Joint Appropriations Committee Update
Department of Social Services
June 12, 2012

FY12 Year-End Budget Update and Estimated Carryover

- As outlined in the agency appropriations hearing in February, the number of Medicaid eligibles continues to increase. However the rate of growth is lower than we experienced in fiscal years 2009 and 2010.
- Our FY12 initial appropriation included an estimate of 119,452 average monthly eligibles. We reduced that estimate and our FY12 budget to include 116,496 average monthly eligibles.
- We are on target with the revised projections. May monthly average eligibles total 116,193.
- As we outlined to the committee in February, the rate of growth in high-cost inpatient claims (those claims $50,000 or more) is lower this fiscal year to date than we experienced in previous fiscal years.
- Through May, there have been 326 recipients, 1,055 claims and $45,760,000 in expenditures related to high cost inpatient claims. Comparable figures for thru May of last year are 381 recipients, 1,073 claims and $53,665,000 in expenditures.
- We estimate a general fund carryover of $20 million.

FY12 One-Time Funding Distribution Update

- March 19, 2012- providers were notified in writing of the payment amount, requirements to use the funds to support one time salary adjustments and report in writing by July 1 how the funds were utilized. DSS included a copy of the draft letter of intent outlining additional information related to the one-time funding.
- March 28, 2012 - the majority of providers received their one-time payment
- DSS issued payments to 385 providers. To date:
  - 119 have reported back to DSS in writing that the funds were used to support one-time salary adjustments to staff
  - 1 provider indicated they were unable to distribute salary adjustments to staff and returned the funds

- The Governor's Medicaid Solutions Workgroup issued 11 recommendations. One recommendation was to "Implement Care Management Programs for High Need and High Cost Medicaid Enrollees".

- As a result of this recommendation, the Department of Social Services issued a Request for Information (RFI) to request ideas from providers about how to better manage care for the high need, high cost population.
    - Information requested included services to be provided, populations to be served, coordination with existing services, return on investment, potential implementation challenges and barriers, etc.

- The Department received 27 responses from 10 different entities. Those entities included health plans, health systems, national vendors, and provider groups.

- The responses were varied and included submissions on intensive case management, disease management, care transitions, emergency room diversion, revised payment models, enhanced primary care programs and care coordination.

    - Multiple entities submitted responses on care transition services, specific disease management projects/intensive case management services, and emergency room diversion services.

- Responses were evaluated and DSS will be moving forward with an RFP later this summer to expand Care Transition services in the state.
    - Care Transition services help people get services after a hospitalization to prevent a re-hospitalization, especially in the short term
        - Examples include medication reconciliation, home health, follow up
    - Federal emphasis on this model in Medicare program

- Other potential future services suggested by the RFIs
    - Intensive Case Management/Disease Management
    - ER Diversion (in conjunction with DSS efforts in this area)
    - Need further cost benefit analysis in these areas