



2013-14 Enacted Budget

Medicaid Proposals and Global Cap Update

April 23, 2013

11:00 a.m. – 12:00 p.m.





Overview

- Enacted Budget Highlights
- Medicaid Investment and Savings Proposals
- Global Cap Results through February 2013



Enacted Budget Highlights



Enacted Budget Highlights

- Advances Care Management for All:
 - *Eliminates statutory barriers for Care Management for All.*
 - *Allows nursing home duals to enroll in FIDA.*
 - *Authorizes OPWDD FIDA Demo and DISCOs.*
- Extends Global Cap through March 2015:
 - *Medicaid State Operations spending is consolidated within the Global Cap.*
- Implements statutory framework for ACA.



Enacted Budget Highlights

- Identifies \$1.1 billion for OPWDD rate solution:
 - *\$730 million in DOH savings.*
 - *\$340 million in OPWDD savings (additional Federal incentive funds and provider rate reductions).*
- Authorizes incentive payments for public hospitals participating in Federal DSRIP program.
- Restores 2% across-the-board reduction in 14-15 (\$714M gross; \$357M state).
- Authorizes new Indigent Care methodology.



Enacted Budget Highlights

- County relief:
 - *Advances enhanced FMAP earned under the ACA associated with childless adults to local districts (\$86 million).*
- SUNY Downstate restructuring plan:
 - *Authorizes SUNY to establish a sustainability plan for University Hospital of Brooklyn to facilitate restructuring necessary to achieve its continued fiscal viability.*



Medicaid Proposals



Medicaid Proposals

\$ in Millions -- Investments (Savings)	2013-14 Gross	2013-14 State	2014-15 Gross	2014-15 State
Supportive Housing	(\$5)	(\$5)	\$0	\$0
VAP/Safety Net	\$52	\$26	\$24	\$12
Balance Incentive Program	\$20	\$10	\$0	\$0
Accelerate MRT Initiatives	(\$49)	(\$24)	(\$104)	(\$52)
Other Reforms/Savings	(\$149)	(\$100)	(\$208)	(\$144)
Federal Revenue from Additional Emergency MA/Other	\$0	(\$250)	\$0	(\$85)
2012-13 Global Cap Underspending	(\$200)	(\$200)	\$0	\$0
Restore 2% ATB Reduction	\$0	\$0	\$714	\$357
All Other Investments/(Savings) Initiatives	(\$20)	(\$24)	(\$62)	(\$69)
Federal Health Care Reform	(\$493)	(\$163)	(\$708)	(\$520)
Repeal Family Health Plus	\$0.8	\$0.4	(\$118)	(\$59)
Medicaid Benchmark Plan	\$0	\$0	\$0	\$115
Net Medicaid Proposals	(\$842)	(\$730)	(\$462)	(\$445)



Supportive Housing

- Dedicates \$86 million to expand access to supportive housing services:
 - Continues \$70 million in MRT dollars to fund various supportive housing initiatives.
 - New funding of \$12.5 million (when resources are available).
 - Designates \$4 million from Medicaid savings derived from the closure of hospital and nursing home beds.



VAP/Safety Net

- Increases funding for Essential Community Provider Network and Vital Access Providers:
 - Total VAP/SN Pool will increase to \$182 million in 2013-14 and \$153 million in 2014-15.
 - Includes reallocation of \$30 million from the NH Financially Disadvantaged Program to the VAP/SN Pool for Nursing Homes.



Balance Incentive Program

- Balance Incentive Program implementation:
 - BIP is a provision of ACA to provide enhanced community long term care services which will allow NYS to receive significant enhanced FMAP (\$599 million from April 2013 through September 2015).
 - 1 year funding of \$20 million in state operations costs.



Accelerate MRT Initiatives -- *\$24 million in Savings*

- PCMH savings from eliminating 2008 Level 2 payments and reducing Level 3 payments (*\$7 million*).
- FIDA savings from Community DUAL eligible (Medicare/Medicaid) receiving > 120 days (*\$7 million in 13-14 growing to \$28 million in 14-15*).
- Stricter utilization management by Transportation Manager (*\$6 million*).
- Accelerate MLTC enrollment (*\$3 million*).
- Implement appropriateness edits on emergency Medicaid pharmacy claims (*\$2 million*).
- Accelerate BHO/IMD (*\$12 million in 14-15*).



Other Reforms/Savings -- *\$100 million in Savings*

- Managed Care efficiencies (*\$25 million*).
 - *Reducing hospital readmissions, emergency department use, and other avoidable health care costs.*
- Accounts receivable recoveries (*\$50 million in 13-14 growing to \$80 million in 14-15*).
- Increase manual review of FFS claims (*\$8 million*).
- Gold STAMP Program to reduce pressure ulcers (*\$6 million*).
- Discontinue coverage for Functional Electrical Stimulators that are deemed to be not clinically effective (*\$5 million*).



Federal Revenue/Underspending/ Restoration -- \$450 million in Savings

- Federal revenue from additional emergency Medicaid claiming and other possible efforts (*\$250 million savings*).
- 2012-13 Global Cap underspending (*\$200 million savings*).
 - *Lower than expected utilization/costs in various COS (\$130M); additional local administration savings (\$40M); lower state operations spending (\$30M).*
- Restore 2% Across-the-Board reduction (\$714 million gross in 14-15; \$357 million state).



Federal Health Care Reform -- \$163 million in Savings

- Revised enrollment/phase-in of Medicaid eligibility enrollees January 2014 (drives \$163 million in lower costs in 13-14).
- Repeal Family Health Plus (\$59 million in state savings in 14-15):
 - *Savings results from FHP enrollees (with incomes between 138% of FPL and 150%) moving to the Exchange or to a QHP.*
- Define Medicaid Benchmark Plan as the Current Medicaid Benefit (\$115 million in State costs in 14-15):
 - *Provides enrollees with benefits currently not received under FHP.*



Results through February 2013



Results through February 2013

- **Medicaid expenditures through February 2013 are \$192 million or 1.3% below projections.**

**Medicaid Spending February 2013
(dollars in millions)**

Category of Service	Estimated	Actual	Variance
Total Fee For Service	\$10,477	\$10,362	(\$114)
Inpatient	\$2,836	\$2,793	(\$43)
Outpatient/Emergency Room	\$484	\$452	(\$32)
Clinic	\$570	\$563	(\$8)
Nursing Homes	\$3,156	\$3,142	(\$13)
Other Long Term Care	\$1,660	\$1,669	\$9
Non-Institutional	\$1,771	\$1,743	(\$28)
Medicaid Managed Care	\$8,879	\$8,887	\$9
Family Health Plus	\$885	\$874	(\$11)
Medicaid Administration Costs	\$490	\$450	(\$40)
Medicaid Audits	(\$247)	(\$251)	(\$4)
All Other	\$912	\$881	(\$31)
Local Funding Offset	(\$6,729)	(\$6,729)	\$0
TOTAL	\$14,666	\$14,474	(\$192)

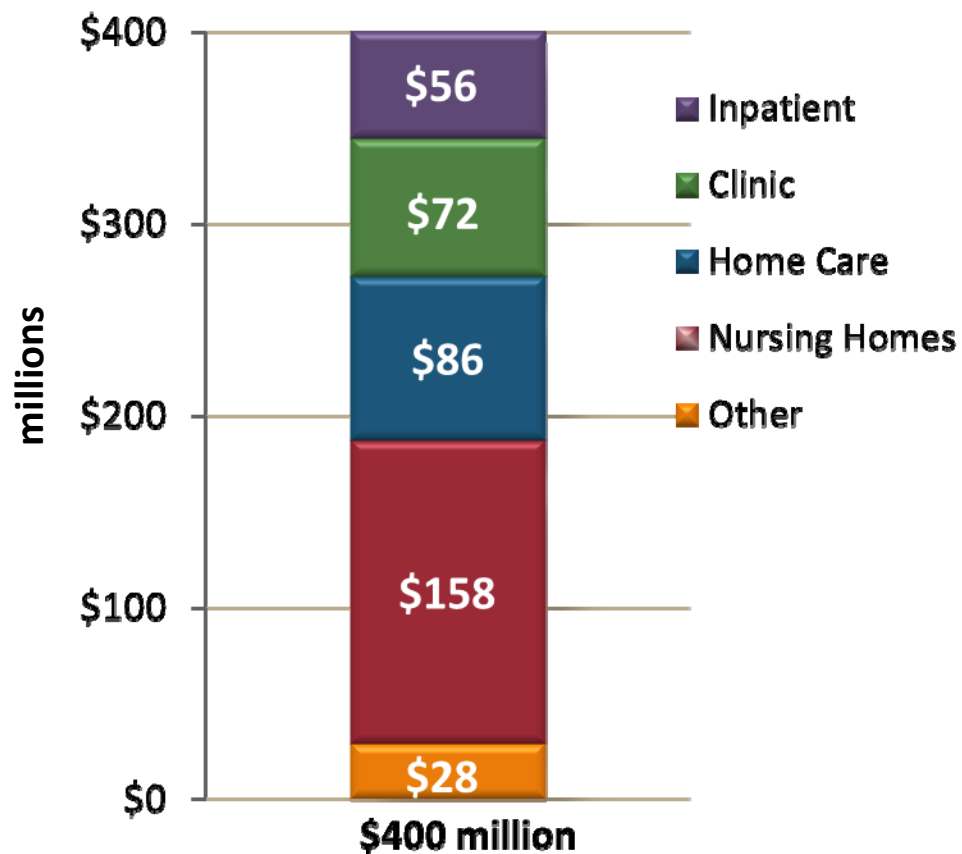


2012-13 Global Cap Update

- Advanced spending actions creating an avail for 2013-14:
 - Medicare Part D Clawback (\$79 million).
 - Medicare Premiums (\$53 million).
 - SUNY IGT Advance (\$64 million).



A/R Balance: March 2013



- The accounts receivable balance declined by \$148 million during SFY 2012-13.
- Balance as of March 31, 2013 is \$400 million.
- DOH will continue to work with providers asking for voluntary payment of outstanding liabilities:
 - *Avoids interest costs; and*
 - *Mitigates adverse impact on Global Cap.*



Additional Information

- MRT Website:

http://www.health.ny.gov/health_care/medicaid/redesign/

- Sign up for e-mail updates:

http://www.health.ny.gov/health_care/medicaid/redesign/listserv.htm

- ‘Like’ the MRT on Facebook:

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