FEDERAL POLICY UPDATE:
DC, BALTIMORE, AND BEYOND

Collaborative Connections – Impacting Care
An RHP Learning Collaborative Summit
Dallas, TX
May 22, 2018

Barbara Eyman
Eyman Associates, PC
TODAY’S AGENDA: THE CHANGING HEALTH POLICY LANDSCAPE

- CMS in the Trump Era: People, Philosophy, Policy
  - Emerging Waiver Policies
  - Delivery System Reform
- The Affordable Care Act—Yesterday and Today
- Bipartisanship in Health Policy? Combatting the Opioid Crisis
CMS IN THE TRUMP ERA:
CHANGES IN PEOPLE, PHILOSOPHY, & POLICY
KEY PLAYERS AT HHS AND CMS

Tom Price, HHS Secretary

Seema Verma, CMS Administrator

Brian Neale, Director of Medicaid and CHIP Services

Future Director of Medicaid and CHIP Services

Former (and Future?) Acting Director of Medicaid and CHIP Services
CHANGING PRIORITIES
“Our vision for the future of Medicaid is to reset the federal-state relationship, and restore the partnership, while at the same time modernizing the program to deliver better outcomes for the people we serve.”

- Nov 2017 speech to National Association of Medicaid Directors
Accountability

More Rigorous Evaluations

Medicaid and CHIP Scorecard

Accountability for Outcomes
Program Integrity

- Waste, Fraud, & Abuse
- Tougher enforcement
- Rigorous CMS oversight
  - State expenditures
  - State eligibility determinations
- Budget neutrality
- Use of designated state health programs
Flexibility

Policy Changes

- Work requirements *will* be approved
- Lifetime limits *will not* be approved
- Substance abuse waivers (IMD waiver)
- Delivery system reform?

Streamlining Federal Approvals

- Waivers
- SPAs

Reducing Regulatory Burden

- Managed Care Rule
- Equal Access Rule
The “Community Engagement” Initiative

**Purpose**
- Promote better mental, physical and emotional health
- Help individuals rise out of poverty and attain independence

**Community Engagement Activities**
- Work
- Job Training
- Education
- Job search
- Caregiving
- Volunteer service

**Affected Populations**
- Applies to non-disabled adults
- Exemptions may include: age, disability, responsibility for a dependent, participation in substance use treatment program, etc.

**Program Administration**
- States should align requirements with TANF or SNAP
- “Reasonable modifications” required for individuals with SUD
- Beneficiary supports required … but not funded by Medicaid
- Outcomes-based evaluations tied to health and independence goals
- Impact on safety net providers
PERSONAL RESPONSIBILITY INITIATIVES

Eligibility & Enrollment

• Work Requirements
• Retroactive Eligibility
• Lockout Provisions
• Drug Tests
• Lifetime limits

Benefit Restrictions, Copays, & Healthy Deductibles

• Premiums
• Copays
• HSAs
• Fees for excess ED use
• Healthy Behavior Incentives
• No non-emergency transportation
Approved Work Requirements & Personal Responsibility Initiatives

- Approved Expansion
- Work Requirements
- Approved Non-Expansion
- No Work Requirements

States with Work Requirements:
- AZ
- IN
- KY

States with No Work Requirements:
- AR
- FL
- IA
- MI
- MT
- NH
- NM
Approved and Pending Work Requirements & Personal Responsibility Initiatives

- **Approved Expansion**
- **Work Requirements**
- **No Work Requirements**

- **Approved Non-Expansion**
- **No Work Requirements**

- **Pending**
- **Work Requirements**
- **No Work Requirements**
# Approved Work Requirements & Personal Responsibility Initiatives

## Expansion States

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Source: KFF, Approved 1115 Medicaid Waivers (May 2018)
Pending Work Requirements & Personal Responsibility Initiatives

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Source: KFF, Pending 1115 Medicaid Waivers (May 2018)
Substance Use Disorder Waivers

CMS Guidance (Nov. 2017)

• Flexible and streamlined option to combat opioid crisis
• Specified goals, milestones and rigorous evaluations
• Monetary penalty for failure to comply with reporting
• Option for waiver of IMD exclusion

Common Elements

• Waiver of IMD exclusion
• Integrating physical and behavioral health
• Expanding service coverage (e.g. withdrawal management, peer recovery support, residential treatment)
• New provider guidelines and requirements
New DSRIP Approved in Washington on January 9, 2017
No new DSRIPs approved (or proposed) in the Trump Administration

- 2 DSRIPs extended in 2017 (TX & NJ)
TIMELINE OF APPROVED DSRIPs
CMS’ PRINCIPLES IN ACTION: WHAT ABOUT DSRIPs?

- Apparent CMS policy:
  - Enforcing time-limited nature of DSRIPs
  - Emphasis on measuring impact on outcomes (accountability)
  - Willingness to approve DSRIP-like programs through managed care?
How are States transitioning?

- Transitioning to Alternative Payment Models
  - NY Value-Based Payment Roadmap (target: 80-90% MCO payments based on value)
  - NJ Sustainability and Transition Plan
- Implementing Accountable Care Organizations (MA)
- Whole Person Care (CA)
  - Coordination of health, behavioral health and social services
  - Run by counties and other local governmental entities
  - Focused on vulnerable groups of high utilizers
MEDICAID MANAGED CARE RULE ISSUED MAY 2016

• First Update Since 2002
• 420 Federal Register Pages
• Significant New Requirements for States
• States may not direct how MCOs spend capitation dollars
DIRECTED EXPENDITURES UNDER MANAGED CARE

When Can States Require Plans to Make Specific Payments to Specific Providers?

1. **Value-Based Payments**
2. **Delivery System Reform Payments/Performance Improvement Initiatives**
3. **Uniform Rate Increases/Minimum or Maximum Fee Schedules (e.g. UHRIP)**

* Further Conditions Apply

**Capitation Payments to Plans**

**Enhanced Capitation Payment**

**Negotiated Rates to Providers**

**MCO**

**Providers**

**Enhanced Payment to Classes of Providers**

- Rural
- Teaching
- Children’s
- Publics
- Safety net
- Urban
Directed Delivery System Reform Payments

Arizona

- CMS approved a $300 million “Targeted Investment Program” through Managed Care authority
- Lump sum payments made through MCOs based on achievement of metrics
- Metrics promote more integrated delivery system (behavioral/physical health) for targeted populations

Rhode Island

- “Health System Transformation Project” using Managed Care authority
- One-time incentive payments for hospitals, nursing facilities
- Accountable Entity incentive payments pursuant to a Roadmap towards accountability for total cost of care/quality/outcomes
THE AFFORDABLE CARE ACT

YESTERDAY AND TODAY
THE ACA: A PRIMER

- Individual Mandate
- Enrollment window
- Coverage
- Advertising/Educational Outreach
- Navigators Program
- Investment
- 10 Mandatory Essential Benefits
- New Insurance Regulations
- Insurance Regulations
- Premium Tax Credits
- Cost Sharing Subsidies
- Financial Support
**Tax Credits & Subsidies**

**Premium Tax Credits**
- Advance refundable credits to offset cost of monthly premiums
- Available for individuals between 100-400% FPL
- May be applied to any level plan (except copper)
- Credit limits premium cost to % of family income
- Tied to second cheapest silver plan (benchmark plan)

**Cost Sharing Subsidies**
- Offset cost of copays & deductibles
- Available for individuals between 100-250% FPL
- May only be applied to silver plans
- Amount of subsidy tied to income level bracket

**Federal Poverty Level**
- 400%
- 300%
- 200%
- 100%
- 0%

**Medicaid Expansion**
## The Evolving ACA

### Legislation
- Multiple attempts to repeal the ACA
- Eliminate individual mandate

### Regulations
- Reduce open enrollment window (6 weeks)
- Greater state flexibility on Essential Health Benefits
- Expand short-term limited-duration health plans from 3 to < 12 months (proposed)
- Expand flexibility re: Assoc’n health plans (proposed)
- Revise guaranteed availability
- Allows lower actuarial value for exchange plans
- Additional documentation for special enrollment

### Funding Decisions
- Eliminate Cost Sharing Reduction Payments
- Reduce advertising budget by 90%
- Reduce Navigator funding by 30%
- New methodology for funding Navigators (now tied to enrollment goals)
Plans required to limit out-of-pocket costs to individuals ≤ 250% FPL

CMS has provided extra funding to plans to cover the cost of CSR

In 2017, CMS withdrew CSR funding for plans

Plans responded by increasing price of Silver Level plans

Result: Boon for subsidized consumers
The CSR Fix

Federal Poverty Level

200% $25,000

100% $1,625

0% $1,000

Premiums in Thousands

Bronze $4,000
Silver $4,500
Gold $5,100
Platinum $6,000

6.5% Cap
The CSR Fix

Federal Poverty Level

$25,000

$1,625

Premiums in Thousands

Bronze

Silver

Gold

Platinum

$4,000

$1,625.00

$5,100

$6,000

6.5% Cap

6.5% Cap

200%

0%

$25,000

$1,625

6.5% Cap

$4,000

$2,875

$5,100

$6,000

Tax Credit

Consumer Premium
The CSR Fix

Federal Poverty Level

$25,000

$1,625

6.5% Cap

$1,125.00

$1,625.00

$2,225.00

$3,125.00

Premiums in Thousands

Bronze

Silver

Gold

Platinum

Tax Credit

Consumer Premium

6.5% Cap

200%

0%
The CSR Fix

Federal Poverty Level

- 200%: $25,000
- 0%: $1,625

Premiums in Thousands

- Bronze: $4,000
- Silver: $6,000
- Gold: $5,100
- Platinum: $6,000

6.5% 1,000

Cap
The CSR Fix

Federal Poverty Level

200% $25,000

$1,625 6.5% Cap

Premiums in Thousands

$7,000

$6,000

$5,000

$4,000

$3,000

$2,000

$1,000

$0

Bronze $4,000

Silver $4,375 6.5% Cap

Gold $5,100

Platinum $6,000

Tax Credit

Consumer Premium

6.5% Cap
The CSR Fix

Federal Poverty Level

200%

200%

0%

$25,000

$1,625

$4,000

$4,375

$4,375

$4,375

$4,375

$725.00

$1,625.00

$1,625.00

$1,625.00

Premiums in Thousands

$7,000

$6,000

$5,000

$4,000

$3,000

$2,000

$1,000

$0

Bronze

Silver

Gold

Platinum

Tax Credit

Consumer Premium

6.5% Cap

0% Cap
BIPARTISANSHIP IN HEALTH POLICY?
ADDRESSING THE OPIOID CRISIS
The Opioid Crisis

In 2016, 2,831 Texans died of an opioid overdose.
Combating the Opioid Crisis

**HOUSE**
- 2 Committees
  - Energy & Commerce
  - Ways & Means
- 6 Hearings
- 65+ Bills

**SENATE**
- 2 Committees
  - Health, Education, Labor & Pensions
  - Finance
- 7 Hearings
- 40+ Proposals

**Status:**
Committee Markups Completed

**Target:**
Memorial Day Recess [?]
Combating the Opioid Crisis: Legislative Efforts

**Treatment & Recovery**
- Comprehensive Opioid Recovery Centers
- Access to Buprenorphine and methadone treatment
- Expand telemedicine for rural treatment centers
- Opioid Overdose protocols

**Data & Privacy**
- Mandating state Medicaid programs to report use of GME funds
- Access to patients’ complete health history
- Better method of displaying SUD history on patient records
- One consent for “all treating providers”

**Enforcement**
- Detecting fraudulent prescriptions
- E-prescribing for controlled substances under Medicare Part D
- Identifying outlier opioid prescribers
- Prescription drug monitoring administered by Medicaid providers and pharmacists

**Research & Prevention**
- Flexibility for NIH research on non-addictive pain treatment
- Expansion of opioid awareness education
We're Done.

Questions?