

SD Health Care Solutions Coalition

April 10, 2018

Federal Policy Change

- February 2016: Health and Human Services changed national **Medicaid funding policy** to cover more services for IHS eligibles with 100% federal funds.
 - More services now considered eligible through IHS.
 - Participation by individuals and providers must be voluntary.
 - Services outside IHS must be provided via written care coordination agreement.
 - IHS must maintain responsibility for the patient's care.
 - Provider must share medical records with IHS.

Federal Policy Implementation

- Start with Administrative and Referred Care
 - Target six largest providers: three Systems, three Dialysis providers.
 - Total \$6.76 million savings to current general funds budget.
 - Use savings to support provider participation and reinvest in health care.

Federal Policy Implementation

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- With savings, will accomplish the following in SFY19:
 - Address service gaps in Medicaid program
 - Share savings with participating providers
 - Increase rates for Medicaid providers

Federal Policy Implementation

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1. Address service gaps in Medicaid program - \$1.2m in SFY19

- Substance Abuse: add services for 1,900 adults
 - Cost: \$872k
- Mental Health providers: add Licensed Mental Health and Family Therapists to serve 465 people - two quarters of SFY19
 - Cost: \$265k
- Community Health Workers: add services to serve 1,500 people - one quarter of SFY19
 - Cost: \$100k

Federal Policy Implementation

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2. Share savings with participating providers - \$630k in SFY19

- Amount of payments tiered to level of savings
 - \$0-\$500k 5%
 - \$501k-\$1m 10%
 - \$1m+ 15%
- Will leverage federal Medicaid funds if possible
- Total incentive for providers = \$874,000

Federal Policy Implementation

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3. Increase rates for Medicaid providers - \$2.7m general in SFY19

- Community-based providers to 90% of costs
- Complete three year plan
- Increases for assisted living, in-home services, emergency transportation, group care, outpatient psychiatric services

Federal Policy Implementation

□ Next Steps

- Working with Nursing Homes, Community Support Providers, and Psychiatric Residential Treatment Providers to identify opportunities to leverage savings in these areas.
- Workgroup meeting regularly to determine implementation plan.