

New Hampshire SIM Payment Reform Workgroup

December 3, 2013



Meeting Agenda

1. Review draft State Health Care Innovation Plan
2. Review updated Milliman figures
3. Discuss budget pricing principles
4. Discuss Team Coordinator payment principles
5. Discuss New Hampshire Hospital and Nursing Home initiatives



SIM Payment Reform Workgroup

Updated SIM Population Data Summaries

Presented by:

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Principal and Consulting Actuary

December 3, 2013



Overview

- The following exhibits provide more information on the “Medicaid All Other” service grouping from Milliman’s November 21, 2013 presentation
- The November 21 decile summary is shown again, followed by a summary of high expenditure service categories within the “Medicaid All Other” service grouping
 - Total SIM population
 - CFI waiver enrollees
 - DD waiver enrollees
 - Nursing home residents
 - BBH consumers
- Information shown for the following deciles
 - 90-100
 - 80-90
 - Total

State Health Care Innovation Model (SIM) Baseline Summaries

Decile Summary

Population: Total All Ages

SFY 2012 Population Expenditure Distribution

Annual Per Member Expenditures

Decile	Percent Dual Eligible	Annual Per Member Expenditures							Total
		Medicaid ICF/SNF	Medicaid HCBS Waiver	Medicaid CMHC	Medicaid Hospital IP and OP	Medicaid at School	Medicaid All Other	Medicare (estimated)	
90-100%	68%	\$15,980	\$59,531	\$3,776	\$2,912	\$1,721	\$11,978	\$8,447	\$104,346
80-90%	88%	32,963	7,495	1,397	1,143	898	2,865	13,309	60,070
70-80%	79%	14,605	12,036	2,062	1,477	1,574	3,524	10,640	45,917
60-70%	72%	4,998	10,720	2,790	1,328	1,408	3,059	8,784	33,087
50-60%	61%	2,966	4,546	4,019	1,357	1,218	2,992	6,284	23,383
40-50%	53%	1,361	1,450	4,375	1,007	600	2,642	4,532	15,968
30-40%	34%	807	574	3,725	779	319	2,111	1,815	10,130
20-30%	28%	307	227	2,660	409	143	1,243	846	5,835
10-20%	26%	112	83	1,392	156	62	637	462	2,904
0-10%	14%	5	12	506	38	10	188	139	899
Total	52%	\$7,407	\$9,661	\$2,669	\$1,060	\$795	\$3,122	\$5,523	\$30,237

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

SFY 2012 Annual Per Member Expenditures
Medicaid All Other
Population: Total

Service Category	Decile		
	Total	90 - 100	80 - 90
Prescription Drugs	\$1,181	\$3,360	\$944
Durable Medical Equipment	295	1,356	340
Physician	284	725	227
Home Health	270	1,533	325
Personal Care	234	1,895	254
Private Duty Nursing	195	1,778	117
DCYF - Private Non-Medical Institution for Children	112	278	103
Wheelchair Van	95	271	233
Dental	75	31	20
All Other	383	751	301
Total	\$3,122	\$11,978	\$2,865

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

State Health Care Innovation Model (SIM) Baseline Summaries

Decile Summary

Population: Choices for Independence Waiver Enrollees

SFY 2012 Population Expenditure Distribution

Annual Per Member Expenditures

Decile	Percent Dual Eligible	Annual Per Member Expenditures							Total
		Medicaid ICF/SNF	Medicaid HCBS Waiver	Medicaid CMHC	Medicaid Hospital and OP	Medicaid IP at School	Medicaid All Other	Medicare (estimated)	
90-100%	75%	\$280	\$27,987	\$1,730	\$6,595	\$0	\$31,323	\$9,574	\$77,490
80-90%	88%	708	25,071	1,882	2,469	0	5,398	11,953	47,481
70-80%	87%	384	20,557	1,172	1,874	0	3,535	12,541	40,063
60-70%	92%	364	18,115	802	1,366	0	2,038	13,472	36,157
50-60%	92%	262	15,253	658	1,251	0	1,708	13,284	32,416
40-50%	90%	416	12,543	442	1,286	0	1,670	12,270	28,628
30-40%	86%	411	10,387	241	1,031	0	1,520	10,899	24,489
20-30%	83%	817	7,254	323	1,038	0	1,421	7,652	18,503
10-20%	85%	755	3,954	180	866	0	747	4,639	11,141
0-10%	82%	313	958	37	246	0	258	1,916	3,728
Total	86%	\$471	\$14,208	\$747	\$1,802	\$0	\$4,960	\$9,820	\$32,008

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

SFY 2012 Annual Per Member Expenditures
Medicaid All Other
Population: Choices For Independence Waiver Enrollees

Service Category	Decile		
	Total	90 - 100	80 - 90
Personal Care	\$1,750	\$16,042	\$941
Prescription Drugs	1,024	5,204	1,246
Durable Medical Equipment	619	2,536	960
Physician	468	2,293	606
Wheelchair Van	381	1,592	744
Home Health	244	1,049	350
Private Duty Nursing	182	1,765	0
Adult Medical Day Care	121	351	268
Federally Qualified and Rural Health Clinics	53	112	76
All Other	119	380	208
Total	\$4,960	\$31,323	\$5,398

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

State Health Care Innovation Model (SIM) Baseline Summaries

Decile Summary

Population: Developmentally Disabled Waiver Enrollees

SFY 2012 Population Expenditure Distribution

Annual Per Member Expenditures

Decile	Percent Dual Eligible	Annual Per Member Expenditures							Total
		Medicaid ICF/SNF	Medicaid HCBS Waiver	Medicaid CMHC	Medicaid Hospital IP and OP	Medicaid at School	Medicaid All Other	Medicare (estimated)	
90-100%	58%	\$3,366	\$125,759	\$652	\$1,580	\$2,003	\$16,318	\$6,465	\$156,142
80-90%	70%	211	83,653	861	1,144	2,004	7,414	8,126	103,413
70-80%	72%	232	63,456	440	1,143	2,029	6,987	8,394	82,682
60-70%	63%	1,726	44,882	443	1,258	2,729	7,136	7,475	65,648
50-60%	57%	441	30,068	692	730	4,732	5,179	6,091	47,933
40-50%	54%	69	21,806	887	605	4,364	3,281	5,688	36,700
30-40%	44%	75	15,958	588	647	3,500	2,798	4,700	28,265
20-30%	41%	82	8,593	484	564	3,711	2,871	4,144	20,450
10-20%	30%	52	3,587	850	490	1,930	2,670	2,748	12,328
0-10%	6%	11	1,059	112	203	499	1,266	166	3,316
Total	49%	\$626	\$39,834	\$600	\$836	\$2,747	\$5,587	\$5,394	\$55,624

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

SFY 2012 Annual Per Member Expenditures
Medicaid All Other
Population: Developmentally Disabled Waiver Enrollees

Service Category	Decile		
	Total	90 - 100	80 - 90
Prescription Drugs	\$1,649	\$4,545	\$2,065
Home Health	1,191	1,904	2,088
Private Duty Nursing	897	6,249	1,148
Durable Medical Equipment	836	2,405	1,258
Physician	243	408	306
Targeted Case Management	167	63	32
DCYF - Private Non-Medical Institution for Children	127	174	28
Early Intervention	65	30	0
Adult Medical Day Care	64	15	113
All Other	347	526	374
Total	\$5,587	\$16,318	\$7,414

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

State Health Care Innovation Model (SIM) Baseline Summaries

Decile Summary

Population: Nursing Home Residents

SFY 2012 Population Expenditure Distribution

Annual Per Member Expenditures

Decile	Percent Dual Eligible	Annual Per Member Expenditures							Total
		Medicaid ICF/SNF	Medicaid HCBS Waiver	Medicaid CMHC	Medicaid Hospital and IP OP	Medicaid at School	Medicaid All Other	Medicare (estimated)	
90-100%	83%	\$72,768	\$256	\$23	\$1,867	\$0	\$3,949	\$12,557	\$91,419
80-90%	97%	46,821	31	10	565	0	833	15,353	63,613
70-80%	98%	43,379	7	6	385	0	591	15,363	59,730
60-70%	98%	39,770	7	10	438	0	464	15,230	55,919
50-60%	97%	35,318	18	16	425	0	638	14,186	50,601
40-50%	96%	28,628	105	17	661	0	723	11,937	42,072
30-40%	94%	20,746	165	11	754	0	720	8,437	30,832
20-30%	91%	13,484	132	23	753	0	592	5,697	20,680
10-20%	90%	7,106	235	32	571	0	392	3,079	11,415
0-10%	89%	2,398	163	22	209	0	171	1,447	4,408
Total	93%	\$31,041	\$112	\$17	\$663	\$0	\$907	\$10,329	\$43,068

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

SFY 2012 Annual Per Member Expenditures
Medicaid All Other
Population: Nursing Home Residents

Service Category	Decile		
	Total	90 - 100	80 - 90
Prescription Drugs	\$313	\$1,717	\$320
Physician	160	585	116
Wheelchair Van	151	357	173
Durable Medical Equipment	82	308	95
Ambulance	34	118	33
Federally Qualified and Rural Health Clinics	25	44	39
Private Duty Nursing	17	1	8
Home Health	13	15	2
Clinic Services	81	712	5
All Other	32	92	41
Total	\$907	\$3,949	\$833

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

State Health Care Innovation Model (SIM) Baseline Summaries

Decile Summary

Population: Bureau of Behavioral Health Consumers

SFY 2012 Population Expenditure Distribution

Annual Per Member Expenditures

Decile	Percent Dual Eligible	Medicaid		Medicaid			Medicaid Medicare (estimated)	Total	
		ICF/SNF	HCBS Waiver	Medicaid CMHC	Hospital IP and OP	at School All Other			
90-100%	46%	\$494	\$8,627	\$19,095	\$5,633	\$1,967	\$10,953	\$5,163	\$51,932
80-90%	46%	74	552	9,344	2,175	955	4,935	4,855	22,891
70-80%	47%	20	219	6,580	1,251	422	3,265	4,618	16,374
60-70%	28%	3	103	5,672	1,006	260	2,811	2,077	11,933
50-60%	21%	11	81	4,511	678	182	1,974	1,064	8,502
40-50%	19%	3	35	3,372	423	101	1,381	699	6,014
30-40%	19%	0	19	2,289	266	71	974	482	4,101
20-30%	21%	0	10	1,460	139	41	574	341	2,565
10-20%	25%	0	2	815	69	13	282	241	1,423
0-10%	2%	0	1	380	16	4	113	15	528
Total	27%	\$60	\$965	\$5,349	\$1,165	\$401	\$2,725	\$1,954	\$12,619

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

SFY 2012 Annual Per Member Expenditures
Medicaid All Other
Population: Bureau of Behavioral Health Consumers

Service Category	Decile		
	Total	90 - 100	80 - 90
Prescription Drugs	\$1,460	\$5,752	\$2,793
Physician	306	857	551
DCYF - Private Non-Medical Institution for Children	191	1,294	317
Dental	128	123	151
DCYF - Intensive Home and Community Service	85	352	249
Home Health	81	639	108
DCYF - Placement Services	80	541	150
Federally Qualified and Rural Health Clinics	77	126	107
Durable Medical Equipment	67	369	114
All Other	250	902	396
Total	\$2,725	\$10,953	\$4,935

* Please refer to Milliman's November 19, 2013 report for a description of methodology and assumptions.

Budget Pricing and Approval Appendix Slides

Three LTSS Budget Pricing Model Options

Option 1. Service pricing originating from the provider/agency

Pros	Cons
Tailored to individual need	Work needed to examine
Provides for creative, low-cost solutions	Potentially more difficult to get through approval process
Supports person centered approach	Potential price variation for the same service at same intensity level
Reflects real costs of service	Geographic variation
Takes into account geography	Range of pricing (MCOs)
Allows for individual choice	MCO rate setting could be a challenge

Three LTSS Budget Pricing Model Options

Option 2. Standardized fee schedule

Pros	Cons
Reduces need to examine request	Not tailored to individual
Straight forward projects of cost	May increase costs
Works well with hourly staff costs	No price differences per region
All diagnosis/services treated the same	All diagnosis/services treated the same
All providers treated the same	All providers treated the same
Easier to align fee scheduled with available budget funds	Favors larger organizations
	Potential insensitivity to unit cost pressure
	May limit ability to compete

Three LTSS Budget Pricing Model Options

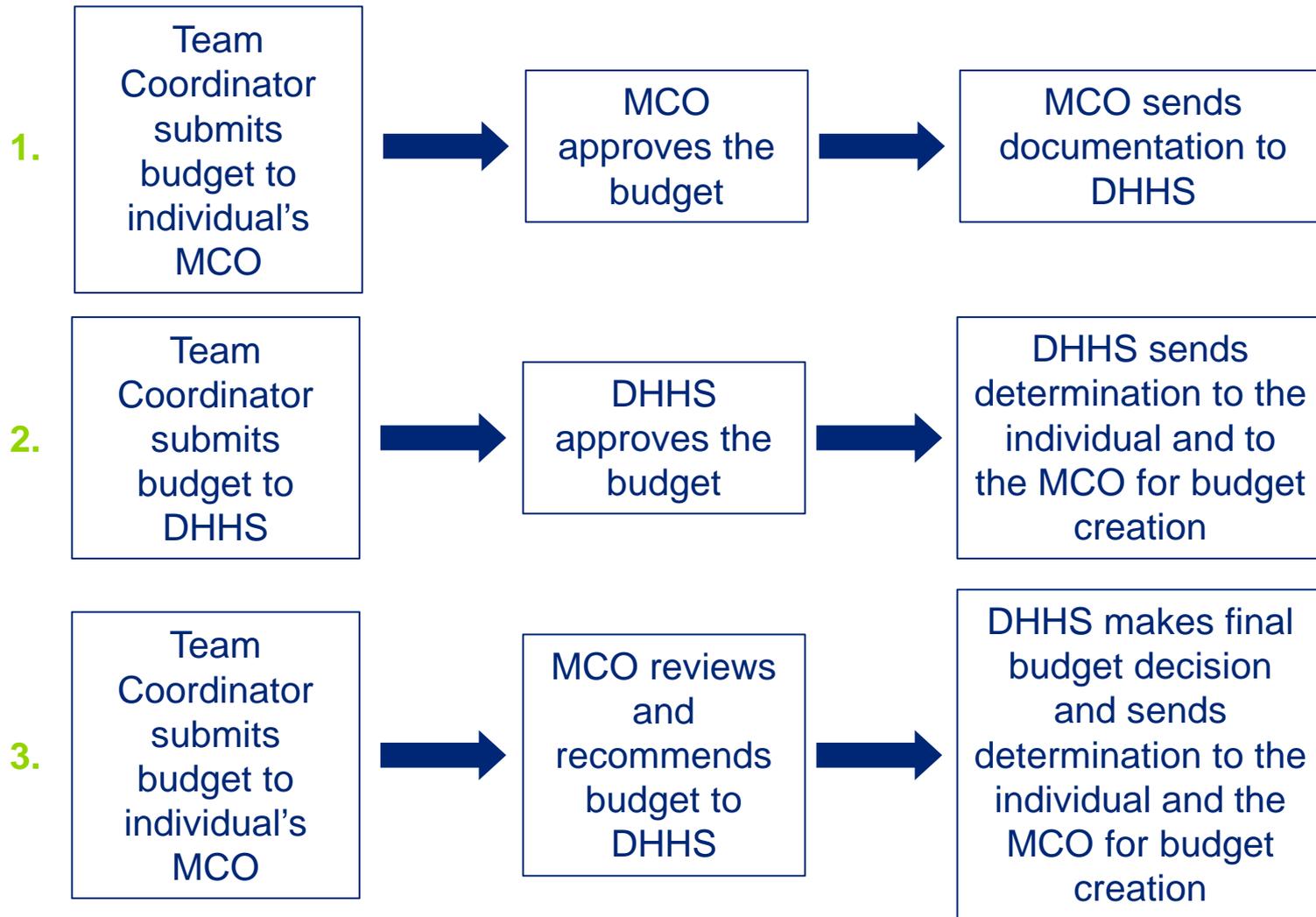
Option 3. Modified standardized fee schedule based upon differentiating state factors*

Pros	Cons
Could work well if state and other factors modify rates	Potential disagreement over modification factors
All diagnosis/services treated the same	All diagnosis/services treated the same
Takes into account geography	May not reflect actual costs of services
Levels playing field of providers	Could lead to unfair competition, e.g. agencies going outside services area

*Example of a differentiating state factor is the weight/scale of services in northern NH compared to services in southern NH

Three LTSS Budget Approval and Appeal Options

- In each scenario, the Team Coordinator creates the LTSS budget and the individual has the right to fair hearings and appeals



Option # 1

1. **Team Coordinator creates the LTSS budget**
2. **Team Coordination submits budget to individual's MCO**
3. **MCO approves the budget**
4. **MCO sends documentation to DHHS**

**Individual can appeal budget through the appeal process described in the MCO contracts*

Pros	Cons
Gives MCOs control over financial risk of waiver services	Could have different bundles being approved based on MCO
	Potential lack of consistency in approval standards; would need to establish criteria
	Timeliness of approval and appeal process may not occur

Option # 2

1. Team Coordinator creates the LTSS budget
2. Team Coordinator submits budget to DHHS
3. DHHS approves the budget
4. DHHS sends determination to the individual and to the MCO for budget creation.

**Individual can appeal through the DHHS fair hearings and appeals process*

Pros	Cons
Responsibility remains with state	Processing may be less timely than option #1
	MCOs do not control financial risk

Option # 3

1. Team Coordinator creates the LTSS budget
2. Team Coordinator submits budget to individual's MCO
3. MCO reviews and recommends budget to DHHS
4. DHHS makes final budget decision and sends determination to the individual and the MCO for budget creation

**Individual can appeal through the DHHS fair hearings and appeals process*

Pros	Cons
Streamlines appeal process as opposed to option #1	Timely processing may not occur; additional step in process is time consuming
Easier tracking of pattern of denials/approval rates for customer service	Less control of capitated funds on MCO side
Gives MCO more financial control than option #2	
Allows for MCO and state collaboration to meet needs of individual	

Upcoming Schedule

Upcoming Schedule

M	T	W	T	F
2	3 Workgroups*	4 Workgroups*	5 Workgroups*	6 Written Comments Due
9	10 Updated Plan Posted	11	12 Final Comments Due	13
16	17	18 Final Plan Posted	19	20
23	24	25	26	27
30	31			

Final Stakeholder Meeting – 10:00AM to 12:00PM



*A review of the draft State Health Care Innovation Plan will be held during each workgroup