Introduction to Wyoming Medicaid

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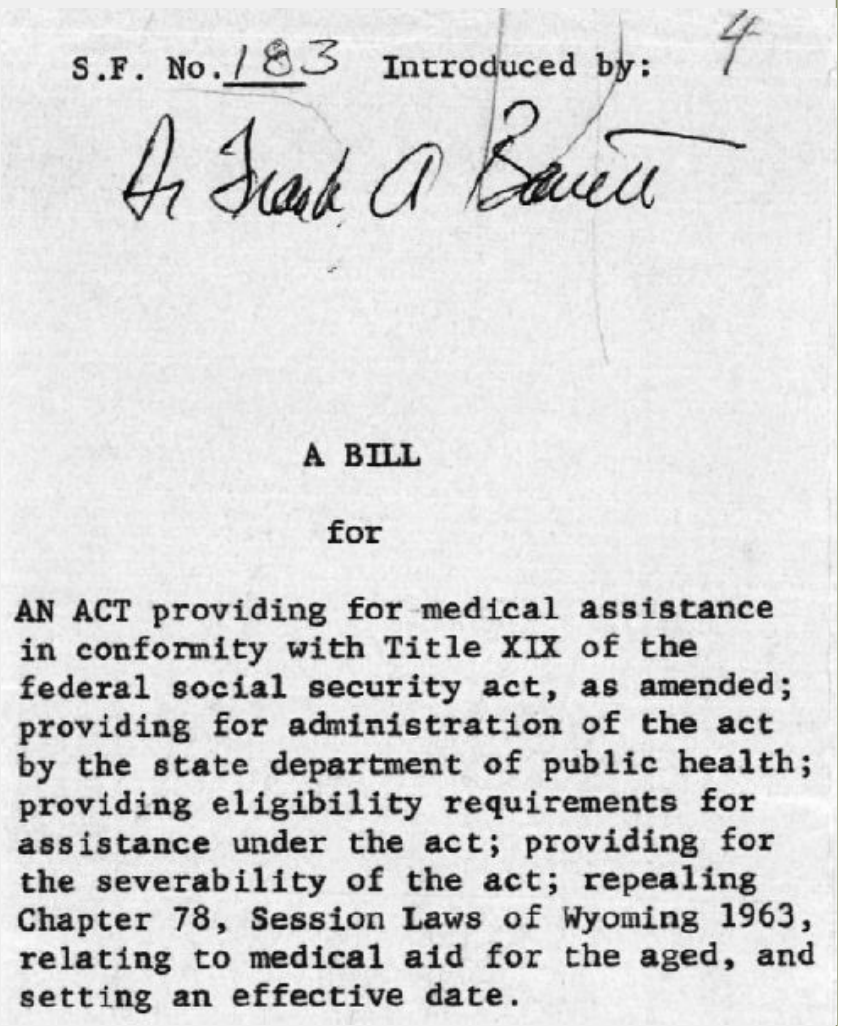
Commit to your health.

Purpose of Medicaid

Wyoming Medicaid is a joint Federal-State program that pays for the medical care of low-income and medically-needy individuals and families.

Statutory Background

- Created in 1965 by adding **Title XIX** to the Social Security Act
- Voluntary State-Federal partnership
- Wyoming began participating in July of 1967 (SF 0183)



S.F. No. 183 Introduced by: 4

A BILL

for

AN ACT providing for medical assistance in conformity with Title XIX of the federal social security act, as amended; providing for administration of the act by the state department of public health; providing eligibility requirements for assistance under the act; providing for the severability of the act; repealing Chapter 78, Session Laws of Wyoming 1963, relating to medical aid for the aged, and setting an effective date.

Overview - Eligibility

- Medicaid provides health and long-term care insurance for certain **categories** of low-income people.

Primary Eligibility Categories
• Pregnant Women
• Children
• Family Care Adults
• Aged, Blind or Disabled
• Others (Medicare dual-eligibes, employed individuals with disabilities

*Having low income does **not** automatically qualify you for Medicaid in Wyoming*

Overview - Eligibility

Eligibility Category	Annual Income Limit	Est. $ for Individual
Children, 0-5 years	154% FPL	~$18,500
Children, 6-18 years	133% FPL	~$16,000
Pregnant women	154% FPL	~$18,500
Family care adults	~53% FPL	~$6,400
Aged, Blind, Disabled - SSI	SSI (~75% FPL)	~$8,820
Aged, Blind, Disabled - SNF and Waiver	300% SSI	~$26,460

Overview - Benefits

- Unlike private health insurance, Medicaid pays for both **health care** as well as **long-term care** services, like:
  - Nursing home and home-health care for the elderly
  - Community-based services for individuals with intellectual /developmental disabilities (I/DD) and acquired brain injuries (ABI)

Overview - Benefits

Coverage Type	Examples

Medical care	• Medical
	  ○ Office visits
	  ○ Outpatient and Inpatient
	  ○ Pharmacy
	• Behavioral Health
	  ○ Outpatient and Inpatient

Extended benefits	• Dental • Vision

Long-term care	• Facility-based / Institutional services
	  ○ Nursing homes
	  ○ WLRC
	• Home and Community-based Waivers

Other	• Non-emergency transportation • Screenings and treatment referrals

What are "Waivers"?

- Home and Community Based Services (HCBS) Waivers are an **optional** way for States to pay for long-term care and rehabilitative services in a home or community setting.
- Prior to 1981, Medicaid only paid for these services in an institutional setting.
- In SFY 2015, Wyoming Medicaid operated the following waivers:
  - **Comprehensive** and **Supports Waivers** for Individuals with Intellectual and Developmental Disabilities (I/DD)
  - **Acquired Brain Injury** Waiver
  - **Long-term Care** Waiver
  - **Assisted Living Facility** Waiver
  - **Children's Mental Health** Waiver

Federal Matching Funds

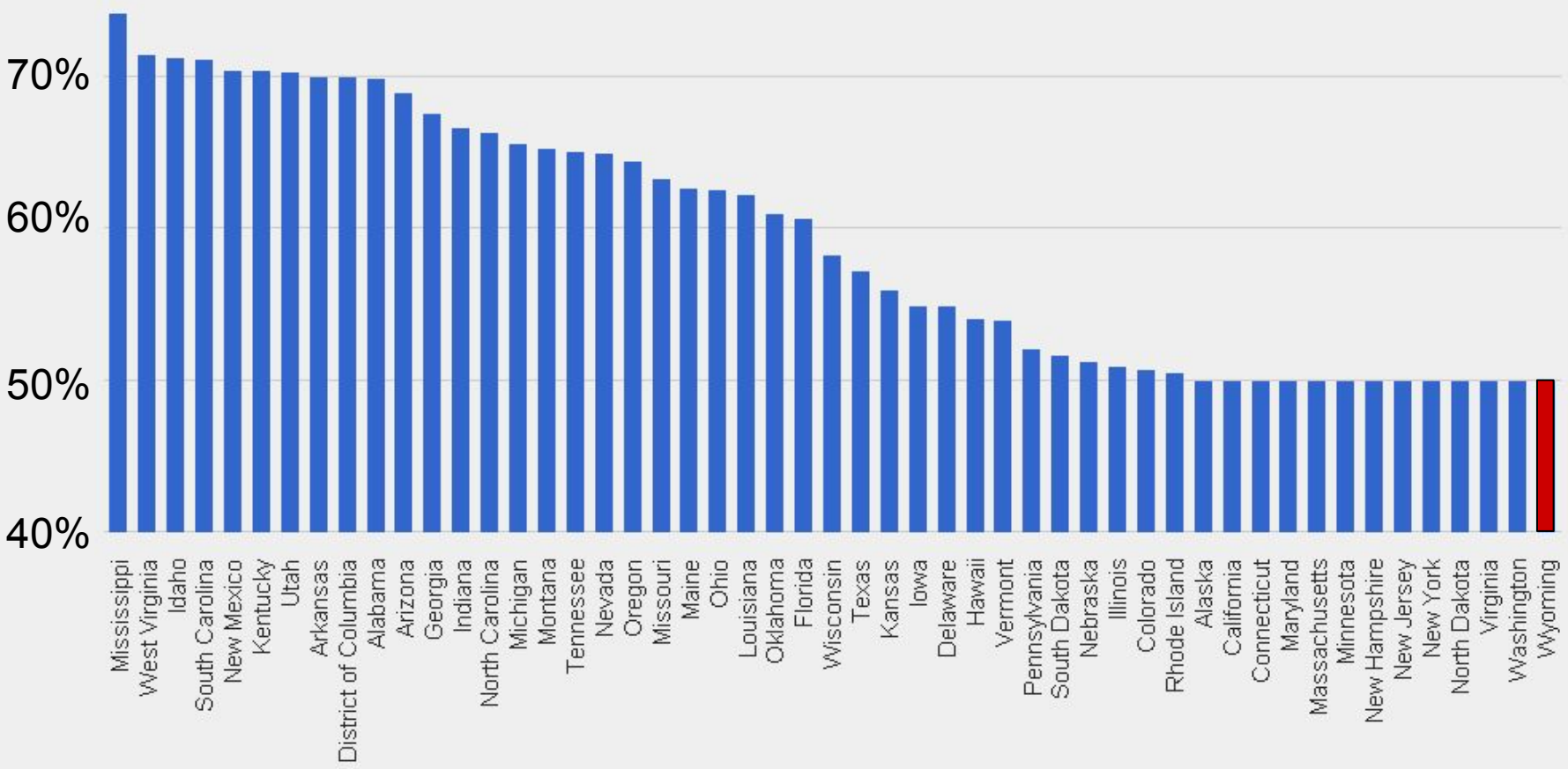
- Medicaid is funded as a federal-state partnership.

- The Federal Medical Assistance Percentage (FMAP or "match") is based on the **ratio of the State's per capita income** (rolling three year average) **to the national level.**

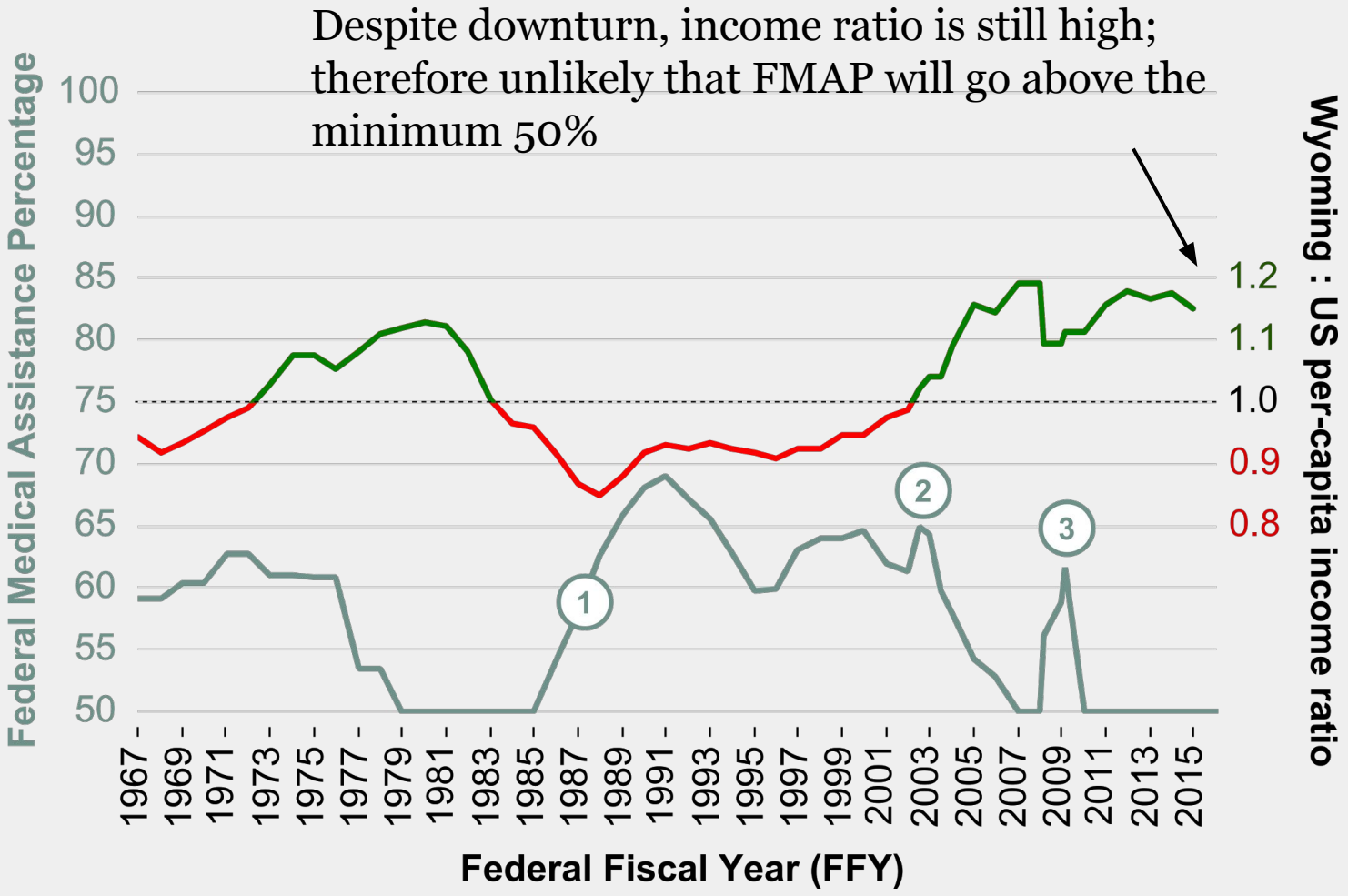
$$\text{FMAP} = 1 - 0.45 \times \left[\frac{\text{State per capita income}^2}{\text{National per capita income}^2}\right]$$

… with a statutory minimum of 50%

Federal Medical Assistance Percentage, by State



Federal Medical Assistance Percentage



Access

Medicaid has a wide provider network

In SFY 2016, of Wyoming in-state providers:

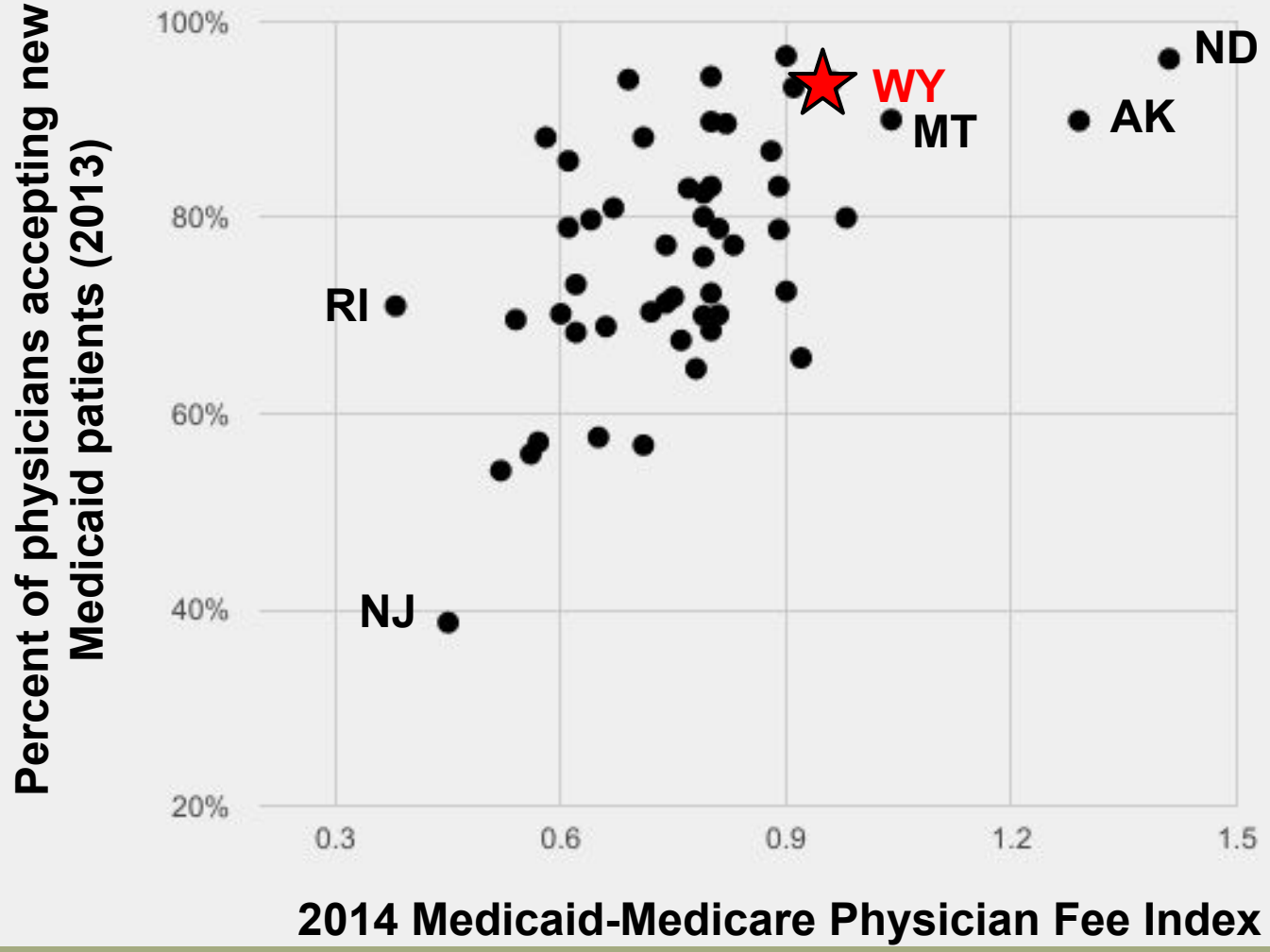
- **99%** of licensed and practicing physicians enrolled (1,682 total in-state)
- **100%** of Nursing facilities enrolled
- **100%** of hospitals enrolled (30 total in-state)
- **98.5%** of pharmacies enrolled (131 total in-state)
- **79%** of dentists enrolled (310 total in-state)

  - US average 42%

  - Wyoming is 5th highest in the nation on this measure
- **1,754** in-state behavioral health providers enrolled

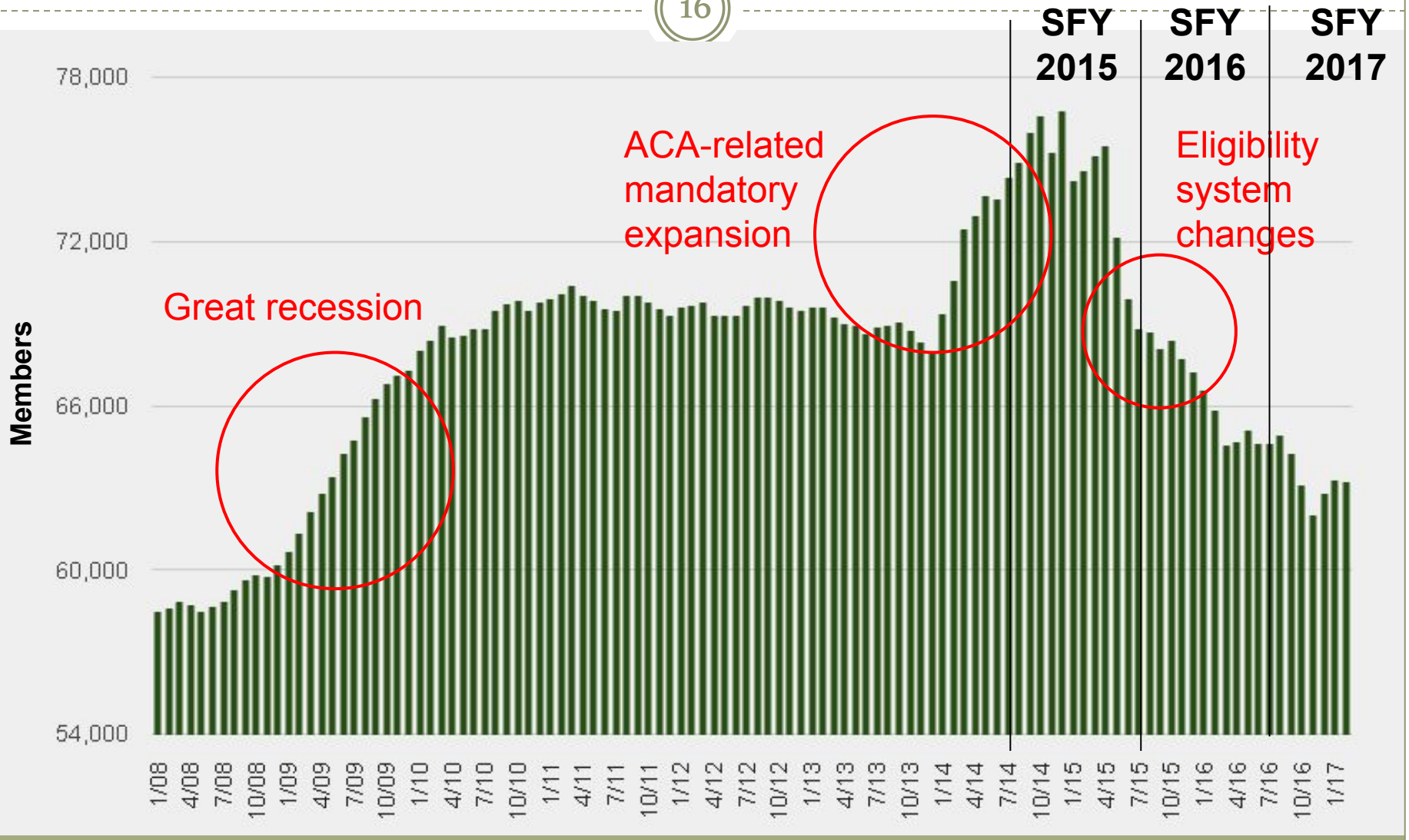
Access is correlated with Medicaid rates

(data: 2013/14)



Enrollment and Costs

Wyoming Medicaid Enrollment 2008 to 2017



Average Enrollment by Group, SFY 2016

Eligibility Category	Average enrollment
Children (includes Foster Care and Newborn)	41,499
Family care adults	7,911
Physically disabled - SSI	5,807
Long term care - elderly and physically disabled (Waivers/SNF)	3,617
Individuals with Developmental Disabilities / Acquired Brain Injuries	2,459
Pregnant women	2,199

(note: smaller enrollment groups omitted)

What Drives Medicaid Costs?

Medicaid costs are driven by two primary variables:

Variable	Drivers
Number Enrolled	- Eligibility policies - Demographic/economic trends - Federal policies
Cost per Person	- Utilization of services - Reimbursement rates - Age, health status, special needs

Total Cost = People Enrolled × Cost per Person

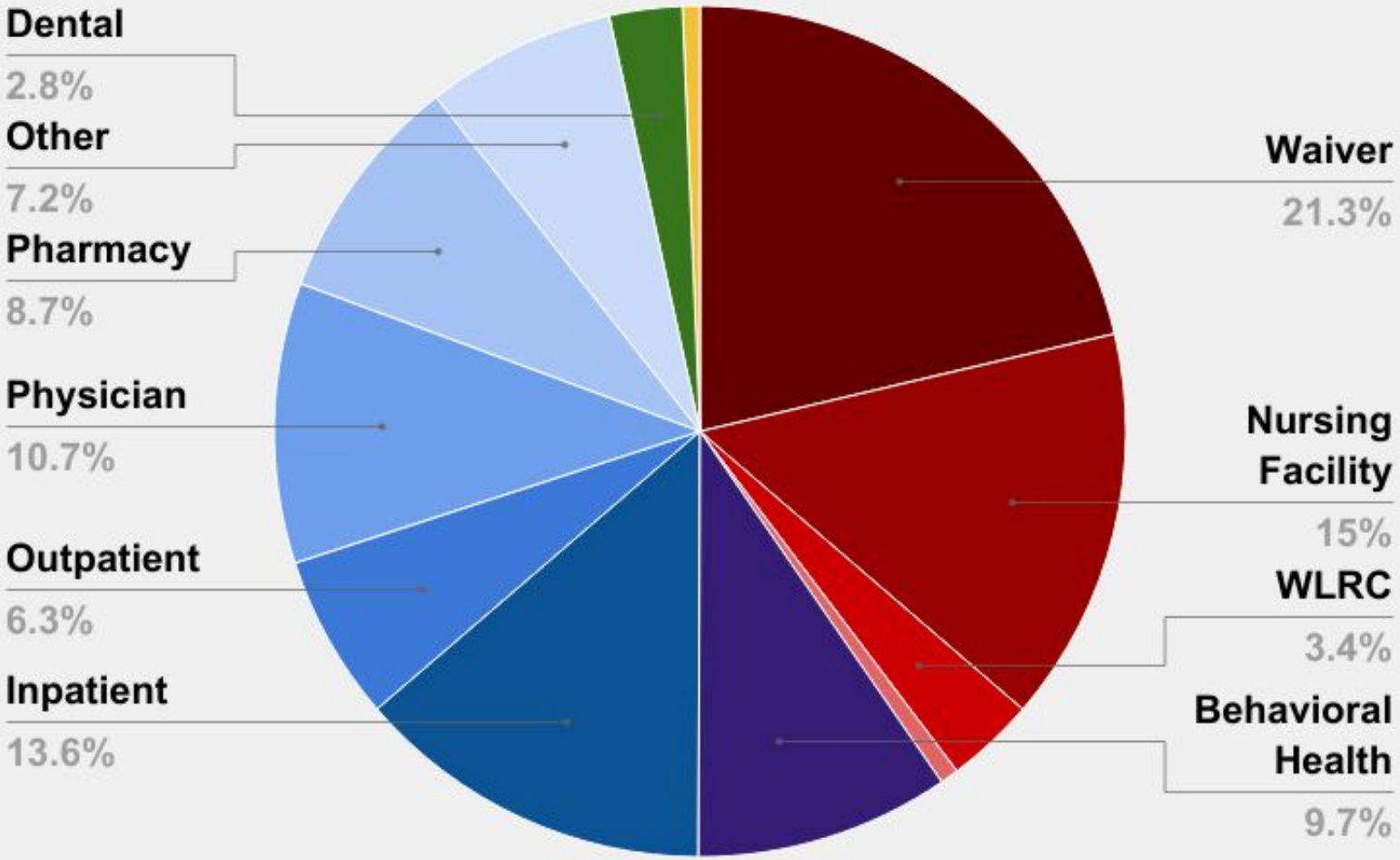
Total Medicaid Expenditures

SFY	Expenditures	Avg. Enroll	PMPM
2010	$514,529,323	68,484	$626
2011	$519,823,344	69,756	$621
2012	$510,857,708	69,561	$612
2013	$512,934,509	69,166	$618
2014	$513,535,575	70,386	$608
2015	$524,279,441	74,812	$584
2016	$556,565,588	67,907	$683

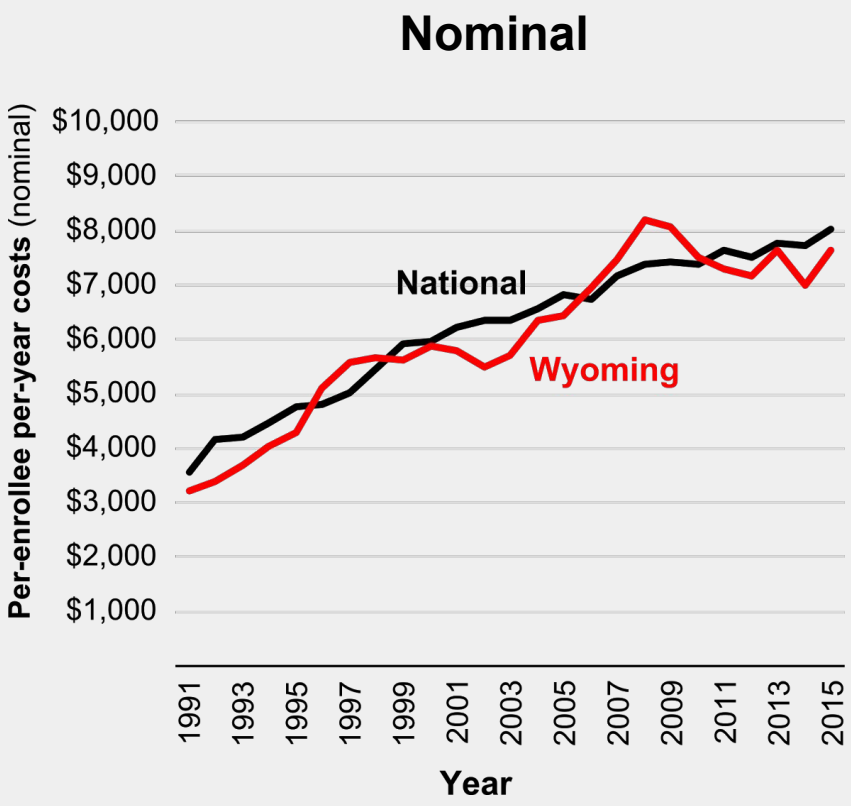
SFY 2016 Expenditures by Provider Type

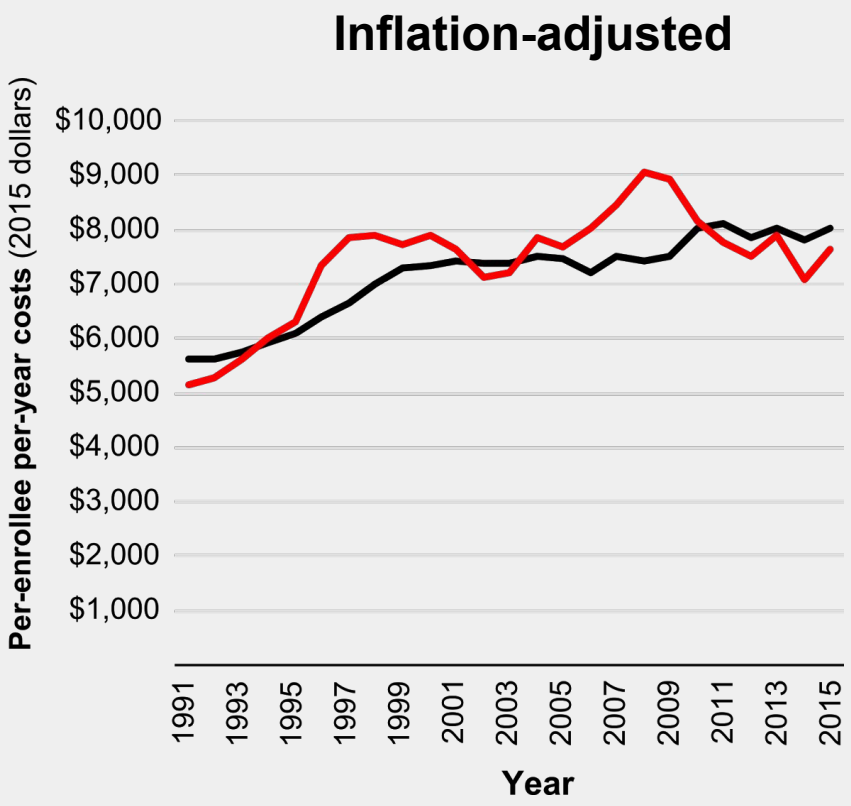
Provider Type		Expenditures
Waivers - DD/ABI/LTC/ALF		$118.6 M
Hospital (Total)		110.9M
Inpatient	*75.8M*	
Outpatient/Other	*35.1M*	
Skilled Nursing Facility		83.5 M
Physician / Other Practitioners		59.3 M
Prescription Drugs		48.5 M
Behavioral Health (includes PRTF)		53.7 M
Wyoming Life Resource Center (WLRC)		18.8 M
Dental		15.9 M
Vision		3.7 M
All Others		43.6 M
Total		**$556.5 M**

SFY 2016 Expenditures by Service Area



Per-enrollee per-year cost trends

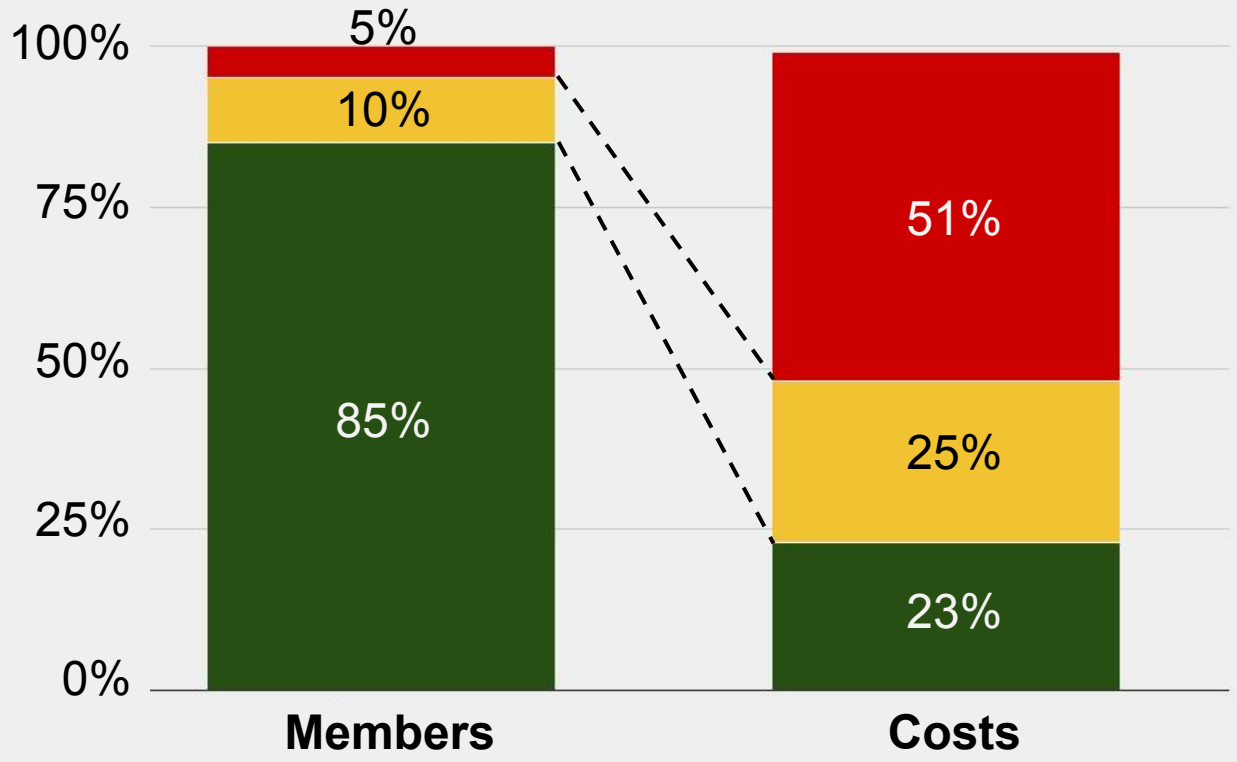




Per-member per-month costs are not equal

The top 5% of members account for ~51% of costs

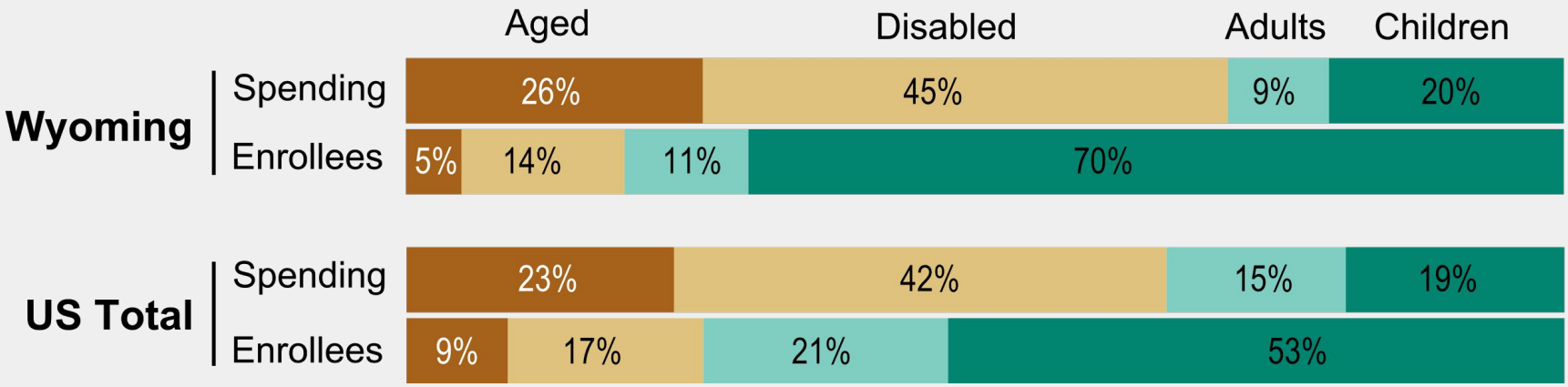
The top 1% of members account for ~21% of costs



Costs vary by member type

Average full-benefit monthly enrollment and spending by eligibility group

data: MACSTATs, FY 2013 (Exhibits 21 and 15)



Costs vary by member type

Eligibility Category	PMPM	Average enrollment
Individuals with Developmental Disabilities / Acquired Brain Injuries	$5,003	2,459
Long term care - elderly and physically disabled (Waivers/SNF)	$2,971	3,617
Pregnant women	$944	2,199
Physically disabled - SSI	$774	5,807
Family care adults	$447	7,911
Children (includes Foster Care and Newborn)	$287	41,499

(Table is illustrative, does not include all categories)

Administrative facts

- On average, **95%** of expenditures go to medical services, **5%** to administration
  - Claims processing operations and data systems contracted out to private entities (~4% of cost)
  - State employees make up ~1%
- Providers are paid **~4.2 days** after claim is received
- **96.5%** of claims are submitted electronically
- **99%** of providers are paid through electronic funds transfer

Medicaid Reforms

Medicaid reforms since 2012

ID/DD/ABI Waiver Reforms

- Waiver redesign including creation of Support and Comprehensive waivers
- Wait-list reduction
- Conflict-free case management

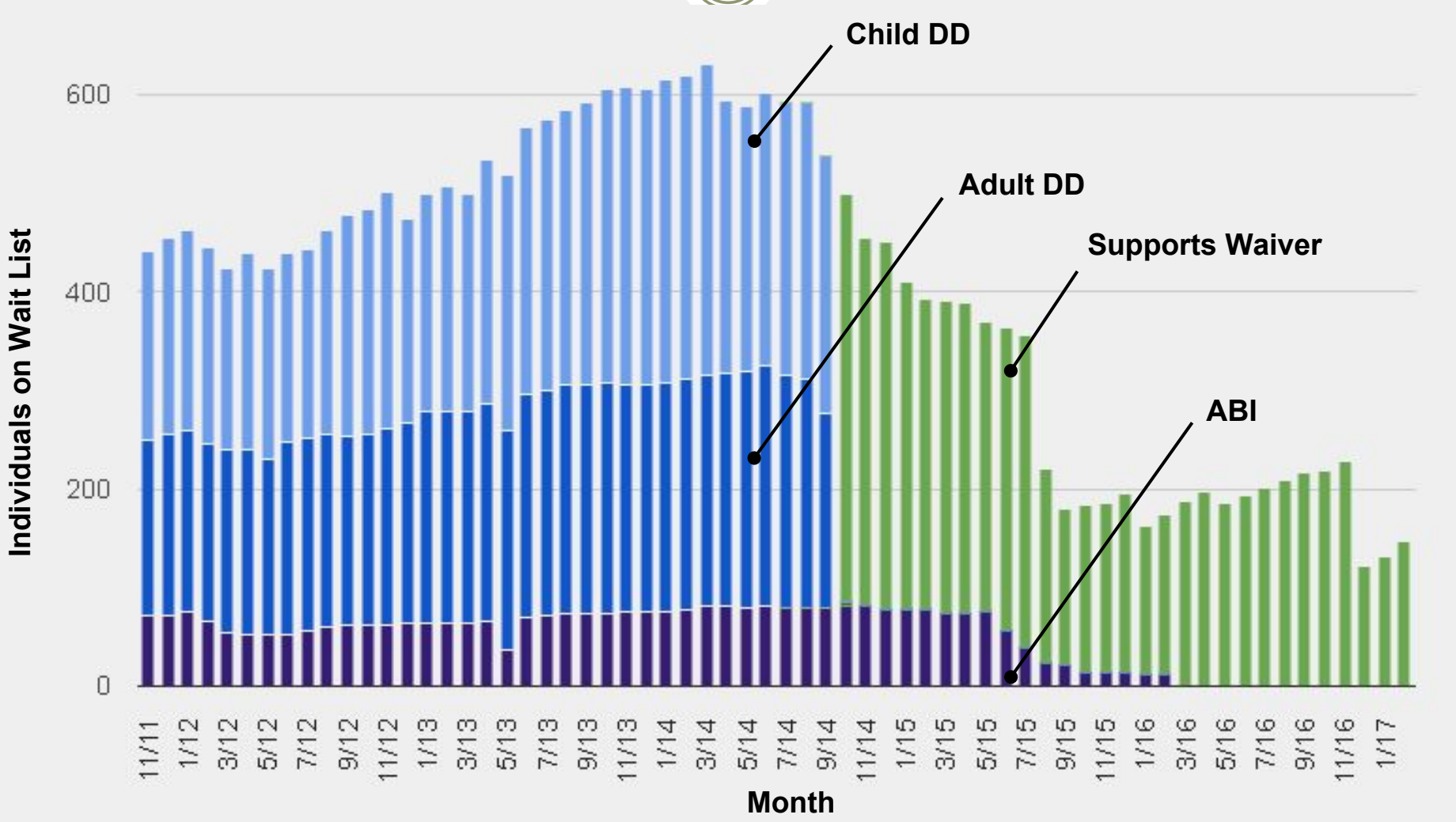
Long-Term Care Reforms

- Nursing home rate rebasing (acuity based rates)
- Removing caps on LTC and ALF waiver
- LT-101 redesign

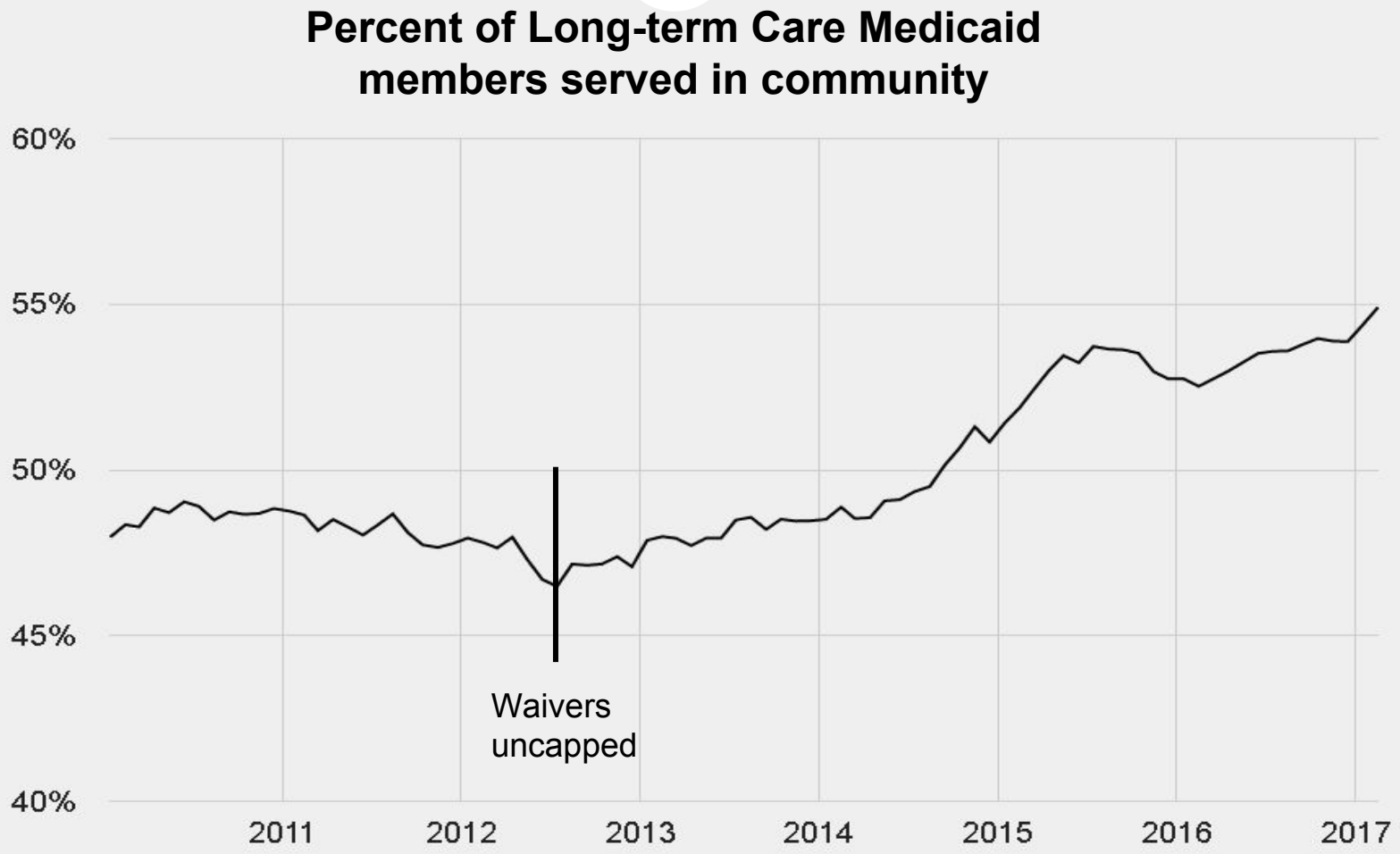
Medical and Coordinated Care Reforms

- Patient Centered Medical Homes, nurse call line, prenatal services enhancements, recipient wellness, narcotic non-dispensing policies in ERs, Super Utilizer Program

Waiver Wait Lists



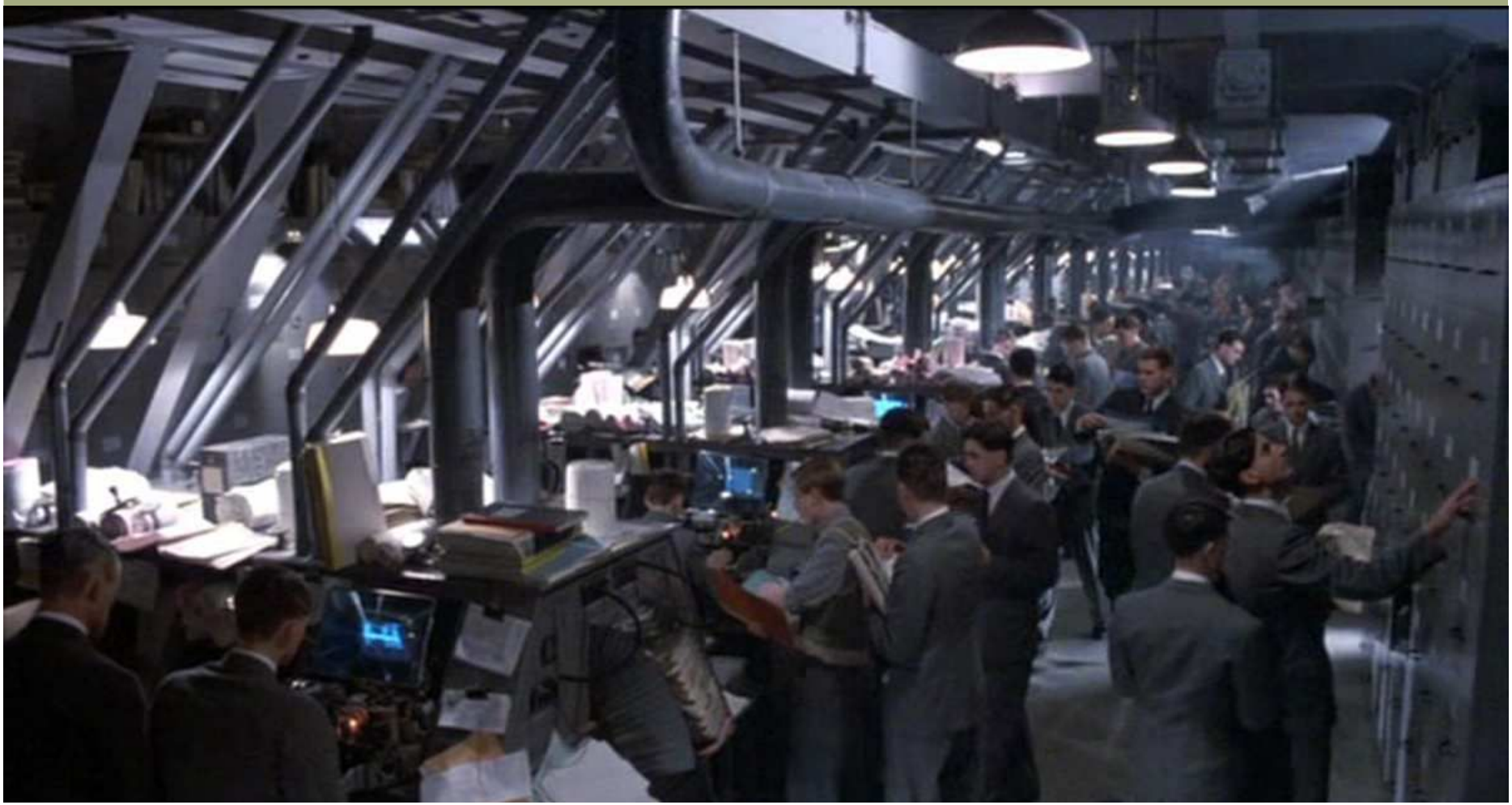
Long-term Care Reforms



Positive trends in hospital utilization

Indicator	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016
30-day hospital readmit rate	7.34%	6.86%	6.53%	5.76%	5.61%	5.83%
Emergency room visits per 1,000 member-months	67.01	65.49	63.82	61.06	60.57	60.98
Inpatient admits per 1,000 member months	13.32	12.74	12.48	11.46	11.06	11.69

Recent Federal Actions



Objectives

Federal objectives in changing Medicaid (e.g., American Health Care Act, 2017):

- **Limit** open-ended federal commitment
  - Current FMAP means that a Federal dollar matches every State dollar.
  - Most Medicaid reforms aim to limit this exposure in order to reduce deficits and long-term debt.
- Give **flexibility** to the States
  - Belief that States know best how to manage limited dollars
  - Reduce federal administrative complexity

Discussed approaches

Approach 1: Block grants

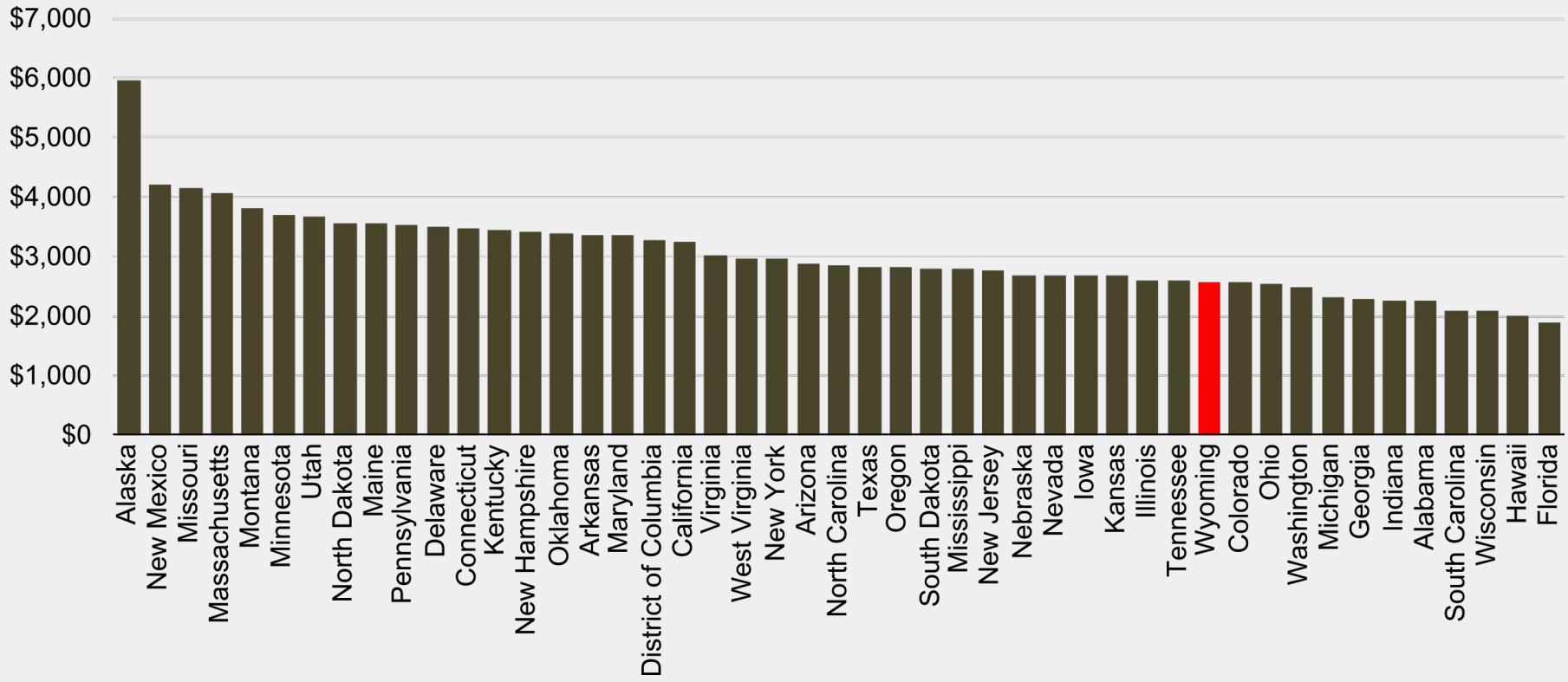
- States receive a **fixed total dollar amount** each year
  - **No more matching dollar for dollar**, but potentially some Maintenance of Effort (MoE) requirement.
  - If State manages to reduce spending, would still receive same amount of federal funds.
  - **Initial amount** of the block grant and **growth rate** are critical variables.
  - Growth likely **indexed** to some indicator of inflation.
  - **Wide variation** in Medicaid spending among States; different definitions of "fair" block grant amounts.

Discussed approaches

Approach 2: Per-capita caps

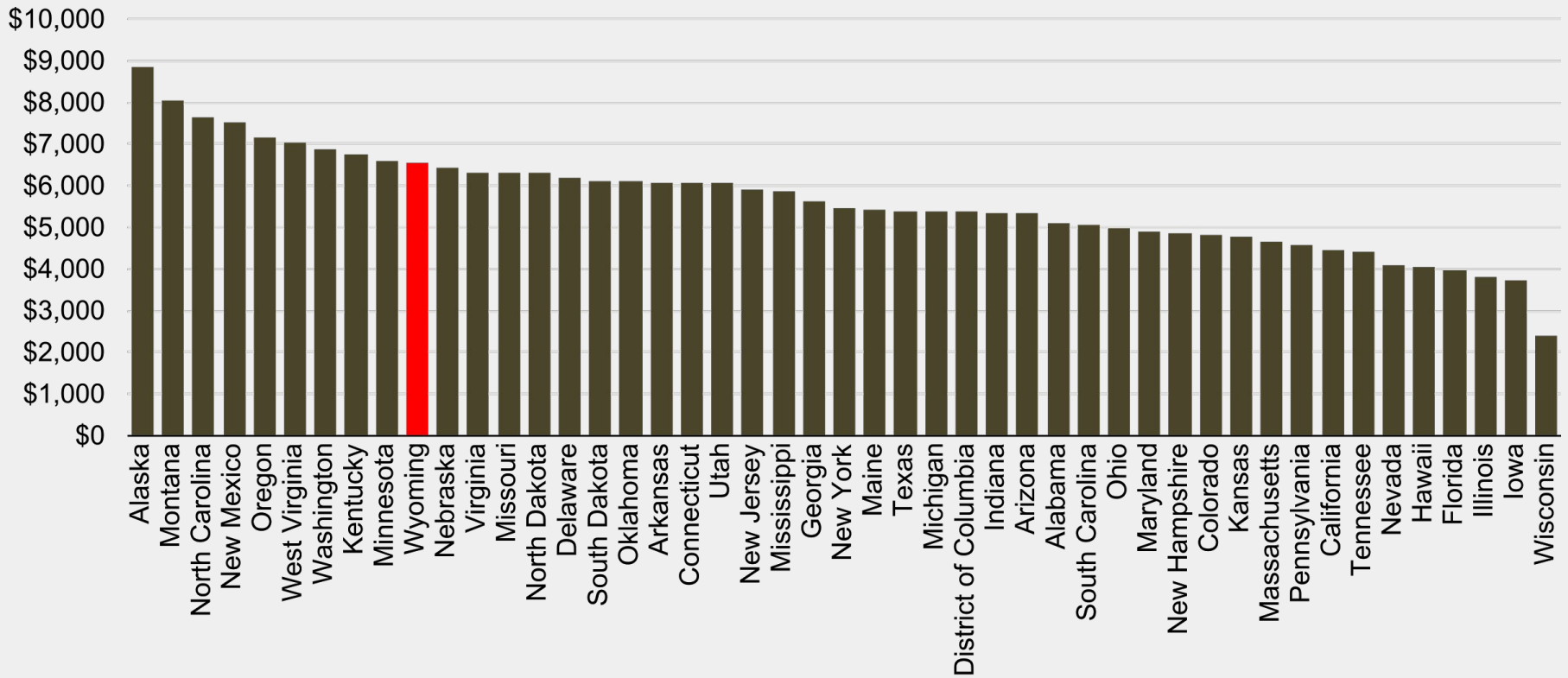
- Federal matching funds capped based on **fixed per-member per-month** costs.
  - Cap is based on per-enrollee costs
  - Basis of cap allows **total amount to increase during periods of increased enrollment**, reducing risk to the State
  - PMPMs could be **subdivided by different member groups** (e.g. children vs. individuals with I/DD)
  - Federal funding growth rate likely indexed to some measure of inflation (e.g., medical consumer price index)

Per-enrollee spending - Children (2013)



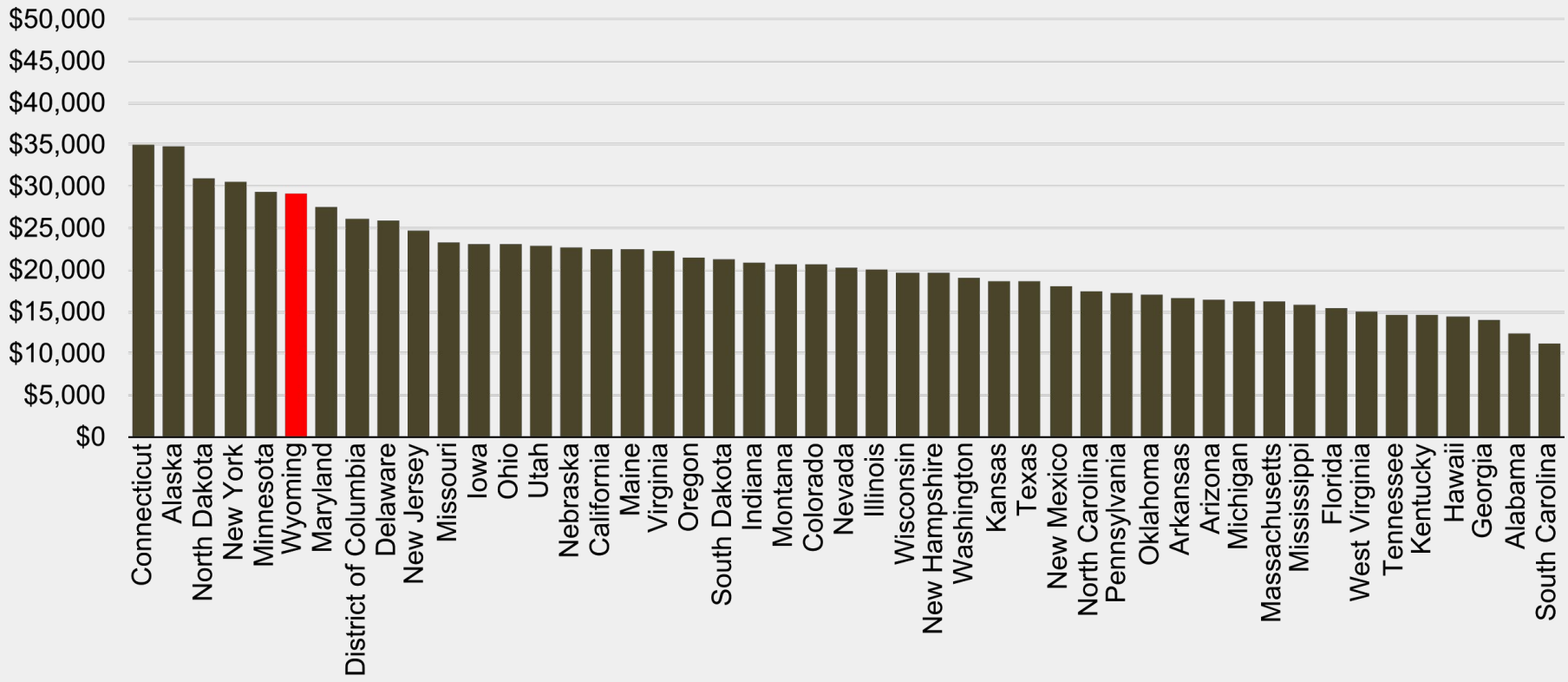
data: MACSTATS, Exhibit 22

Per-enrollee spending - Adults (2013)



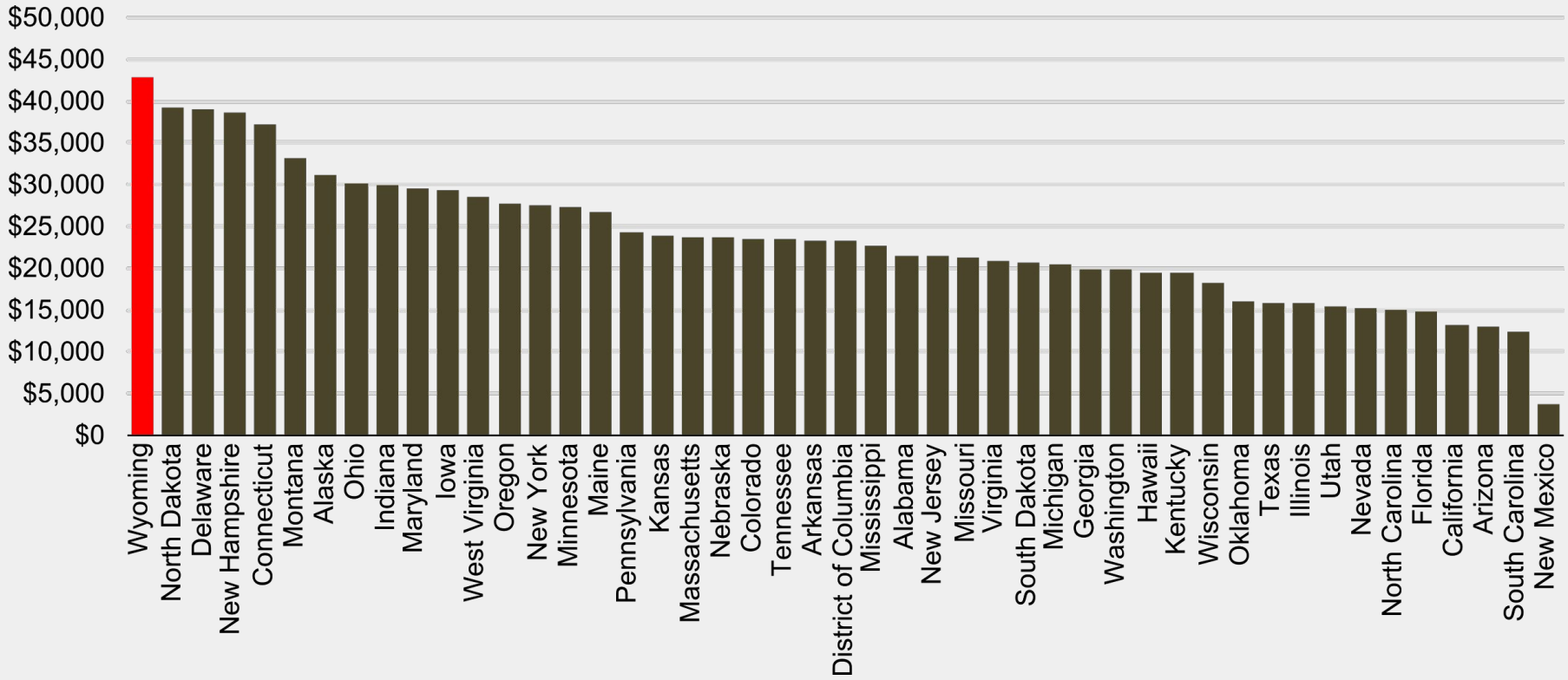
data: MACSTATS, Exhibit 22

Per-enrollee spending - Disabled (2013)



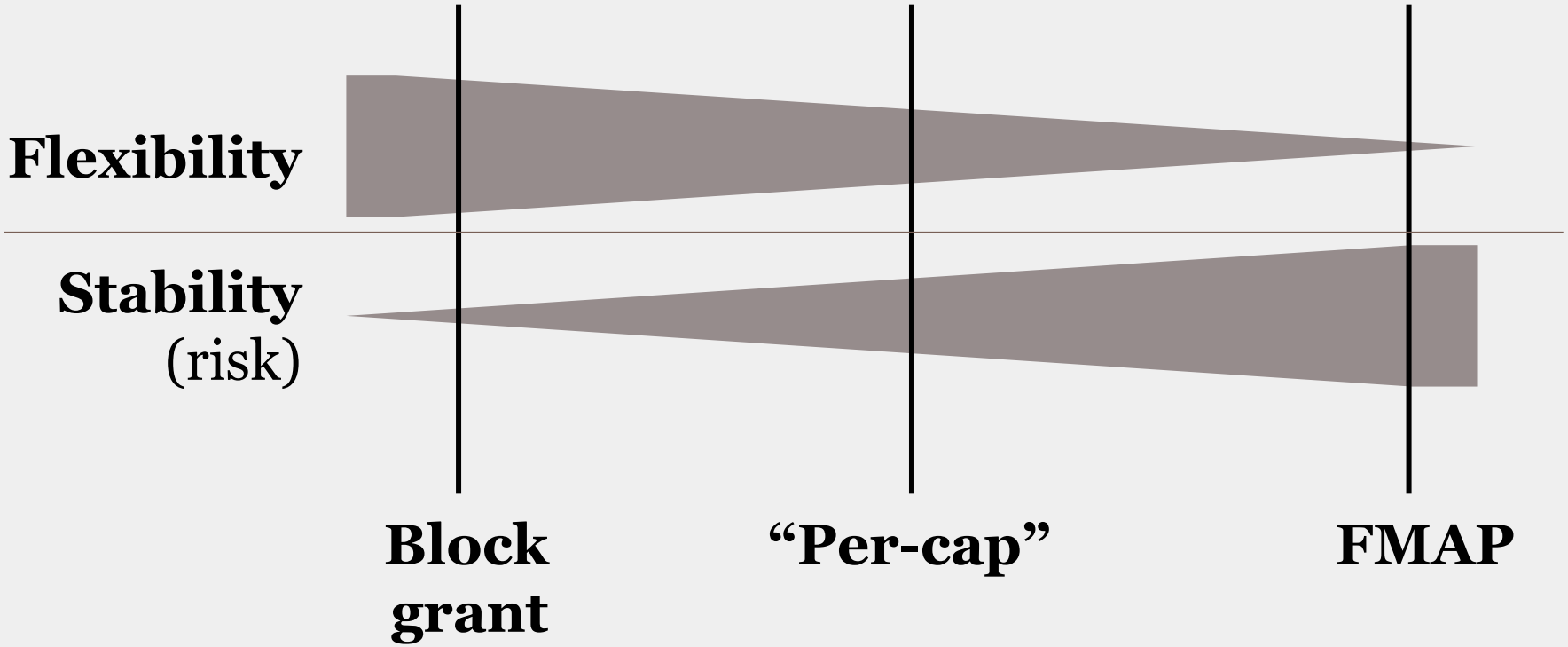
data: MACSTATS, Exhibit 22

Per-enrollee spending - Aged (2013)



data: MACSTATS, Exhibit 22

Conceptual* trade-offs from State perspective

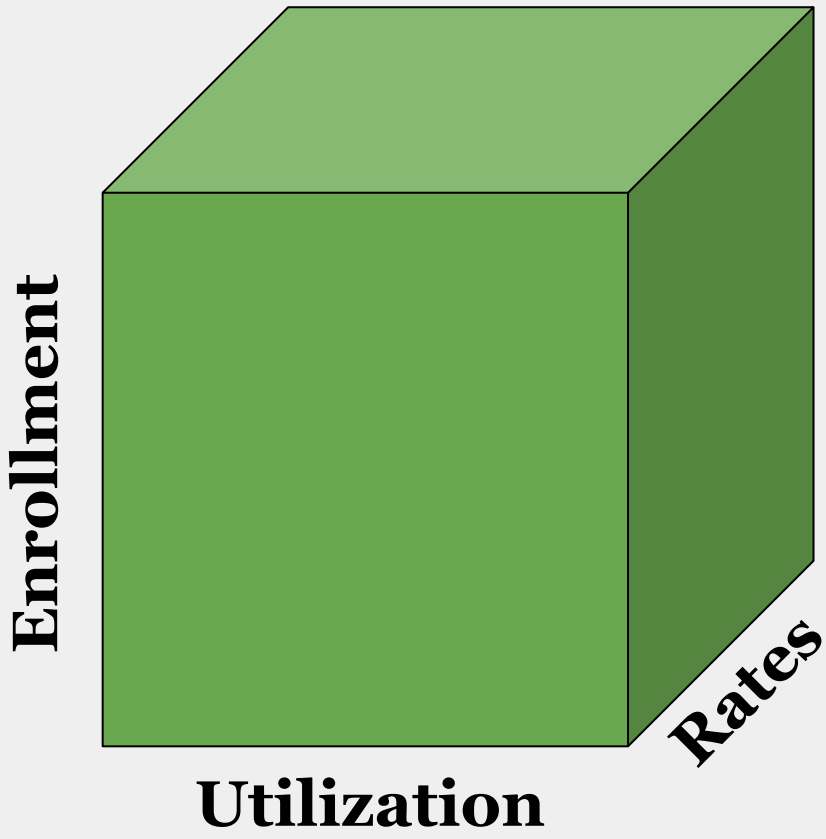


Impact to States

Given limited federal funding, State has three broad options to control costs:

- Reduce utilization
  - Implement caps on - or eliminate - benefits
  - Increase cost sharing
  - Develop tiered networks / formularies
  - Care coordination (?) and wellness (?)
- Cut reimbursement rates
  - … or bundle services
- Limit enrollment
  - Wait lists
  - Develop “buy-in” options / premium collection

Policy choices that affect total cost



= Total Cost

Questions?

For more information, including the SFY 16 Annual Report, please see the Medicaid home page, at the following hyperlink:

https://health.wyo.gov/healthcarefin/medicaid/