



## Proposal for Addressing the Med-QUEST Division's Budget and for Moving Forward

May 10, 2011

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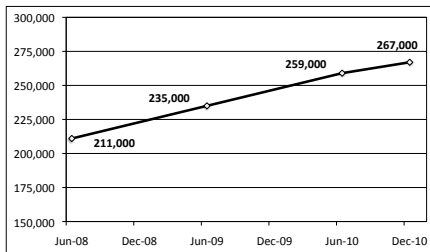
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## 26% Enrollment Increase June 2008 through December 2010



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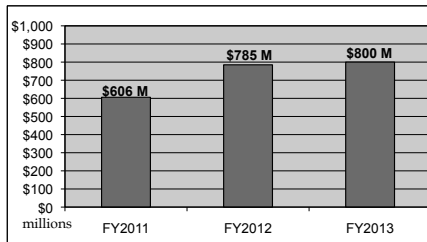
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## Increasing Budgeted General Funds



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## Values

- Prioritize the neediest and most vulnerable
  - Children
  - Pregnant women
  - Disabled
  - Elderly
- Minimize impact on overall population health status
- Recognize impact on already strained safety-net
- Maximize federal funding to supplant general funds
- Community partnership
- Health care system transformation

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## Community Dialogue

- Held statewide community forum February 14, 2011
- Participated in legislative meetings
- Had many meetings with stakeholders
- Received numerous suggestions from the public
- Holding this second statewide community forum with an additional period for input

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## Strategies to Move Forward

- Increase program integrity
- Focus on neediest
- Improve efficiency
- Support innovation and modernization

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### Increase Program Integrity

- **Ensure that all eligible for Medicare buy-in are bought in**
  - Medicare becomes primary insurer
  - Recipients subject to both Medicare and Medicaid requirements
- **Initiate administrative renewal**
  - Avoids waste of State and federal funds on ineligible individuals
  - Requires affected households to return a document once per year
  - Important to work with partners on continuing eligible individuals

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### Focus on Neediest

- **Decrease eligibility for adults from 200% to 133% FPL**
  - Affects optional adult expansion populations
  - ~4,500 individuals in QUEST-ACE and QUEST-Net affected
  - Aligns with Medicaid expansion under ACA
- **Suspend the QUEST-ACE enrollment limit**
  - Program slated to close to new applicants January 1, 2012
  - Instead will continue to accept new enrollees
- **Expand benefits of QUEST-ACE and QUEST-Net to equal those for adults in QUEST**

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### Improve Efficiency

- **Decrease administrative payment to health plans by 3%**
  - Health plans will need to increase efficiency of operations
- **Decrease health plan payments by an amount equal to 3% of reimbursements to providers**
  - Will implement Medicaid electronic health record incentives
  - Increased payment under the Affordable Care Act to primary care providers in 2013

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### Continuum of Benefits

- Children
- Pregnant Women
- Adults <65 years and without a disabling diagnosis not receiving long-term care services (LTCS)
- Adults ≥ 65 years or with a disabling diagnosis not receiving LTCS
- Adults receiving LTCS

\* Individuals receiving LTCS are nursing facility level of care and receive skilled or intermediate nursing services in their home, community, or facility

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### Preserved Benefits

- **Children**
  - No reduction in benefits
- **Pregnant Women**
  - No reduction in pregnancy related services
- **Benefits also available for all others**
  - Dialysis
  - Cancer treatment
  - Services for those with severe and persistent mental illness
  - Home and community-based services
  - Organ transplantation

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### Pharmacy Benefits

- Goal is to use the least expensive medication to achieve the patient oriented health outcome
- Generic medication when comparatively effective, except as required by statute
- Brand name medication when no comparatively effective generic available
- Ensure treatment is evidence-based
- Explore single Medicaid formulary and possible merger with EUTF for single State formulary

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### New benefit package non-disabled non-pregnant adults <65 years

- 10 inpatient days (plus 10 additional acute psychiatric days)
- 20 outpatient visits (plus 6 additional behavioral health visits)
- Laboratory and imaging associated with covered visits
- 3 outpatient hospital/ambulatory surgical center procedures
- Prescription medications
- Family planning/contraceptives
- Diabetes supplies
- Vaccines (pneumonia, influenza, tetanus/diphtheria)
- Limited non-emergency transportation
- Emergency medical
- Emergency dental
- Language access services

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### Other Benefit Changes

- **Seniors and those with a disabling diagnosis not receiving long-term care services**
  - Decrease maximum weekly chore hours from 20 to 10
  - Align outpatient rehabilitation services to match Medicare
  - Limited non-emergency transportation
- **Adults receiving long-term care services**
  - Align outpatient rehabilitation services to match Medicare

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### The Way Forward

- Prepare for implementation of the Affordable Care Act
  - Medicaid expansion to 133% FPL
  - Supporting a health insurance exchange
- Work to modernize and transform our program
  - New eligibility system
  - Health information technology
  - Health homes

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## New Eligibility System

- Fair share initiative: 90% federal match
  - Approximately \$3,000,000 state funds appropriated will bring in \$27,000,000 federal funds
- Current system is 23 years old
- New system will:
  - Increase transparency
  - Electronically verify information
  - Increase timeliness
  - Interface with health insurance exchange

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## Health Information Technology

- Fair share initiative: 90% federal match
  - Approximately \$70,000 state funds appropriated and will bring in \$630,000 federal funds
- Health information technology can improve the quality and efficiency of health care
- Medicaid electronic health record (EHR) incentive program
  - Eligible professionals can receive ~\$64,000
  - Hospitals can receive >\$2,000,000

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## Health Home

- Fair share initiative: 90% federal match
- The Affordable Care Act contained a provision for a two-year Medicaid health home program
  - Comprehensive care management
  - Care coordination and health promotion
  - Comprehensive transitional care from inpatient to other settings
  - Individual and family support
  - Referral to community and social support services
- Enables more efficient and higher quality clinical care
- Partner with community to shape program as allowed by CMS

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## Health Care Transformation in Hawaii

- Build upon and further the State's national role as a leader in providing health care coverage for its population
- Improve patient outcomes and reduce healthcare costs by
  - Achieving universal health insurance coverage
  - Improving the organization and delivery of health care services
  - Promoting the effective and efficient delivery of State government health care services
- Designate a coordinator for the implementation of the Affordable Care Act in Hawaii

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## Community Comments

- Note takers recording today's comments
- Please submit comments by close of business May 19, 2011
  - Email: [dhs@dhs.hawaii.gov](mailto:dhs@dhs.hawaii.gov)
  - Surface mail: MQD Community Input  
P.O. Box 700190  
Kapolei, HI 96709-0190

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