

HEALTH WEALTH CAREER

FISCAL YEAR 2015–16 MEDICAID MANAGED CARE OCTOBER RATE UPDATE STATE OF NEW YORK

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FY 2016 MMC OCTOBER UPDATE

AGENDA

- Medicaid Managed Care (MMC) Fiscal Year 2016 (FY 2016) October Update Considerations:
 - New Benefit: Transgender Services
 - Pharmacy Adjustments
 - Behavioral Health (BH) Add-On
 - Health and Recovery Plan (HARP) Population Adjustment
 - Risk Adjustment
- Evolution of Aliessa rates:
 - MMC
 - Essential Plan (EP)
- Questions

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TRANSGENDER SERVICES

- Effective March 11, 2015, coverage required of transition-related care and services for persons diagnosed with Gender Dysphoria:
 - Cross-sex hormone therapy
 - Gender reassignment surgery
- Previously not covered in managed care or fee-for-service (FFS)
- Adjustment to the Temporary Assistance to Needy Families/Safety Net (TANF/SN) premium group by region
- Fiscal information provided by the State:
 - New York State Medicaid Regulations
 - Utilization and ramp-up assumptions reflected for Year 1

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PHARMACY ADJUSTMENTS

- Hepatitis C:
 - Review of additional health plan experience to evaluate adequacy of April 1, 2015 adjustments
 - Impact of new drugs and available rebates on unit costs
 - Review of emerging utilization patterns
- New Therapies:
 - Cholesterol drugs
 - Cystic Fibrosis Drugs

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BH ADD-ON

- Effective October 1, 2015, the full BH benefit for adults age 21 carved into the MMC rates in NYC Metro
- Development of BH benefit discussed in previous health plan meetings
- Benefit differences:
 - Non-HARP eligible vs HARP eligibles remaining in MMC (HARP inertia)
- Administrative considerations for additional BH staffing requirements
- Table below displays DRAFT BH PMPM Add-On amounts by premium group at the best estimate net of additional administrative costs:

Premium Group	BH Add-on PMPM
TANF/SN Adult	\$ 11.50
SSI Core	\$ 43.00
Total	\$ 15.00

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HARP POPULATION ADJUSTMENT

- MMC rates adjusted to account for the transition of eligible members from current premium groups in the NYC Metro region into HARPs beginning October 1, 2015
- Consideration for the following:
 - Migration assumptions
 - Phase-In assumptions
- Separate consideration for the administrative component
- The final adjustment will be budget neutral for benefits and administrative services that are common to both MMC and HARP

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HARP POPULATION ADJUSTMENT (CONT'D)

- The table below demonstrates Mercer's preliminary and DRAFT estimate of the impact to NYC Metro premium groups at the best estimate net of administrative costs.

Premium Group	HARP Removal PMPM
TANF/SN Adult	\$ (9.50)
SSI Core	\$ (70.50)
Total	\$ (21.00)

- The table below demonstrates Mercer's preliminary and DRAFT estimate of the **net** impact of both the BH add-on and HARP population adjustment to NYC Metro premium groups at the best estimate net of administrative costs.

Premium Group	BH Add-On PMPM	HARP Removal PMPM	Net Adjustment PMPM
TANF/SN Adult	\$ 11.50	\$ (9.50)	\$ 2.00
SSI Core	\$ 43.00	\$ (70.50)	\$ (27.50)
Total	\$ 15.00	\$ (21.00)	\$ (6.00)

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RISK ADJUSTMENT CONSIDERATIONS

- Cost weights will be updated to account for expected shift of members to HARP
- Plan scores to be updated to account for the enrollees leaving MMC for HARP
- Mercer and the State are working to finalize decisions and updated documentation
- Results will be:
 - Applied to the acute care portion of the rate
 - Shared when available

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ALIESSA RATES

MMC Aliessa rates

- April 2015 – December 2015:
 - All Aliessa eligibles will remain in MMC Aliessa premium groups.
 - Follows historical methodology utilized in FY14 and FY15 rate-setting
 - Budget Neutral adjustment to split out Non-Aliessa and Aliessa populations using CRG risk scores
 - Apply adjustments for EP eligibles:
 - Health Care Reform Act (HCRA)
 - Covered lives
- January 2016 – March 2016:
 - Only non-EP eligible Aliessa individuals will remain in the MMC premium groups.
 - Budget neutral CRG risk scores used in MMC Aliessa rate development will be updated for transition of EP Aliessa eligibles into the EP.
 - EP-specific adjustments removed: HCRA and covered lives.

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ALIESSA RATES

EP Aliessa rates

- January 2016 – December 2016:
 - All EP-eligible Aliessa individuals will move to this premium group.
 - Population rated through separate process
 - Adjustments for differences between MMC and EP programs are applied.
 - Adjustments applied for HCRA and Covered Lives to the entire EP population

FY 17 MMC Aliessa Updates

- April 2016 – March 2017:
 - Follow historical rate-setting methodology
 - Rebase of data
 - Mercer and the State will revisit available data and risk adjustment methodologies in the course of premium development.

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ALIESSA RATES — SUMMARY

Rate Components	April 2015– December 2015 MMC Aliessa Rates	January 2016– March 2016 MMC Aliessa Rates	January 2016– December 2016 EP Aliessa Rates
Covered Population	All Aliessa population	Non-EP eligible Aliessa population	EP eligible Aliessa population
Commercial HCRA	Included for EP eligibles	Not Included	Included for all eligibles
Covered Lives Adjustment	Included for EP eligibles	Not Included	Included for all eligibles

MAKE
TOMORROW,
TODAY

