

# House Health and Human Services Finance

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November 21, 2011

# Minnesota Medicaid Reform

- Medicaid waiver reform language:

“The Commissioner shall develop a proposal...which shall include any necessary **waivers, state plan amendments,** requests for new funding or realignment of existing funds, and **any other federal authority** that may be necessary for the projects...”

# State Medicaid Flexibilities

- Title XIX/State Plan and Amendments/Rules & Guidance
- Section 1115 (1962) Demonstrations
  - Secretary has broad authority modify virtually any aspects of the program...without prior Congressional review or approval...
  - Demonstrations must:
    - Further the goals of Medicaid
    - Be budget neutral for the federal government
- MN Sections 1115 Waivers
  - PMAP+/MinnesotaCare
  - Minnesota Family Planning Program
- HCBS Waivers – 1915 (a,b &c) – EW, CADI, CAC, DD, TBI, etc

# Proposal's Development

- Legislative interest
- Intra-agency solicitation
- Themes:
  - 1) People not programs
  - 2) Care coordination
  - 2) Patient centered care
  - 3) Consumer direction
  - 4) Purchasing for value
  - 5) Reform regardless of purchasing model

# Medicaid Reform Provisions

- Employment and housing supports
  - Training, job placement services, career counseling, benefit, employment support services, and DMIE model.
  - Supportive and transitional housing and assistance in maintaining housing.

# Medicaid Reform Provisions (cont.)

- Nursing facility level of care (LOC)
  - Changed in 2009 for sustainability due to demographic pressure
  - Impacts admission of public pay consumers to nursing homes and waiver benefits
  - Federal MOE blocked implementation by ARRA and ACA

# Medicaid Reform Provisions (cont.)

- If Minnesota does not get federal approval to implement the level of care criteria changes, an additional 1.67 percent rate cut will be applied to:
  - All waiver services
  - Alternative Care
  - Nursing and home health, private duty nursing
  - PCA services and supervision
  - Day training and habilitation
  - Grants
- Reduction is effective July 1, 2012, and expires Dec. 31, 2013.

# Medicaid Reform Provisions (cont.)

- Reform and create different long-term supports for seniors.
  - Use medical need thresholds to better determine benefits
  - Coordinate basic care Medicaid benefit and Medicare/Medigap benefit
  - Provide Medigap coverage for those with low needs
  - Seek Medicaid match for Alternative Care and Essential Community Supports.



# Medicaid Reform Provisions (cont.)

## Redesign Home and Community Based Services

- Increased opportunity for self direction
  - Develop capacity in the community for crisis intervention and prevention
  - Enhance self-advocacy and life planning
  - Pursue state plan options to develop model benefit sets
  - Individual budgeting strategies
- Coordinate and streamline services for individuals with complex needs
    - Individuals with multiple diagnoses accessing different programs not receiving coordinated care
    - With multiple case managers, no one is in charge
    - New services/delivery models
    - New approaches for crisis intervention

# Medicaid Reform Provisions (cont.)

- Improve integration of Medicare and Medicaid for duals
- Health care delivery demonstration projects
- Individual and group/community incentives for to encourage healthy behavior and prevent chronic disease
- Encourage utilization of high quality, cost effective care through cost sharing
- Eligibility limits on Adults without Children

# Medicaid Reform Provisions (cont.)

- Redesign Intensive Residential Treatment Services (IRTS)
- Redesign Anoka Metro Regional Treatment Center and seek a waiver for IMD exclusion
- Seek a waiver for the IMD exclusion for children under 21 receiving care in residential facilities

# Medicaid Reform Work Plan

- Work groups at the division level
  - Employment supports (CC and CMH Administrations)
  - Housing supports (CFS and CMH Administrations)
  - Redesign long-term care (CC Administration)
    - Reform benefit sets
    - Consumer directed services
    - Complex and high cost individuals
  - Enrollee cost sharing/incentives (HCA Administration)
  - Dual eligible planning grant (HCA Administration)

# Medicaid Reform Work Plan (cont.)

- Agency-wide collaboration and work group stakeholder involvement
- Policy development/timing constraints
- Budget neutrality requirement

# Key Dates

- 10/01/11 – Duals demo letter of intent
- 12/05/11 – Agency-wide stakeholder meeting
- 12/20/11 – Level of Care criteria §1115 waiver

# Key Dates (cont.)

- 12/15/11 – Proposals for Medicaid reform waiver identified
- 1/15/12 – Report to the Legislature
- 2/15/12 – Proposals finalized for Medicaid reform waiver
- Spring of 2012 – Medicaid reform waiver submitted

# Questions?

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