

# ***New Mexico Human Services Department Medicaid Issues***

**Presentation to  
Legislative Health & Human Services Committee**

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# Highlights for Today's Discussion

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1. Enrollment – Past, Current & Projected
2. Costs – PMPMs & By Population
3. Projected Expenditures
4. Behavioral Health Transition
5. CoLTS Implementation
6. Federal CHIPRA Changes
7. Health Outcomes in *Salud!*
8. National Health Care Reform



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# ENROLLMENT



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# Projected Medicaid Enrollment

	Jan 2008	Jan 2009	June 2009 <i>Projected</i>	June 2010 <i>Projected</i>
Children	283,365	303,532	316,492	332,559
PAK/PAM	350	459	422	525
SCI	14,917	33,239	37,918	40,321
All Enrollees*	454,674	496,786	515,416	545,437

## ◆ Children's Numbers May Increase

## ◆ SCI - Numbers Growing

- Childless Adults Must Come Off SCI by 12-31-09
- New waiver in process

\*Includes all child and adult enrollees in all Medicaid and related programs, including regular Medicaid, HCBS waivers, SCHIP, SCI, PAK, PAM, dually eligible individuals, Medicare premium payees (SLIMB and QI-1)



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# Enrollment Challenges

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- ◆ **Insufficient General Fund to Maximize Federal Dollars**
- ◆ **23-Year Old Computer System (ISD2)**
  - Moving, but replacement still years away
  - Business Intelligence Tool within the next year
- ◆ **ISD Staffing Freeze – Now Approaching 737 Cases Per Worker**
  - May reach almost 800 by end of FY10; goal was 550 at most
- ◆ **Changing Federal Rules Without Timely Guidance**



# Enrollment Opportunities

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- ◆ **YES New Mexico – Web-Based Screening & Application Tool**
  - Go live statewide – Fall 2009
- ◆ **Recertification by Phone, Fax, E-Mail, Mail, In Person**
  - Verifying current information rather than new application
  - Centralized recertification unit
  - Considering reinstatement of continuous eligibility
- ◆ **Redesigning Processes (More By Phone; Less Caseworker Specific In High Volume Offices)**
- ◆ **Document Imaging to Manage Necessary Supporting Documents**
- ◆ **Citizenship Rules Easing**
  - Use of allowed tribal documentation
  - Determining method for enrolling for 90-day window
- ◆ **Allowing Affirmation By Phone Rather Than In Writing**
- ◆ **Matching Other Data Bases (TRD for Outreach; Social Security Administration in January 2010)**



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# COSTS



# Approximate Projected Costs By Program & Population – FY09

## ◆ Per Member Per Month (PMPM) – *Salud!*

- Behavioral Health (BH), CoLTS, SCI & *Salud!* Across Years (See Handout)

	Average Monthly Enrollment	Weighted Average PMPM
Quarter 1 (Jul - Sept 08)	292,798	\$337
Quarter 2 (Oct - Dec 08)	294,453	\$319
Quarter 3 (Jan - Mar 09)	298,377	\$316
Average (as of 3/31/09)	295,209	\$324

## ◆ *Projected Average Annual Cost FY09 Through April*

- Child (Ages 0 - 21) – \$3,212 (\$750 GF)
- SCI Adult – \$7,817 (\$1,592 GF)
- Senior in CoLTS – \$19,058 (\$4,347 GF) & Growing
- DD Waiver Individual – \$72,898 (\$16,942 GF)



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# PROJECTED EXPENDITURES



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# Projected Expenditures FY09 & FY10

(As of 5-5-09, Using March 2009 Data – *in thousands*)

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- ◆ **ARRA Federal Stimulus Funds *Replaced* GF in FY09, FY10 & Part of FY11**
  - Funding *Current* Program w/ Higher FMAP 10-1-08 thru 12-31-10
  - SCHIP/CHIPRA Funding Increased, Assuming Expenditures Stay High
  - Future HIT Funds for Medicaid & Providers Using Electronic Health Records (EHR)
  
- ◆ **FY09 – Expected Reversion to HB920 Fund**
  - Projected Expenditure – \$3,545,814.0 Total (\$634,841.0 GF)
  - Operating Budget – \$3,422,598.0 Total (\$755,002.0 GF)
  - Projected Funds for HB920 Fund – \$120,000.0 to \$130,000.0 GF (for FY11)
  
- ◆ **FY10 – Expected Shortfall**
  - Projected Expenditure – \$3,805,982.0 Total (\$620,472.0 GF)
  - Operating Budget -- \$3,672,750.0 Total (\$591,666.0 GF)
  - Projected Shortfall – \$28,000.0 to \$32,000.0 GF



# Future Budget Issues FY09 – FY11

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- ◆ **FY10 Potential Increases in *GF Need & Total Cost* Due To:**
  - Enrollment Increases (Children, TANF Adults, SCI Adults)
  - CoLTS Increased Enrollment & Increased Service Utilization
- ◆ **FY10 Potential Decreases in *GF Need* Due To :**
  - ARRA Tiers Based on Unemployment Rate = More Federal Match
    - Now projecting reaching FMAP Tier II for all four quarters of FY10 (CMS & FFIS)
  - If SCI Enrollment Less Than Projected
    - But may then lose federal allotment in future years
- ◆ **FY10 Potential Federal Changes (Could Decrease or Increase GF)**
  - ARRA Guidance Not Yet Solidified
    - Example: definition of new enrollees for FMAP bonus
  - Audits In Process And Outcomes Unclear
- ◆ **FY10 – Possible Need for Cost Containment (See Next Slide)**
- ◆ **FY11 – ARRA Federal Stimulus Funding Will Go Away Mid-Year**
  - Will Need To Be Replaced In Addition To Regular Program Growth



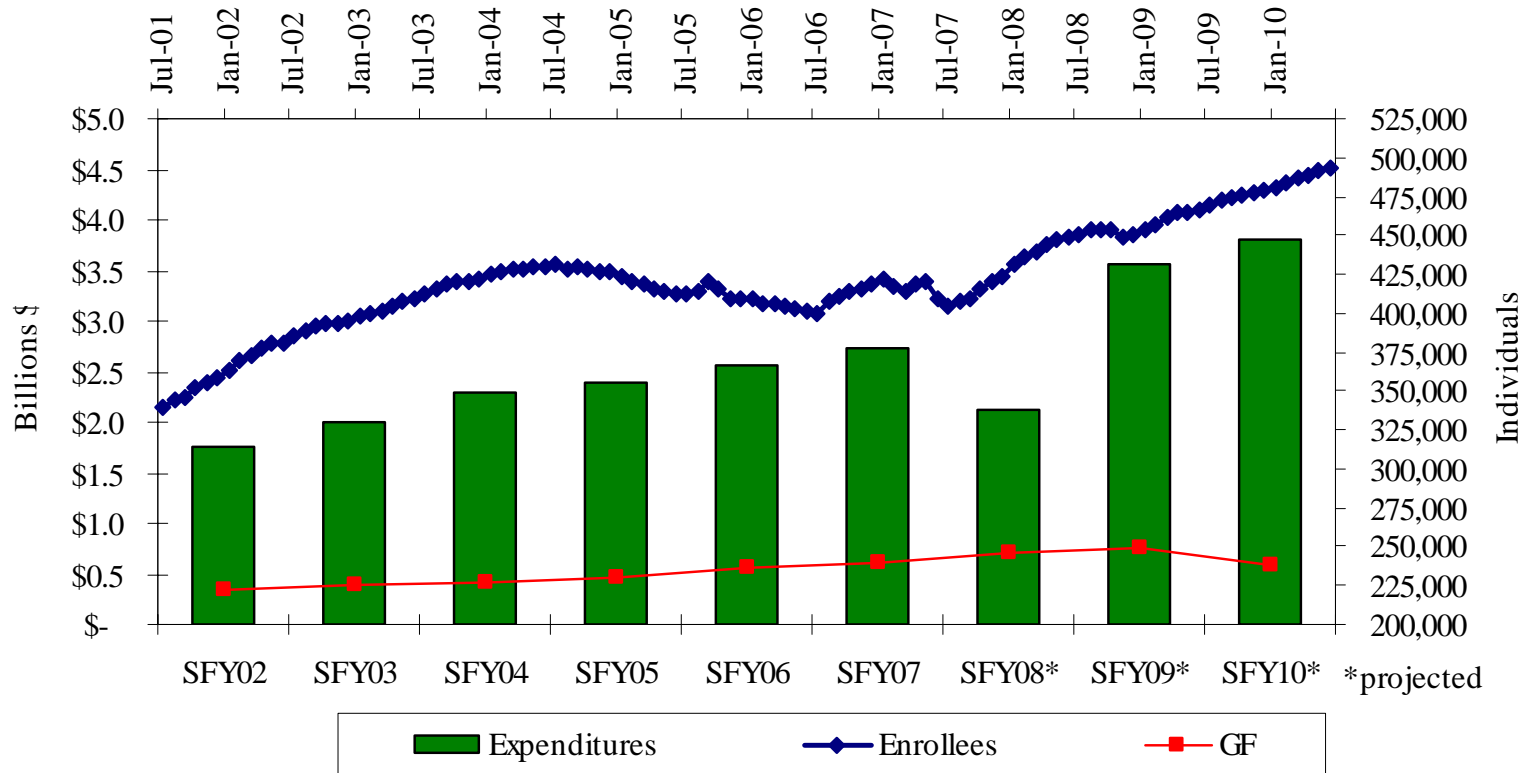
# FY10 Cost Containment Options

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- ◆ **No Eligibility Changes Allowed by ARRA**
- ◆ **Benefit Reductions -- Examples of Options**
  - Limiting PCO Number of Hours
  - Eliminating All but Emergency Adult Dental Benefits
  - Requiring Hospitals to Use In-State Facilities for Cardiac Surgery Referrals
- ◆ **Rate Reductions - Examples of Possible Fiscal Impacts**
  - 1% Decrease Across All Providers = Approximately \$6,600.0 GF
- ◆ **Enrollment - Reductions in Aggressive Outreach**
  - If Children Enrollment Does Not Grow as Anticipated by June 2010, NM Will Save GF But Forgo Federal Funds.
  - If SCI Enrollment Grows At Less Than Projected Rate, NM Will Save GF But Will See a Reduction of Federal Funds in Future Years
  - Implementing Strategies to Maximize CHIPRA and Other Federal Funds



# Medicaid Enrollment and Expenditure Growth



Note: Expenditures and enrollees include Medicaid, SCHIP, SCI, PAK, PAM, Dual Eligible Individuals, SLIMB and QI-1; General Fund appropriated to other departments is not included in the line noted as "GF"



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# BEHAVIORAL HEALTH



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# FY10 Contract with OptumHealth

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- ◆ ALTSD - \$59.4 (GF)
- ◆ CYFD - \$9,748.8 (GF & Fed)
- ◆ DOH - \$5,757.5 (GF & Fed)
- ◆ NMCD - \$6,593.5 (GF)
- ◆ HSD Non-Medicaid - \$ 53,320.8 (GF & Fed Block Grants - MH, SA & TANF)
- ◆ HSD Medicaid Managed Care - \$256,424.0\* (GF & Fed)
- ◆ HSD Medicaid Cd Fee for Service - \$46,306.5\* (GF & Fed)
  
- ◆ TOTAL FY10 = Approximately \$378,210.5 (GF & Fed)  
Overall Admin = Approx \$47,785.0 (12.6%)
  
- ◆ TOTAL FY09 (VONM) = Approx \$367,567.3 (GF & Fed)

\*Projected as of May 2009



# Transition – Providers & Consumers

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- ◆ **BH Collaborative CEO & OptumHealth CEO Presenting Wednesday re Transition Activities**
- ◆ **24/7 PHONE LINES**
  - Providers – (866) 660-7182
  - Consumers/Families – (866) 660-7185





# Biggest Challenges for BH Statewide Entity

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- ◆ **Less Money Available w/ Increasing Need and Demand**
  - Reduced State & Federal Dollars for Non-Medicaid Providers & Services in FY09 and FY10
- ◆ **Non-Medicaid Rates Were Lower Than Medicaid Rates**
  - Equalizing Rates Means Equal Access But Less Services & Less People Served
  - Equalizing Geographically Means Less For Some Providers Previously Receiving More Than Other Parts of the State
- ◆ **Historical Under-Funding and Lack of Increases for Non-Medicaid Populations and Services**
  - Community-Based Providers Are Critically Under-Resourced w/ Declining Reserves & Less Ability To Continue
  - Some Programs and Some Providers Near Closing
  - NM Provider Capacity - Financially & Programmatically Inadequate
- ◆ **New Grant or State Dollars Bring New Programs/New Responsibilities While Existing and Basic Services Shrink**



# Highest Behavioral Health Priorities

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- ◆ **Behavioral Health Planning Council, Representing 18 Local Collaboratives, As Well As the BH Collaborative**
  1. Crisis Services (mobile, 24/7 response, multi-faceted, not just beds)
  2. Supportive Housing (permanent affordable places to live w/ support services)
  3. Transportation (to services and for community living)
  4. Support for Local Provider Base (to prevent eroding access)
  5. Adult System of Care
    - Service Gaps
    - Population Gaps
    - Coordination Among Systems
  6. Children's System of Care
    - Service Gaps
    - Population Gaps
    - Coordination Among Systems



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# CoLTS



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# CoLTS Enrollment

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- ◆ **CoLTS Enrollment As of June 2009 = 36,302**
  
- ◆ **CoLTS Implementation Completed in Phases**
  - Phase I - August 1, 2008
    - Consumers enrolled = 12,031
    - Counties: Bernalillo, Sandoval, Torrance, Valencia, SF, Los Alamos
  - Phase II - November 1, 2008
    - Consumer enrolled = 7,737
    - Counties: Sierra, Dona Ana, Catron, Luna, Grant, Hidalgo, Otero
  - Phase III - January 1, 2009
    - Consumers enrolled = 6,648
    - Counties: Cibola, McKinley, San Juan, Socorro
  - Phase IV - April 1, 2009
    - Consumers enrolled = 9,966
    - Counties: Eddy, Lea, Chaves, Lincoln, De Baca, Roosevelt, Curry, Quay



# CoLTS Opportunities

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- ◆ More People Served - Outreach Has Increased Enrollment
- ◆ Identifying Unmet Service Needs
- ◆ Identifying Service Inefficiencies
- ◆ Member Transitions From Nursing Facilities To Community Living
- ◆ Statewide Service Coordination & Provider Relations



◆ **Billing/Reimbursement Workgroups Collaborating**

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# CoLTS Challenges

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- ◆ **Provider Transitions to a New Reimbursement Structure**
- ◆ **MCO Claims System Development**
- ◆ **MCO Provider Contracting Process**
- ◆ **Identifying Accurate Member Addresses**
- ◆ **MCO Customer Service Proficiency**
- ◆ **State Hiring Freeze (HSD & ALTSD Have Insufficient Staff)**  
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# CoLTS Contact Information

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## ◆ HSD/MAD

- Solutions Center – (888) 997-2583
- Nick Ossorgin, LTS Outreach Coordinator – (505) 476-6817

## ◆ ALTSD

- Resource Center – (800) 432-2080
- CoLTS Bureau – (505) 476-4799
- State Ombudsman – (505) 476-4790

## ◆ AMERIGROUP

- Member Services (ABQ) – (877) 269-5660 or (505) 875-4320
- Provider Relations (ABQ) – (877) 269-5706

## ◆ EVERCARE

- Member Services – (877) 236-0826, Option 1, Option 1 for ABQ
- Provider Relations – (888) 363-8476



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# CHIPRA



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# CHIPRA (SCHIP) Allocation Status

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## ◆ CHIPRA (Previously SCHIP) Allocation

- Prior to Oct 1, 2008 – \$52,045.0 Per Year
- FFY 09 (through Sept 30, 2009) – \$280,720.0
- FFY 10 (through Sept 30, 2010) – \$303,514.0 (Estimate)
- FFY 11 (through Sept 30, 2011) – \$276,323.0 (Estimate)

## ◆ Expecting Carryover Funding At Current Projected Expenditures

- \$13,738.0 – Projected Overspend of FFY09 Allotment (will request supplement funding)
- \$58,640.0 – Balance of FFY10 for Use in FFY11
- \$27,191.0 – FFY11 Allotment Reduction Compared to FFY10 Estimated Allotment

- \$27 mil. loss federal funds if not enough GF to support program growth & enrollment increases

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# CHIPRA Programs Will Change If:

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- ◆ Enrollment of Children Grows More
- ◆ SCI Enrollment Grows More
- ◆ National Health Care Reform Happens
- ◆ Insufficient GF to Draw Down SCHIP allotment



# New CHIPRA Changes

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- ◆ **Enhanced CHIP Funding for NM for Children Above 133% FPL**
- ◆ **Tools and Incentives to Enroll More Children**
  - Express Lane Eligibility
  - Grants to States for Outreach Initiatives
  - Performance Bonuses for States Meeting Enrollment Thresholds & Implementing 5 of 8 Enrollment Conditions
    - NM will implement 12-month continuous eligibility & aspects of Express Lane
  - Child Enrollment Contingency Fund for State Exceeding Allotment
- ◆ **Citizenship Verification Options**
  - Matching Social Security Numbers thru Social Security Administration
  - Using Certain Tribal Documents
  - 90 Day Enrollment Pending Documentation
- ◆ **Option to Cover Legal Immigrant Children (Regs. in Process) and Pregnant Women without a Waiting Period**
- ◆ **Allows Premium Assistance Subsidies & Purchasing Pools for Certain Employers**



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*SALUD!*

**HEALTH OUTCOMES**



# Health Outcomes in *Salud!* – Highlights

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- ◆ **Hilltop Institute at the University of Maryland, Baltimore County (UMBC)**
  - Quality of and Access to Care for Members with Chronic Disease
  - Focus on Adults with Diabetes and Children with Asthma

- ◆ **Positive Outcomes**

- Reduction of Both Asthma Related ER Visits and Hospital Admissions
- Diabetes Related Hospital Admissions Decreased Across All Three MCOs
- High Utilization of Primary Care and Preventive/ Ambulatory Care Services
- Near Universal Access to Primary Care
- Utilization Consistently High in Both Urban and Rural/Frontier Regions

*Study looked at claims and encounters between 2005 - 2007*

- **Outcome Concerns – HSD Watching & Taking Action**
  - EPSDT Services
  - MCO Sanctions



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# NATIONAL HEALTH REFORM



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# National Health Care Reform Proposals Are Changing Rapidly

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- ◆ **Details Vary – Main Health Reform Proposals Include:**
  - Health Insurance Exchange Gateway to Allow Individuals and Businesses to Access Coverage
  - A Public Health Insurance Option to Compete with Private Coverage
  - Medicaid Expansions for Parents, Childless Adults and Children at Varying FPLs
  - Increases in Medicaid Reimbursement Rates to a Percentage of Medicare
  - Insurance Market Reforms Such as Guaranteed Issue and Rating Changes
  - Individual Mandates to Obtain Coverage
  - Subsidies to Low- and Middle-Income Individuals to Purchase Coverage
  - Employer Participation or Contribution Mandates (“Pay or Play”)
  - Minimum Benefit Standards and Caps on Out-of-Pocket Spending



# National Health Care Reform Proposals Are Changing Rapidly – House

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## ◆ House Tri-Committee “Discussion Draft”:

- Public Insurance Option
- Medicaid Expansion to 133% FPL by 2013
- Federal Subsidy to Individuals Between 133% and 400% FPL
- Individual and Employer Mandates
- Increase in Medicaid Reimbursement Rates to PCPs to 100% of Medicare by 2012
- National Health Insurance Exchange, with Option to Operate a State-Level Exchange

*Funding from states is not yet formalized in any proposal*





# National Health Care Reform Proposals Are Changing Rapidly – Senate

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## ◆ Senate Finance Committee Proposal for Affordable Coverage:

- Concepts Similar to House Tri-Committee Discussion Draft
- Scaled-Down Version of Original Proposal Has Been Submitted to CBO for Scoring
- Expands Medicaid
  - Children and Pregnant Women to 133% FPL
  - Childless Adults To 100% FPL

## ◆ Senate HELP Committee Affordable Health Choices Act:

- Does Not Yet Include a Public Plan Option or Employer Mandate
- Federal Subsidy to Individuals Up to 500% FPL
- Medicaid Expansion to 150% FPL

