

MEDICAID REDESIGN AND EXPANSION IN ALASKA

*Environmental Assessment,
Partner Input, and Next Steps*

September 2, 2015 • noon to 1 p.m.

presented by

Alaska Department of Health and Social Services

Agnew::Beck Consulting

Health Management Associates

Milliman Inc.



A Few Reminders for Participants

- We will ask some interactive poll questions throughout the presentation, to learn more about you.
- There will be time for participants' questions at the end
- Send questions to presenters via the chat box at right →
- Can't hear us through your computer speakers?
Use the listen-only teleconference:
1 (855) 257-8693, code 199 9402 #
- A webinar recording will be available later at <http://dhss.alaska.gov/healthyalaska>

Today's Agenda

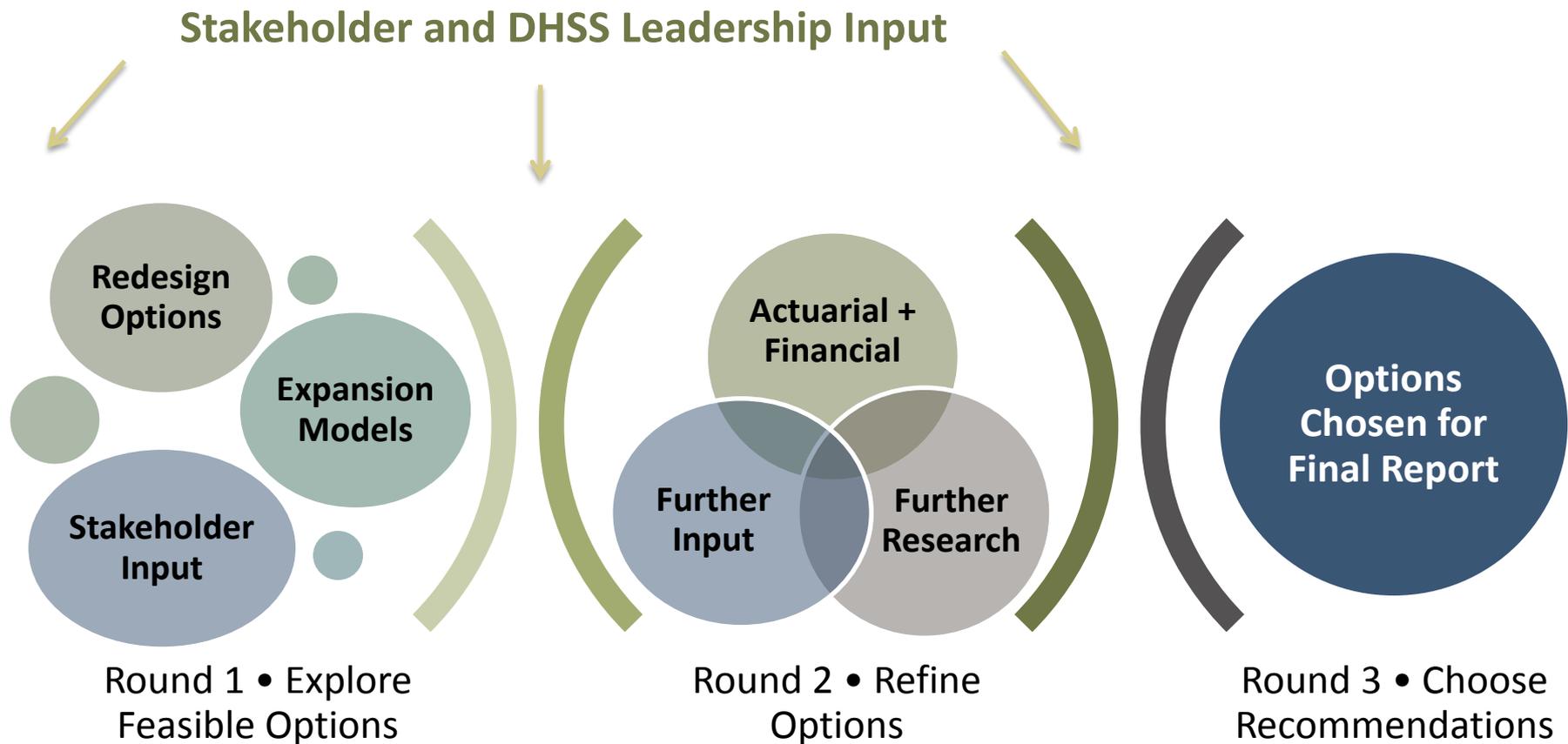
- Introduction by Commissioner Davidson
- Late breaking news on Medicaid Redesign + Expansion
- Project Status Update
 - Round 1 Partners Meeting + Work Session
- Vision for Medicaid Reform
 - Your input
 - Brainstorm results from first stakeholder meeting
- Environmental Assessment Report
 - Review potential system redesign components
 - Models of care, financing mechanisms, incentives and tools
- Fall stakeholder engagement, input for Round 2
- Questions from participants

Project Status Update

Late breaking news on Medicaid Redesign + Expansion

- Update from Commissioner Davidson on the first day of expansion and other recent developments

Iterative Process for Selecting Recommendations



Consultant Team's Tasks in September

- Release Draft Environmental Assessment
- Gather and Synthesize Stakeholders' Feedback on Options
 - Engage stakeholders about potential redesign options
 - Explore feasibility of options in Alaska's health system
 - “Meeting in a Box” for use by stakeholder groups
- Actuarial and Financial Analysis of Options
 - Assess future costs and/or savings for potential redesign options
 - Quantify some of the benefits and trade-offs
- Present Analysis + Feedback at Second Round, October 9

Vision for Medicaid Redesign

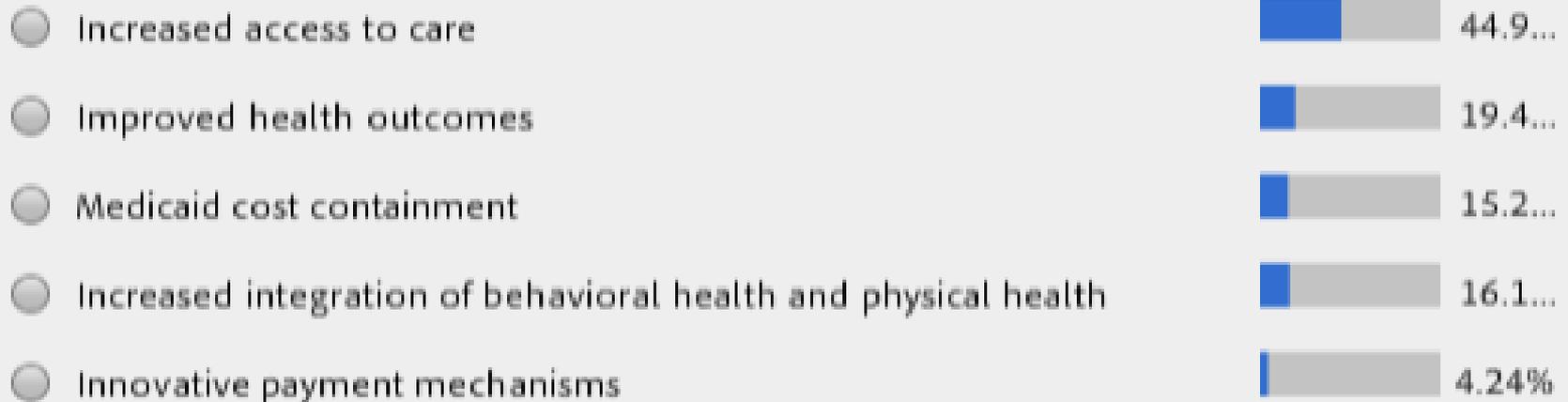
Your Turn!

Please answer the poll questions on the screen.

Stakeholder Response, September 2 Webinar

Results

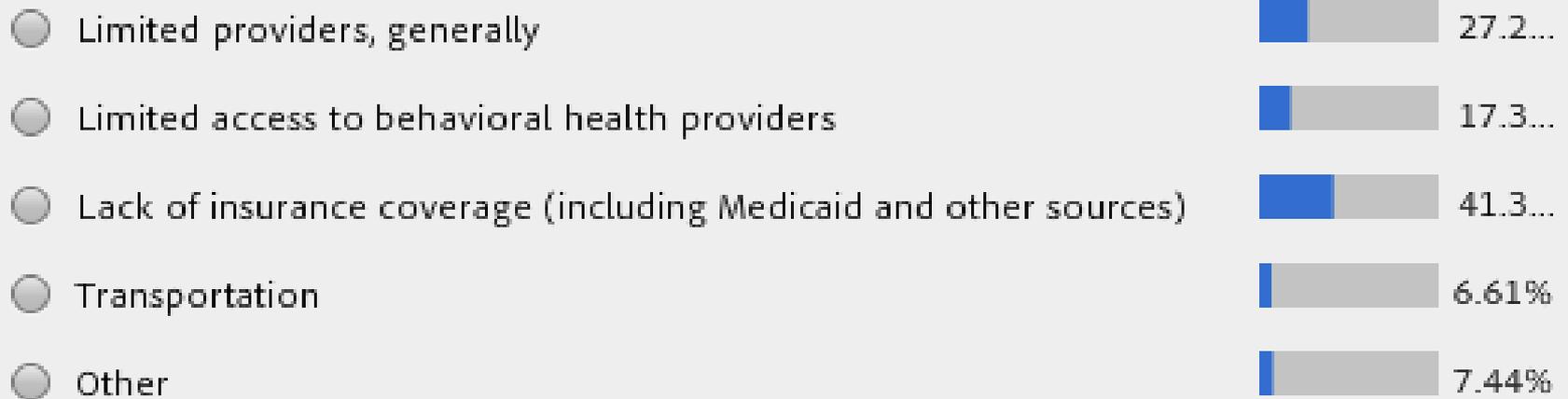
Which of the following goals of health reform is most important to you?



Stakeholder Response, September 2 Webinar

Results

What is the biggest barrier to health care in Alaska?



DHSS Goals for Medicaid Redesign

1. Optimize enrollee health **outcomes** and **access** to care
2. Drive **increased value** (quality, efficiency, and effectiveness) in the delivery of services
3. Provide **cost containment** in Alaska's Medicaid budget and general fund spending

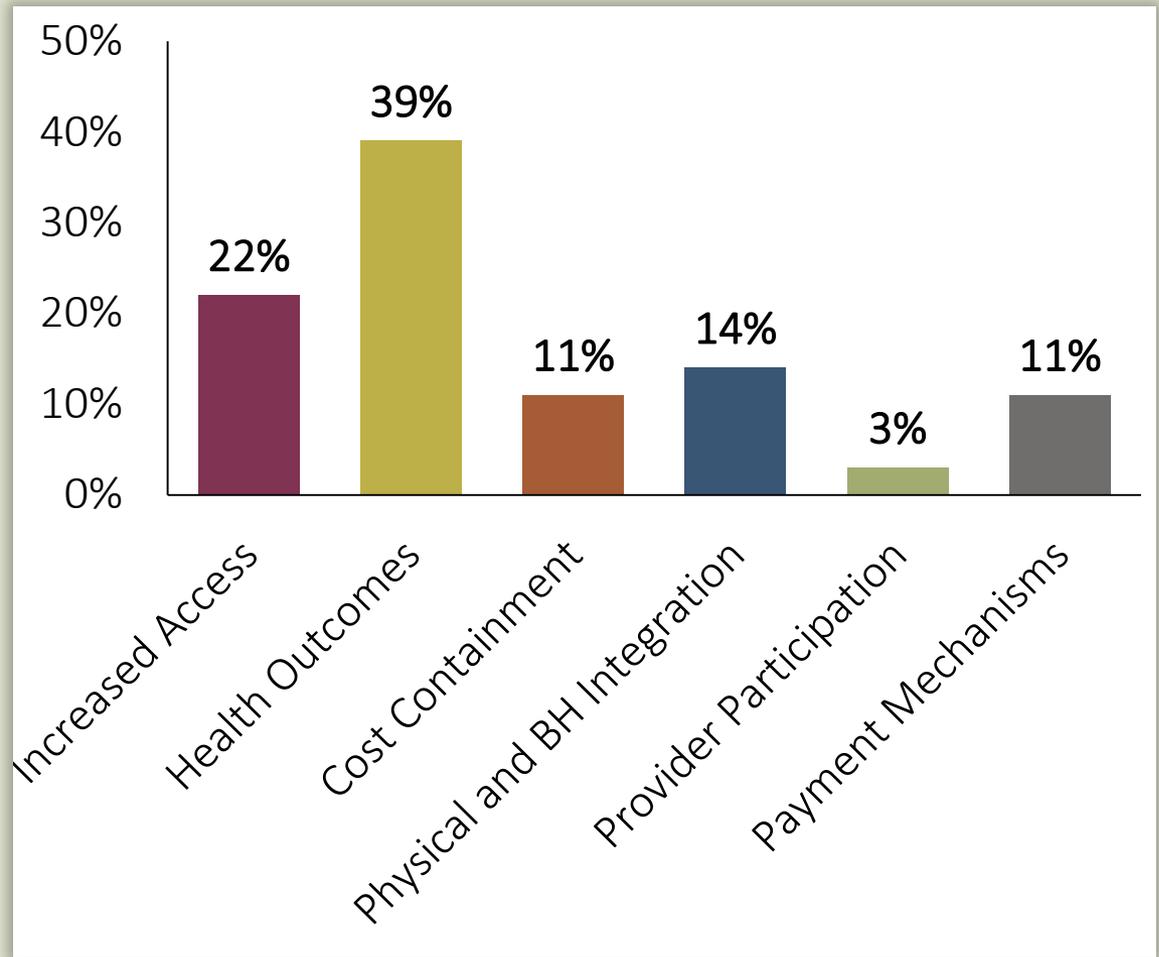


First Round: August 18, 2015

- DHSS leadership and key partners convened
- Reviewed Draft Environmental Assessment
 - Alaska's current system
 - Models of care, provider reimbursement, consumer-facing tools available for systems redesign
 - Medicaid financing mechanisms to support systems change
- Brainstormed shared vision and priorities for Medicaid redesign
- Provided consultant team direction to conduct feasibility and financial analysis of each systems design component to inform future decision-making

Stakeholder Response, August 18

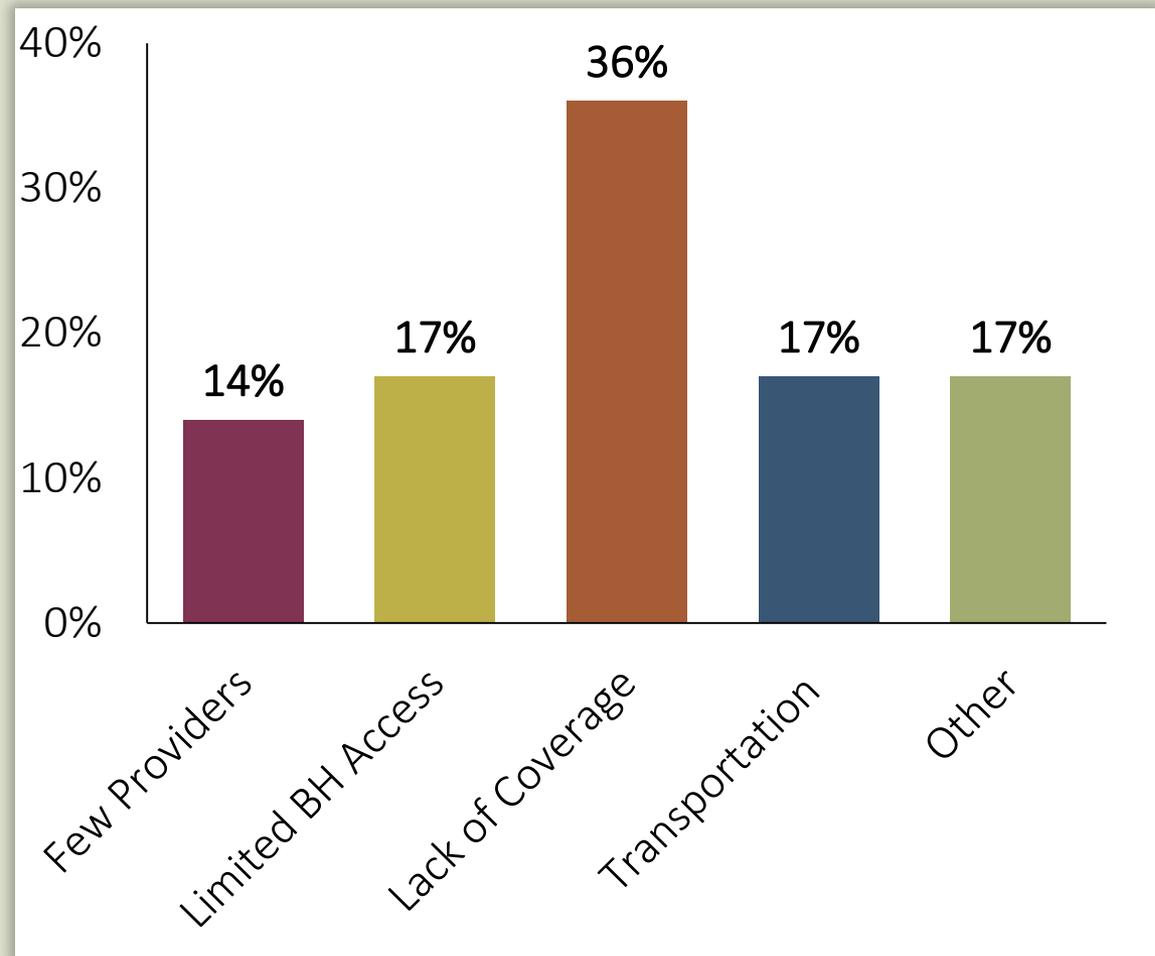
Which of the following goals of health reform is most important to you?



Stakeholder Response, August 18

Results

What is the biggest barrier to health care in Alaska?



Brainstorm: Vision of a high functioning health system in Alaska

- Whole person, coordinated care
- Prioritizes prevention
- Patient education and shared responsibility
- Timely access to appropriate type and level of care
- Care close to home
- Leverages resources to contain costs and drive value
- Information infrastructure for sharing and analyzing health data
- Easier to manage
- Innovation and strategic alignment
- Strong workforce development and retention
- Quality care

Brainstorm: Priorities for Health Systems Changes to Achieve the Vision

- Timely access to appropriate level of care, as close to one's home community as possible
- Excellent patient information and support
- Efficient and effective care that produces value for payers and consumers
- Contain Medicaid and State general fund costs

Draft Environmental Assessment

Draft Environmental Assessment

- Medicaid reform and expansion efforts in other states and status of reform in Alaska
- Federal financing opportunities
- Alaska context (population, geography, health care system)

Key Factors Shaping Alaska's Current Health Care System

- Reliance on a fee-for-service delivery system
- System lacks integration and supports for coordination
- Rising rates of chronic disease + co-occurring conditions
- Socioeconomic determinants of health
- Lack of cost and quality data
- Complex legal + regulatory environment
- Provider shortages in some areas
- Geographic challenges
- Limited private insurance market + rising rates

Coordinated Care + Value-Based Purchasing

Reward value: Align payment with desired outcomes, such as paying providers to improve an individual's overall health

Improve outcomes: Adopt more effective, efficient models of care delivery to improve quality and reduce costs

Models of Care: Options for Consideration

**Current
State**

**Primary Care
Case
Management**

**Patient
Centered
Medical
Homes**

Health Homes

**Pre-paid
Inpatient or
Ambulatory
Health Plans**

**Accountable
Care
Organizations**

**Full-risk
Managed Care**

Provider Payment Mechanisms

Fee for Service (FFS)

- Current system
- Provider receives payment for all covered services provided for each enrollee

Shared Savings (“Upside Risk”)

- Providers incentivized to reduce cost of members’ care
- Savings accrued shared between State and providers, can be re-invested in care

Bundled Payment (per Episode)

- Single payment for defined set of services or procedures
- Example: childbirth, angioplasty

Care Coordination Fee

- Designated Primary Care Provider (PCP) receives additional fee for coordination services provided
- Per Member, Per Month (PMPM)

Shared Losses (“Downside Risk”)

- Providers assume responsibility for both positive and negative risk: shared savings but also shared losses

Global Payment

- Single per-member per month payment to organization for providing all services within contract

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Full-risk
Managed Care

Current Alaska Medicaid + Healthcare System

- Fee for service (and encounter rate in Tribal Health Organizations and Federally Qualified Health Centers)
- Lacks incentives and supports for timely and appropriate levels of care
- No care coordination incentives
- No value- or performance-based quality metrics

Payment Mechanisms

- Fee for Service

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Primary Care Case Management (PCCM)

- Enrollee works with primary care provider (PCP) who coordinates and monitors patient care
- PCP ensures appropriate access to specialists, high-cost services and hospitalization
- PCP receives per member per month payment for care coordination

Payment Mechanisms

- Fee for Service
- Care Coordination Fee (per member per month)

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Patient Centered Medical Home (PCMH)

- Provider team delivers whole person, integrated care
- PCMH team coordinates in-house and with other providers for needed care
- PCMH may receive additional payment for care coordination and support services
- Many Federally Qualified Health Centers (FQHC) using this approach
- Pilot project underway in Alaska

Payment Mechanisms

- Fee for Service
- Care Coordination Fee (per member per month)

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Health Home

- Prioritizes enrollees with complex medical and behavioral health needs, chronic conditions (may set eligibility with multiple conditions and threshold utilization of care)
- Integrates medical and behavioral health care for individual
- Provider teams deliver whole person, integrated care
- Provider also coordinates non-medical community services and supports

Payment Mechanisms

- Fee for Service
- Care Coordination Fee (per member per month)

PCMH and Health Home: Similar Models, Different Scope of Services

Patient Centered Medical Home	Health Home
<ul style="list-style-type: none"> • May not be required to integrate physical and behavioral health care services 	<ul style="list-style-type: none"> • <i>Must</i> integrate physical and behavioral health care services
<ul style="list-style-type: none"> • Provides care to anyone a state chooses to assign 	<ul style="list-style-type: none"> • Targeted to <i>specific, high-risk</i> enrollees with chronic conditions
<ul style="list-style-type: none"> • Not necessarily required to extend coordination beyond medical services to social and community supports 	<ul style="list-style-type: none"> • Required to extend coordination beyond medical services to social and community supports
<ul style="list-style-type: none"> • Most commonly based in a medical setting, generally primary care providers, but may be based in a behavioral health setting 	<ul style="list-style-type: none"> • Variety of providers, including behavioral health and non-traditional providers such as supportive housing programs; focus on integrating multiple services

Current State

Primary Care Case Management

Patient Centered Medical Homes

Health Homes

Pre-paid Inpatient or Ambulatory Health Plans

Accountable Care Organizations

Full-risk Managed Care

Pre-paid Inpatient (PIHP) + Ambulatory (PAHP) Health Plans

- State contracts with providers to provide a specific set of services for enrollees, for a per-member per-month fee
 - Ambulatory: medical services and/or behavioral health services
 - Inpatient: hospitalization and other inpatient procedures
- Full financial risk assumed by providers, but only for services outlined in contract

Payment Mechanisms

- Shared Savings
- Shared Losses
- Bundled Payments (specific episodes)
- Global or Partial Capitated Payments

Current State

Primary Care Case Management

Patient Centered Medical Homes

Health Homes

Pre-paid Inpatient or Ambulatory Health Plans

Accountable Care Organizations

Full-risk Managed Care

Accountable Care Organization (ACO)

- Providers share accountability for care, health outcomes and costs for defined group of enrollees
- Providers may form networks with risk-sharing agreement
- ACO may be statewide, serve a region or be a smaller set of providers
- ACO assumes some shared financial risk: upside (savings) and potentially downside (losses)
- May be implemented with bundled and/or capitated payments

Payment Mechanisms

- Shared Savings
- Shared Losses
- Bundled Payments (specific episodes)
- Global or Partial Capitated Payments

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Full-Risk Managed Care Organization (MCO)

- State contracts with health plans for the delivery of services to Medicaid enrollees
- Health Plan is accountable for enrollees' care, outcomes, and costs
- MCO may serve statewide or a smaller geographic region
- MCO receives capitated, per-member payments and assumes all shared financial risk: upside (savings) and downside (losses)
- Challenging model in rural areas
- No evidence of decreased cost

Payment Mechanisms

- Shared Savings
- Shared Losses
- Bundled Payments (specific episodes)
- Global or Partial Capitated Payments

Other Tools + Incentives

Private Coverage Option

- State purchases or provides premium assistance for Medicaid enrollees to purchase private insurance through Marketplace

Enrollee Cost-Sharing

- May include contribution to monthly premium and/or co-pays for health services

Alternative Benefit Plan:

Waiver of Required Benefits

- Allow states flexibility to alter certain benefits from standard plan for some enrollees

Wellness + Healthy Behavior Incentives

- Provides incentives for individuals to make healthy choices

Other Tools + Incentives

Innovative Technologies

- Tele-health and Tele-medicine
 - Increase remote access to care
 - Behavioral health, chronic disease management
 - Currently used in Alaska
- Provider Communications
 - Physician messaging
 - Text- or phone-based interactions
- Remote Tele-diagnostics
- Smartphone Applications
 - Health data monitoring, education
 - Wellness incentives

Medicaid Program Design Mechanisms

The options below give states flexibility in Medicaid program design, within the guidelines and approval of CMS. DHSS may employ a combination of these to make changes to Alaska's Medicaid program.

- **State Plan Amendment (SPA)**: required for many, but not all, changes to state's Medicaid program; must be approved by CMS
- **1915 (i) and/or 1915 (k) options**: for Home and Community Based Services
- **Waivers**: used for alternative program design; must be budget-neutral and provide equivalent level of care to enrollees
 - **1115**: provides flexibility for innovative services or program structure
 - **1915(b)**: implements managed care; savings invested in other programs
 - **1915(c)**: to provide Home and Community Based Services
 - **1916(f)**: allows for some enrollee cost-sharing, as demonstration project
 - **1332** (“Wyden”): can waive some provisions in Affordable Care Act
- **Alternative Benefit Plan (ABP)**: offered to enrollee population(s) according to identified needs; must include 10 Essential Benefits

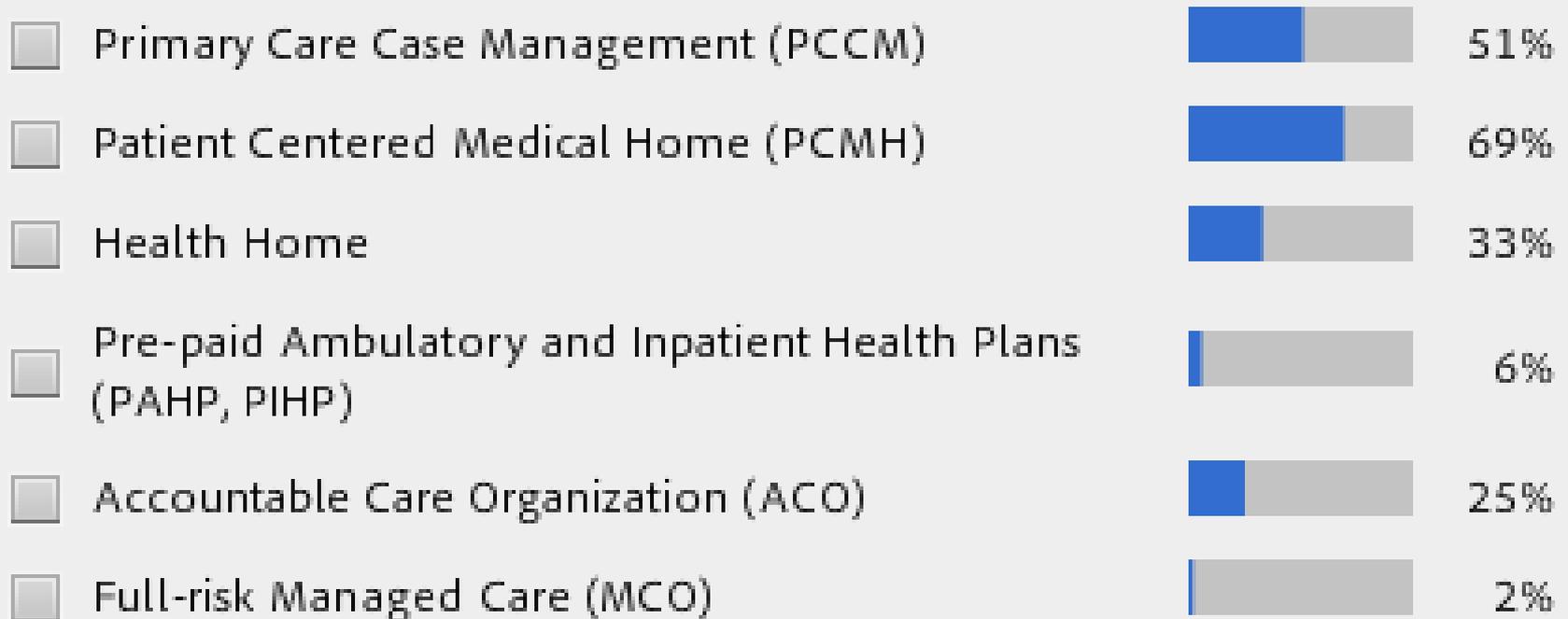
Your Turn!

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Stakeholder Response, September 2 Webinar

Results

Which two of the following care models presented are most promising for Alaska?



Next Steps

Meeting in a Box

- Partner organizations will gather feedback through the fall, using this set of materials:
 - PowerPoint Presentation
 - Infographic of models of care, incentives and other potential redesign components
 - Agenda + discussion guide for facilitator
 - Handouts and meeting materials
 - Web-based follow-up survey for meeting participants

Participant Questions

Please type your question in the chat box.

If you'd like a specific person to answer, please indicate their name or organization.

If we are not able to address your question in this session or need to find more information in order to answer it, we will prepare a written response and share it back with the webinar recording.

Ways to Stay Informed about the Project

DHSS Healthy Alaska Plan

<http://dhss.alaska.gov/healthyalaska>

E-mail medicaid.redesign@alaska.gov

Sign up for the DHSS Medicaid Redesign listserv

https://public.govdelivery.com/accounts/AKDHSS/subscriber/new?topic_id=7

Participate in discussions with our key partners!

Thank You!

Please contact us at medicaid.redesign@alaska.gov with questions, feedback or a request for a presentation to your organization.

The “Meeting in a Box” materials will be available at <http://dhss.alaska.gov/healthyalaska>