

“Received-through Policy:” Maximizing Federal Funding

Department of Social Services
February 11, 2019

IHS and 100% FMAP

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- People can be eligible for IHS **and** also Medicaid eligible.
 - When an American Indian is Medicaid eligible and gets services through an IHS Facility, IHS bills Medicaid, and the federal government pays 100%.
 - When an American Indian is Medicaid eligible and gets services outside IHS, the non-IHS provider bills Medicaid and the federal government pays about 56%, and the state pays the balance.



100% Federal



56% Federal 44% State

Care for American Indians

- When services are not “received through” IHS, the state must pay for services that are supposed to be provided by the federal government.
 - \$85.0 million in state funds in SFY2015
 - \$92.7 million in state funds in SFY2016
 - \$96.9 million in state funds in SFY2017
 - \$86.0 million in state funds in SFY2018

Federal Policy Change

- February 2016: Health and Human Services changed national **Medicaid funding policy** to cover more services for IHS eligibles with 100% federal funds.
 - More services now considered eligible through IHS.
 - Participation by individuals and providers must be voluntary.
 - Services outside IHS must be provided via written care coordination agreement.
 - IHS must maintain responsibility for the patient's care.
 - Provider must share medical records with I.H.S.

Federal Policy Implementation

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- Start with Referred Care that already originates at I.H.S.
 - Target six largest providers: three large health systems (Sanford, Avera, Regional) and three largest dialysis providers.
 - Use savings to support provider participation and reinvest in health care.
 - SFY19 budget included \$4.6 million in state general funds to:
 - Address service gaps in Medicaid program
 - Share savings with participating providers
 - Increase rates for Medicaid providers

Federal Policy Implementation

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- Shared savings with participating providers
- Amount of payments tiered to level of savings
 - \$0-\$500k 5%
 - \$501k-\$1m 10%
 - \$1m+ 15%
- Provider shared savings payment calculated after the state achieves \$3.0 million in annual savings
- Will leverage federal Medicaid funds if possible

Status of Implementation

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- November 2017- Care Coordination Agreement signed with three large health systems. June 2018 dialysis provider signed.

- SFY2018 Savings: \$4.6 million general funds.
 - One-time funding carried over into SFY19
 - FY2019 general bill amendment – reduction to DSS budget

- Savings report published monthly

<http://dss.sd.gov/keyresources/fmapreports.aspx>

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SFY19

- Projected Savings \$7.0 million
 - \$4.6 million appropriated FY19
 - \$2.1 million higher than original appropriation
 - Creates one time funding for SFY2019
 - General bill amendment - reduction to DSS

Federal Policy Implementation

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| Strategy | SFY19 Appropriated |
|--|-------------------------------|
| Add Substance Abuse Services (full year) Implemented July 1, 2018 | \$872,905 |
| Add Mental Health Providers (half year) Implemented Dec 2018 | \$265,642 |
| Add Community Health Workers (one quarter) Implementing April 1, 2019 | \$98,168 |
| Shared Savings with Providers | \$630,000 |
| Provider Rates (adjusted rates to 90% of methodology- Assisted Living, Group Care, Ambulance, In Home Services, Outpatient Psychiatric) | \$2,719,375 |
| Total General Funds | \$4,586,090 |

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SFY20

- Working to add more hospitals

- Working with new community based provider groups to maximize federal funding
 - DSS/DOC - Psychiatric Residential Treatment (PRTF)
 - DHS DD Community Support Providers
 - DHS LTSS Nursing Homes

- Signed Community Based Care Coordination Agreements
 - All 5 DSS/DOC - Psychiatric Residential Treatment (PRTF)
 - 5 DHS DD Community Support Providers
 - 13 DHS LTSS Nursing Homes

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SFY20

- Community Based Provider Workgroup meeting monthly.
- Continuing to work on development of referral process.
- Working with Indian Health Service on process to centralize/streamline referrals by embedding state staff in targeted I.H.S. facilities
- As of February 2019, successfully completed several nursing home and community support referrals. Anticipate majority of referrals starting July 1, 2019.

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| Strategy | SFY20 |
|--|---|
| Current Hospital/Dialysis Referred Care (Source: DSS Medical Services) | |
| Add Mental Health Providers (half year) | \$259,431 (DSS) |
| Add Community Health Worker (three quarters) | \$287,619 (DSS) |
| Community Based Providers 1% (assisted living, in home, nursing homes, community support, senior meals, group care, PRTF, ambulance, behavioral health, outpatient psychiatric) | \$2,137,220 \$1,547,270 (DHS) \$563,349 (DSS) \$26,601 (DOC) |
| | |
| New Referred Care- Targeted Rate Adjustments (Source: DSS, DHS, DOC) | |
| Psychiatric Residential Treatment (100% methodology) | \$2,902,155 \$1,119,326 (DSS) \$80,674 (DOC) |
| Nursing Homes (1.5%) | \$1,155,310 (DHS) |
| Community Support Providers (1%) | \$546,845 (DHS) |
| New Referred Care – Reductions to utilization increase requests | |
| PRTF Utilization | \$768,681 (DSS) |
| CSP Utilization | \$63,041 (DHS) |
| NH Utilization | \$27,680 (DHS) |
| Total General Funds (\$5.8 million care coordination savings – remainder ongoing to round community based providers to even 1%) | \$6,445,827 |

FY20 Targeted Providers - Inflation and Rates
Rates Effective April 1, 2019 - June 30, 2020

| Provider | 2.50% | General | Total | Targeted | General | Total | SFY20 Total % Increase | General | Total | SFY19 Rate | SFY20 Rate |
|--|-------|---------------------|----------------------|----------|---------------------|----------------------|------------------------|----------------------|----------------------|---|---|
| DHS Assisted Living | 2.50% | \$ 143,503 | \$ 286,734 | 1.00% | \$ 57,401 | \$ 114,693 | 3.50% | \$ 200,904 | \$ 401,427 | \$48.32 day | \$50.01 day |
| DHS In Home Services (RN, Homemaker, LPN) | 2.50% | \$ 411,521 | \$ 666,486 | 1.00% | \$ 120,239 | \$ 201,906 | 3.50% | \$ 531,760 | \$ 868,392 | Nursing \$58.72/hr Homemaker \$27.40/hr | Nursing \$60.76/hr Homemaker \$28.36/hr |
| DHS Nursing Homes | 2.50% | \$ 1,925,518 | \$ 4,518,934 | 2.50% | \$ 1,925,517 | \$ 4,518,932 | 5.00% | \$ 3,851,035 | \$ 9,037,866 | \$156.37/day | \$164.18/day |
| DHS Community Support Providers | 2.50% | \$ 1,589,648 | \$ 3,672,158 | 2.00% | \$ 1,093,691 | \$ 2,566,746 | 4.50% | \$ 2,683,339 | \$ 6,238,904 | Adult Avg: \$134.10/day Child Avg: \$191.03/day | Adult Avg: \$140.13/day Child Avg: \$199.63/day |
| DHS Senior Meals | 2.50% | \$ 131,442 | \$ 131,442 | 1.00% | \$ 52,577 | \$ 52,577 | 3.50% | \$ 184,019 | \$ 184,019 | \$3.85/meal | \$3.98/meal |
| DOC Group Care | 2.50% | \$ 79,367 | \$ 79,367 | 1.00% | \$ 26,601 | \$ 26,601 | 3.50% | \$ 105,968 | \$ 105,968 | \$154.86 day | \$160.28 day |
| DOC PRTF (movement to 100% methodology) | 2.50% | \$ 56,894 | \$ 133,524 | varies | \$ 80,674 | \$ 189,332 | varies | \$ 137,568 | \$ 322,856 | \$219.69 day (avg) | \$250.13 day |
| DSS *In Home Services (RN, Homemaker, LPN) | 2.50% | \$ 64,468 | \$ 151,298 | 1.00% | \$ 25,787 | \$ 60,519 | 3.50% | \$ 90,255 | \$ 211,817 | Nursing \$58.72/hr Homemaker \$27.40/hr LPN \$42.00/hr | Nursing \$60.76/hr Homemaker \$28.36/hr LPN \$43.48/hr |
| DSS *Emergency Transportation (basic life, air) | 2.50% | \$ 49,750 | \$ 116,753 | 1.00% | \$ 19,900 | \$ 46,701 | 3.50% | \$ 69,650 | \$ 163,454 | Bass Fee: Advanced Life Support \$206.57, Air Fixed Wing \$1,715.62, Air Helicopter \$1,997.20 | Bass Fee: Advanced Life Support \$213.80, Air Fixed Wing \$1,775.67, Air Helicopter \$2,067.10 |
| DSS Group Care | 2.50% | \$ 93,044 | \$ 93,044 | 1.00% | \$ 37,319 | \$ 37,319 | 3.50% | \$ 130,363 | \$ 130,363 | \$154.86 day | \$160.28 day |
| DSS *Outpatient Psychiatric | 2.50% | \$ 50,760 | \$ 119,132 | 1.00% | \$ 20,304 | \$ 47,653 | 3.50% | \$ 71,064 | \$ 166,785 | Psychological Testing \$109.11/encounter, Treatment \$105.86/hr | Psychological Testing \$112.93/encounter, Treatment \$109.57/hr |
| DSS **Community Behavioral Health | 2.50% | \$ 1,150,095 | \$ 1,527,785 | 1.00% | \$ 460,039 | \$ 611,113 | 3.50% | \$ 1,610,134 | \$ 2,138,898 | Outpx Counseling \$23.04 / 15 min Outpx Counseling Grp \$5.91 / 15 min Low-intensity residential \$50.77 / day Inpatient Tx \$226.86 / day IMPACT \$74.75 / day CARE \$67.59 / day SED \$26.72 / 15 min Outpx Psychiatry \$58.02 / 15 min FFT \$225.07 / session CBISA \$68.07 / session | Outpx Counseling \$23.85 / 15 min Outpx Counseling Grp \$6.12 / 15 min Low-intensity residential \$52.55 / day Inpatient Tx \$234.80 / day IMPACT \$77.37 / day CARE \$69.96 / day SED \$27.66 / 15 min Outpx Psychiatry \$60.05 / 15 min FFT \$232.95 / session CBISA \$70.45 / session |
| DSS PRTF (movement to 100% methodology) | 2.50% | \$ 277,527 | \$ 651,318 | varies | \$ 1,119,326 | \$ 2,627,292 | varies | \$ 1,396,853 | \$ 3,278,610 | \$219.69 day (avg) | \$250.13 day |
| Total | | \$ 6,023,537 | \$ 12,147,975 | | \$ 5,039,375 | \$ 11,101,384 | | \$ 11,062,912 | \$ 23,249,359 | | |
| DHS | | \$ 4,201,632 | \$ 9,275,754 | | \$ 3,249,425 | \$ 7,454,854 | | \$ 7,451,057 | \$ 16,730,608 | | |
| DSS | | \$ 1,685,644 | \$ 2,659,330 | | \$ 1,682,675 | \$ 3,430,597 | | \$ 3,368,319 | \$ 6,089,927 | | |
| DOC | | \$ 136,261 | \$ 212,891 | | \$ 107,275 | \$ 215,933 | | \$ 243,536 | \$ 428,824 | | |
| Totals | | \$ 6,023,537 | \$ 12,147,975 | | \$ 5,039,375 | \$ 11,101,384 | | \$ 11,062,912 | \$ 23,249,359 | | |
| *Subsets of larger budgets All other providers 2.5% | | | | | | | | | | | |
| | | | | | | | | | | ** Com. BH Represents key service codes & all would receive 3.5% | |

Federal Policy Implementation

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Special Appropriation – SB173

DSS - \$1,000,000

- One time funding for innovation grants
- Promote ideas to support early, cost effective care
- Seeking innovation solutions from providers
- Competitive process to select, fund, and evaluate new ideas