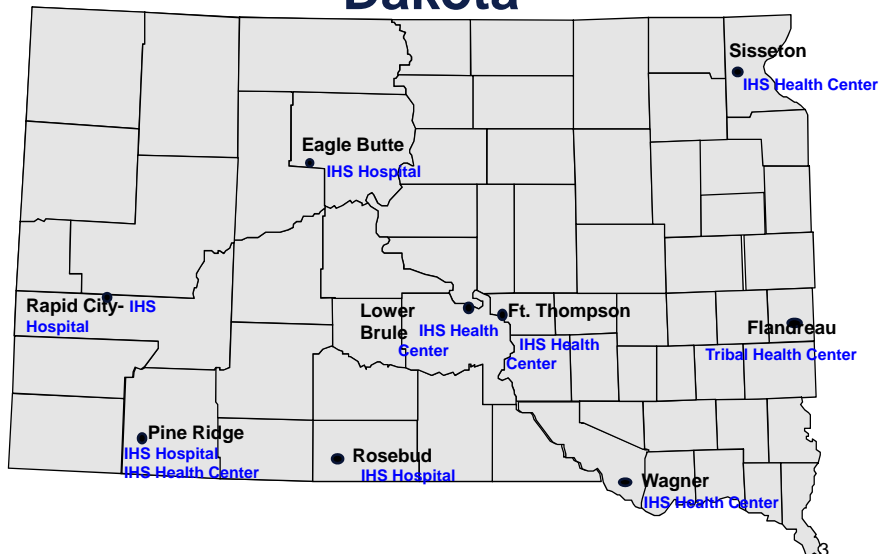

Health Care Solutions Coalition

June 13, 2017

IHS and Medicaid Overview

- People can be eligible for IHS AND also Medicaid eligible.
 - When an American Indian is Medicaid eligible and gets services “through” an IHS Facility, IHS bills Medicaid, and the federal government pays 100%.
 - When an American Indian is Medicaid eligible and gets services outside IHS, the non-IHS provider bills Medicaid and the federal government pays about 54%, and the state pays the balance

Primary IHS Facilities in South Dakota



Care for American Indians

- When services are not “received through” IHS, the state must pay for services that are supposed to be provided by the federal Government.
- This trend is growing:
 - \$74.7 million in state funds in SFY2014
 - \$85.0 million in state funds in SFY2015
 - \$92.7 million in state funds in SFY2016

IHS and Medicaid Overview

- ❑ **Example – 100% Federal:** A 10-year-old Tribal member is examined and treated at an IHS facility. The child is eligible for Medicaid so IHS bills SD Medicaid. The federal government reimburses SD for the entire bill.
- ❑ **Example – 54% Federal:** A 10-year-old Tribal member is examined at an IHS facility. Her condition requires treatment which is not available at the IHS facility, and she is referred to Rapid City Regional Hospital. The child is eligible for Medicaid, so Rapid City Regional bills SD Medicaid. The federal government reimburses SD for about 54% of the bill. The State pays the rest.



100% Federal



54% Federal 46% State

Federal Policy Change

February 26, 2016: HHS changed national Medicaid funding policy to cover more services for IHS eligibles with 100% federal funds.

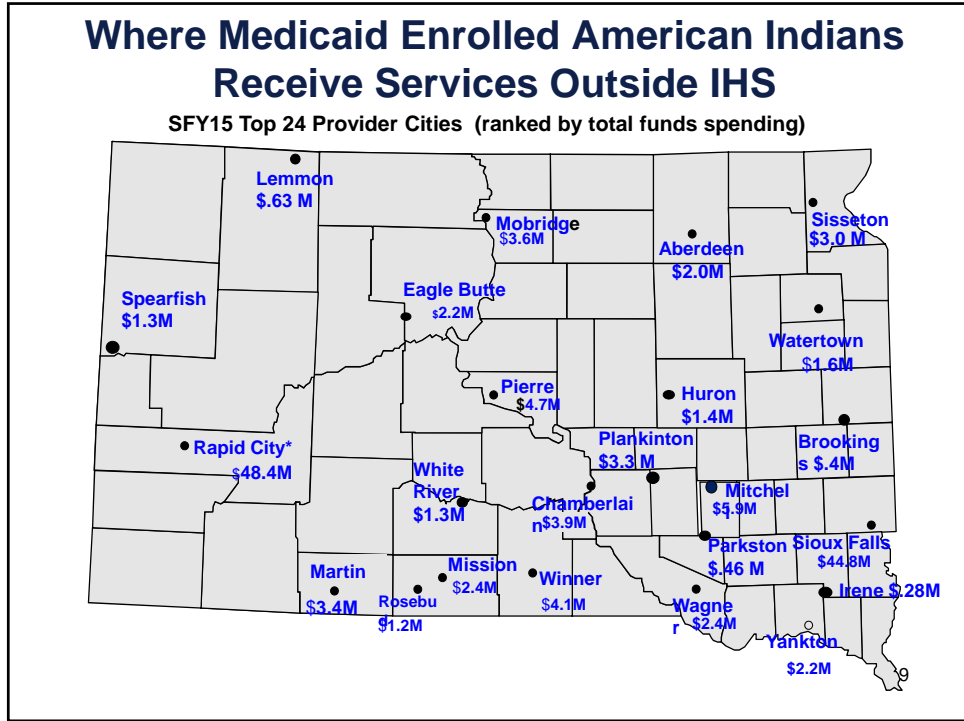
- ❑ More services now considered provided “through” IHS.
- ❑ No longer limited to services provided in IHS facilities only.
- ❑ May apply to more than specialty care services, including transportation, pharmacy, hospital and long term care services.
- ❑ Maintains IHS responsibility to provide health care to American Indians.

100% Federal Funding Policy Requirements

1. Participation by individuals and providers must be voluntary.
2. Services outside IHS must be provided via written care coordination agreement.
3. IHS must maintain responsibility for the patient's care.
4. Provider must share medical records with IHS.

Implementing New Federal Policy Requires Changes

- Providers:**
 - Sign care coordination agreements with IHS;
 - Share medical records with IHS.
- IHS:**
 - Sign care coordination agreements with providers;
 - Maintain responsibility for patient care;
 - Accept medical records.
- State:**
 - Track care coordination agreement status and ensure appropriate billing.



Prior Coalition Financial Analysis

	SFY15 Actual Exp.	YR1	YR2	YR3	YR4
Administrative	\$4.5	95%	95%	95%	95%
Referred Care by I.H.S.	\$18.0	85%	85%	90%	95%
Telehealth (Specialty Physician)	\$10.2	30%	50%	70%	95%
FQHC Direct and Referred	\$21.5	40%	45%	60%	95%
Hospital Care Coordination	\$42.3	40%	45%	60%	65%
Nursing Home, CSP, PRTF	\$40.0	25%	50%	70%	95%
Other (dental, vision, Medicare premiums, etc)	\$45.5	0%	0%	0%	0%
Total Funds	\$182.0				\$116.8
State General Funds	\$85.0				\$58.9

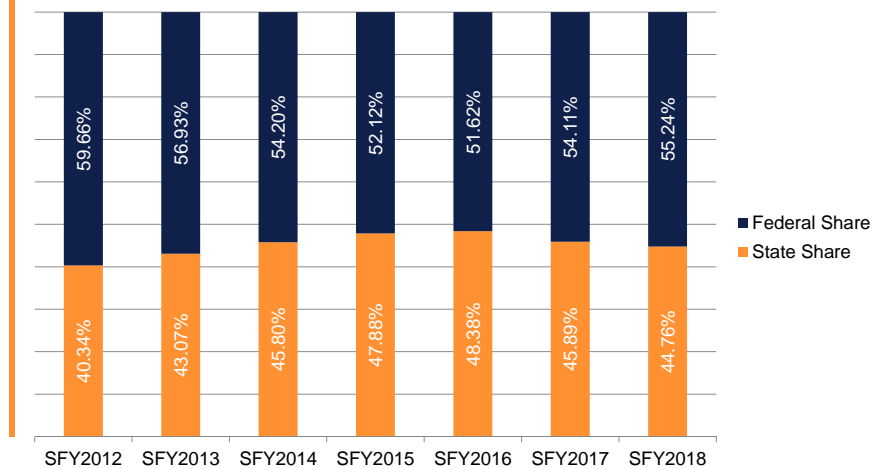
Care Outside IHS FY15 - 16

	SFY15 Actual Expenditures	General Funds	SFY16 Actual Expenditures	General Funds
Administrative	\$4.5	\$2.25	\$5.0	\$2.5
Referred Care by I.H.S.	\$18.0	\$8.44	\$14.2	\$6.89
Physician (Specialty)	\$10.2	\$4.78	\$10.2	\$4.95
FQHC Direct and Referred	\$21.5	\$10.08	\$20.1	\$9.75
Hospital Care Coordination	\$42.3	\$19.83	\$51.0	\$24.74
Nursing Home, CSP, PRTF	\$40.0	\$18.75	\$40.0	\$19.40
Other (dental, vision, Medicare premiums, other physician)	\$45.5	\$21.3	\$50.5	\$24.49
Total	\$182.0	\$85.0	\$191.0	\$92.7

General fund expenditures based on actual state blended FMAP for that fiscal year.
 *Physician total includes specialty physician services

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South Dakota State Blended FMAPs



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Care Outside IHS by Service Type, FY16

	SFY16 Expenditures	Projected FY18 General Funds
Administrative	\$5.0	\$2.5
Referred Care by I.H.S.	\$14.2	\$6.39
Telehealth	\$10.2	\$4.59
FQHC Direct and Referred	\$20.1	\$9.05
Hospital Care Coordination	\$51.0	\$22.95
Nursing Home, CSP, PRTF	\$40.0	\$18.00
Other (dental, vision, Medicare premiums, etc)	\$50.5	\$22.73
Total	\$191.0	\$86.2

General Fund projection using SFY2018 state blended FMAP