



Alaska Department of Health & Social Services

SB 74 (2016) – Where are we at 5 years later?

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Health Care Policy Advisor

FY 2021 General Fund Savings and Cost Avoidance Resulting from Medicaid Reforms and Cost Containment Initiatives

SB 74 Medicaid Reform GF Savings/Cost Avoidance — DHSS

Federal Tribal Reimbursement Policy	\$57,467,872
Alaska Medicaid Coordinated Care Initiative (Primary Care Case Management)	\$1,450,897
Subtotal	\$ 58,918,769

SB 74 Medicaid Reform GF Cost Avoidance — Department of Corrections

Medicaid enrollment for prisoners; out-of-facility hospital services	\$4,151,498
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GF Savings/Cost Avoidance from Other Medicaid Reforms — DHSS

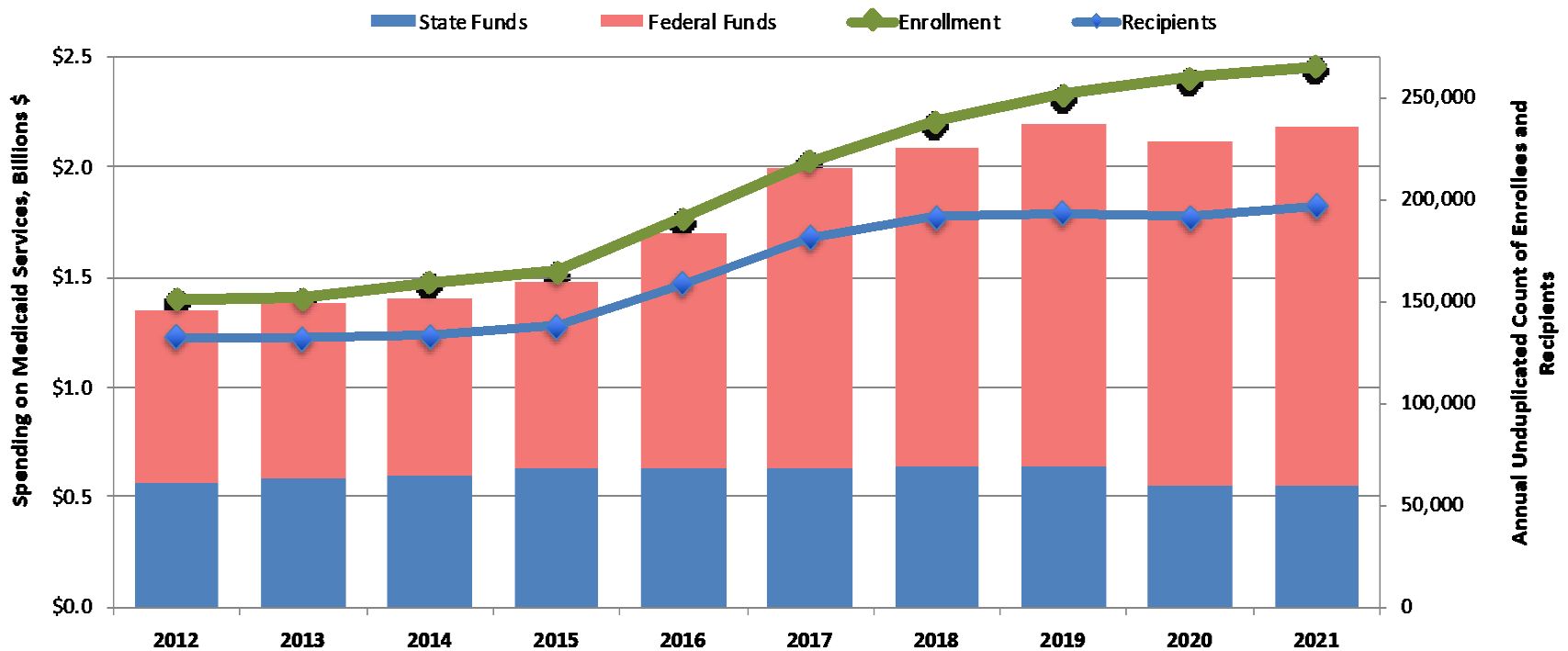
Pharmacy Preferred Drug List	\$ 6,000,000
Pharmacy Prospective Drug Utilization Reviews	\$ 5,500,000
Pharmacy Payment Reform: NADAC	\$ 12,000,000
Pharmacy Preferred Drug List Modernization	\$ 3,000,000
Subtotal	\$ 26,500,000

GF Savings/Cost Avoidance from On-Going Care Improvement/Cost Containment Initiatives — DHSS

Home & Community Based Services Utilization Control & Process Improvement	\$4,454,569
Surveillance & Utilization Review Subsystem (SURS) Overpayment Collections	\$ 75,607
Medicaid Program Integrity Overpayment Collected from Providers	\$5,540,658
Medicaid Program Integrity Cost Avoidance	\$51,981
Third-Party Liability Contract and HMS Audit Recovery	\$9,411,108
Care Management Program	\$ 2,738,751
Case Management	\$1,450,897
Utilization Management Services	\$41,777,361
Subtotal	\$65,500,932

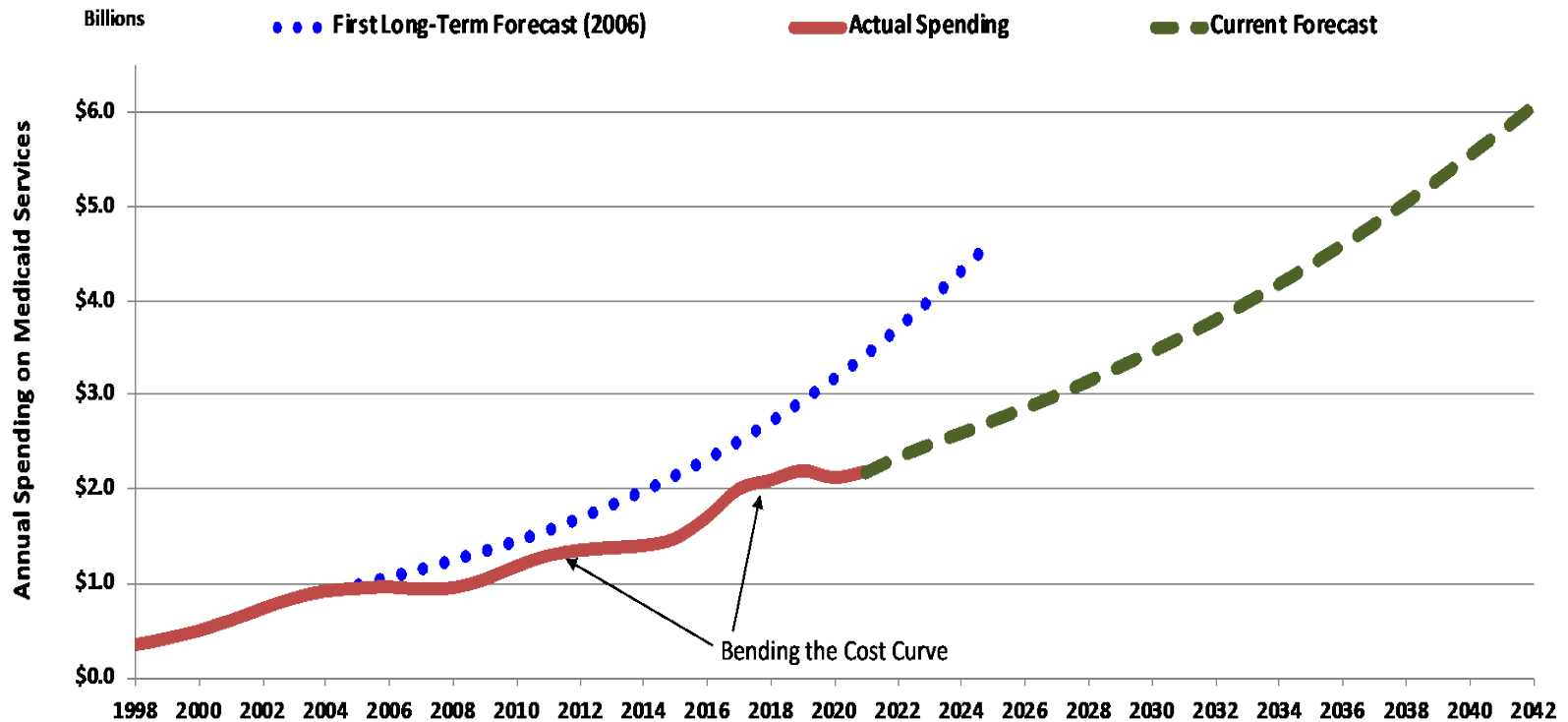
TOTAL	\$155,071,199
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Spending on Medicaid Services, Enrollment in the Medicaid Program, and Recipients of Medicaid Services, Based on Date of Service, FY 2012 – FY 2021



Evergreen Economics, (January 2021). Preliminary Long-Term Forecast of Medicaid Enrollment & Spending in Alaska (MSEA): FY 2022 – FY 2042.

Spending on Medicaid Services, Actuals, Projected in First Long-Term Forecast (February 2006), and Current Forecast



Evergreen Economics, (January 2021). Preliminary Long-Term Forecast of Medicaid Enrollment & Spending in Alaska (MSEA): FY 2022 – FY 2042.

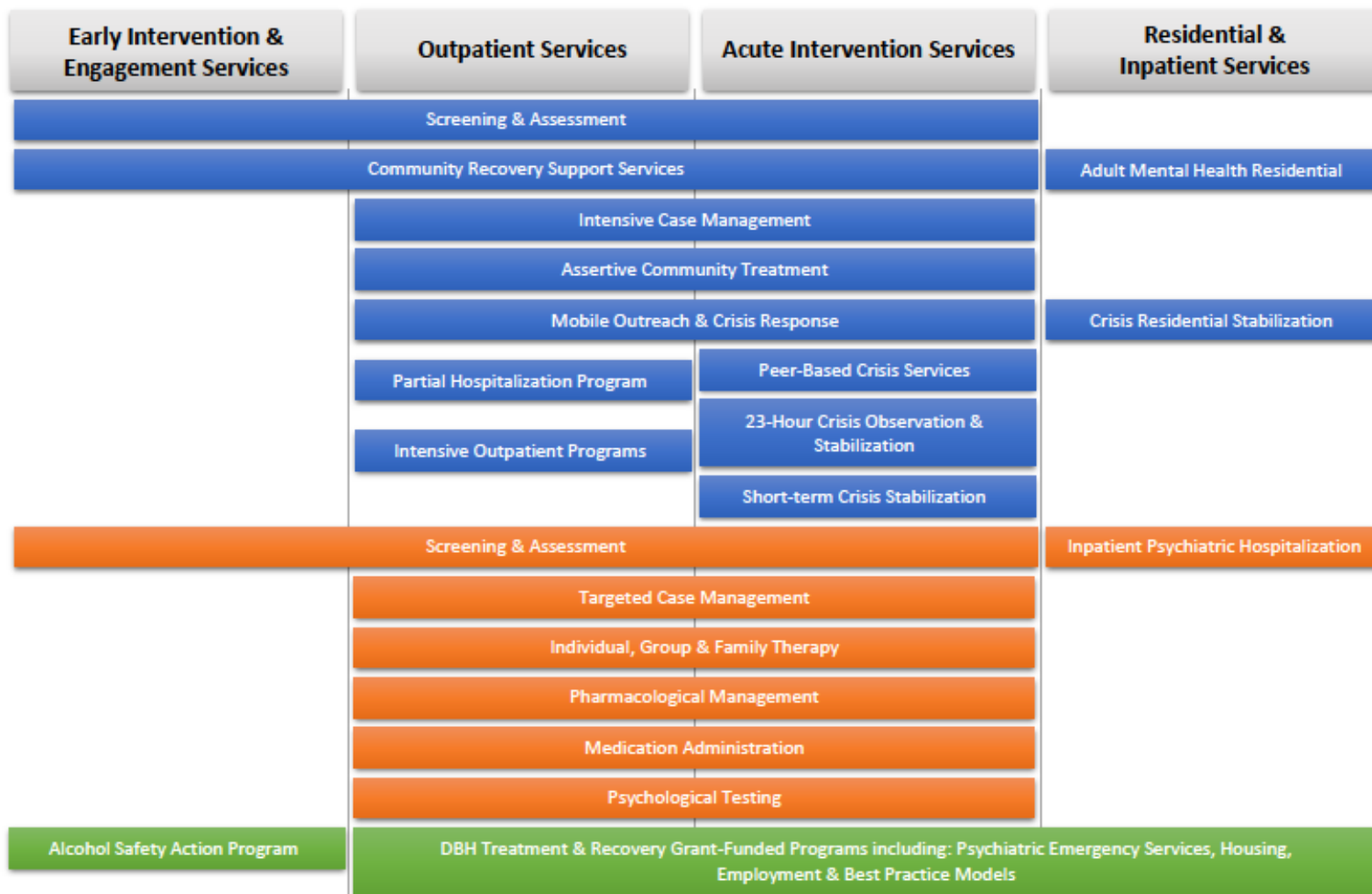
State GF Savings from Implementation of the Tribal Medicaid Reimbursement Policy

State Fiscal Year	State GF Savings: Transportation	State GF Savings: Other Services	Total GF Savings
2017	\$ 10,589,538	\$ 24,192,302	\$ 34,781,839
2018	\$ 15,901,959	\$ 29,285,002	\$ 45,186,961
2019	\$ 26,922,884	\$ 45,724,251	\$ 72,647,136
2020	\$ 35,998,891	\$ 59,119,442	\$ 95,118,333
2021	\$ 15,532,937	\$ 41,934,935	\$ 57,467,872
TOTALS	\$ 104,946,209	\$ 200,255,932	\$ 305,202,141

1115 Behavioral Health Waiver

- Game changer for Behavioral Health Medicaid Services
- 5 year wavier – Cost Neutral to the Federal Government
- In SFY21, over 16,700 clients were served, which represents over 644,500 total claims processed
- In SFY21, the ASO processed and paid \$189.9 million in claims, which averages 8.8% of Alaska’s Medicaid expenditures
- The top three primary diagnosis (pulled from ASO paid claims were):
 - 1) opioid related disorders,
 - 2) reaction to severe stress, and adjustment disorders,
 - 3) alcohol related disorders.
- Links to the 1115 Waiver Graphics: [DHSS Mental Health Continuum of Care \(At-Risk Children & Adolescents Ages 0-21\)](#), [DHSS Mental Health Continuum of Care \(Individuals 18 Years and Older\)](#), [DHSS Substance Use Disorder Continuum of Care \(Individuals 12 Years and Older\)](#)

DHSS Mental Health Continuum of Care INDIVIDUALS 18 YEARS AND OLDER



■ 1115 Waiver
 ■ Medicaid state plan
 ■ Grant-funded

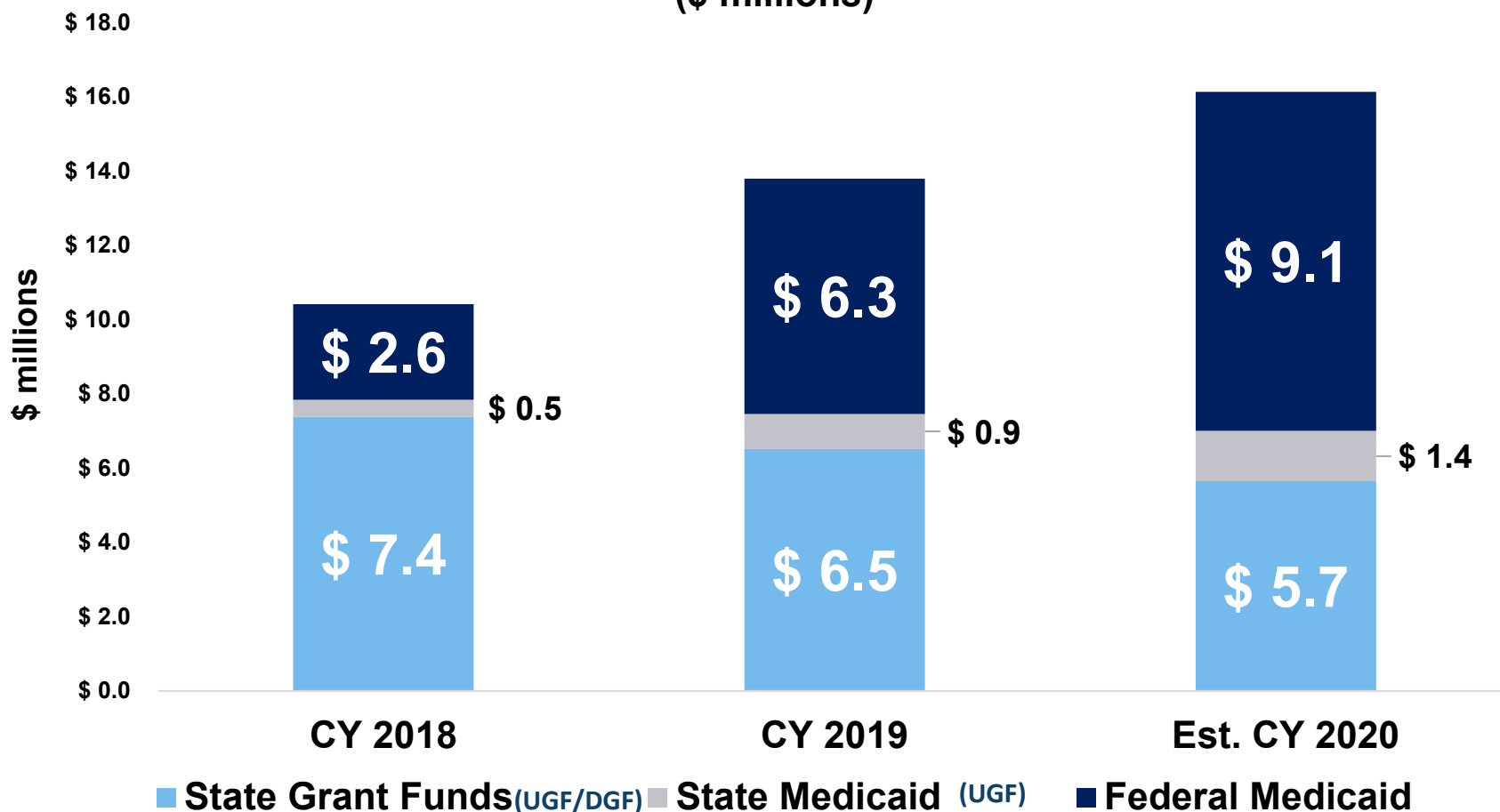
1115 Behavioral Health Waiver

Crisis Response Services

- 15 agencies have department approval to provide 23-hour crisis observation and stabilization services and 15 agencies have received department approval for crisis residential stabilization services
- DBH is working with providers to help with technical assistance, including how new non-traditional providers can qualify as 1115 providers and deliver crisis services like mobile outreach and peer-based crisis services.
- The Crisis Now efforts are building upon the 1115 waiver.

An Example: Shift from State Grant Funds to Federal Medicaid

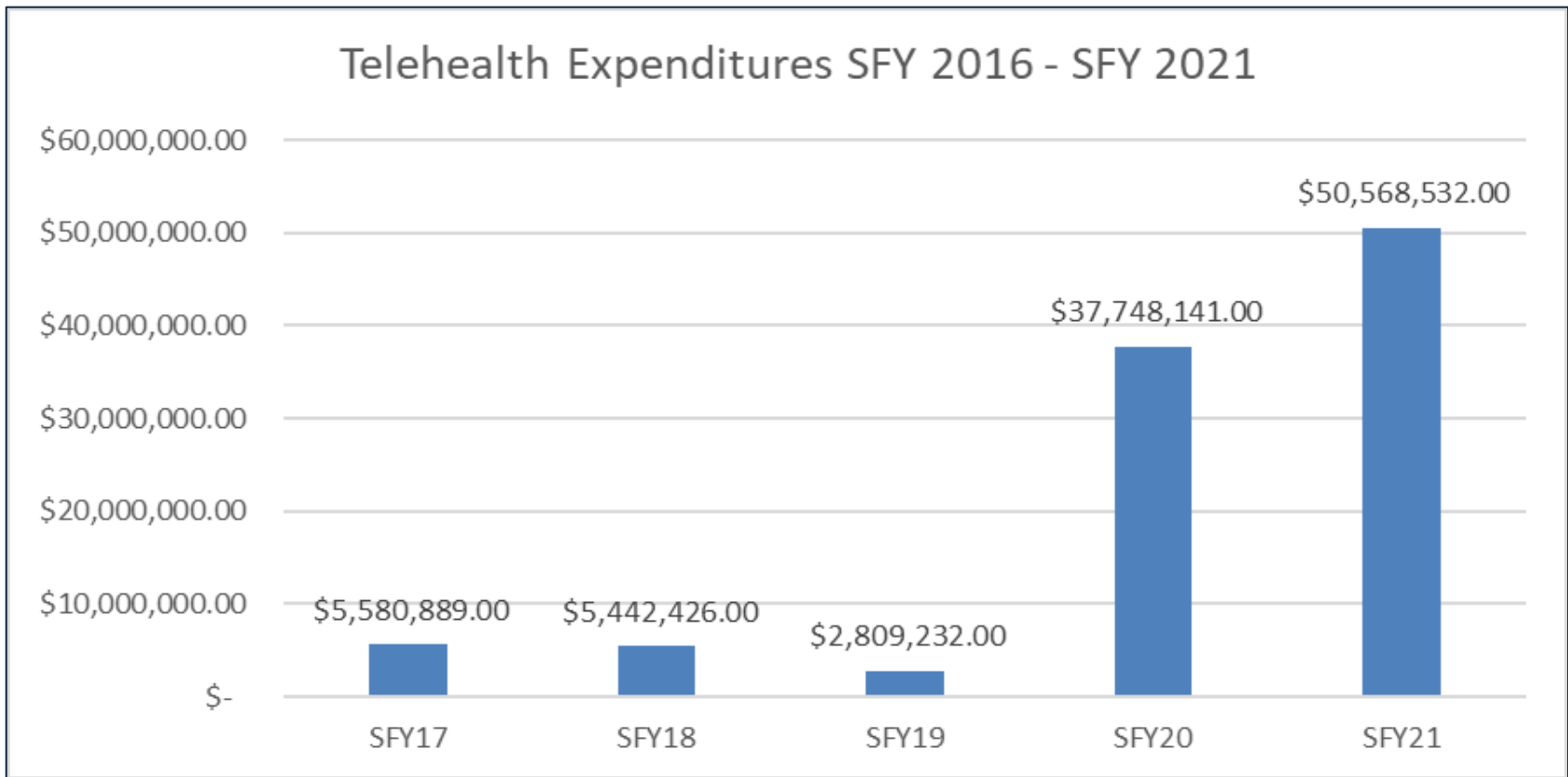
SUD IMD Providers, by Source of Funds, by Calendar Year
(\$ millions)



Implemented Options from SB 74

- Increased telehealth – both at DHSS and DCCED
- Coordinated Care Demonstration Projects
 - Providence's Patient Centered Medical Home model - go live 9/1/2018
- Superutilizer Reduction
 - Alaska Emergency Department Coordination Project – ASHNHA
 - Primary Care Case Management
- State Plan Options – 1915(k) Community First Choice and (c)
- Fraud, Waste and Abuse
 - Eligibility Verification System
 - Provider Self-Audits – over 850 received; ~\$800,000 in overpayments
 - EOMB portal
- Prescription Drug Monitoring Program (PDMP)
- Medicaid Reform Program
- Annual Reports (*Medicaid Reform, Fraud, PDMP, MESA*)
- DOC – Out of Facility Medicaid payments

Telehealth Expansion during PHE



SB 74 Items Still to be implemented

- **Alaska Medical Assistance False Claim & Reporting Act**
 - Difficulty getting Office of Inspector General approval
- **Civil Penalties authorized under AS 47.05.250**
 - Authorized the department to develop regulation to impose civil fines and set limits on the amount of the fines
 - When this was part of the bill, DHSS asked for tools between simple provider education and dismissal from the program for criminal level of fraud
- Additional rounds of Coordinated Care Demonstration Projects
- 1945 option for Health Homes
- Innovative service delivery models & payments
 - Premium payments for centers of excellence
 - Penalties for hospital-acquired infections, readmissions, and outcome failures
 - Bundled payments for specific episodes of care
- 1115 waiver – IMD exclusion only