Advisory Council for Medical Assistance

Medicaid Update

July 13, 2020
MANAGED CARE ORGANIZATIONS
EFFECTIVE 1/1/2021
MCOs Beginning 1/1/2021*

- Aetna Better Health of Kentucky
- Humana
- Molina Healthcare
- United HealthCare
- WellCare of Kentucky

All current MCO contracts have been extended until 12/31/2020

*Subject to pending protest
TRANSFORMING THE MEDICAID MANAGED CARE PROGRAM
2021 MCO Contract

• One MCO for Supporting Kentucky Youth (SKY) serving foster children and dually committed youth

• Contract Term
  – Effective January 1, 2021
  – Four additional 2 year renewal periods
  – Must meet contract requirements by October 1, 2020
2021 MCO Contract

• Subcontractors
  – Department can approve or deny delegation to any subcontractor
  – Must have appropriate training, education, credentials, experience, and liability coverage to fulfill responsibilities
  – MCO must share third party liability information with subcontractors that are responsible for payment of covered services

• Quality
  – MCO expected to support Kentucky’s goals to transform Medicaid program
  – Expanded requirements for ongoing monitoring of performance to address outcomes and identify needed adjustments
2021 MCO Contract

• Utilization Management
  – Requires criteria will be transparent and based on scientific evidence
  – Incorporates telehealth requirements based on KRS 205.5591

• Pharmacy
  – Specifically requires compliance with SB5 requirements
  – Ensures state can claim and maximize rebates on physician administered drugs
  – Changes preferred drug list review from 3 years to annually
  – Removes the MCO/PBM ability to charge hidden fees
  – Implements a single pharmacy drug list
  – Requires pass through pricing vs spread pricing – creating more transparency with regard to Pharmacy Benefit Manger (PBM)
  – Anticipates modifications based on SB50 requiring single PBM
2021 MCO Contract

• Provider Services
  – Requires compliance with KRS 205.532 for credentialing verification organization
  – Adds topics to education requirements

• Provider Network
  – Updates accessibility requirements to comply with KRS 304.17A-515
  – Prohibits MCO from automatically enrolling providers in any other product offered by the MCO
  – Expands requirements for notice of provider termination to the Department and requires an exit survey
  – Improves provider network information for enrollees by timing notice of provider network changes to coincide with provider termination notices
2021 MCO Contract

• Case Management
  – Includes a Population Health Management (PHM) program to hold the MCOs accountable for addressing care needs
  – Specifies conditions and populations as priority based on the highest needs in the Commonwealth

• Reporting
  – Requires MCOs to participate with the Department to develop a reporting package that include comparable data across all MCOs
  – Requires specific telehealth reporting
2021 MCO Contract

• Remedies for Violation, Breach, or Non-Performance of Contract
  – Expands language to further define Department’s rights and decisions in addition to MCO responsibilities
  – MCO must maintain a $30 million performance bond throughout the life of the contract
COVID-19 UPDATE
Medicaid Actions

• Beneficiaries
  – Waived all cost sharing
  – MCOs and FFS waived prior authorization requirements except for some pharmaceuticals
  – Expanded telehealth, including but not limited to:
    • Well childcare visits
    • Behavioral health
    • Substance use services
    • Case managers in Home and Community Based waivers
  – Allowed for care in alternative settings
Medicaid Actions

• Hospitals
  – Allowed hospitals to bill for administrative days
  – Increased DRG rates by 20% for treatment of COVID19 patients
  – Distributed DSH funds to hospitals in May rather than September
Medicaid Actions

• Long-Term Care Facilities
  – Increased reimbursement by $270 per bed per day for any COVID-19 patient they treat
  – Increased bed hold days from 14 to 30 days
  – Allowed self-attestation for Medicaid eligibility
  – Cabinet provided free testing for every facility - every patient and employee has been tested
  – Cabinet fulfilled PPE requests
Medicaid Actions

• Other Actions
  – Allowed temporary provider enrollment if the provider was enrolled in Medicare or was enrolled in another state Medicaid program
  – Suspended recoupment of overpayments upon request from provider
  – Received approval from CMS for the Cabinet to assign Presumptive Eligibility to ensure providers could receive reimbursement for services provided
Fiscal Impact

• Telehealth
  – Fee for Service
    • January, 2020 – billed $13,649
    • May, 2020 – billed $3.9 Million
  – MCO
    • January, 2020 – billed $370,000
    • May, 2020 – billed $19 Million
• DRG 20% increase - $483,000
• NEMT Increase – approx. $700,000
Fiscal Impact

• Prior Authorizations
  — Prior to COVID-19 with PAs – approximately 5,000 services provided per month
  — Since COVID-19 with no PAs – approximately 10,000 services provided per month
  — DMS has notified MCOs they may begin requiring PAs effective August 1, 2020, except for BH and SUD services

• Increase in Semi-Private room revenue code since COVID-19 is approximately $6 million per month.
Other Information

• Since 3/2/2020, Medicaid enrollment has increased by 182,878
  – 84,233 Presumptive Eligibility

• FMAP increase of 6.2%
  – Intended as a means of providing fiscal relief to state Medicaid agencies to offset the costs of increased enrollment and expenditures related to COVID-19
  – States must meet certain conditions to receive including, but not limited, to:
    • Maintaining eligibility (no disenrollments)
    • Waiving premiums
    • Covering all costs of COVID-19
POST COVID-19

• When the COVID-19 State of Emergency is over, DMS will be looking at ways to improve Medicaid. Some questions will include:
  – Which flexibilities do we want to continue beyond the pandemic?
  – How can we build a better healthcare system?
  – How can we better deliver care after the pandemic?

• We will be reaching out to our providers and beneficiaries as we begin to explore these, and other, questions.