

DIVISION of

Health Care Services

MISSION:

... to maintain access to health care and to provide health coverage for Alaskans in need.



Dwayne Peeples, Health Care Services Division Director.

“Providing health coverage for Alaskans in need is a challenging task given our geographic, economic and cultural diversity. The employees of the Division of Health Care Services strive to provide quality health coverage and access to care within the boundaries of state, federal and economic requirements.”

—Dwayne Peeples, Director

The **Division of Health Care Services** serves the entire Department of Health and Social Services by maintaining the Medicaid core services, including hospitals, physician services, pharmacy, dental services and transportation. Other Medicaid core services maintained by the division include physical, occupational and speech therapy; laboratory; radiology; durable medical equipment; hospice; and home health care.

Departmentwide, the division administers the State Children’s Health Insurance Program, known as Denali KidCare and the Chronic and Acute Medical Assistance Program, in addition to the core Medicaid program services. The Division is responsible for the Medicaid Management Information System; claims payments and accounting; federal reporting activities, and third party payment identification and recovery. The division’s major goal has been to support services through management efficiencies and the capitalization of Medicaid financing.

Medicaid is a jointly funded cooperative venture between federal and state governments to help provide adequate and competent medical care to people in

need. Alaska’s Medicaid program impacts the service delivery of every division in DHSS, as well as divisions in six other state departments.

In fiscal year 2005, Health Care Services recovered \$8 million from third-party payers and insurance companies for the cost of care provided to recipients. The division also expanded use of the Preferred Drug List for Medicaid recipients that will save approximately \$6 million through lower prescription costs and pharmaceutical company rebates.

The division continues to work on the redevelopment of the computerized Medicaid Management Information System, which processes approximately \$1 billion a year to pay for health care services for Medicaid-eligible recipients.

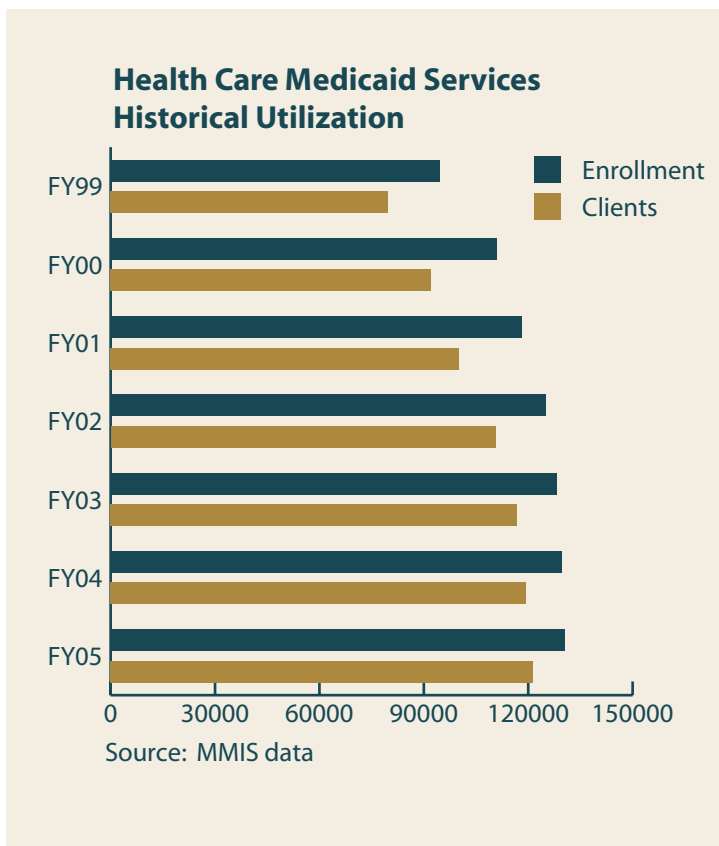
Accomplishments 2003-05

Highlights

- Paid health care claims to enrolled providers for services to 122,100 eligible recipients in FY05.
- Paid 6.15 million claims submitted by enrolled providers for a total expenditure of \$982,890,700 in FY05.
- Conducted and completed financial review and audits of 80 Medicaid-enrolled providers in FY05.
- During FY05 increased the number of recipients in the managed care program from approximately 60 to over 100.
- Maintained the enrollment of 11,800 providers for fiscal year 2005, with 48 percent of all providers actively participating in the Medicaid program.

What we are continuing to work on

The division will maintain health care access for eligible recipients by enrolling providers, paying invoices in a timely manner, and providing client information services. We will continue to develop and implement cost control activities to maximize the use of available funds to provide services — and avoid waste and misuse of services.



Case managers teach clients to understand, manage their health problems

The woman was vomiting uncontrollably. She also had severe high blood pressure. But for some reason, she resisted following suggestions for treatment. After three hospital admissions to stabilize her medical condition, the 40-year-old was referred to the Division of Health Care Services' case management program provided through contract by Qualis Health. Qualis Health is a private, nonprofit, quality improvement care management organization.

The Qualis Health case manager assessed the client's needs and collaborated with her doctors, the hospital discharge planner, and a home healthcare team to teach the patient about her health problems — and reinforced the importance of sticking to the prescribed medical plan. The result was dramatic: the woman's pattern of frequent hospitalizations was broken — and she learned how to manage her own care.

"An additional benefit is that the case management services provided for this client saved an estimated \$12,958 by averting further inpatient hospitalizations," says Kelly Hause, HCS Facilities Relations Unit Manager. "That is a return on

investment of \$6.50 in cost of treatment savings for every \$1 that was spent on case management."

In a similar case, a 7-month-old baby boy with chronic lung disease and a tube in his stomach to remove fluids was referred for case management because of frequent hospital admissions and emergency room visits. The case manager helped the parents to better understand their son's disease, his medication regime, and the need for early intervention to avoid hospitalization and emergency room visits.

The case manager worked with the boy's doctor in developing goals and helped teach the family about their son's needs. After the parents gained the ability and confidence to better care for their baby, he had only one subsequent emergency room visit. Case management saved an estimated \$32,850 by avoiding further hospitalizations, with a return on investment of \$12.22 for each \$1 of case management services for this child.

"Navigating the healthcare maze is very frustrating for some people, with its myriad of treatments, providers, equipment, and pharmaceuticals ... it can be very scary and intimidating," Hause explains. "This program provides caring, knowledgeable medical professionals who work with our clients to develop a plan of care, coordinate the services they need to improve their medical status, and provide referrals for support services that can help improve their quality of life."

Health Care Services clients don't have to take part in the case management program, Hause explains. "It's voluntary and there's no obligation — and no penalty for those who don't participate."

Case management can be a great help to clients who are overwhelmed by health care challenges, especially those with chronic illnesses, such as diabetes, asthma and congestive heart failure, or those

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*—Dwayne Peeples,
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From left to right, Kelly Hause, Health Care Services Facilities Relations Manager; Bonnie Marcil, R.N., Qualis Health Case Manager; Patrick Morrow, Health Care Services Medical Assistance Administrator.

suffering catastrophic or acute injuries, such as head trauma, spinal cord injuries, amputations, burns and wounds that don't heal. Case management is very helpful as well for clients in need of organ transplant or treatment for cancer, neonatal complications and terminal illnesses.

Case management services can be initiated by a request from the medical assistance recipient or a family member, the recipient's physician, hospital, or other medical provider, or most any community or state agency.

"Although the Department of Health and Social Services benefits through healthcare cost savings for the recipients served in this program," Dwayne Peoples, Health Care Services Division Director says, "the real value for the patients' health and peace of mind is immeasurable."