $46.4 | $65.8 | $92.6 | $138.2 | $185.3 | $224.5 | $239.1 | $191.4 | $204.6 | $251.0 |
| Other Behavioral Health Services | $33.9 | $36.2 | $42.8 | $46.5 | $47.4 | $52.4 | $57.3 | $59.6 | $59.9 | $58.1 | $60.0 | $71.5 |

# Transformation of Medicaid Community-Based Mental Health Delivery System

- ✓ Partnering with Dr. Ben Miller funded by RWJF to analyze Medicaid behavioral health spending at provider level and city/county level

- ✓ Dr. Miller is working with stakeholders to create a plan for DMAS to transform its existing delivery system into a comprehensive, evidence-based continuum of community-based mental health services with uniform standards and quality measures



# Partnering with VDH to Improve Population Health Outcomes

- ✓ **ED Care Coordination and Prescription Monitoring Program Integration**
  - DMAS secured $3.9 million in 90/10 HITECH funding
  - Implement statewide technology solution to connect EDs, PCPs, and MCOs in real-time

- ✓ **Virginia Neonatal Perinatal Collaborative**
  - Drawing down federal Medicaid funds to improve infant and maternal health outcomes statewide
  - Collaboration of VDH, DMAS, ACOG, AAP, and March of Dimes and led by physicians

# Common Core Formulary

- ✓ Common list of drugs that all CCC Plus and Medallion 4.0 health plans must cover
- ✓ Includes all drugs in 90 common drug classes on DMAS' Preferred Drug List (PDL)
- ✓ Plans can add drugs but cannot remove
- ✓ Plans cannot require additional prior authorizations or added restrictions
- ✓ Advantages
  - Provides continuity of care for patients
  - Decreases administrative burdens for prescribers
- ✓ Expected to be budget neutral

# Stakeholder Responses: MSV Survey

- ✓ **47% of physicians who do not accept Medicaid cite prescription Prior Authorizations (PAs) as the primary reason.**
  - Respondents also cited services PAs, the time involved in PAs, reimbursement, and inconsistent administrative requirement.

- ✓ **52% of physicians who accept Medicaid cited PAs as the biggest problem they face in treating Medicaid patients**.
  - 40% identified inconsistent requirements for medications.

# DMAS Pharmacy Benefit Manager (PBM)

- All inclusive contract for all pharmacy services including claims processing, Drug Utilization Review, Preferred Drug List (PDL) and Service Authorization activities
- Awarded to Magellan - October 1, 2017 implementation
- Benefits of PBM
  - Centralizes all pharmacy services
  - One call center to assist members & providers
- Innovations with new PBM
  - Specialty Drug Management
  - Integration of Laboratory Values
  - Electronic Prior Authorizations
  - ePrescribing

# 2017 Acts of Assembly Item 310V
# MCO Reporting on Medicaid Pharmacy Claims

- Requires MCOs to report payments to pharmacies and PBMs in claims submissions
- Implementation Timeline
  - **March 20, 2017** - Medallion 3.0 MCOs notified of contractual requirement
  - **April 21, 2017** – DMAS provides new reporting requirements to MCOs
  - **April – May, 2017** – DMAS develops a secure process to protect and maintain confidentiality of proprietary information submitted by MCOs
  - **July, 2017** – 5 of 6 Medallion 3.0 MCOs submitted required data to DMAS
  - **December 1, 2017** – Report due to the Chairmen of the House Appropriations and Senate Finance Committees

# Implementation of CDC Opioid Guidelines by Virginia Medicaid Health Plans

| 7/1/16 | 12/1/16 | 4/1/17 | 7/1/17 | 9/1/17 |
|---|---|---|---|---|
| Fee-for-Service implements Opioid Rx Quantity Limits (QL) and Prior Authorizations (PAs).<br>Non-opioid pain relievers & naloxone available **without** PA. | Medicaid plans implement PAs and QLs for **"new" opioid starts**.<br>Non-opioid pain relievers & naloxone available **without** PA.<br>Letters to educate providers and patients. | Addiction Recovery & Treatment Services (ARTS) available to all Medicaid members.<br>VA Board of Medicine implements regulations for opioid and buprenorphine prescribing. | PAs and QLs for **all members** in Medicaid plans.<br>Work with commercial plans to replicate Medicaid opioid prescribing efforts. | Recommendations for coverage of evidence-based, non-pharmacologic pain treatment modalities and integrated behavioral health and chronic pain treatment. |

# Our Mission Remains Unchanged


**Superior Care**

**Cost Effective**

**Continuous Improvement**

**As DMAS drives improvement and innovation, our mission remains the same**