

MEDICAID ADVISORY COMMITTEE

October 22, 2015

10 a.m. – 2 p.m. CST

Department of Social Services

Kneip Building Conference Room #3

700 Governors Drive

Pierre, SD

I. Welcome and Introductions

Members in attendance: Randy Allen, Ellen Durkin, Lynne Kaufmann, Scott Kennedy, Steven Novotny, Sarah Petersen, Gale Walker, Bruce Wintle

DSS staff: Lori Lawson, Ann Schwartz, Brenda Tidball-Zeltinger

II. Legislative Update

Brenda Tidball-Zeltinger provided an update on the upcoming legislative session. DSS has developed priorities and its budget request for FY2017. The Governor is still working on his recommendation. The Agency ended SFY15 with a few hundred more Medicaid eligible recipients than had been forecasted, but cost of eligibles was lower than anticipated so SD Medicaid ended the year slightly under budget. Enrollment trends have been level. As we look forward to FY17 we are not expecting substantive enrollment outside of potential expansion and, potentially, some additional eligibles coming to us as a result of the FFM open enrollment period.

In budget forecasting, DSS gives consideration to the FMAP – the federal match of the costs incurred. The federal match rate is set in the fall of each year. In the last few years the state share has gone up and the federal has gone down, resulting in the state paying more for the services. This year we saw that reverse and the federal share went up slightly. This will result in a general funds savings due to that FMAP trend. For reference, a 1% FMAP change has an approximately \$7 million general fund impact.

Another area DSS is watching closely is Medicare Premiums. Medicaid will buy an individual into Medicare so Medicare becomes the primary payer. CMS projected no change to this premium in March/April, but then in September forecasted an up to 50% premium increase. This would impact not only DSS but also Medicare beneficiaries. DSS is watching closely as that change would have a significant impact on FY17 budget.

Provider rate inflation will also be part of the budget recommendation. Additionally, DSS working to align the reimbursement rates for similar providers for similar services but within different authorities. For example, rates for services provided under the State Plan Private Duty Nursing benefit have historically been lower than the rates for similar services under the HCBS Waiver.

III. Review SD Medicaid Expansion Concept Paper

Governor Daugaard has been actively communicating with tribal leaders to explain the proposal for Medicaid Expansion and how the plan will increase access to services for American Indians and how the plan will be funded. The Governor's plan includes several conservative assumptions to mitigate against cost overruns some expansion states experienced and does not increase general fund spending.

Information about the SD Health Care Solutions Coalition can be found at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=145>.

If the state elected to expand, approximately 48,000 additional people would potentially become eligible. The state fund share of ongoing commitment is approximately 33 million.

During Legislative Session 2015 there were discussions about how to keep the expansion conversation going and what strategies could be leveraged to cover the costs. Those discussions results in a request to CMS to leverage 100% FMAP for services for those eligible for I.H.S. but provided by non-I.H.S. providers. 35% of Medicaid recipients are eligible for services at I.H.S. The State submitted a concept paper to CMS in March. The concept paper was reviewed.

IV. MMIS Replacement Go Forward Plan

DSS is moving forward with MMIS replacement by focusing efforts on three priority areas – Pharmacy Point of Sale, Provider Enrollment, and Data Analytics.

V. ICD-10 Implementation

SD Medicaid implemented ICD-10 on October 1 and has not experienced any issues at this point. Provider claims are processing as expected.

VI. Surveillance Unit and Review System (SURS) 101

Danette Jacobs, SD Medicaid Payment Compliance Officer, provided a PowerPoint presentation on the Surveillance Unit and Review System.

VII. Applied Behavior Analysis

Sarah Aker provided a PowerPoint presentation on SD Medicaid coverage of Applied Behavior Analysis (ABA) therapy for children with autism.

VIII. Home and Community Based Services

Ann Schwartz provided an update on the SD HCBS Statewide Transition Plan. The STP was submitted to CMS on March 12, 2015. CMS provided feedback to SD in early October, which SD Medicaid is reviewing in collaboration with the Division of Adult Services and Aging and the Department of Human Services.

More information about the HCBS Settings Rule can be found at <http://dss.sd.gov/medicaid/hcbs.aspx>.

IX. Other Updates

i. Health Homes

Ann Schwartz provided an update on the Health Homes Program. See Health Homes Facts handout.

ii. Administrative Rules of South Dakota and Medicaid State Plan

Sarah Aker provided a PowerPoint presentation on the recent changes to Administrative Rules of South Dakota and information about the Medicaid State Plan.

iii. Electronic Health Records/Meaningful Use Audits

Lisa Reuland presented information about the EHR program and meaningful use audits.

X. The next meeting will be held April 28, 2016.