

MEDICAID REDESIGN AND EXPANSION TECHNICAL ASSISTANCE INITIATIVE

Final Report Key Findings and Recommendations (Webinar 5 of 5)

January 26, 2016, noon to 1 p.m.

presented by

Agnew::Beck Consulting

Health Management Associates

Milliman, Inc.

A Few Reminders for Participants

- 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

- Project status update and overview
- Final report highlights and actuarial findings
 - Roadmap for reform
 - Recommended package of reform initiatives
 - Other initiatives analyzed but not recommended
 - Potential expansion coverage models and recommendation
- Next steps
- Questions from participants

Project Status Update

Final Reports Released January 22nd!

RECOMMENDED MEDICAID REDESIGN + EXPANSION STRATEGIES FOR ALASKA

FINAL REPORT

Submitted January 15, 2016
to the Alaska Department of Health and Social Services

By
Agnew::Beck Consulting, LLC
Health Management Associates
Milliman, Inc.



GOALS FOR MEDICAID REDESIGN + EXPANSION

IMPROVE HEALTH	OPTIMIZE ACCESS	INCREASE VALUE	CONTAIN COSTS
↑♥	↑	↑✓	↓\$

Milliman Client Report



**Estimated Financial Impact
of Medicaid Redesign Initiatives
on the Alaska Medicaid Budget**

Prepared for:
Alaska Department of Health and Social Services

Prepared by:
Milliman, Inc.

Susan E. Pantley, FSA, MAAA,
Principal and Consulting Actuary

650 California Street, 17th
Floor
San Francisco, California
94104-2702
USA
Tel: +1 415 403 1333
Fax: +1 415 403 1334
milliman.com

January 19, 2016

Milliman Client Report



**Estimated Financial Impact
of Medicaid Expansion Coverage Options
on the Alaska Medicaid Budget**

Prepared for:
Alaska Department of Health and Social Services

Prepared by:
Milliman, Inc.

Susan E. Pantley, FSA, MAAA,
Principal and Consulting Actuary

650 California Street, 17th
Floor
San Francisco, California
94104-2702
USA
Tel: +1 415 403 1333
Fax: +1 415 403 1334
milliman.com

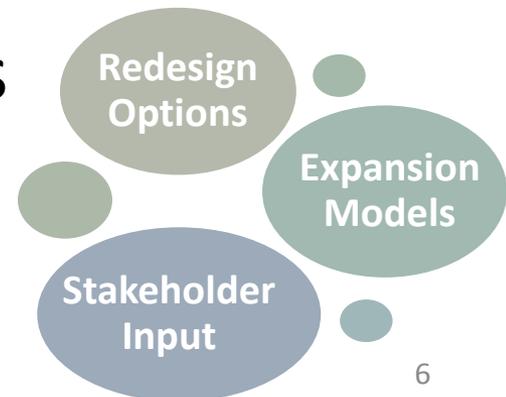
January 19, 2016

Project Overview: Deliverables

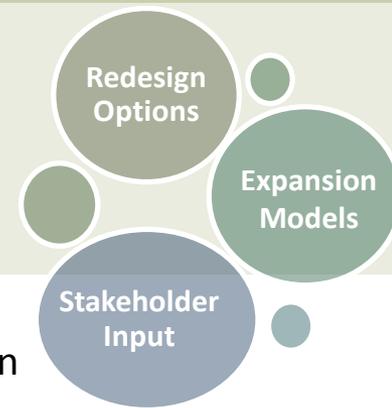
1. Environmental Assessment
2. Analysis of 5 to 10 Medicaid Reform Initiative Options
3. Analysis of 2 to 3 Alternative Models for the Expansion Population
4. Final Report with Recommended Package of Reforms

Broad Stakeholder Engagement

- **Three Key Partner Meetings**
 - Joint work sessions with DHSS and representatives from key partner organizations
- **Six Sector Engagement Meetings**
 - Alaska State Hospital & Nursing Home Association; Alaska Primary Care Association; Long Term Service & Supporters Providers; Alaska Behavioral Health Association; Physicians; Tribal Health Organizations; Change Agent Conference
- **More than 30 public presentations**
- **Five Project Webinars**



Key Partner Organizations

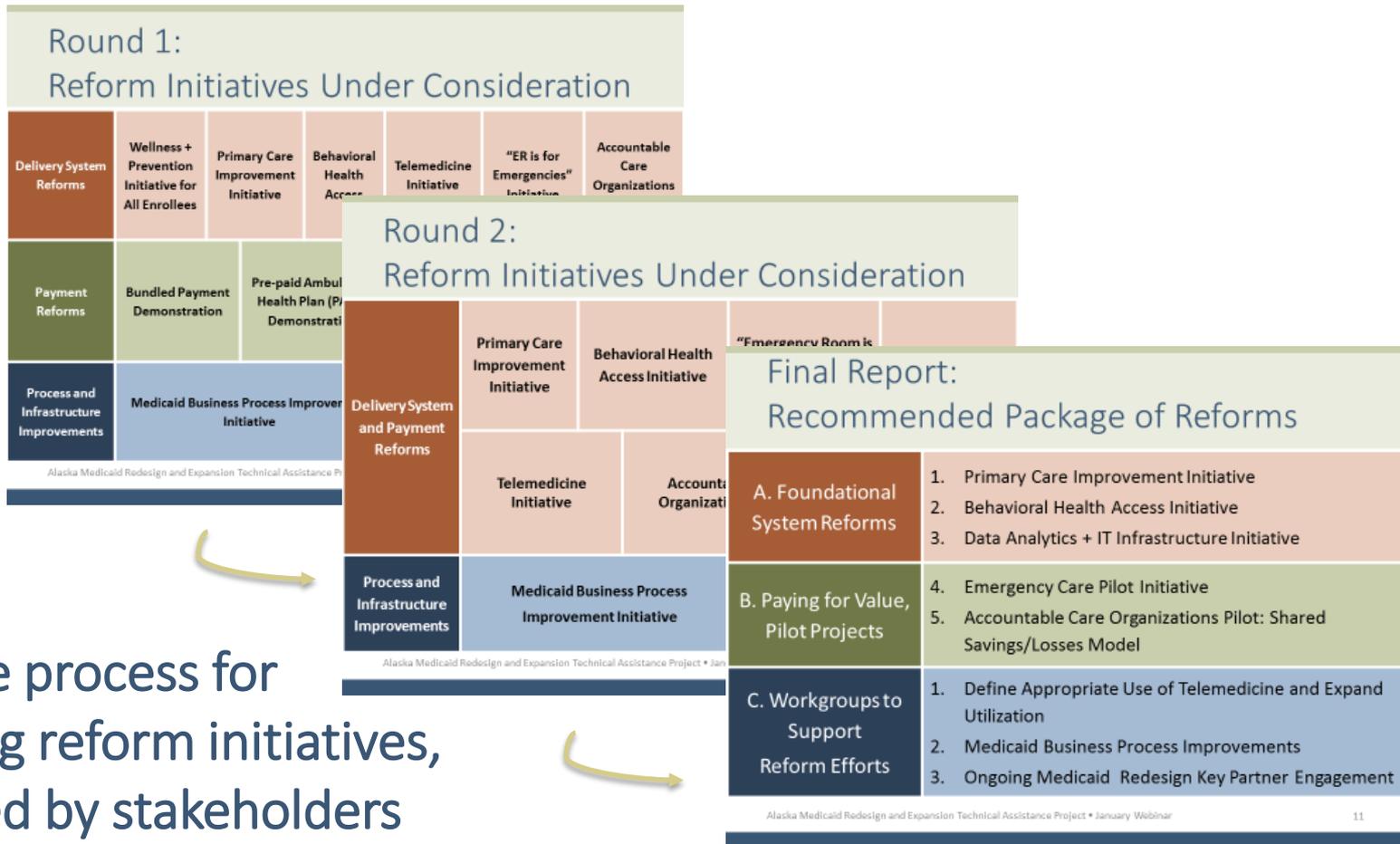


- Alaska Association on Developmental Disabilities
- Alaska Behavioral Health Association
- Alaska Commission on Aging
- Alaska Dental Society
- Alaska Geriatric Exchange Network (AGENet)
- Alaska Legislature: House of Representatives
- Alaska Legislature: State Senate
- Alaska Mental Health Trust Authority
- Alaska Native Health Board
- Alaska Native Tribal Health Consortium
- Alaska Nurse Practitioner Association
- Alaska Nurses Association
- Alaska Osteopathic Medical Association *(invited)*
- Alaska PCA Association
- Alaska Pharmacists Association
- Alaska Primary Care Association
- Alaska Psychological Association
- Alaska State Hospital & Nursing Home Association
- Alaska State Medical Association
- American Academy of Family Physicians
- American Academy of Pediatrics *(invited)*
- American College of Physicians
- American College of Emergency Physicians
- Community Care Coalition
- Governor's Office
- Governor's Council on Disabilities and Special Education
- Lt. Governor's Office
- Mat-Su Health Foundation
- Statewide Independent Living Council of Alaska

Environmental Assessment: Models of Care



LOW ————— Level of financial risk assumed by providers + quality monitoring and reporting —————> HIGH



Iterative process for selecting reform initiatives, informed by stakeholders at each round.

ALASKA MEDICAID REDESIGN AND EXPANSION

DRAFT OPPORTUNITIES FOR STAKEHOLDER INPUT

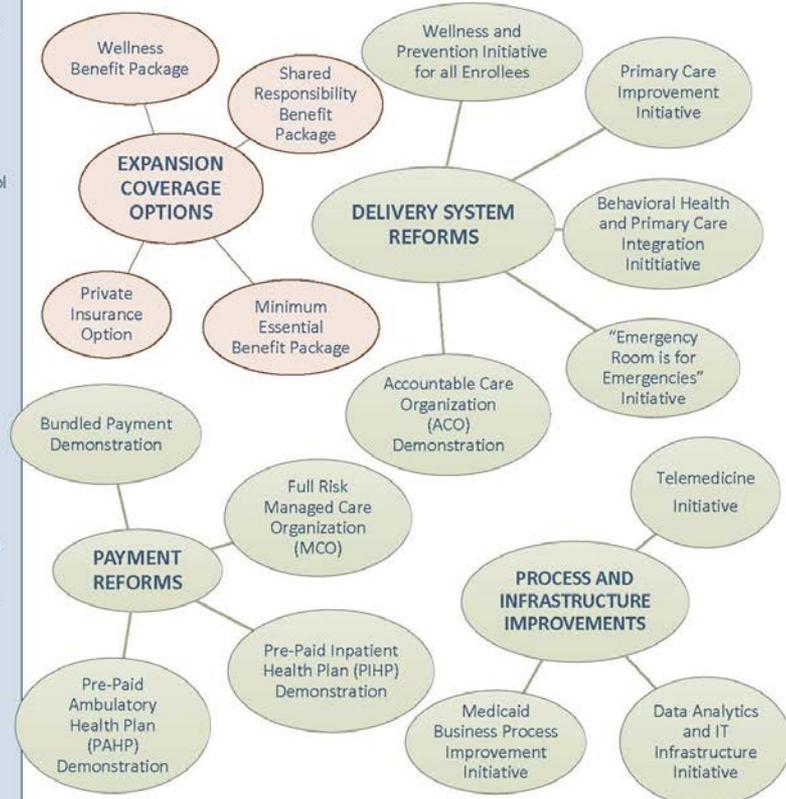


Building a Roadmap for Reform through Dialogue and Analysis.

REFORM INITIATIVES THAT ARE PLANNED / UNDERWAY

- Care Management Pilot for ED Super Utilizers
- Dental Benefit Changes
- DME, Vision, and Audiology Benefit Changes
- Eligibility Changes for Personal Care Services
- Fraud and Abuse Control Improvement
- Transportation Policy Review
- Tribal Health System Coordination: NICU, Orthopedic, and OB
- Tribal Health System Partnership: Transportation and Referral Policy
- Pharmacy Reform Initiatives
- Provider Tax Study
- Planning for 1915(i) and 1915(k) Options for Home and Community-based Services

We need your input! Which Expansion Coverage Options and which Medicaid Reform Initiatives should be explored further?



Alaska Medicaid Redesign: Approaches to Coordinated Care and Value-based Purchasing

MODELS OF CARE



FEATURES

- Current State:** • No performance- or value-based payment or quality metrics
- Primary Care Case Management:** • Primary care provider coordinates and monitors patient care
- Patient Centered Medical Homes:** • Provider teams deliver whole person, integrated care
- Health Homes:** • Serves patients with complex needs: behavioral health and chronic conditions
• Provider teams deliver whole person, integrated care and coordinate community supports
- Pre-paid Inpatient or Ambulatory Health Plans:** • Risk-based contracts to provide a set of services to enrollees
- Accountable Care Organizations:** • Providers share accountability for care, health outcomes and costs for defined group of enrollees
- Full-risk Managed Care:** • State contracts with health plans for the delivery of services to Medicaid beneficiaries

PAYMENT MECHANISMS

LOW ————— Level of financial risk assumed by providers + quality monitoring and reporting —————> HIGH

Payment Mechanism	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
Fee For Service	✓	✓	✓	✓			
Care Coordination (Per Member Per Month Fees)		✓	✓	✓			
Shared Savings					✓	✓	✓
Shared Losses					✓	✓	✓
Bundled Payments (Specific Episodes)					✓	✓	✓
Partial or Global Capitated Payments					✓	✓	✓

ADDITIONAL PROGRAM FEATURES + OPTIONS

- Private Coverage Option
- Enrollee Contributions + Premiums
- Waivers of Required Benefits
- Wellness + Healthy Behavior Incentives

GOALS FOR ALASKA MEDICAID REDESIGN



Final Round of Analysis Included Actuarial Analysis by Milliman, Inc.

Actuarial analysis uses data analysis and statistical models based on national health care experience to make educated estimates about the impacts to health care costs that would result from program changes.

Final Report Outline

Executive Summary of Recommendations

1. Introduction + Roadmap for Reform
2. Background (Environmental Assessment)
3. Recommended Reform Initiatives
 - A. Foundational Reforms
 - B. Pay for Value Pilots
 - C. Workgroups for Further Exploration
 - D. Reforms Explored but Not Recommended
4. Potential Expansion Coverage Models
5. Appendices: Reference Material

Final Report: Roadmap for Reform

Goals for Medicaid Redesign + Expansion

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



Vision for Alaska Medicaid Redesign and Expansion

Preliminary Vision Statement

The Alaska Medicaid system provides whole person, quality care in a manner that is cost effective, culturally and regionally appropriate, and easy to navigate.

Vision for Alaska Medicaid Redesign and Expansion

Preliminary Guiding Principles

- Collaborate to transform the Medicaid system to deliver and pay for high value care
- Use Medicaid Expansion as a catalyst for change
- Deliver care through an integrated, well-designed system
- Promote self-care, healthy behaviors, and prevention
- Work with enrollees to improve their health and social conditions
- Connect providers and payers through technology and use data analytics to drive high value care
- Use telehealth to bring services to patients and allow flexibility for regions to meet needs in different ways

Alaska Medicaid Redesign: A Phased Journey to Peak Performance



Final Report: Recommended Package of Reforms

Final Report:

Recommended Package of Reforms

A. Foundational System Reforms

1. Primary Care Improvement Initiative
2. Behavioral Health Access Initiative
3. Data Analytics + IT Infrastructure Initiative

B. Paying for Value, Pilot Projects

4. Emergency Care Pilot Initiative
5. Accountable Care Organizations Pilot: Shared Savings/Losses Model

C. Workgroups to Support Reform Efforts

1. Define Appropriate Use of Telemedicine and Expand Utilization
2. Medicaid Business Process Improvements
3. Ongoing Medicaid Redesign Key Partner Engagement

Reform Initiatives Considered but Not Recommended

Full Risk Managed Care

Administered by a Managed Care Organization

Analyzed But Not Recommended

Dementia Care Access Initiative

Moved to Separate Project

Bundled Payment Demonstration

Not Prioritized for Analysis

Pre-Paid Ambulatory and Inpatient Health Plans

Not Prioritized for Analysis

Health Savings Accounts

Not Prioritized for Analysis

Summary of Actuarial Results for Reform Initiatives

MEDICAID REDESIGN INITIATIVES: NET PROGRAM INITIATIVE COSTS (SAVINGS) TO ALASKA * VALUES IN \$MILLIONS

INITIATIVE	FY17	FY18	FY19	FY20	FY21
Baseline	\$490.2	\$521.2	\$549.3	\$589.6	\$626.3
Initiative 1: Primary Care Improvement	\$2.4	\$5.0	\$0.5	(\$0.8)	(\$2.4)
Initiative 2: Behavioral Health Access	\$0.0	\$1.7	\$3.6	\$5.3	\$7.2
Initiative 4: Emergency Room	(\$1.3)	(\$2.7)	(\$3.4)	(\$4.1)	(\$4.8)
Initiative 5: Accountable Care Organization	\$0.0	\$0.0	(\$1.0)	(\$2.0)	(\$4.2)
Workgroup 1: Telemedicine	\$0.0	(\$2.6)	(\$5.8)	(\$9.4)	(\$13.2)
Initiative 6: Full-Risk Managed Care Organization	\$0.0	\$0.0	\$0.0	\$7.2	\$7.6

* Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.

Analysis of Reform Initiatives

- Each initiative includes:
 - Description and key features of the initiative
 - Considerations for special populations, if any
 - Actuarial analysis of projected costs and savings
 - Experience of other states
 - Potential challenges for implementation
 - Proposed timeline and phases

Recommended Package of Reforms

- Initiative 1: Primary Care Improvement
 - Every enrollee assigned to a primary care or behavioral health provider who coordinates care.
 - Health Risk Assessments identify enrollees with higher health needs and risks.
 - Health Homes and other enhanced care management programs are provided to those with higher needs.
 - Contract with Administrative Services Organization to perform key support functions.

Actuarial Results: Primary Care Improvement Initiative

MEDICAID REDESIGN INITIATIVES: PRIMARY CARE IMPROVEMENT INITIATIVE (VALUES IN \$MILLIONS)*					
SERVICE CATEGORY	FY17	FY18	FY19	FY20	FY21
Facility Inpatient	(\$0.4)	(\$1.6)	(\$9.8)	(\$10.8)	(\$11.8)
Facility Outpatient	(\$0.9)	(\$3.4)	(\$10.0)	(\$12.4)	(\$15.2)
Professional	(\$0.2)	(\$0.9)	(\$4.6)	(\$5.0)	(\$5.4)
Pharmacy Drugs	(\$0.2)	(\$1.1)	(\$4.4)	(\$5.7)	(\$7.2)
PCCM Fee	\$1.1	\$3.1	\$4.6	\$4.7	\$4.7
Capitation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other	(\$0.0)	(\$0.1)	(\$0.5)	(\$0.6)	(\$0.7)
TOTAL CHANGE IN MEDICAL COST	(\$0.7)	(\$4.0)	(\$24.6)	(\$29.8)	(\$35.5)
ASO Fees	\$7.0	\$17.5	\$26.2	\$27.7	\$29.2
TOTAL EXPENDITURE CHANGE	\$6.3	\$13.5	\$1.5	(\$2.2)	(\$6.3)
After Shared Savings	\$6.3	\$13.5	\$1.5	(\$2.2)	(\$6.3)
FMAP Share	\$3.9	\$8.4	\$1.0	(\$1.4)	(\$3.8)
NET ALASKA COST (SAVINGS)	\$2.4	\$5.0	\$0.5	(\$0.8)	(\$2.4)

* Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.

Recommended Package of Reforms

- Initiative 2: Behavioral Health Access
 - Establish new standards of care to support expanded delivery of substance use and mental health services.
 - Remove the grantee requirement to bill Medicaid.
 - Allow a broader range of licensed and credentialed behavioral health providers to bill Medicaid.
 - Seek a federal waiver of the IMD exclusion for residential substance use treatment services.
 - Address gaps in the crisis response system.
 - Contract with an Administrative Services Organization to perform key support functions.

Actuarial Results:

Behavioral Health Access Initiative

MEDICAID REDESIGN INITIATIVES: BEHAVIORAL HEALTH ACCESS INITIATIVE					
VALUES IN \$MILLIONS*					
SERVICE CATEGORY	FY17	FY18	FY19	FY20	FY21
Facility Inpatient	\$0.0	(\$0.2)	(\$0.5)	(\$0.9)	(\$1.5)
Facility Outpatient	\$0.0	\$0.0	\$0.1	\$0.1	\$0.2
Professional	\$0.0	\$1.2	\$5.0	\$9.4	\$14.3
Pharmacy Drugs	\$0.0	\$0.0	\$0.1	\$0.1	\$0.2
PCCM Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capitation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL CHANGE IN MEDICAL COST	\$0.0	\$1.1	\$4.6	\$8.7	\$13.2
ASO Fees	\$0.0	\$3.5	\$5.3	\$5.5	\$5.8
TOTAL EXPENDITURE CHANGE	\$0.0	\$4.6	\$9.9	\$14.2	\$19.1
After Shared Savings	\$0.0	\$4.6	\$9.9	\$14.2	\$19.1
FMAP Share	\$0.0	\$2.9	\$6.3	\$8.9	\$11.8
NET ALASKA COST (SAVINGS)	\$0.0	\$1.7	\$3.6	\$5.3	\$7.2

** Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.*

Recommended Package of Reforms

- Initiative 3: Data Analytics + IT Infrastructure
 - Securely collect and share health information among providers and analyze health data to improve outcomes and decrease costs.
 - Use Alaska’s Health Information Exchange to connect hospitals, Emergency Departments and providers, and integrate the Prescription Drug Monitoring Program database.
 - Contract with an advanced data analytics firm to support value-based care.

Recommended Package of Reforms

- Initiative 4: Emergency Care
 - A private-public partnership.
 - Emergency Departments would use best practices and Alaska's Health Information Exchange to
 - Share necessary Medicaid enrollee patient data to improve patient care,
 - Reduce preventable Emergency Department use,
 - Facilitate follow up with primary care and behavioral health providers, and
 - Improve prescription monitoring to reduce opioid misuse.
 - Shared savings to incentivize value-based care.

Actuarial Results: Emergency Care Initiative

MEDICAID REDESIGN INITIATIVES: EMERGENCY CARE INITIATIVE					
VALUES IN \$MILLIONS*					
SERVICE CATEGORY	FY17	FY18	FY19	FY20	FY21
Facility Inpatient	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Facility Outpatient	(\$4.6)	(\$9.7)	(\$12.4)	(\$14.6)	(\$17.1)
Professional	(\$0.5)	(\$0.8)	(\$0.8)	(\$0.9)	(\$1.1)
Pharmacy Drugs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PCCM Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capitation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL MEDICAL COST	(\$5.0)	(\$10.5)	(\$13.1)	(\$15.5)	(\$18.2)
ASO Fees	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURE CHANGE	(\$5.0)	(\$10.5)	(\$13.1)	(\$15.5)	(\$18.2)
After Shared Savings	(\$3.5)	(\$7.3)	(\$9.2)	(\$10.9)	(\$12.7)
FMAP Share	(\$2.2)	(\$4.7)	(\$5.8)	(\$6.8)	(\$7.9)
NET ALASKA COST (SAVINGS)	(\$1.3)	(\$2.7)	(\$3.4)	(\$4.1)	(\$4.8)

* Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.

Recommended Package of Reforms

- Initiative 5: Accountable Care Organizations Pilot
 - Pilot value-based payments in regions by contracting with groups of providers who form Accountable Care Organizations.
 - Use a shared savings approach, with shared losses in later years, to promote service delivery changes that incentivize high quality care and cost containment.

Actuarial Results: Accountable Care Organizations Pilot Initiative

MEDICAID REDESIGN INITIATIVES: ACCOUNTABLE CARE ORGANIZATIONS					
VALUES IN \$MILLIONS*					
SERVICE CATEGORY	FY17	FY18	FY19	FY20	FY21
Facility Inpatient	\$0.0	\$0.0	(\$0.9)	(\$1.8)	(\$3.6)
Facility Outpatient	\$0.0	\$0.0	(\$1.8)	(\$3.2)	(\$6.8)
Professional	\$0.0	\$0.0	(\$0.9)	(\$2.2)	(\$4.5)
Pharmacy Drugs	\$0.0	\$0.0	(\$0.7)	(\$1.6)	(\$3.4)
PCCM Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capitation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other	\$0.0	\$0.0	(\$0.1)	(\$0.2)	(\$0.3)
TOTAL MEDICAL COST	\$0.0	\$0.0	(\$4.5)	(\$8.9)	(\$18.6)
ASO Fees	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURE CHANGE	\$0.0	\$0.0	(\$4.5)	(\$8.9)	(\$18.6)
After Shared Savings	\$0.0	\$0.0	(\$2.7)	(\$5.3)	(\$11.2)
FMAP Share	\$0.0	\$0.0	(\$1.7)	(\$3.3)	(\$6.9)
NET ALASKA COST (SAVINGS)	\$0.0	\$0.0	(\$1.0)	(\$2.0)	(\$4.2)

* Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.

Recommended Package of Reforms

- Form workgroups to guide:
 - Expansion of Telemedicine,
 - Medicaid Business Process Improvements, and
 - Ongoing Medicaid Redesign

Actuarial Results: Potential Savings from a Telemedicine Initiative

MEDICAID REDESIGN INITIATIVES: TELEMEDICINE					
VALUES IN \$MILLIONS*					
SERVICE CATEGORY	FY17	FY18	FY19	FY20	FY21
Facility Inpatient	\$0.0	(\$0.5)	(\$1.0)	(\$1.5)	(\$2.0)
Facility Outpatient	\$0.0	(\$2.2)	(\$4.5)	(\$7.2)	(\$10.1)
Professional	\$0.0	(\$8.7)	(\$18.1)	(\$28.2)	(\$37.5)
Pharmacy Drugs	\$0.0	\$4.2	\$7.8	\$12.0	\$15.0
PCCM Fee	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Capitation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other	\$0.0	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.1)
TOTAL MEDICAL COST	\$0.0	(\$7.1)	(\$15.9)	(\$25.0)	(\$34.8)
ASO Fees	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL EXPENDITURE CHANGE	\$0.0	(\$7.1)	(\$15.9)	(\$25.0)	(\$34.8)
After Shared Savings	\$0.0	(\$7.1)	(\$15.9)	(\$25.0)	(\$34.8)
FMAP Share	\$0.0	(\$4.5)	(\$10.1)	(\$15.7)	(\$21.6)
NET ALASKA COST (SAVINGS)	\$0.0	(\$2.6)	(\$5.8)	(\$9.4)	(\$13.2)

* Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.

Alternative Coverage Models for Expansion Population

Option 1: Current Medicaid Benefit Package	<i>Recommended</i>
Option 2: Alternative Benefit Package based on Qualified Health Plan <i>Administered by Medicaid</i>	<i>Not Recommended</i>
Option 3: Private Coverage Option based on Qualified Health Plan <i>Administered by private insurer</i>	<i>Not Recommended</i>

Actuarial Results for Alternative Expansion Coverage Models

COMPARISON OF ALTERNATIVE EXPANSION COVERAGE OPTIONS*

	FY17	FY18	FY19	FY20	FY21
EXPANSION OPTION 1: CURRENT ALTERNATIVE BENEFIT PACKAGE					
Total Cost	\$184,161,000	\$219,234,000	\$229,743,000	\$240,876,000	\$252,634,000
Federal Cost	\$179,294,000	\$207,471,000	\$215,331,000	\$221,394,000	\$228,761,000
State Cost	\$4,867,000	\$11,763,000	\$14,412,000	\$19,482,000	\$23,873,000
EXPANSION OPTION 2: ALTERNATIVE BENEFIT PLAN BASED ON A QUALIFIED HEALTH PLAN					
Change in Total Cost	(\$11,513,000)	(\$13,403,000)	(\$13,722,000)	(\$14,045,000)	(\$14,368,000)
Change in Federal Cost	(\$11,595,000)	(\$13,077,000)	(\$13,255,000)	(\$13,279,000)	(\$13,365,000)
Change in State Cost	\$82,000	(\$326,000)	(\$467,000)	(\$766,000)	(\$1,003,000)
EXPANSION OPTION 3: PRIVATE OPTION BASED ON A QUALIFIED HEALTH PLAN					
Change in Total Cost	\$57,586,000	\$72,434,000	\$79,998,000	\$88,186,000	\$97,037,000
Change in Federal Cost	\$0	\$0	\$0	\$0	\$0
Change in State Cost	\$57,586,000	\$72,434,000	\$79,998,000	\$88,186,000	\$97,037,000

* Excludes impact of pharmacy rebates and third party recoveries. Excludes savings from Medicaid Reform Initiatives. Excludes savings from cost reductions in other state programs.

Actuarial Results: Expansion Option 1 Current Alternative Benefit Package

EXPANSION OPTION 1: CURRENT ALTERNATIVE BENEFIT PACKAGE*

	FY17	FY18	FY19	FY20	FY21
Newly Eligible Adults	41,980	42,050	42,120	42,190	42,260
Take-Up Rate	55.4%	63.0%	63.0%	63.0%	63.0%
New Enrollees	23,273	26,492	26,535	26,580	26,623
COST PER ENROLLEE	\$7,913	\$8,275	\$8,658	\$9,062	\$9,489
<i>Medical</i>	\$7,854	\$8,213	\$8,593	\$8,994	\$9,418
<i>Admin</i>	\$59	\$62	\$65	\$68	\$71
TOTAL COST	\$184,161,000	\$219,234,000	\$229,743,000	\$240,876,000	\$252,634,000
Federal Cost	\$179,294,000	\$207,471,000	\$215,331,000	\$221,394,000	\$228,761,000
STATE COST	\$4,867,000	\$11,763,000	\$14,412,000	\$19,482,000	\$23,873,000

** Excludes impact of pharmacy rebates and third party recoveries. Excludes savings from Medicaid Reform Initiatives. Excludes savings from cost reductions in other state programs.*

Actuarial Results: Expansion Option 2 Qualified Health Plan Package

EXPANSION OPTION 2: ALTERNATIVE BENEFIT PLAN (ABP) BASED ON QUALIFIED HEALTH PLAN (QHP)**					
	FY17	FY18	FY19	FY20	FY21
Newly Eligible Adults	41,980	42,050	42,120	42,190	42,260
Take-Up Rate	55.4%	63.0%	63.0%	63.0%	63.0%
New Enrollees	23,273	26,492	26,535	26,580	26,623
COST PER ENROLLEE	\$7,418	\$7,770	\$8,141	\$8,534	\$8,950
Medical	\$7,326	\$7,672	\$8,039	\$8,427	\$8,838
Admin	\$93	\$97	\$102	\$107	\$112
TOTAL COST	\$172,648,000	\$205,831,000	\$216,021,000	\$226,831,000	\$238,266,000
Federal Cost	\$167,699,000	\$194,394,000	\$202,076,000	\$208,115,000	\$215,396,000
STATE COST	\$4,949,000	\$11,437,000	\$13,945,000	\$18,716,000	\$22,870,000
COMPARISON TO EXPANSION OPTION 1					
CHANGE IN TOTAL COST	(\$11,513,000)	(\$13,403,000)	(\$13,722,000)	(\$14,045,000)	(\$14,368,000)
Change in Federal Cost	(\$11,595,000)	(\$13,077,000)	(\$13,255,000)	(\$13,279,000)	(\$13,365,000)
CHANGE IN STATE COST	\$82,000	(\$326,000)	(\$467,000)	(\$766,000)	(\$1,003,000)

** Excludes impact of pharmacy rebates and third party recoveries. Excludes savings from Medicaid Reform Initiatives. Excludes savings from cost reductions in other state programs.*

Actuarial Results: Expansion Option 2 Private Coverage Option

EXPANSION OPTION 3: PRIVATE OPTION BASED ON A QUALIFIED HEALTH PLAN (QHP)***					
	FY17	FY18	FY19	FY20	FY21
Newly Eligible Adults	41,980	42,050	42,120	42,190	42,260
Take-Up Rate	55.4%	63.0%	63.0%	63.0%	63.0%
New Enrollees	23,273	26,492	26,535	26,580	26,623
COST PER ENROLLEE	\$10,387	\$11,010	\$11,673	\$12,380	\$13,134
Medical	\$10,288	\$10,904	\$11,561	\$12,262	\$13,009
Admin	\$99	\$105	\$112	\$118	\$126
TOTAL COST	\$241,747,000	\$291,668,000	\$309,741,000	\$329,062,000	\$349,671,000
Federal Cost	\$179,294,000	\$207,471,000	\$215,331,000	\$221,394,000	\$228,761,000
STATE COST	\$62,453,000	\$84,197,000	\$94,410,000	\$107,668,000	\$120,910,000
COMPARISON TO EXPANSION OPTION 1					
CHANGE IN TOTAL COST	\$57,586,000	\$72,434,000	\$79,998,000	\$88,186,000	\$97,037,000
Change in Federal Cost	\$0	\$0	\$0	\$0	\$0
CHANGE IN STATE COST	\$57,586,000	\$72,434,000	\$79,998,000	\$88,186,000	\$97,037,000

** Excludes impact of pharmacy rebates and third party recoveries. Excludes savings from Medicaid Reform Initiatives. Excludes savings from cost reductions in other state programs.*

Caveats

Limitations

This analysis is intended for use by DHSS in support of Medicaid program evaluation. Any user of the data must possess a certain level of expertise in actuarial science and health care modeling so as not to misinterpret data presented.

Milliman makes no representations or warranties regarding the contents of this presentation to third parties. Similarly, third parties are instructed that they are to place no reliance upon this analysis prepared for DHSS by Milliman that would result in the creation of any duty or liability under any theory of law by Milliman or its employees to third parties. Other parties receiving this report must rely upon their own experts in drawing conclusions about the individual insurance market rates, assumptions and trends. It is the responsibility of any insurance carrier to establish required revenue levels appropriate for their risk, management and contractual obligations for the prospective population.

Caveats

Limitations (cont.d)

This analysis has relied extensively on data provided by the State of Alaska, including population surveys, and claims data of the Medicaid population. Errors in data reporting may flow through analysis, and as such would impact the results.

Actual results will vary from our projections for many reasons, including differences from assumptions regarding future enrollment within the Alaska Medicaid Program, the relative morbidity of the uninsured population, cost and utilization trends, as well as other random and non-random factors. Experience should continue to be monitored on a regular basis, with modifications to the program as necessary.

Actuarial Statement of Qualification

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Susan Pantely is a member of the American Academy of Actuaries, and meet the qualification standards for performing this analysis. This presentation includes high level findings. A complete written report has been provided to the DHSS for Medicaid program evaluation.

Next Steps

- DHSS to review consultant team recommendations and actuarial analysis
- DHSS to release planned next steps on January 29th
- DHSS and consultant team to present to the legislature on February 11th and 12th

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

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

Thank You!

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

The consultant team's final report, presentations and other materials are available at <http://dhss.alaska.gov/healthyalaska>