



IAMHP

ILLINOIS ASSOCIATION OF
MEDICAID HEALTH PLANS

Medicaid 101



What is Medicaid?

- Medicaid is an income-based, government-funded healthcare program.
 - Children – 147% of the federal poverty level (FPL)*
 - Seniors – 100% of the FPL
 - Adults with disabilities – 100% of the FPL
 - Family Care – 138% of the FPL
 - Moms and babies – 213% of the FPL
 - ACA adults – 138% of the FPL
- Currently, in Illinois, there are 3,080,000 Medicaid recipients.

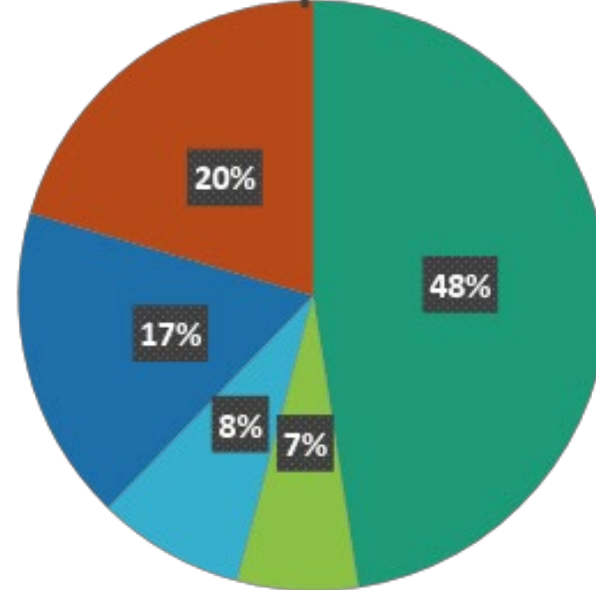
**The 2018 Federal Poverty Level (FPL) for a family of 4 is \$25,100*



Who does Medicaid cover?

- Current Medicaid Assistance Enrollment (November 2017): 3.08 million* or 24.1% of the state's population * Excludes enrollees in partial benefit programs

Covered Populations

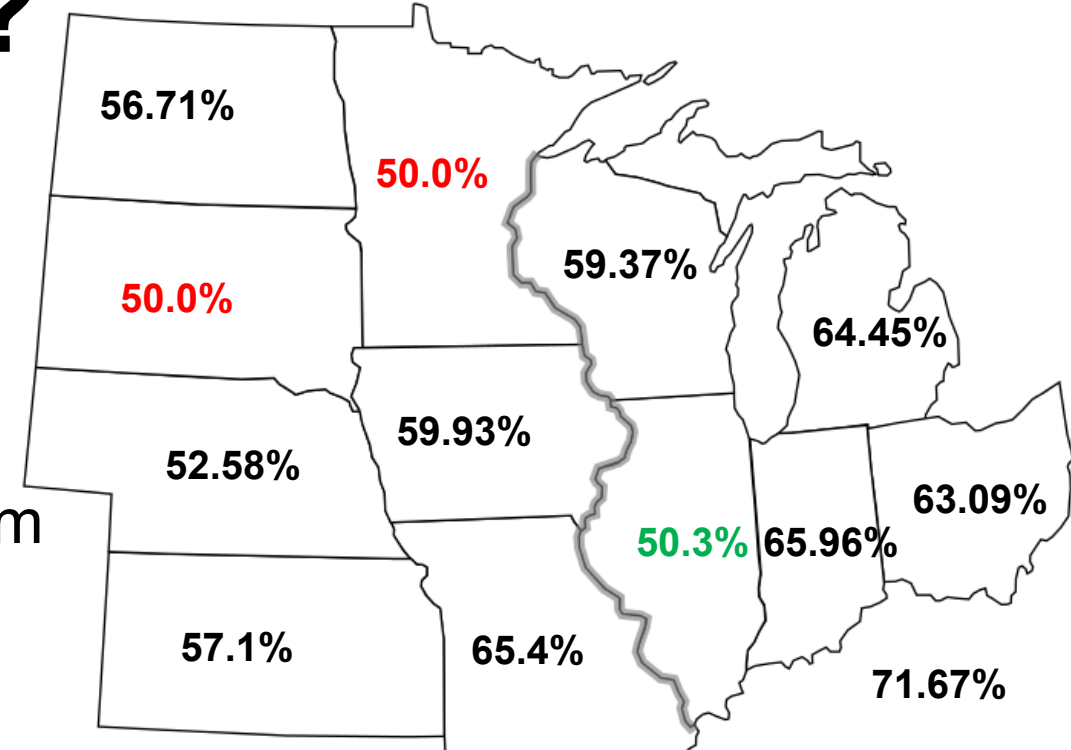


- Children
- Seniors
- Disabled
- Adults
- Other Adults
- ACA Adults



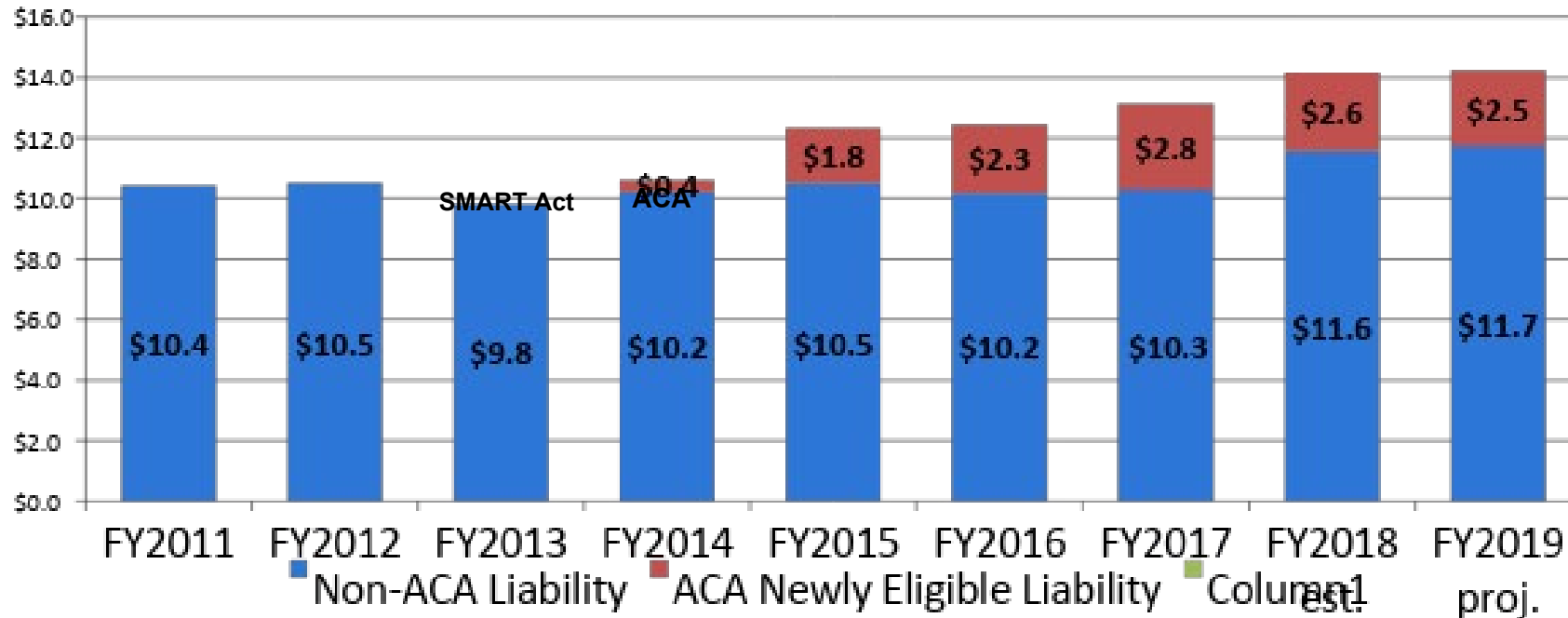
Who pays for Medicaid?

- Medicaid is a government funded, single payor system
- Costs are shared between state and federal governments
- Federal participation (FMAP) is based on a state's per capita income and can range from 50% - 83% of the cost.
- Illinois' reimbursement rate is 50.31% - 14th lowest in the country.
- This figure shows the FMAP of other Midwest states. Only Nebraska and Minnesota receive a smaller percentage.



What does Medicaid cost?

Total Liability in Billions



**** Note that recent liability growth in ACA liability due to primarily reduction in FMAP***



What does Medicaid cover?

Mandated Coverages

- Inpatient and Outpatient services
- Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT)
- Nursing facilities & Home health services
- Physician Services, rural health clinics, nurse practitioners and FQHCs
- Family planning, midwives, birth centers, and tobacco cessation for pregnant women
- Transportation

Optional Benefits

- Prescription drugs
- Clinic services
- Physical and Occupational therapy
- Speech, hearing and language disorder
- Respiratory care, podiatry, optometry, dental, prosthetics, eyeglasses and chiropractic services
- Hospice, personal care, private duty nurse and case management
- ICFs and IMDs, HCBS
- Others



What are Medicaid waiver services?

- Currently there are 9 waivers and a pending 1115 waiver which has been approved but not implemented.
- The largest waivers are:
 - Home Services waiver, funded through DHS, provides in-home care to individuals with physical disabilities.
 - Community Care Program waiver, funded through the Department on Aging, which provides in-home care for seniors.
 - DD Long Term Care waiver, funded through DHS, which provides long term nursing care for individuals who have a developmental delay.





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A background image showing a person's hands filling out a form, likely a medical or administrative document, with a pen. The image is overlaid with a teal semi-transparent banner.

Medicaid Managed Care 101

Time for a change...

- In the years following the Great Recession when state resources were scarce and the need for state services was increasing, Medicaid liability grew at a double digit inflationary pace. The program became unaffordable.
- The Legislature took measures to control the growth in the program
 - SMART Act
 - Mandated the use of Medicaid Managed Care



What drives Fee-for-Service (FFS) Medicaid Cost?

- Under FFS, costs (liability) were driven by three factors:
 1. **Rate** – what the state determined they would pay the providers for services rendered
 2. **Population** – how many people were eligible to receive services
 3. **Utilization** – how often those people would use the services available
- Under Fee-for-Service (FFS), eligible recipients received care from providers who billed the state and were reimbursed at a specified rate. Although there was an attempt to funnel care through Primary Care Physicians (PCPs), the medical decisions were driven by the recipients and many times based on convenience instead of necessity.



2011 Medicaid Reform Law

- In 2011, the General Assembly passed PA 96-1501 to address increasing budget pressures in the Medicaid program, requiring Illinois to enroll 50% of its Medicaid population in “care coordination” by January 1, 2015.



Medicaid MCO Characteristics

- Capitated Rates based on FFS
- 85% MLR
- Defined Benefit Package: At least equal to FFS
- Defined Quality Measures & P4Ps
- Network Capacity Standards
- Defined Staffing Ratios for Care Coordination
- Mandated Provider Trainings & Policies
- Robust Fraud, Waste & Abuse Standards



What are the differences between FFS and Managed Care?

FFS

- Costs are unpredictable
- No oversight of patient care
- Numerous opportunities for error, over or under prescription and fraud
- State sets rate with providers –take it or leave it
- No mandated quality outcomes

Managed Care

- MCOs assume most of the payment risk – provides cost predictability
- Care coordination improves health outcomes
- Prior authorization insures oversight of care
- Must negotiate fair rate with providers
- Payment based on improved health outcomes
- Managed care provides platform for innovation and collaboration



Medicaid Programs & Populations

Medicare-Medicaid Alignment Initiative (MMAI)

- Eligible for Medicare & Medicaid
- 100% Federal Poverty Level (FPL)
- 19-64 years of age on Social Security Disability Income (SSDI)
- 65+ receiving Social Security Retirement Income

Medicaid Long Term Supports & Services (MLTSS)

- Eligible for Medicare & Medicaid
- Opt Out of MMAI (Medicaid Coverage Only)
- 100% Federal Poverty Level (FPL)
- 19-64 years of age on Social Security Disability Income (SSDI)
- 65+ receiving Social Security Retirement Income



Medicaid Programs & Populations

Integrated Care Program (ICP)

- Eligible for Medicaid
- 100% Federal Poverty Level (FPL)
- 19-64 years of age (65+ that don't qualify for Medicare)
- Disabled receiving Supplemental Security Income (SSI)

Family Health Program (FHP)

- Eligible for Medicaid
- All Kids, 0-18 years of age, 300% FPL
- Family Care, Parents/Guardians with Living with Children 0-18 years of age, 138% FPL



Medicaid Programs & Populations

Affordable Care Act Adults (ACA)

- Eligible for Medicaid under the ACA
- Adults without Children 0-18 years of age
- 138% Federal Poverty Level (FPL)
- 19-64 years of age



Medicaid Managed Care Expansion

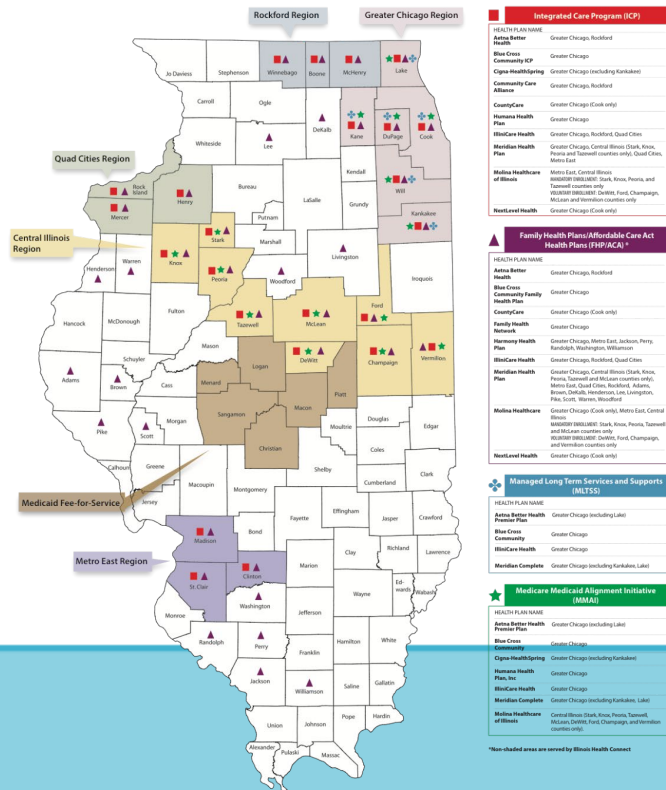
- On February 27, 2017 a new RFP was issued which implemented significant changes to the Medicaid managed care system, including:
 - Expanding managed care to the entire state
 - Reducing the number of health plans
 - 3-5 statewide plans
 - 1-2 plans covering just Cook County
 - Issuing one contract to a statewide plan to care for children who are or have previously been under the care of the Department of Children and Family Services



Where is Medicaid Managed Care Mandatory?

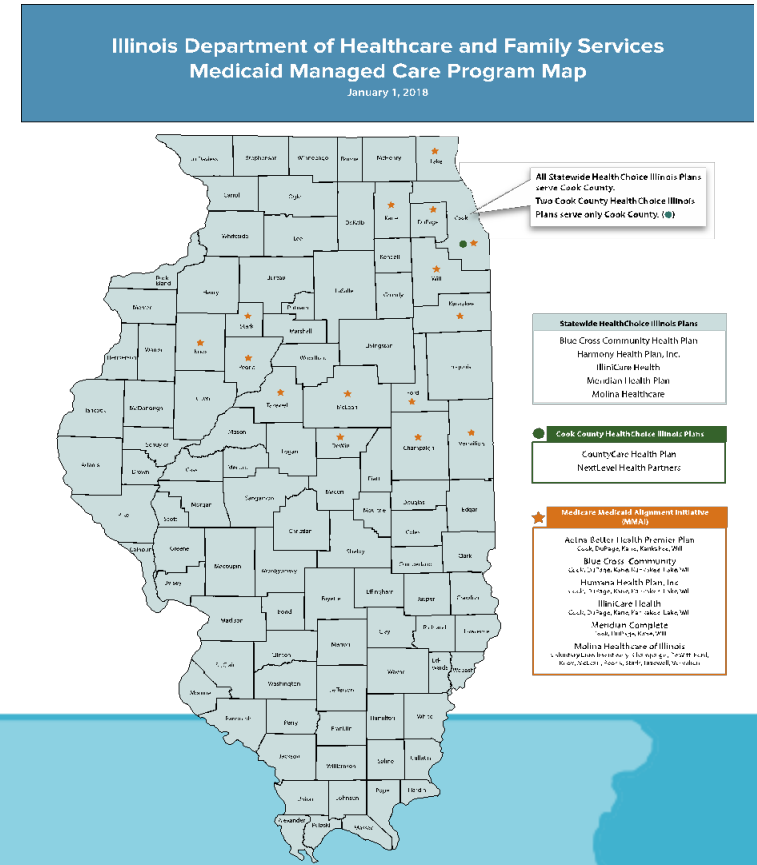
Before expansion

Illinois Department of Healthcare and Family Services
Care Coordination Map
May 1, 2017



After expansion

Illinois Department of Healthcare and Family Services
Medicaid Managed Care Program Map
January 1, 2018



HealthChoice Illinois Enrollments

April 2018

County	Blue Cross/ Blue Shield of Illinois	Harmony Health Plan	IlliniCare Health Plan	Meridian Health Plan	Molina Healthcare	County Care Health Plan	NextLevel Health Partners	County Total
TOTAL**	469,384	280,786	341,300	546,663	216,620	332,243	62,708	2,249,704



Although the entire program was initially scheduled for this expansion, there have been several delays

- Community Care Program (Elderly Waiver)
- Home Services Program (Division of Rehabilitation Services Waivers)
- Supportive Living Program (SLP Waiver)
- Nursing home or long term care facility (non-MMAI dual eligible)



Managed Care is still evolving...

- **1115 Waiver**
 - Single largest Behavioral Health redesign in Illinois history
- **Integrated Health Homes**
 - Comprehensive integration of Behavioral Health and Physical Health.
 - New Provider type and services
- **Hospital Assessment Program**
 - Modernizing a \$3 billion plus hospital reimbursement program
- **Rate transparency**
 - Ensuring appropriate understanding of MCO rates



IAMHP Contact Information

Alaina Kennedy, Associate Director
alaina@iamhpteam.org

