

## **Update on Estate Recovery, MinnesotaCare Premium Reconciliation, and Managed Care Enrollee Transfer**

1/24/2017

### **Estate Recovery**

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#### **Background**

The 2016 Legislature made changes to Minnesota statute to limit claims against the estates of people who received Medical Assistance (MA) coverage for long-term care services at 55 years old or older, also known as “estate recovery”.

Previously, DHS and county agencies collected from deceased MA members’ estates (or their spouses’ estates) the amount MA paid out for any MA services that members received at 55 years old or older. The legislation limited estate recovery for services provided on and after January 1, 2014 to only the following long-term care expenses: nursing facility services, home and community-based services, alternative care services, and related hospital and prescription drug costs. These changes are subject to federal approval.

#### **Federal approval**

DHS submitted a state plan amendment seeking federal approval for this change in September 2016. However, CMS would not approve the state plan amendment with the January 1, 2014 date and so that date has been removed from the state plan as approved by CMS.

This means that DHS and county agencies will collect only the amount MA paid for long term care services and related services as defined in the statute and not to other services (primarily medical only), even those provided prior to January 1, 2014. This will result in less revenue from recoveries, which will be reflected in the February forecast. A conforming change to state law will be needed this session.

#### **Implementation**

Beginning with estate claims that were pending as of July 1, 2016, DHS and county agencies will collect only the amount MA paid for long-term care services and related services when members (or their spouses) were 55 years old or older. DHS and county agencies will not reopen any estates which were closed before July 1, 2016.

## MinnesotaCare Premium Reconciliation

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DHS and MN.IT continue the process of reconciling MinnesotaCare premiums from January 2014 through April 2016 due to inaccurate premium calculations and billings for that time period.

### **What's involved in this work?**

This process involves comparing the premium amount the enrollee should have been billed to the amount the enrollee was actually charged and paid. This work is complex and time consuming in that it involves manually analyzing data on a case-by-case basis and reconciling data from up to 3 different systems depending on the time period.

### **What is the timeline for completion?**

- The premium data from calendar year 2014 has been fully analyzed and reconciled. The work on 2015 data will soon begin. The work on 2016 data will follow completion of the 2015 data. This effort is unlikely to be entirely completed until sometime in 2017.
  - Reconciliation for 2015 and 2016 is expected to progress more quickly because of efficiencies created in the process last year.
  - Refunds and billings cannot be accurately determined until all 3 years are reconciled.

### **How did the recently wrapped up MinnesotaCare renewal season go?**

DHS undertook a 3-month outreach effort, beginning in October to help over 87,000 MinnesotaCare households renew their coverage for 2017. This year's efforts created a successful renewal season for our enrollees and a cost-effective approach for the state.

- Five communications, reminding enrollees to renew and providing detailed instructions on keeping up-to-date on premium payments, have been mailed.
- DHS launched a visibility campaign in early December to spread the word about the renewal deadline over social media and to partner organizations and the media.
- DHS prepared for an influx of final updates in the final weeks of the year. The team responsible for renewals was reinforced with 50 additional, temporary, members. State employees staffing the operations center, where MinnesotaCare renewals are processed, have worked an average of 15 hours of overtime weekly since November 1.

## Managed Care Enrollee Transition

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DHS created and implemented the following action plan in response to Medica's withdrawal from the public health care market. DHS is on track to complete the plan, transitioning approximately 300,000 enrollees to new health plans, by May 1, 2017.

### **How and when will DHS transition enrollees?**

*Within 5 business days of written notice of nonrenewal from Medica, DHS:*

- Began a review to continue access and choice
- Notified the Centers for Medicare & Medicaid Services of changes to service areas
- Notified health plans of the change

*Within 1 month of written notice of nonrenewal from Medica, DHS:*

- Began preparing for a special enrollment period for Medica enrollees
- Initiated negotiations with other health plans under the terms of the 2016 statewide procurement to offer choice for enrollees in the counties where Medica is exiting

*In February DHS will:*

- Work with health plans with to collect and share enrollee data (e.g. prior authorizations, service agreements, prescription drug information) to facilitate continuity of care
- Notify enrollees of change and health plan selections
- DHS will provide additional phone center support in addition to counties, such as taking over the phone enrollments

*On May 1, 2017:*

- New health plans take effect for enrollees
- DHS and health plan phone support will continue for transitioning enrollees and providers