Medicaid Proposals and Global Cap Update

April 23, 2013
11:00 a.m. – 12:00 p.m.
Overview

- Enacted Budget Highlights
- Medicaid Investment and Savings Proposals
- Global Cap Results through February 2013
Enacted Budget Highlights
Enacted Budget Highlights

- Advances Care Management for All:
  - Eliminates statutory barriers for Care Management for All.
  - Allows nursing home duals to enroll in FIDA.
  - Authorizes OPWDD FIDA Demo and DISCOs.

- Extends Global Cap through March 2015:
  - Medicaid State Operations spending is consolidated within the Global Cap.

- Implements statutory framework for ACA.
Enacted Budget Highlights

- Identifies $1.1 billion for OPWDD rate solution:
  - $730 million in DOH savings.
  - $340 million in OPWDD savings (additional Federal incentive funds and provider rate reductions).

- Authorizes incentive payments for public hospitals participating in Federal DSRIP program.

- Restores 2% across-the-board reduction in 14-15
  - $714M gross; $357M state).

- Authorizes new Indigent Care methodology.
Enacted Budget Highlights

- County relief:
  - Advances enhanced FMAP earned under the ACA associated with childless adults to local districts ($86 million).

- SUNY Downstate restructuring plan:
  - Authorizes SUNY to establish a sustainability plan for University Hospital of Brooklyn to facilitate restructuring necessary to achieve its continued fiscal viability.
### Medicaid Proposals

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Supportive Housing</td>
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<tr>
<td>VAP/Safety Net</td>
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<td>$24</td>
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<tr>
<td>Balance Incentive Program</td>
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<tr>
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<td>Other Reforms/Savings</td>
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<td>Federal Revenue from Additional Emergency MA/Other</td>
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<td>2012-13 Global Cap Underspending</td>
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<td>Restore 2% ATB Reduction</td>
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<td>Repeal Family Health Plus</td>
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<td>Medicaid Benchmark Plan</td>
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<td>$115</td>
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Supportive Housing

- Dedicates $86 million to expand access to supportive housing services:
  - Continues $70 million in MRT dollars to fund various supportive housing initiatives.
  - New funding of $12.5 million (when resources are available).
  - Designates $4 million from Medicaid savings derived from the closure of hospital and nursing home beds.
VAP/Safety Net

- Increases funding for Essential Community Provider Network and Vital Access Providers:
  - Total VAP/SN Pool will increase to $182 million in 2013-14 and $153 million in 2014-15.
  - Includes reallocation of $30 million from the NH Financially Disadvantaged Program to the VAP/SN Pool for Nursing Homes.
Balance Incentive Program

- Balance Incentive Program implementation:
  - BIP is a provision of ACA to provide enhanced community long term care services which will allow NYS to receive significant enhanced FMAP ($599 million from April 2013 through September 2015).
  - 1 year funding of $20 million in state operations costs.
Accelerate MRT Initiatives -- $24 million in Savings

- PCMH savings from eliminating 2008 Level 2 payments and reducing Level 3 payments ($7 million).

- FIDA savings from Community DUAL eligible (Medicare/Medicaid) receiving > 120 days ($7 million in 13-14 growing to $28 million in 14-15).

- Stricter utilization management by Transportation Manager ($6 million).

- Accelerate MLTC enrollment ($3 million).

- Implement appropriateness edits on emergency Medicaid pharmacy claims ($2 million).

- Accelerate BHO/IMD ($12 million in 14-15).
Other Reforms/Savings -- $100 million in Savings

- Managed Care efficiencies ($25 million).
  - Reducing hospital readmissions, emergency department use, and other avoidable health care costs.
- Accounts receivable recoveries ($50 million in 13-14 growing to $80 million in 14-15).
- Increase manual review of FFS claims ($8 million).
- Gold STAMP Program to reduce pressure ulcers ($6 million).
- Discontinue coverage for Functional Electrical Stimulators that are deemed to be not clinically effective ($5 million).
Federal Revenue/Underspending/Restoration -- $450 million in Savings

- Federal revenue from additional emergency Medicaid claiming and other possible efforts ($250 million savings).
- 2012-13 Global Cap underspending ($200 million savings).
  - Lower than expected utilization/costs in various COS ($130M); additional local administration savings ($40M); lower state operations spending ($30M).
- Restore 2% Across-the-Board reduction ($714 million gross in 14-15; $357 million state).
Federal Health Care Reform -- $163 million in Savings

- Revised enrollment/phase-in of Medicaid eligibility enrollees January 2014 (drives $163 million in lower costs in 13-14).

- Repeal Family Health Plus ($59 million in state savings in 14-15):
  - Savings results from FHP enrollees (with incomes between 138% of FPL and 150%) moving to the Exchange or to a QHP.

- Define Medicaid Benchmark Plan as the Current Medicaid Benefit ($115 million in State costs in 14-15):
  - Provides enrollees with benefits currently not received under FHP.
Results through February 2013
**Medicaid expenditures through February 2013 are $192 million or 1.3% below projections.**

<table>
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<tr>
<th>Category of Service</th>
<th>Estimated</th>
<th>Actual</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Total Fee For Service</td>
<td>$10,477</td>
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<tr>
<td>Inpatient</td>
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<td>Clinic</td>
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<tr>
<td>Nursing Homes</td>
<td>$3,156</td>
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<tr>
<td>Other Long Term Care</td>
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<td>Non-Institutional</td>
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<td>Medicaid Managed Care</td>
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<td>Family Health Plus</td>
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<td>Medicaid Administration Costs</td>
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<td>Medicaid Audits</td>
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<tr>
<td>All Other</td>
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<td>Local Funding Offset</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$14,666</strong></td>
<td><strong>$14,474</strong></td>
<td><strong>($192)</strong></td>
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2012-13 Global Cap Update

- Advanced spending actions creating an avail for 2013-14:
  - Medicare Part D Clawback ($79 million).
  - Medicare Premiums ($53 million).
  - SUNY IGT Advance ($64 million).
- Balance as of March 31, 2013 is $400 million.
- DOH will continue to work with providers asking for voluntary payment of outstanding liabilities:
  - Avoids interest costs; and
  - Mitigates adverse impact on Global Cap.
Additional Information

- **MRT Website:**
  
  http://www.health.ny.gov/health_care/medicaid/redesign/

- **Sign up for e-mail updates:**
  
  http://www.health.ny.gov/health_care/medicaid/redesign/listserv.htm

- **‘Like’ the MRT on Facebook:**
  
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