

SENATE MEDICAID COMMITTEE

Medicaid 101

January 28, 2020



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Mississippi's Medicaid Program

- Joint federal/state program
- Began operations January 1, 1970
- State government's largest budget item
- Largest health insurance program in the state
- Along with CHIP, covers approximately 25% of the state
- Administered primarily through Division of Medicaid, with other state agencies (Dept. of Mental of Health, Dept. of Rehabilitation Services, Dept. of Health, Dept. of Child Protection Services) also playing role

Division of Medicaid Profile

The Mississippi Division of Medicaid (DOM) has approximately 950 employees located throughout one central office, 30 regional offices and over 80 outstations. We are charged with administering multiple Medicaid health benefits programs to those who qualify.

* * *

Mission: *The Mississippi Division of Medicaid responsibly provides access to quality health coverage for vulnerable Mississippians.*

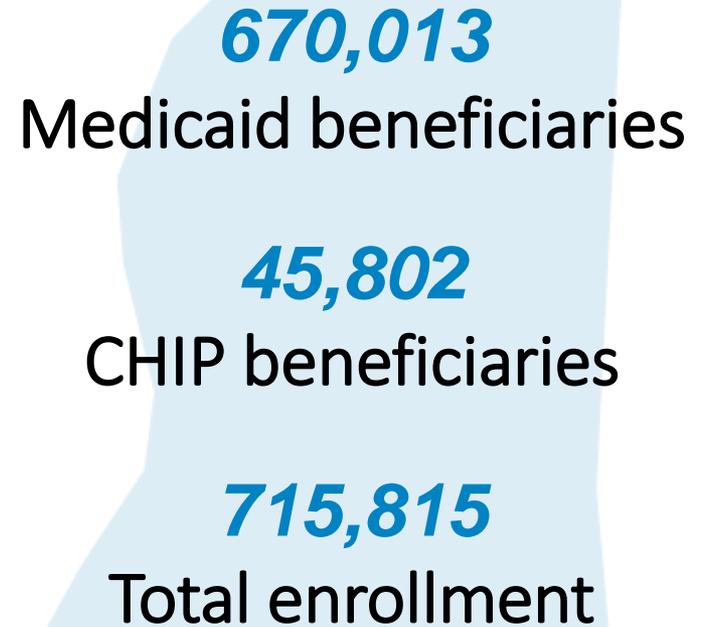
Values: *We are committed to accomplishing our mission by conducting operations with...*

*Accountability * Consistency * Respect*

Who is Enrolled?

The percentage of the Mississippians we serve are listed from highest to lowest:

- 54% Children
- 24% Disabled - including Supplemental Security Income (SSI)
- 10% Aged with Medicare
- 7% Low Income Parents/Caretakers
- 3% Family Planning
- 2% Pregnant Women



As of December 2019

What Does Medicaid Cover?

For individuals who qualify for **full** Medicaid benefits, the following services are provided. The expanded EPSDT law – and subsequent court rulings – has meant that children 19 and under get any medical necessary services. * This is not a comprehensive list of all Medicaid benefits.

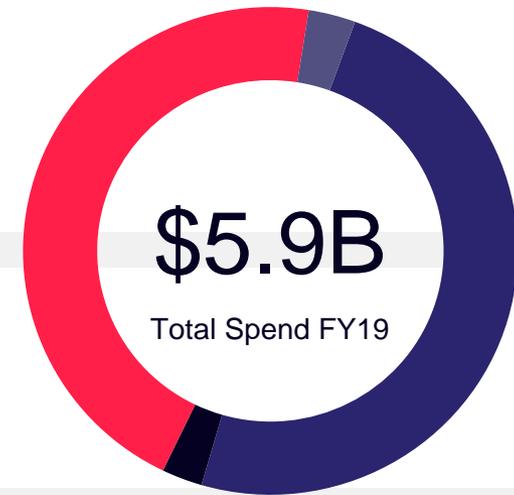
Federally-Mandated Medicaid Benefits		Optional Benefits State Covers for Adults	
Inpatient Hospital	EPSDT*	Prescription Drugs	Clinic services
Outpatient Hospital	Nursing Facility Services	Dental services	Occupational therapy
Physician Services	Home Health Services	Speech	Physical Therapy
Rural health clinic	FQHC services	Eyeglasses	Chiropractic Services
Laboratory and x-ray services	Family planning services	Hospice	Personal Care (in waivers)
Non-emergency transportation	Nurse midwife services	Case Management (in waivers)	Intermediate care facility for individuals with intellectual disability
Certified pediatric and family nurse practitioner services	Freestanding birth center services (when licensed)	State Plan Home and Community Based Services	
Tobacco cessation counseling for pregnant women			

Medicaid Delivery Systems

		Description
Fee for Service	1915(c) Waivers	<ul style="list-style-type: none"> 24,759 members 5 waivers
	Healthier MS waiver	<ul style="list-style-type: none"> 5,221 members \$112 million
	Nursing Home / IDD	<ul style="list-style-type: none"> 17,934 members Most expensive
	Partial Duals and FPW	<ul style="list-style-type: none"> 110,503 members QMBs have large \$ impact
	Other Fee for Service	<ul style="list-style-type: none"> 83,120 members Duals, retro, new members
Managed Care	MSCAN	<ul style="list-style-type: none"> 435,536 members in 3 plans \$2.9 billion (with MHAP)
	CHIP	<ul style="list-style-type: none"> 46,231 members in 2 plans \$158 million

Deep dive

■ MSCAN ■ CHIP ■ FFS ■ Partial



- Total enrollment: 723,304 (as of 11/2019)
- 1/3rd of total state spending
- DOM administrative costs among lowest in country

Medicaid Managed Care

Roughly 67% of Mississippi Medicaid and CHIP enrollees are enrolled in managed care.

- From 2011 to 2016, managed care population rose from 4% to 70%
- Duals, LTSS, waivers are excluded
- ~\$2.9B annual spend including \$533 in supplemental payments to hospitals
- 603 Miss. FTEs at average salary of \$65,213
- MSCAN contract original term expires 6/30/20; two 1-year extensions



magnolia health.



715,815
Total Medicaid & CHIP
enrollment

438,029
MSCAN enrollment

45,802
CHIP enrollment

As of December 2019

Who is Eligible for MississippiCAN

MississippiCAN Mandatory Populations	Ages
Supplemental Security Income (SSI)	19-65
Working disabled	19-65
Breast and cervical cancer	19-65
Parents and Caretakers (TANF)	19-65
Pregnant women (below 194% FPL)	8-65
Newborns (below 194% FPL)	0-1
Transition children	1-19
Children (TANF)	0-19
Children (below age 6, below 143% FPL)	1-5
Children (below age 19, below 100% FPL)	6-19
Quasi-CHIP (previously qualified for CHIP, age 6-19, 100-133% FPL)	6-19
MississippiCAN Optional Populations	Ages
Supplemental Security Income (SSI)	0-19
Disabled child living at home	0-19
Department of Human Services – foster care children IV-E	0-19
Department of Human Services – foster care children – CWS	0-19

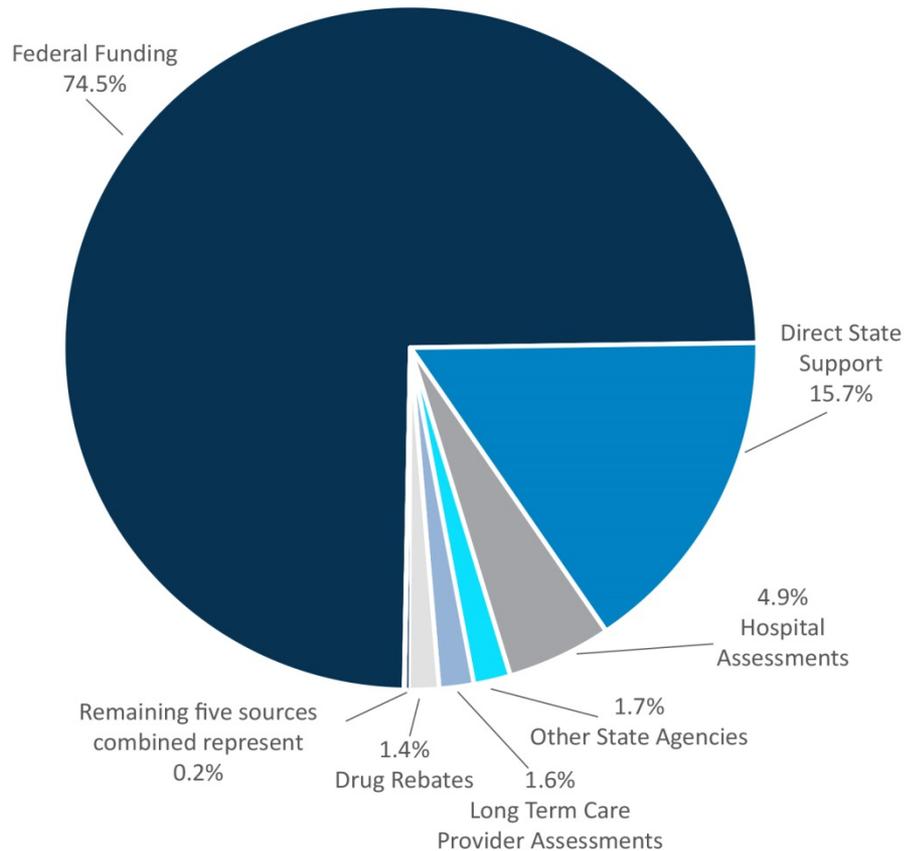
\$90.4M Program Savings Impact

According to Milliman, SFY20 MSCAN total projected savings are \$21.2 million for DOM associated with net capitated service savings and \$69.3 million in net revenue for state government associated with the 3.0% premium tax. This results in a total estimated state savings impact of \$90.4 million for SFY2020.

State Fiscal Year 2020 Total Expenditures – State and Federal (in millions) Estimated Program Savings Relative to FFS				
	Projected FFS Claims w/o Managed Care	MississippiCAN Costs	Total Savings	Mississippi Share of Savings
SSI / Disabled, Foster Care, Breast & Cervical Cancer	\$1021.7	\$926.6	\$95.1	\$22.0
MA Adults, Pregnant Women, Non-SSI / Disabled Newborns	\$648.8	\$625.4	\$23.4	\$5.4
MA Children, Quasi-CHIP Children, SED Children	\$741.4	\$770.9	-\$29.5	-\$6.3
Total All MississippiCAN	\$2,412.0	\$2,322.9	\$89.0	\$21.2
Net Premium Tax Revenue				\$69.3
Total Mississippi Impact				\$90.4

Medicaid Funding Sources

SOURCES OF FY 2019 MEDICAID FUNDING



FY 2019 Funding Sources

> Federal Funding	\$4,428,167,497
> Direct State Support	\$917,023,637
> Hospital Assessments	\$283,986,999
> Other State Agencies - State Portion	\$99,529,469
> Long-Term Care Facility Provider Assessments	\$94,275,897
> Drug Rebates*	\$82,039,216
> Provider Refund of Overpayment*	\$4,782,795
> Long-Term Care Facility UPL IGTs	\$3,557,241
> Physician UPL IGTs	\$2,394,462
> Interest, Misc. Collections	\$682,024

Total **\$5,916,439,237**

* Reported as reduction in medical expenditures instead of revenue.

> Federal	\$4,514,989,508
> State Share	\$1,401,449,729
> Total Spending	\$5,916,439,237

> Direct State Support	\$917,023,637
> Other State Support	\$99,920,906
> Provider Assessments	\$384,505,186
Total	\$1,401,449,729

Non-Federal Share

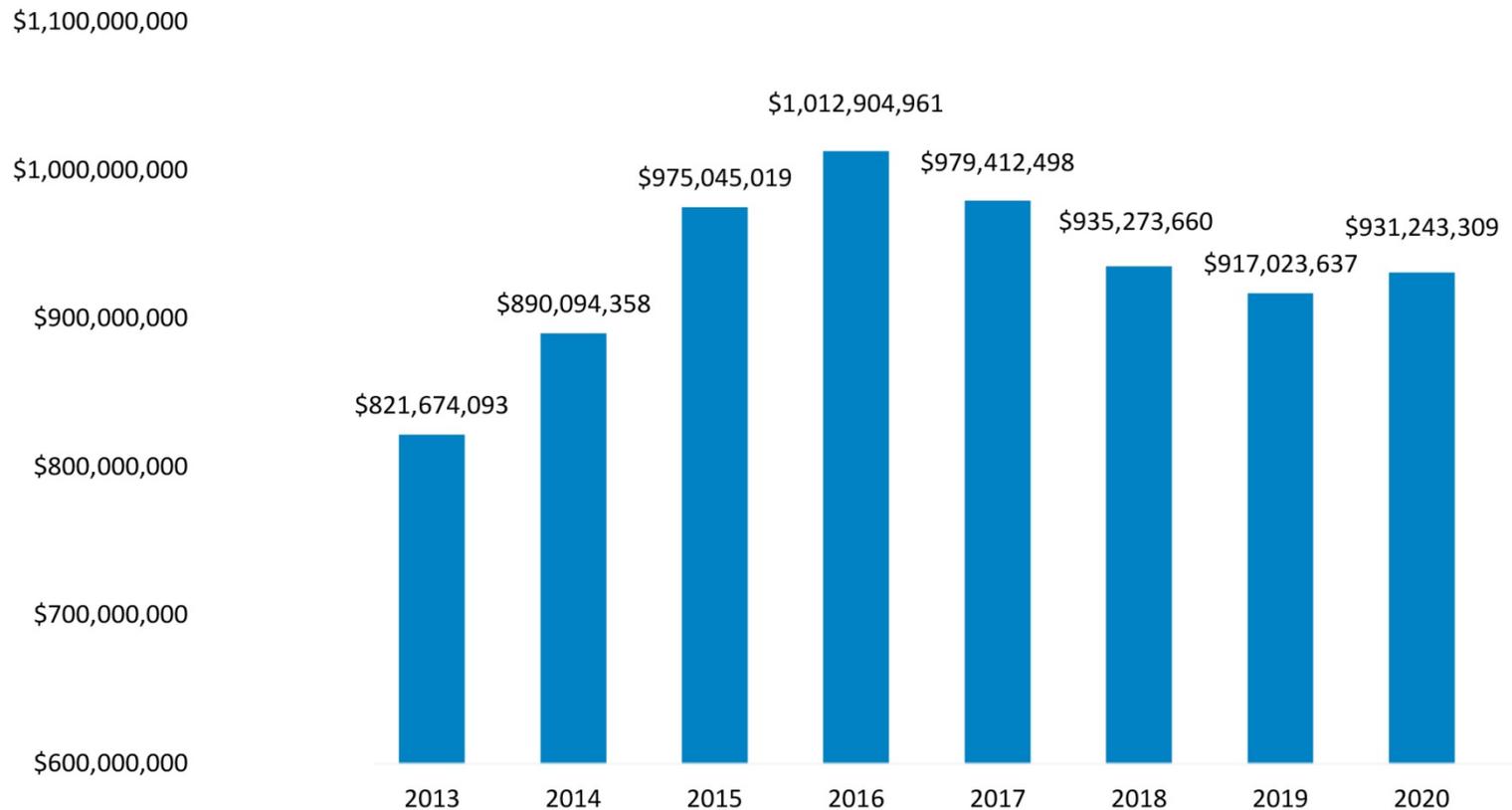
The state burden, or non-federal share of Medicaid, is funded through a variety of sources.

		Description Enrollment Case Manager	Non-Federal Share \$
Direct State Support	General Funds	<ul style="list-style-type: none"> Primary source of state funding 	<ul style="list-style-type: none"> \$868.0 million
	State Support Special	<ul style="list-style-type: none"> Health care expendable fund / covers medical services share Previously relied on for deficit appropriations 	<ul style="list-style-type: none"> \$63.2 million
Other Special Funds	Provider Assessments	<ul style="list-style-type: none"> Funds ~\$763M in hospital payments for DSH and MHAP DSH (\$53.5M), MHAP (\$127M), Hospital Tax (\$100.9M), LTC Tax (\$94.2M) 	<ul style="list-style-type: none"> \$375.6 million
	GNS NF IGTs	<ul style="list-style-type: none"> Available to government non-state facilities through IGT Paid in advance of the UPL distribution 	<ul style="list-style-type: none"> \$3.58 million
	UMMC IGTs	<ul style="list-style-type: none"> FFS Physician UPL program (\$2.4M) MCO Medicaid Access to Physician Services (\$8.3M) 	<ul style="list-style-type: none"> \$10.7 million
	Other Agency IGTs	<ul style="list-style-type: none"> State match transfers invoiced for claims from other state agencies Depts. of Rehab Services, Mental Health, Health, and Corrections 	<ul style="list-style-type: none"> \$98.9 million
	UMMC MAPS	<ul style="list-style-type: none"> Various refunds and interest 	<ul style="list-style-type: none"> \$8.4 million

State Support Funding

Total state support funding, including deficit appropriations, over an eight-year period.

STATE FISCAL YEARS 2013-2020



Who Gets Paid

Estimate by Provider Type (before pharmacy rebates)

Rank	Provider Type	Spend (in Millions)	%	Rank	Provider Type	Spend (in Millions)	%
1	Hospitals	\$2,063	33.29%	14	Nurse Services	55.5	.90%
2	Nursing Facilities	831	13.41%	15	Hospice	55.1	.89%
3	Pharmacies	567	9.16%	16	Non-Emergency Transportation	53	.85%
4	Physicians	432	6.98%	17	PDD Case Management	50	.81%
5	Waiver Services (Excl. PDD Case Mgmt.)	406	6.55%	18	Dialysis	42	.67%
6	Medicare Premiums	330	5.33%	19	Vision	34	.55%
7	MCO Admin	250	4.04%	20	Ambulance	31	.50%
8	ICF/IID	236	3.8%	21	FQHCs	29	.46%
9	Other Mental Health	179	2.89%	22	Outside Labs	23	.37%
10	DOM Admin	172	2.78%	23	Therapy	20	.32%
11	Dental Professional Fees	135	2.18%	24	Ambulatory Surgery Centers	17	.27%
12	DME	69	1.12%	25	PPECs	16	.26%
13	Rural Health Clinics	65	1.05%	N/A	Other	36	.57%

SFY21 Budget

The Division is on track for second consecutive balanced budget in SFY20, but budget will need to be actively and aggressively managed to position agency for balance in SFY21.

- Original request: \$979M
 - Final year of managed care health insurer fee
 - Decreased federal match for ~75,000 CHIP/Quasi-CHIP members
- FFY21 FMAP dampens request slightly, but offset by medical trends and Medicare reimbursement hikes
- JLBC recommendation: \$929M
- Value opportunities in medical services and administration are available to get DOM to JLBC number in 2021; but could require legislative support

Some Final Points

- Many Mississippi Medicaid provider reimbursements are strong compared to other state Medicaid programs
 - (e.g., Dental Services 142% of Peer States' Rates, Medicaid-to-Medicare Ratio for Physician Fee Schedule Top 10 in country, outpatient hospital rates close to Medicare UPL max, high pharmacist dispensing fees, nursing home per diems)
- Several provider payments increase annually because of increases in Medicare payment rates or increases in provider's costs
- Overall tax burden for hospitals has decreased in last couple of years
- "Medicaid waivers" take a long time for CMS to approve and must satisfy budget neutrality requirements
- Additional financing gimmicks could have difficulty under fiscally-focused federal leadership
- New high-dollar drugs are huge challenge to program sustainability
- Fraud referrals are up
- Most big reforms require changes to computer systems; not always fast

Questions