

State of Alaska FY2012 Governor's Operating Budget

Department of Health and Social Services Medicaid Services Results Delivery Unit Budget Summary

Medicaid Services Results Delivery Unit

Contribution to Department's Mission

Medicaid is a jointly (federal and state) funded program that provides coverage for the cost of medically necessary health care services for Alaska's low-income children, pregnant women, families, disabled individuals, and elderly.

Key RDU Challenges

The Affordable Care Act will present opportunities and challenges to all Medicaid Service programs, resulting from the limited amount of information being provided by the Federal government at this time. The Medicaid Pharmacy program will be seeking approval from CMS for the new pharmacy reimbursement methodology and determining the viability of the Preferred Drug list after changes in the Medicaid Drug rebate formula.

The primary challenge for the Medicaid dental program continues to be the limited number of dentists and available appointments for new Medicaid patients. While many dentists are enrolled as Medicaid providers, a much smaller number actually provide care and submit claims for Medicaid patients. Collaboration will continue with the Alaska Dental Society to encourage more participation of private dentists in the Medicaid program.

Significant Changes in Results to be Delivered in FY2012

Durable medical equipment regulations are currently under review. The goal is to better align our regulations with Medicaid pricing methodologies and rates with those of Medicare and to assign rates to items not previously priced. Anticipated changes would simplify claims submission for Medicaid providers and claims processing for the program.

Adoption of new dental regulations will allow adult Medicaid recipients to access two years worth of enhanced preventive dental benefits, which will allow a patient to receive both upper and lower dentures at the same time.

Major RDU Accomplishments in 2010

The adoption of the Omnibus Medicaid Coverage and Payment Regulations is the outcome of a multi-year interdivisional regulations rewrite project that separated Medicaid coverage policy from payment methodologies and rates. The regulations were reorganized for logic and ease of search and readability, and to create room for Medicaid program growth which will simplify future regulations projects. The new regulations also incorporate long-standing Medicaid policy previously stated only in billing manuals.

As a part of the larger department-wide tobacco cessation initiative, Medicaid regulations were adopted allowing reimbursement to pharmacists for the provision of tobacco cessation counseling, expanding the resources available to those who desire to cease their use of tobacco. Systems work relating to this initiative is ongoing in FY11.

Medicaid program expenditures were reduced by more than \$2 million for FY10 through the revision of existing Respiratory Syncytial virus prophylaxis criteria based on the 2009 American Academy of Pediatrics recommendations.

As part of program efforts to promote high quality, cost effective outcomes and ensure appropriate medical services are provided to Medicaid recipients, efforts commenced to procure utilization management and case management services. The successful bidder will evaluate the medical necessity and appropriateness of selected inpatient admissions and outpatient medical services and provide coordination of care for highly complex and/or costly health care needs.

Business processes and payment rules were developed and implemented to support the department's participation in the federal demonstration project for Medicaid coverage of Frontier Extended Stay Clinics (FESC).

Medicaid enrollment and payment rules for professional assistants were developed and implemented. These enrollment and processing rule changes result in identification of specific mid-level rendering providers, thereby providing greater accuracy in Medicaid claims editing and payment.

Contact Information
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Medicaid Services RDU Financial Summary by Component												
<i>All dollars shown in thousands</i>												
	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures												
Behavioral Hlth Medicaid Svcs	0.0	0.0	0.0	0.0	59,444.0	717.5	100,408.9	160,570.4	65,308.0	717.5	109,720.2	175,745.7
Children's Medicaid Services	0.0	0.0	0.0	0.0	5,396.5	0.0	8,165.9	13,562.4	5,584.0	0.0	8,353.4	13,937.4
Adult Prev Dental Medicaid Svcs	0.0	0.0	0.0	0.0	2,981.7	0.0	6,231.7	9,213.4	3,038.4	0.0	5,957.1	8,995.5
Health Care Medicaid Services	0.0	0.0	0.0	0.0	223,385.2	9,796.7	509,947.0	743,128.9	256,882.9	9,796.7	584,313.7	850,993.3
Senior/Disabilitie s Medicaid Svc	0.0	0.0	0.0	0.0	149,998.9	3,752.2	246,289.3	400,040.4	178,564.0	3,752.2	281,503.8	463,820.0
Non-Formula Expenditures												
None.												
Totals	0.0	0.0	0.0	0.0	441,206.3	14,266.4	871,042.8	1,326,515.5	509,377.3	14,266.4	989,848.2	1,513,491.9

Medicaid Services
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	438,858.8	2,347.5	14,266.4	871,042.8	1,326,515.5
Adjustments which will continue current level of service:					
-Adult Prev Dental Medicaid Svcs	-107.5	0.0	0.0	-360.0	-467.5
-Health Care Medicaid Services	5,760.7	0.0	0.0	15,311.5	21,072.2
-Senior/Disabilities Medicaid Svc	115.9	0.0	0.0	-166.9	-51.0
Proposed budget increases:					
-Behavioral Hlth Medicaid Svcs	5,864.0	0.0	0.0	9,311.3	15,175.3
-Children's Medicaid Services	187.5	0.0	0.0	187.5	375.0
-Adult Prev Dental Medicaid Svcs	164.2	0.0	0.0	85.4	249.6
-Health Care Medicaid Services	27,737.0	0.0	0.0	59,055.2	86,792.2
-Senior/Disabilities Medicaid Svc	28,449.2	0.0	0.0	35,381.4	63,830.6
FY2012 Governor	507,029.8	2,347.5	14,266.4	989,848.2	1,513,491.9