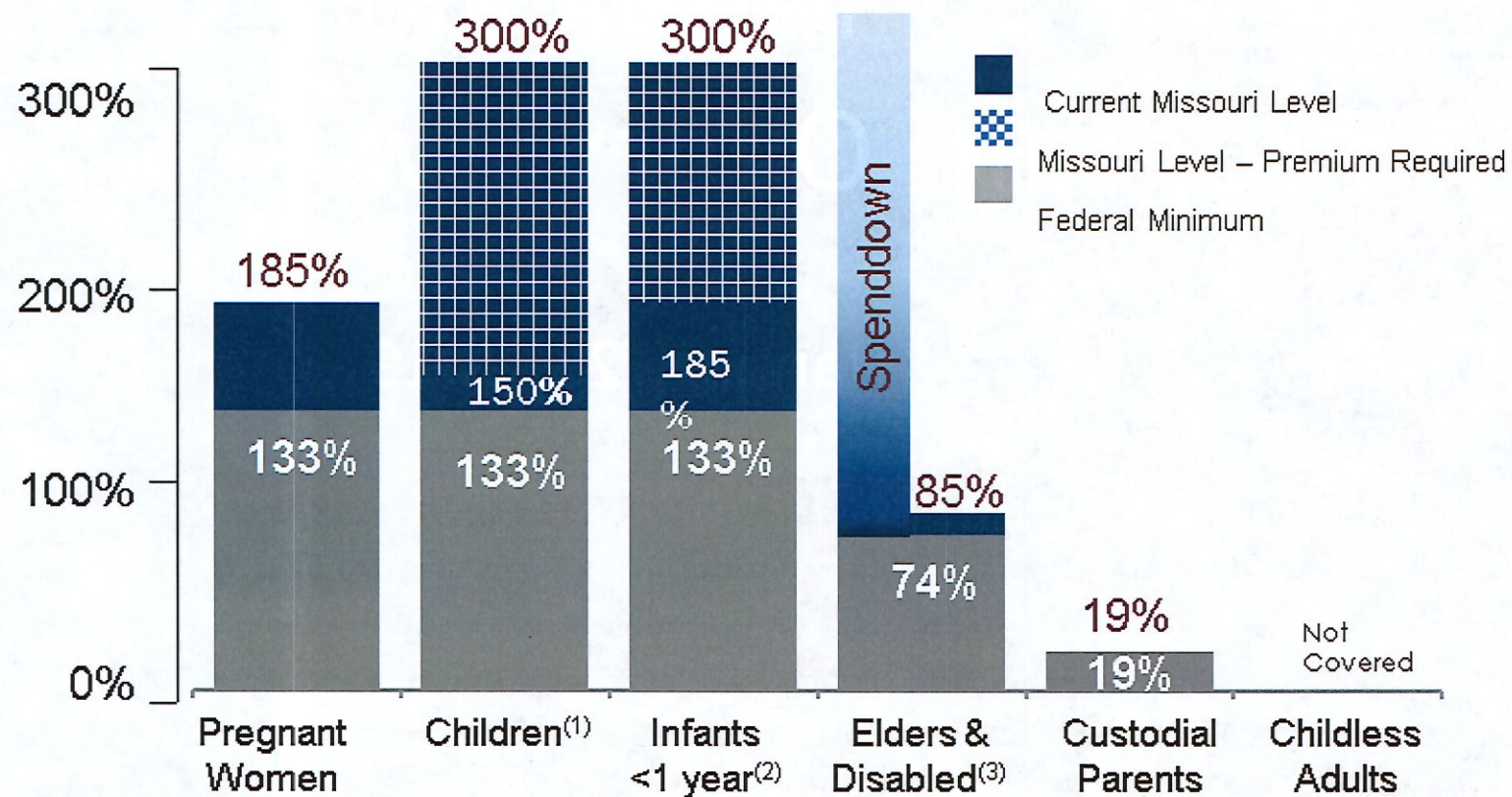


Medicaid Program Overview

January 28, 2019



Current Missouri Income Eligibility Levels Compared To Federally-mandated Levels (ACA)



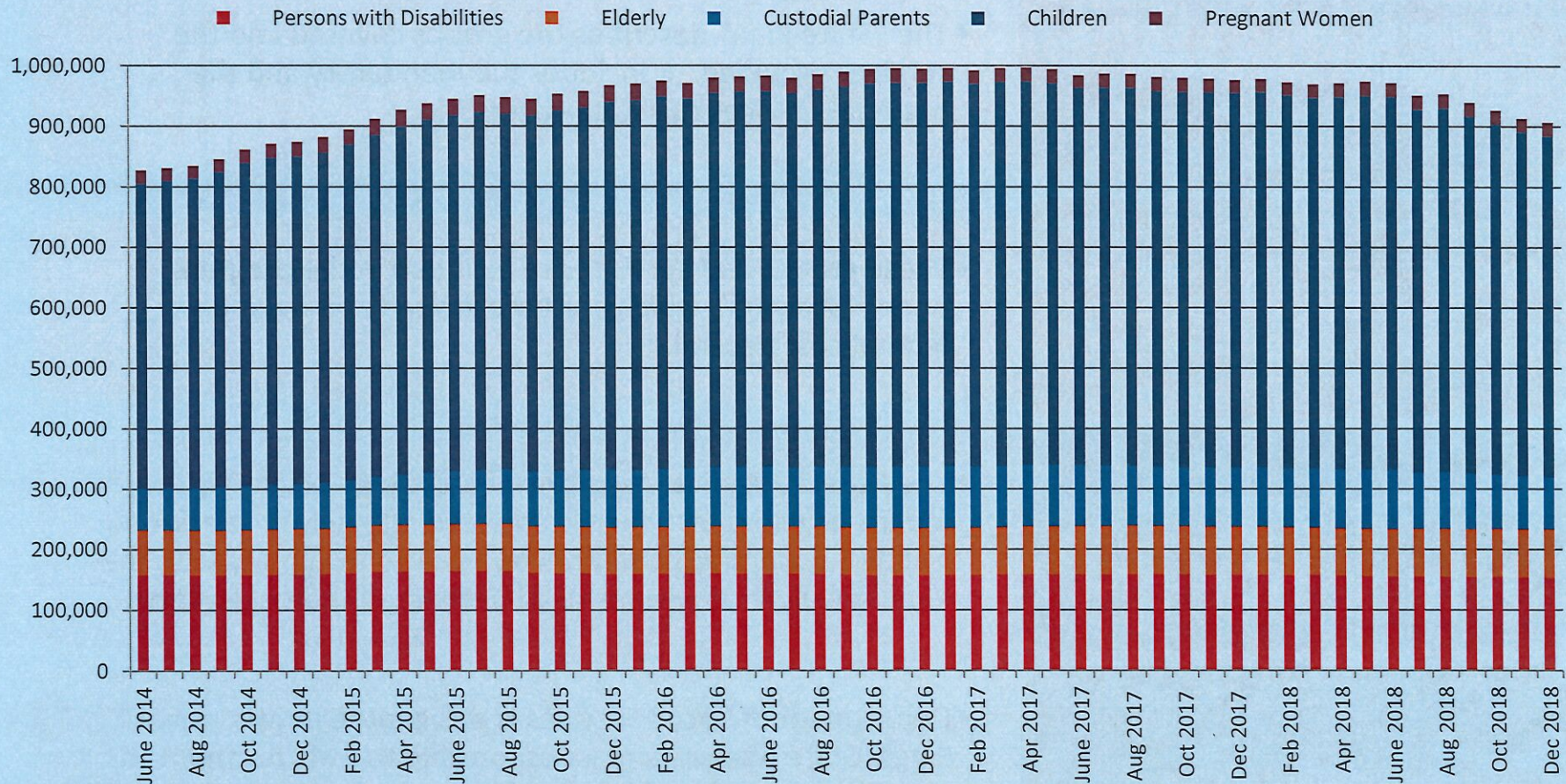
(1) Families at incomes above 150% FPL pay a premium.

(2) Infants under age 1 includes unborn children through the Show Me Health Babies program (not subject to premiums).

(3) Elders and the Disabled who are eligible except for income may spend down excess income to qualify.

MO HealthNet Enrollment at the End of the Month

June 2014 – December 2018



Does not include women enrolled the Women's Health Services category

Basic Medicaid Program Requirements

States are not required to have a Medicaid program, but if they do, certain groups must be covered and certain services provided

- The “State Plan” describes the groups covered and the services provided. It includes the mandatory and the optional services the state covers.

A state can waive certain Medicaid program requirements, allowing it to provide care for people who might not otherwise be eligible for Medicaid

- These groups and services are included in the program under “Waivers”, which are time limited and must be federal cost neutral.

The federal government shares in the cost of the state’s program as defined by its Plan and waivers

- The Federal Medical Assistance Percentage (FMAP) is the federal match rate, which is adjusted annually in relation to a state’s economic condition, and failure to comply with the Plan or waiver provisions results in loss of federal funding.

Single State Agency

- Department of Social Services is designated as Missouri’s Single State Agency, and is responsible to CMS for the Plan and all waivers, financial administration, and federal reimbursement.

Medicaid MANDATORY Services

- Services may be limited or restricted to ensure they are provided appropriately and when medically necessary.
- The following services must be available to all Medicaid participants:
 - Nursing facility care and hospital inpatient and outpatient services
 - Physician services
 - Early Periodic Screening, Diagnosis and Treatment (EPSDT) services, which include all medically necessary treatments and care needed to correct and ameliorate a child's health conditions
 - Home Health, lab, and x-ray services
 - Family planning services and treatments
 - Transportation, including non-emergency medical transportation
 - Covered services provided by Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)

Medicaid OPTIONAL Services

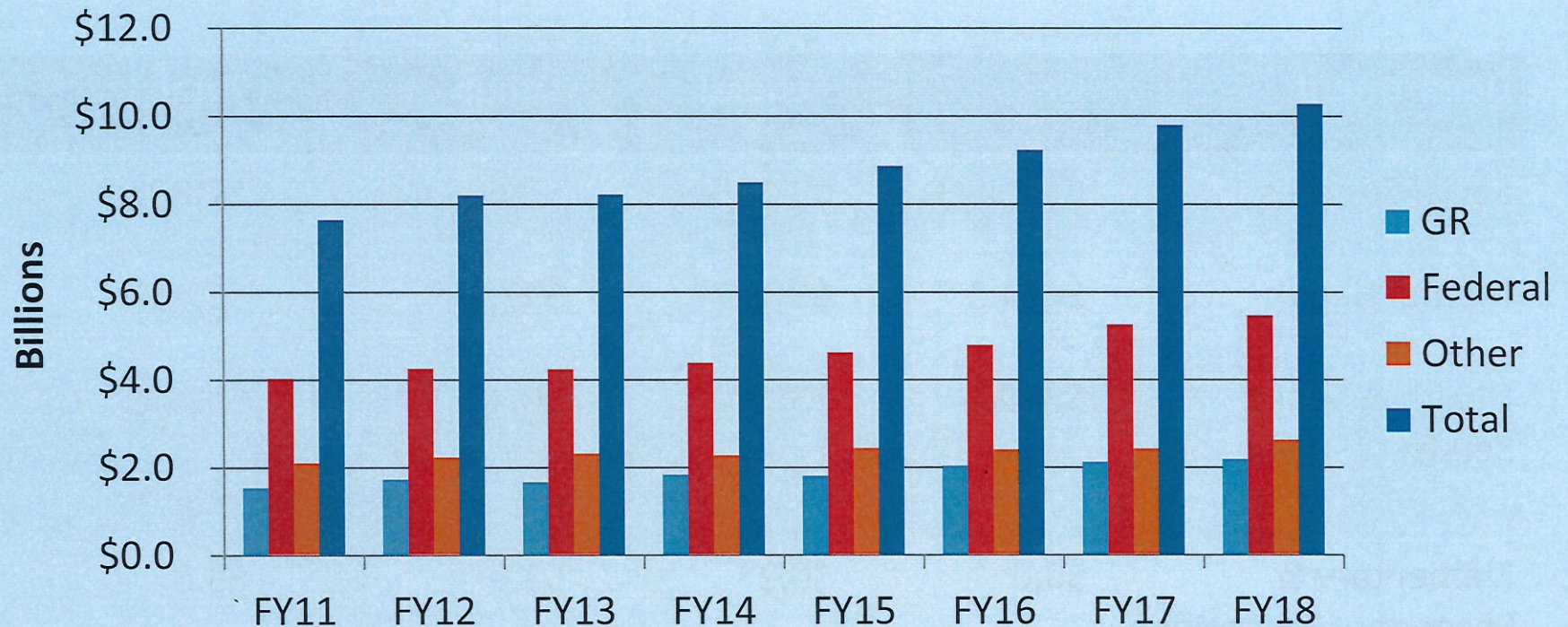
Major optional services available to all eligibility groups

- Pharmacy
- Durable medical equipment and prosthetics
- Rehabilitative and adaptive services (for persons with prosthetics and orthotics)
- Personal care / home and community-based services
- Mental health services
- Hospice care
- Care provided in state institutions
- Podiatry, Optical, and Dental
- Intermediate Care Facility\Intellectual Disabilities (ICF\IID)

Major optional services restricted to certain groups

- Speech/Occupational/Physical Therapies (children)
- Hearing Aids (children, pregnant women, blind)

Medicaid Expenditures: Annual GR Growth & GR Spend as % of total GR Operating Budget Spend



Medicaid GR Growth	7.7%	12.3%	-3.2%	10.3%	-1.4%	12.8%	4.1%	3.22%
Medicaid GR as a % of Total GR Operating	20.2%	21.9%	20.9%	22.0%	20.9%	22.7%	23.3%	23.4%

Total Missouri Medicaid Expenditures

Actual SFY2018

Department	GR	Federal	Other	Total
Social Services	\$1,398.1	\$3,883.8	\$2,603.4	\$7,885.3
Mental Health	\$464.3	\$975.7	\$17.4	\$1,457.4
Health & Senior Services	\$330.4	\$598.0	\$0.4	\$928.8
Elementary & Secondary Education	\$0.0	\$0.2	\$3.6	\$3.8
Total Medicaid	\$2,192.8	\$5,457.7	\$2,624.8	\$10,275.3

Other State Departments and Medicaid

DHSS

- The Division of Senior and Disability Services (DSDS) manages the home and community-based services (HCBS) benefits through Medicaid state plan personal care services, the Aged and Disabled Waiver, the Adult Day Care Waiver, and the Independent Living Waiver.
- The Division of Community and Public Health (DCPH) manages the Healthy Children and Youth benefits authorized under the Medicaid State Plan, the AIDS Waiver, and the Medically Fragile Adults Waiver.

DMH

- The Division of Behavioral Health covers substance use disorder treatment through Comprehensive Substance Treatment and Rehabilitation (CSTAR), individuals with serious mental illness or serious emotional disturbances through Comprehensive Psychiatric Rehabilitation (CPR) and Targeted Case Management (TCM)
- The Division of Developmental Disabilities manages services for individuals who are determined by the Division to have a developmental disability. Services include Medicaid State Plan targeted case management, waivers for HCBS, and services delivered in a Habilitation Center.

DESE

- Office of Special Education manages the First Steps program for infants and toddlers who have delayed developmental or diagnosed conditions. Medicaid helps fund some program services.
- State Board Operated Schools are for students with severe disabilities, blindness, and/or who are hearing impaired. Medicaid helps fund some school-based services.

Medicaid Federal Matching Rates

Program	Federal Matching Rates
Administrative Expenditures	50%
Services – Annually identified FMAP	FY 18 – 64.260% FY 19 – 65.203%
Children’s Health Insurance Program (CHIP) & Show-Me Healthy Babies	Beginning October 1, 2018- 98.78%. (Match rate will decrease to 87.46% on October 1, 2019)
MMIS	System Operations – 75% Approved system enhancements – 90% Other (Admin/Postage etc.) – 50%
Administrative Medical Staff	75%
Non-Emergency Medical Transportation	FMAP public entities – 50%
Special federal programs - Electronic Health Records - Money Follows the Person	100%

MO HealthNet Enrollees & Expenditures

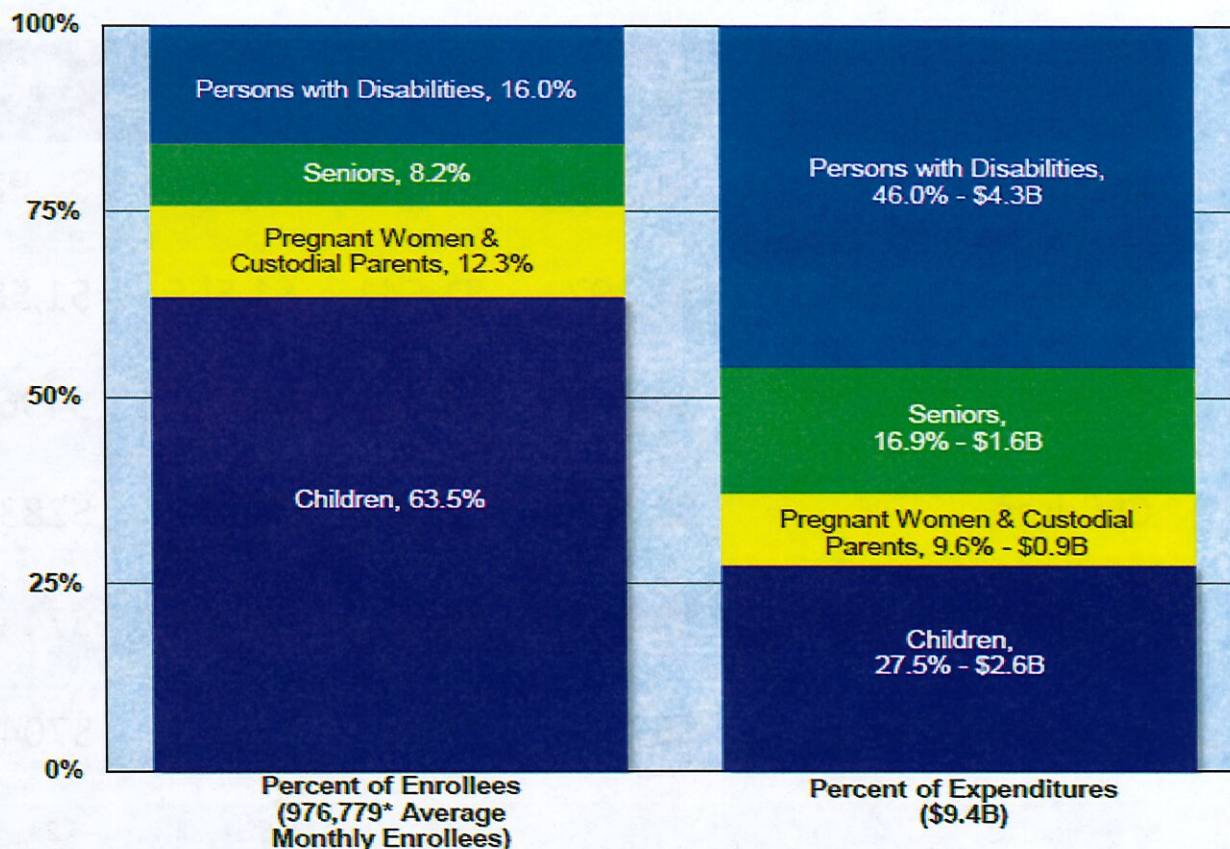
MO HealthNet
SFY - 2018

In SFY-2018, seniors and persons with disabilities comprised of 24% of enrollees, however, they accounted for 63% of MO HealthNet expenditures.

Number of People SFY-2018

(Average Monthly)

Persons With Disabilities	156,057
Seniors	80,509
Pregnant Women & Custodial Parents	119,919
Children	620,294
Total	976,779



*Data reflects Department of Social Services, Table 23, Medical Statistics excluding Women's Health Services

Persons with Disabilities Include Permanently and Totally Disabled; Aid to the Blind; Blind Pension; and, Ticket to Work Health Assurance Program

Seniors Include Old Age Assistance; Qualified Medicare Beneficiary; and, Specified Low-Income Medicare Beneficiaries

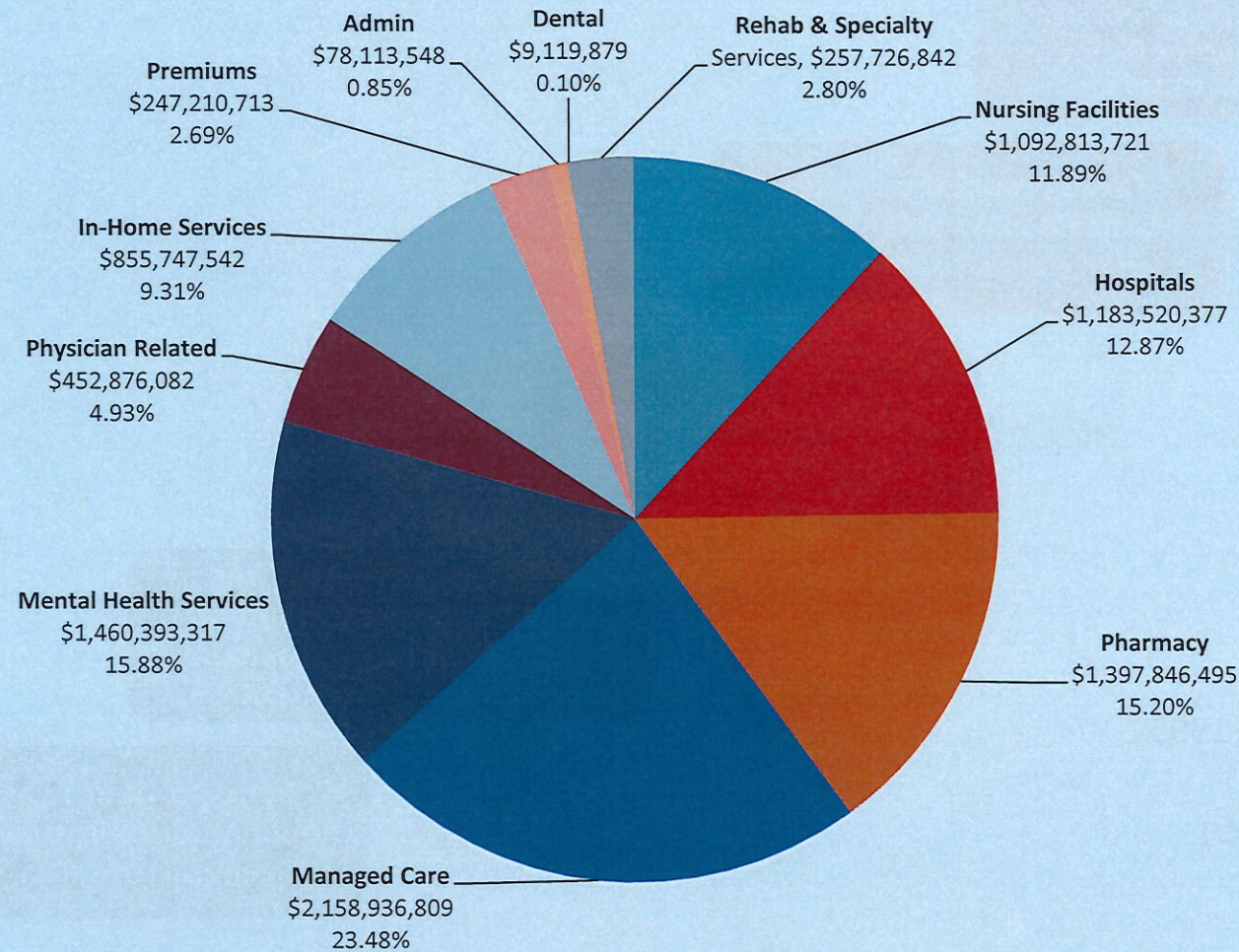
Pregnant Women & Custodial Parents Include MO HealthNet for Families-Adult; Refugee; Women with Breast or Cervical Cancer; Independent Foster Care Children Ages 18-26; MO HealthNet for Pregnant Women (Poverty and Income); and, Presumptive Eligibility (Pregnant Women)

Children Include MO HealthNet for Children; SCHIP (including no cost and premium enrollees); MO HealthNet for Families-Child; Foster Care; Child Welfare Services; Title XIX-Homeless, Dependent, Neglected; DYS-General Revenue; Children in a Vendor Institution; Missouri Children with Developmental Disabilities; Presumptive Eligibility for Children; Voluntary Placements; and, Show Me Healthy Babies

Per Member Per Month Cost of Care

	FY13	FY14	FY15	FY16	FY17	FY18
Disabled	\$1,754	\$1,861	\$1,961	\$1,988	\$2,188	\$2,315
Elderly	\$1,397	\$1,541	\$1,566	\$1,585	\$1,679	\$1,652
Custodial Parents	\$463	\$495	\$507	\$496	\$515	\$595
Children	\$274	\$298	\$298	\$283	\$296	\$349
Pregnant Women	\$570	\$610	\$671	\$748	\$916	\$758
Average (All Groups)	\$671	\$729	\$735	\$704	\$743	\$804
		8.6%	0.8%	-4.2%	5.5%	8.21%

FY18 MO HealthNet Expenditures by Service



Flow Chart for Provider Taxes

Certain MO HealthNet providers are assessed a tax. Participating provider groups are hospital, nursing facility, pharmacy, ICF/MR, and ambulance.

Taxed provider provides Medicaid allowable services (i.e. claims payments).

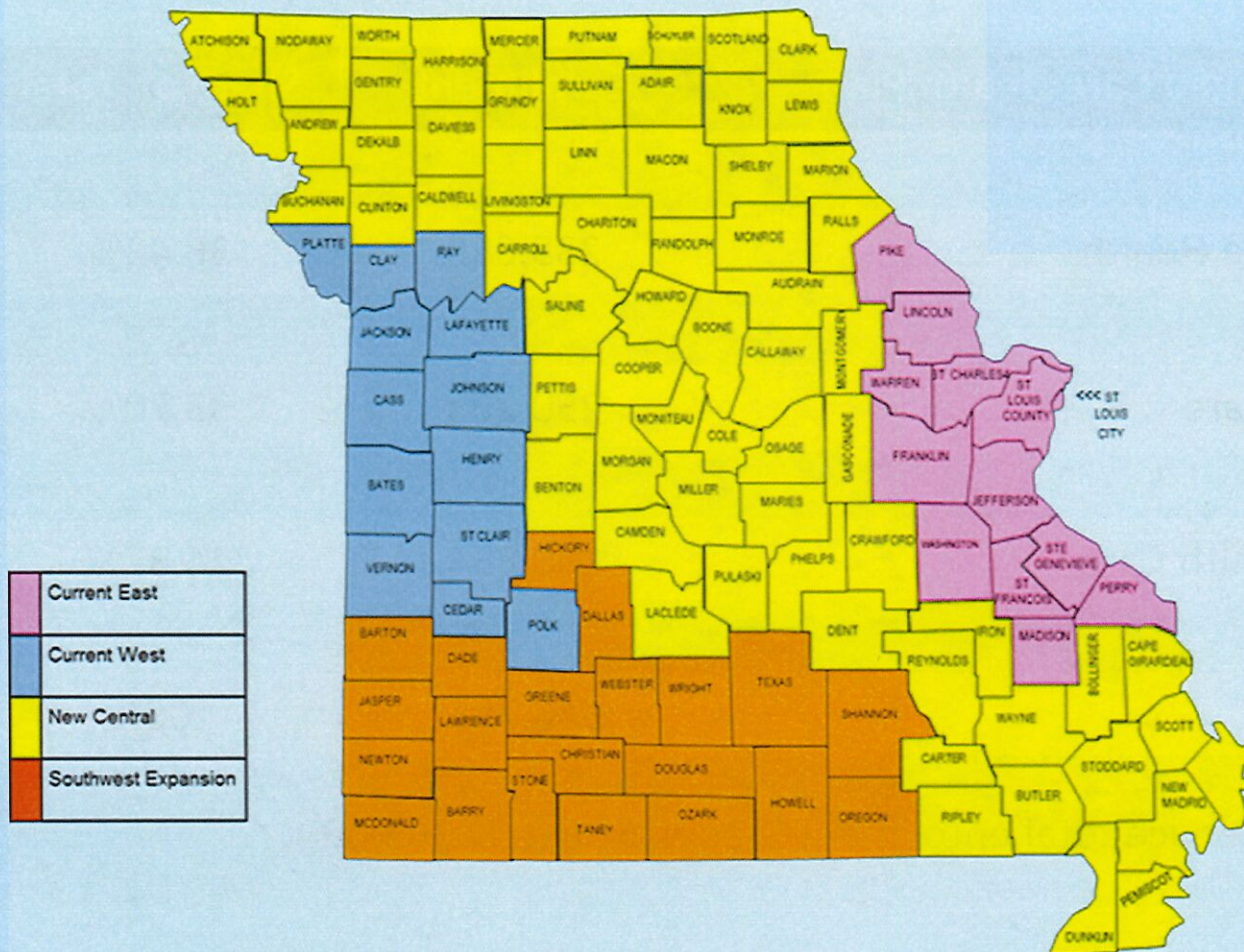
MO HealthNet claims federal match on services.

MHD offsets claims and payments by assessment amount owed or providers submit tax payment.

State profit used as funding source instead of general revenue.

Hospital (1992)
Nursing Facility (1995)
Pharmacy (2002)
Ambulance (2009)

Managed Care Regions



Enrollment by Managed Care Plan

Week Ending December 28, 2018

Managed Care Health Plan	Enrollment	Share of Total
Home State Health	235,636	36.43%
Missouri Care	250,263	38.70%
United Health Care	160,854	24.87%
Total	646,753	100%

* Fee-for-service total enrollment is approximately 265,000

Managed Care Carve-outs

- Health Plans are responsible for coordinating the provision of services in the comprehensive benefits package with services not included in the comprehensive benefit package.
- Examples of carved out services include:
 - Home and Community-based waivers (DHSS & DMH)
 - Comprehensive Substance Treatment and Rehabilitation (C-STAR)
 - Behavioral Health
 - Pharmacy
 - Transplant
 - Public Health Programs

Children's Health Insurance Program (CHIP)

- CHIP, authorized under Title XXI of the Social Security Act, provides health care coverage to uninsured children above the Title XIX (Medicaid) mandatory coverage guidelines.
- In SFY 2018, CHIP federal funds helped fund about \$247 million of health care costs for approximately 97,000 Missouri children.

Summary Of Current CHIP Population

Summary of Current CHIP Population		
666	Newborns above 196% FPL to 300% FPL	Separate CHIP
2,000	Children ages 1 to 18 with incomes above 133% FPL to 150% FPL – no family premium	Expansion CHIP – Part of Medicaid – revert to Title XIX Match. Coverage MOE until September 30, 2019, based on current ACA law.
43,039	Children ages 1 to 18 with incomes above 150% FPL to 300% FPL – family premium based on family size and income.	Separate CHIP
48,214	Children ages 6 to 18 with incomes above 100% FPL to 133% FPL were CHIP until the ACA added this group to the Medicaid mandatory coverage groups; states were allowed to continue pay these children's cost at a more favorable CHIP federal match rate.	Part of Medicaid – revert to Title XIX Match. Now part of Medicaid mandatory group.
3,069	Show Me Healthy Babies covering children and family incomes up to 300% FPL.	Separate CHIP

Missouri Medicaid Audit & Compliance (MMAC)

Program Integrity Statistics SFY18

- MMAC is a support division within the Missouri Department of Social Services (DSS) Director's Office.
- MMAC enrolls Medicaid providers, and also is responsible for auditing and investigating those providers, and imposing sanctions when necessary.
- In SFY2018, MMAC:
 - Enrolled 10,566 new providers
 - Conducted 1,59 participant reviews
 - Realized \$26,574,896 in cost avoidance
 - Recovered \$13,143,292 in recoupments (fraud or improperly billed claims)
 - Completed 145 investigations
 - Completed 2,820 provider terminations

MMIS Re-procurement

- The MMIS encompasses computer systems responsible for ensuring MHD providers are paid on-time and consistent with MHD clinical and program policies
- The current MMIS is not designed for newer service delivery or payment models.
- The Managed Care system was built on top of the Fee for Service system, which limits processing and use of encounter data.
- The current MMIS is not as configurable or flexible as an MMIS built on modern technologies, and modifications take significant time, cost, and resources.
- The current MMIS is built on older technologies (COBOL)
- Modifications made over the past 35 years have made the system very complex.
- MHD intends to procure modern systems which will permit the use of new, potential cost-savings healthcare payment models and reduce the programming time necessary to implement payment and program reforms
- The first two components currently in the process of being procured:
 - An enterprise data warehouse with advanced analytic tools – known as Business Intelligence System/Electronic Data Warehouse - BIS/EDW
 - Case Management Solution
 - Both RFPs are in evaluation
- CMS has emphasized a desire for modularity and vendor competition.

MMIS Key Tasks Planned for State Fiscal Year 2019 & 2020

- Start design, development and implementation of the Program Integrity Solution. – Implementation started July 2018
- Start design, development, and implementation of the Business Intelligence Solutions – Enterprise Data Warehouse – Implementation started September 2018
- Start a project to evaluate overlapping eligibility and develop a strategy for eliminating overlapping eligibility in the MMIS.
- Start a project to document all benefit packages based on the build format in the modern MMIS solutions.
- Procure a Managed Care Enrollment Broker solution and services and initiate implementation.
- Procure Health Information Network services and initiate implementation.
- Develop an MMIS certification strategy and team and train the staff. – Positions have been hired or approved to offer positions.
- Participate with other State Medicaid Agencies in a National Association of State Procurement Officers (NASPO) initiative for establishing a ValuePoint master agreement for a core MMIS solution.