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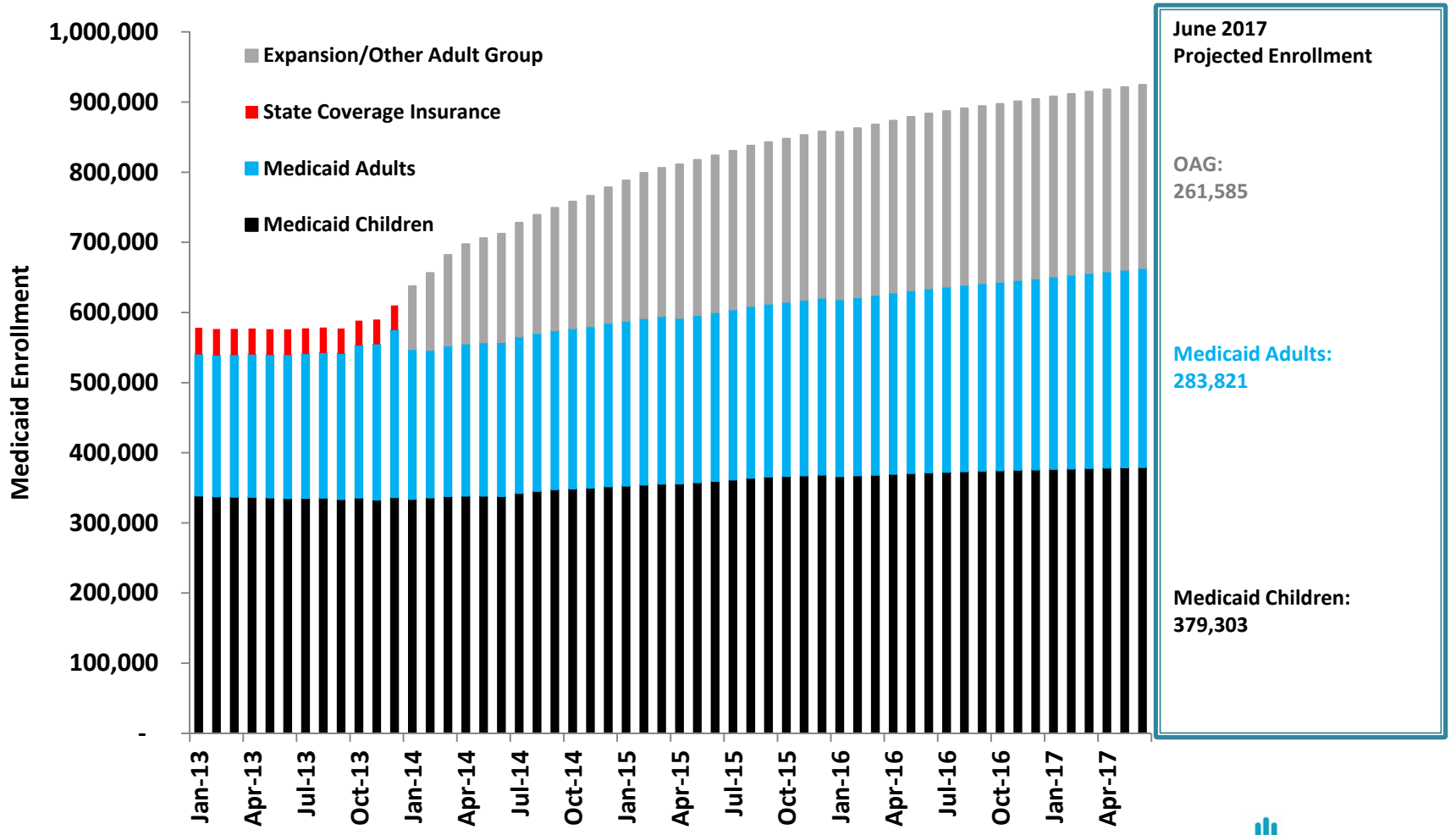
Presentation to the Senate Finance Committee
Brent Earnest, Secretary, HSD
January 14, 2016
Medicaid Update

Medicaid Enrollment



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Medicaid Enrollment

Enrolling More Individuals than Originally Projected:

Enrollment for Service Month August 2015			
Enrollment for August 2015	August 2015 Projection (As of September, 2014)	August 2015 Projection (as of January, 2015)	August 2015 Actual (as of December, 2015)
Total in Medicaid	728,645	807,114	831,533
Total in Centennial Care Managed Care*	605,946	631,790	651,220
Total in Adult Expansion	186,840	208,247	228,639
Total in Long Term Care	44,414	44,768	46,784

* Only Centennial Care Managed Care

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Centennial Care Update

- Centennial Care has completed its second year of operation, with a long-term goal of shifting the Medicaid health care system toward better health outcomes at lower costs.

- Focus on increasing coordination of services
  - Total Members with Completed Health Risk Assessment – 423,842
  - Total Members in Patient-Centered Medical Homes – 200,840
  - Total Members in Higher Levels of Care Coordination– 70,000
  - Total Members Accessing Community Benefit in 2014– 22,331
  - Total Members Participating in ECHO Care Pilot – 500

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Centennial Care Update

- Shored up NM hospitals by reducing uncompensated care net hospital earnings up to 40% in 2016 (LFC Report)
- Investing in telehealth expansions
- Increasing use of Community Health Workers:
  - More than 100 directly employed by or contracted with MCOs
- Shifting the program to be patient centered (See next page)

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Patient-Centered Initiatives in Centennial Care

Care Coordination

Available to all Centennial Members, Care Coordination assigns members to Levels 1, 2 or 3, depending on results from a health risk assessment. Care coordinators are assigned to Level 2 and 3 members with quarterly home visits and more touches depending on need. Outcomes of Care Coordination are:

- Physical, behavioral and long-term health needs identified and increased coordination of services
- Access to community benefits for those meeting nursing facility level of care
- Reduction in inappropriate use of services, such as ED visits and inpatient admissions.

Centennial Rewards Program

There are 458,876 members participating in the Centennial Rewards Program. Participation allows members to earn points when completing healthy behaviors such as:

- Annual Dental Visit
- Asthma Medication Management
- Bipolar Disorder Medication Management
- Prenatal Program Enrollment
- Diabetes Management Tests

Data analyzed by HSD indicates that:

- There has been a reduction of inpatient admissions for diabetes (52%) and asthma (31%) while high-value services like PCP visits and prescription medications increased
- Compliance with diabetes quality measures increased for participants from 24% to 43%
- Compliance with quality measures for participants with asthma increased up to 47%

Home and Community Based Services (HCBS)

22,000 members are currently receiving HCBS. Any member who meets the nursing facility level of care has access to PCS, environmental mods, respite and other HBCS. HCBS improve care by:

- Enabling members to remain in the community
- Improving health outcomes and more cost effective than institutional care

Health Homes

In April of 2016, two new facilities in Clovis and Farmington will be launched to integrate care and intensive care management for adults with serious mental illness and for children with severe emotional disturbance. Health Homes will:

- Improve integration of physical and behavioral health services
- Provide intensive care management for a high-need population

EHCO Care Pilot

500 High Need/High Cost Members at five different sites receive access to "Intensivist team" that includes primary care physicians, behavioral health counselors, community health workers and other specialists as needed. The ECHO Care Pilot also promotes the Ambulatory ICU model of complex care.

- Decreases in non-obstetrical inpatient admissions and ED visits
- Increases in RX expenditures
- Increased member satisfaction and assistance with social determinants of health

Patient-Centered Medical Homes (PCMH)

With over 200,000 members enrolled in PCMHs, practices work in teams to coordinate care and community resources. Shared decision making with members focus on prevention and management of chronic conditions. PCMHs provide after-hours and online access to members. PCMHs utilize performance data to improve quality of care. PCMH services provide for:

- Better coordination of care and whole person care
- Support to providers to practice at highest level of training and license
- Lower cost from reduced ER and hospital visits
- Improved member experience and engagement in healthy behaviors
- Enhanced access to care
- Alignment of financial incentives with quality outcomes

Community Health Workers (CHW)

More than 100 individuals are employed or contracted with the Managed Care Organizations to assist members with navigating the health care system. CHWs work with super utilizers to manage chronic conditions and address social and economic needs of members. Engagement of CHWs have:

- Increased patient engagement and adherence to treatment plans
- Improved health outcomes when nonmedical needs are met
- Avoided more costly ER and hospital visits

January 13, 2016

Implementing Payment Reform Projects

- MCO payment reform pilots build upon existing efforts to move away from volume-based payments, allow provider incentives and encourage shared risk.

Project	P4P/ACO	Bundled Pay	Description
Accountable Care -Like Organizations	X		ACO model with shared savings for improving quality and reducing total cost of care.
Bundled Payments for Episodes		X	Pursuing bundles for diabetes, bariatric, and maternity.
Emergency Room and Inpatient Reduction Incentives with Behavioral Health Focus	X		Piloting with CSA to reduce ER and inpatient through intensive follow-up, use of peer specialists, crisis visits, and PCP coordination.
Three-tiered Reimbursement for PCMHs	X		PMPM increases for base care coordination; data transfer to HIE; telehealth; use of EHRs; and performing HRAs. A total performance incentive per member payment is possible if the targets for every measure are met.
Bundled Payments for Targeted Inpatient Admission Episodes		X	Bundle payments for pneumonia and colonoscopies.
Obstetrics Gain Sharing	X		Reducing unnecessary primary C-sections by developing savings targets that reward appropriate use of C-sections. Under this program, obstetricians can earn enhanced fees for meeting metrics related to reducing unwarranted C-sections.

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1115 Waiver Budget

- The Centennial Care 1115 waiver budget neutrality agreement included cost limits on a per capita basis for five years.
- The State is required to spend less than was projected in the annual projections and reports budget neutrality quarterly and annually over the five years of the waiver on a per capita or PMPM basis.
- For Demonstration Year 1 (CY2014) the State spent approximately 10% less than projected on per capita basis
- For Demonstration Year 2 (through September 2015) the State has maintained a savings from the per capita cost.

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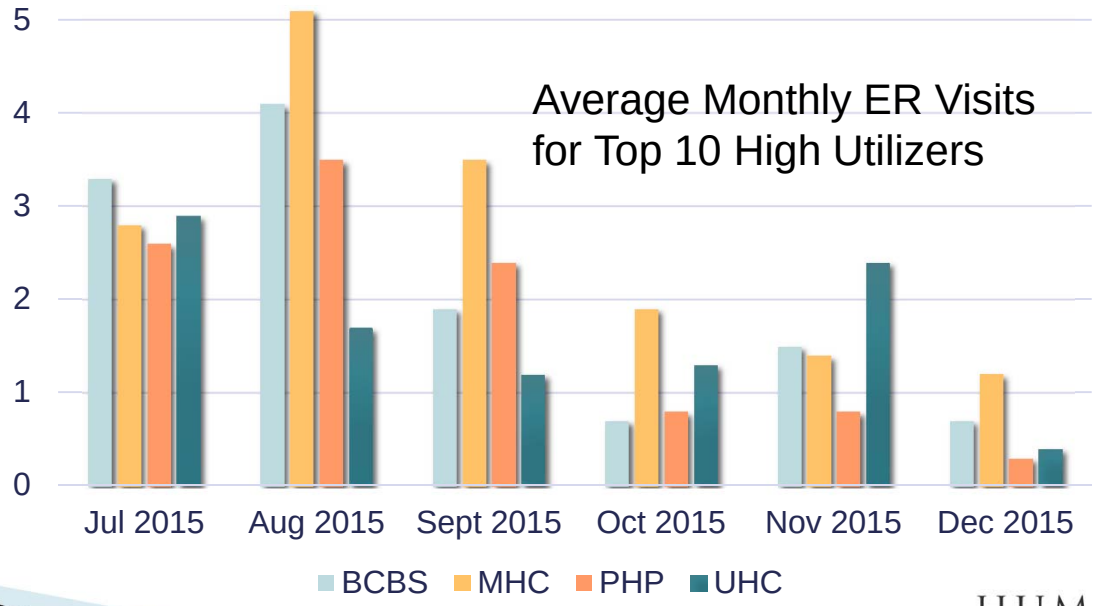
HSD/MAD Pilot Project on Super-Utilizers

- PRISM is an integrated software tool used to support care management interventions for high risk Medicaid patients.
- HSD/MAD utilized PRISM data that identified the MCOs' highest utilizers of the Emergency Department (ED) over a 15 month period.
- HSD/MAD reviewed the top 10 members for each MCO.
- The MCOs were asked to implement interventions to reduce ED utilization for these members and develop recommendations for better management of super utilizers.
- The following graph illustrates progress in ER reduction for the top 10 super utilizers with each MCO:



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Hepatitis C

Hepatitis C breakthrough therapies impacted CY2015 costs and is expected to continue in CY2016 and ongoing.

- Assumed CY2015 treatment cost = $92,169
- Assumed CY2016 treatment cost = $83,473
  - HSD modified treatment criteria with the goal of increasing number of individuals treated in CY2016.
  - Target number of treatments for CY2016 is 1,750
  - HSD worked with the MCOs to reach consensus on common approach to treatment with common criteria, which will result in more individuals being treated
  - HSD implemented delivery system improvement fund measure to track and incentivize treatment by the MCOs
  - HSD continues to utilize a risk corridor to pay or recoup funding when treatment rates and costs deviate from assumptions built into the capitation rates.

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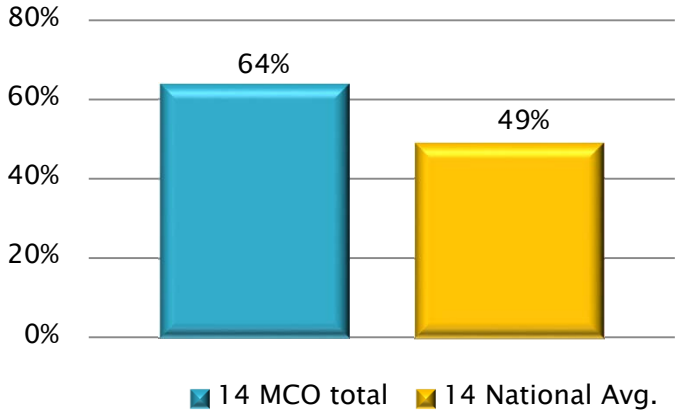
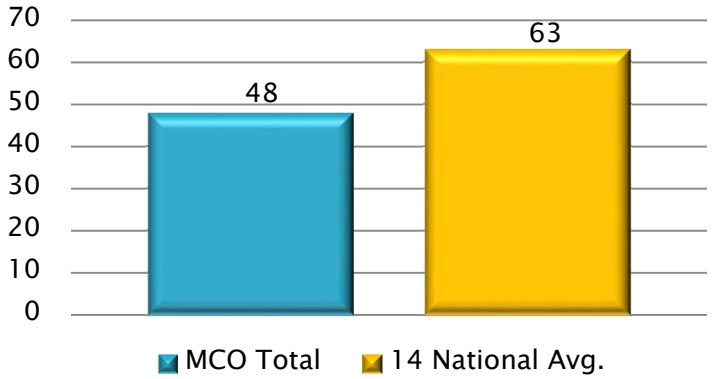
Medicaid Performance

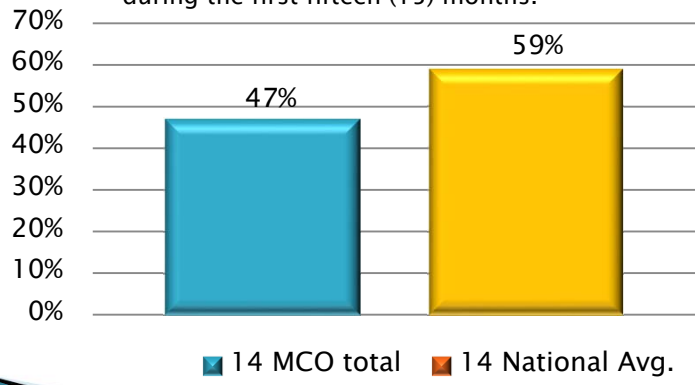
The percentage of children two (2) through twenty-one (21) years of age enrolled in Medicaid managed care who had at least one (1) dental visit during the measurement year.



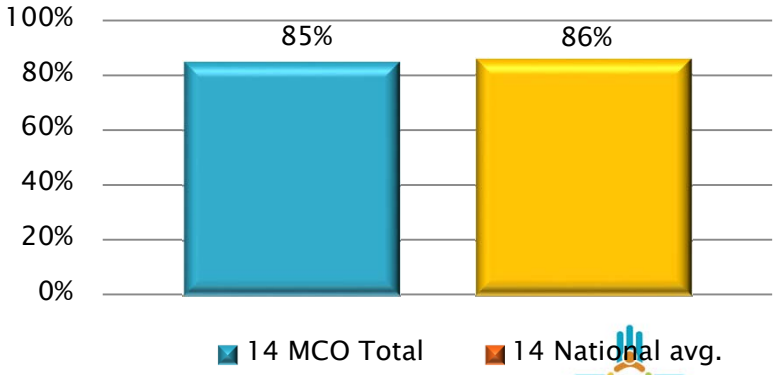
Number of Emergency Room visits per one thousand Medicaid member months.



The percentage of infants in Medicaid managed care who had six (6) or more well-child visits with a primary care physician during the first fifteen (15) months.



The percentage of individuals in Medicaid managed care eighteen (18) through seventy-five (75) years of age with diabetes (Type 1 or Type 2) who had a HbA1c test during the measurement year.



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Medicaid in the Upcoming Years

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Continuing Medicaid Budget Pressures

- **Provider Requests for Rate Increase**
  - Nursing Facilities
  - PACE
  - ICFIID's (formerly known as ICFMRs)
- **Federal Mandates for Benefit Expansions**
  - Autism Coverage
  - Hepatitis C Treatment
  - Mental Health Parity
- **Sustainability of Certain Programs Dependent on Medicaid Financing**
  - Health Information Exchange
  - New Mexico Medical Insurance Pool
  - UNM ECHO Cares
  - Health Insurance Exchange
- **Limited ability to ensure correct eligibility due to ongoing litigation**
- **Reduced Federal Funding for Expansion Population**

	2017	2018	2019	2020
Expansion FMAP	95%	94%	93%	90%

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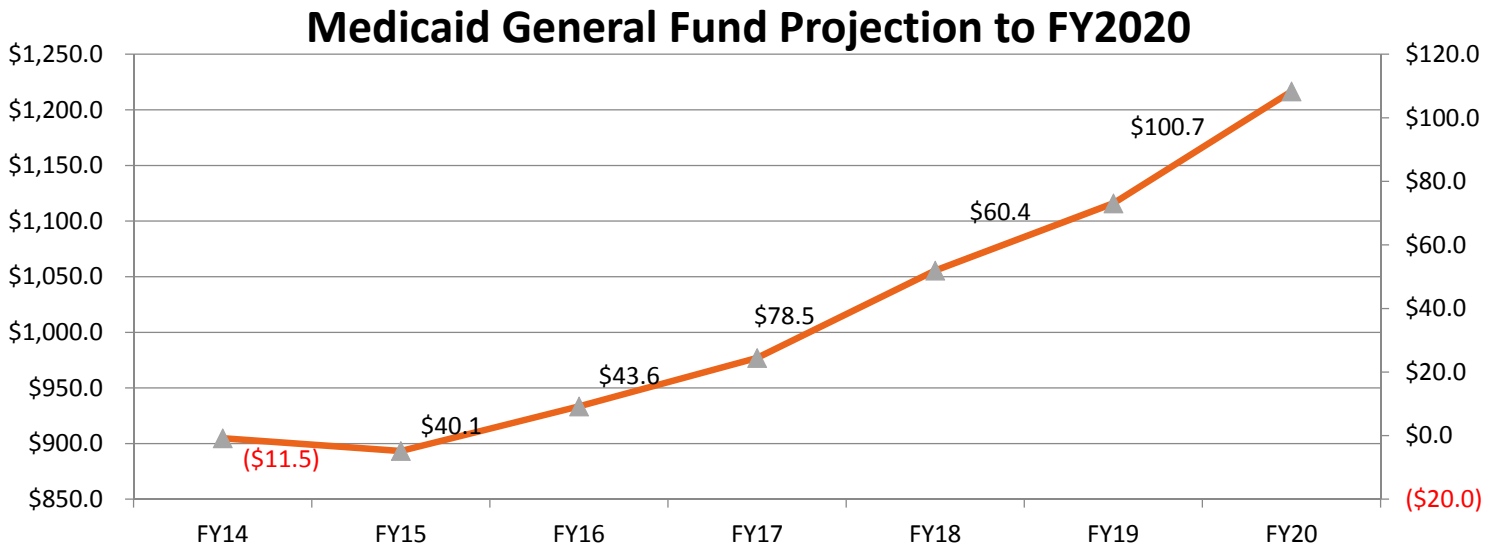
Medicaid Spending

- Total Medicaid spending is projected to grow primarily due to enrollment growth
- The need from the general fund will grow faster as federal funds decline for the expansion population



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QUESTIONS?

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