



**Department  
of Health**

Medicaid  
Redesign Team

# DOH Finance & Rate Setting Update

April 2016

# Mainstream Managed Care Rate Status & Timeline

<u>Rate Package</u>	<u>Comment/Projected Completion</u>
October 2015 Rates (incl. ROS NH Transition)	Schedule B's -- 02/19/16 Actuarial Memo Addendum -- 02/19/16 CMS/DOB Submission -- 04/12/16
October 2015 Rates (risk score and cost weight update)	Updated Risk Scores/Cost Weights -- 04/27/16 Schedule B's -- 04/27/16 CMS/DOB Submission -- 04/27/16
January 2016 Rates (risk score, Aliessa rate, and Stop Loss premium update)	Updated Risk Scores -- 05/11/16 Schedule B's -- 05/11/16 CMS/DOB Submission -- 05/11/16
April 2016 Rates	Final "Draft" Rates and Actuarial Memo -- May 2016

\* Department will also be working on the October 2015 "high cost" drug pool reconciliation.

## Managed Long Term Care Rate Status & Timeline

<u>Rate Package/Item</u>	<u>Status Update</u>
Partial Cap April 2015 Risk Rates Phase IV	Draft April 2016
Partial Cap April 2015 Risk Rates Phase V	Draft May 2016
2014 HRR – Partial, PACE and MAP	Draft May 2016
MAP January 2014	Draft April 2016 – Webinar to be scheduled
MA 2014	Draft April 2016
Partial Cap April 2016 Rates	Draft June 2016
PACE April 2016 Rates	Draft June 2016
Encounter Logic Webinar	Webinar to be scheduled

## QIVAPP Sample Results

- Reconciliation based on IPRO review results
- Total of \$70M distributed among all qualified hours
- Final awards adjusted from prior State share award

<b>Managed Care Organization Name</b>				
PLAN A				
<b>Personal Care Services</b>				
<b>Provider Name</b>	<b>Prior State Share Award Paid (\$35M)</b>	<b>Total New Award Amount (\$70)</b>	<b>Disqualified Providers Full Amount to Be Recovered</b>	<b>Qualified Providers Reconciled Award Amount to Pay/Recoup (\$35M)</b>
PROVIDER A	\$ -	\$ 4,300	\$ -	\$ 4,300
PROVIDER B	\$ 1,740	\$ 3,379	\$ -	\$ 1,639
PROVIDER C	\$ 5,400	\$ 2,368	\$ -	\$ (3,032)
PROVIDER D	\$ 2,350	\$ -	\$ 2,350	\$ (2,350)

- Provider A receives a payment of \$4,300 from Plan A (did not receive State share payment)
- Provider B receives a payment of \$1,639 from Plan A (net of final award and State share payment)
- Provider C owes Plan A \$3,032 as a result of an overpayment of State share dollars
- Provider D owes Plan A \$2,350 as a result of IPRO disqualification

# State Fiscal Year 2016-17 Rate Setting Priorities

- Impact of SFY16-17 Budget Proposals
- Pharmacy Component of the Mainstream/HIV SNP/HARP Premium
- Methodology Changes to the Administrative Component of Premium including Health Home
- Mainstream Risk Adjustment Methodology Changes
- FLSA & Minimum Wage
- Retro Active Adjustments to Medicaid Fee Schedules
- Value Based Payment
- Update to VBP QIP/EIP
- Equity Performance Add-On
- Population Shifts to HARP and Essential Plan
- Compliance with New CMS Managed Care Regulations
- Regional Geographic Adjustments in MLTC

# Budget Proposal Status

<u>Proposal</u>	<u>Status</u>
Tighten MC Profit Cap to 3.5%	DOH working with Plan Associations regarding establishing an MLR and alternative savings
OSC Audit Findings	To be included in April 2016 Rates
ACA Insurance Tax Delay	To be included in April 2016 Rates
OMIG/Plan Medicaid Fiscal Integrity	To be included in April 2016 Rates
Accelerate Transition to MC for Specific Populations/Benefits	DOH investigating new populations/benefits to evaluate impact of transitioning to MMC/MLTC
Eliminate MCO Encounter Reporting Incentive	To be included in April 2016 Rates
Minimum Wage Adjustment	To be included in October 2015 Rates
LARC	To be included in April 2016 Rates
Retail Clinics	To be included in April 2016 Rates
Penalty for Late/Incorrect Encounter Data	DOH developing metrics to share with MCOs