



MEDICAID TRANSFORMATION

AN UPDATE

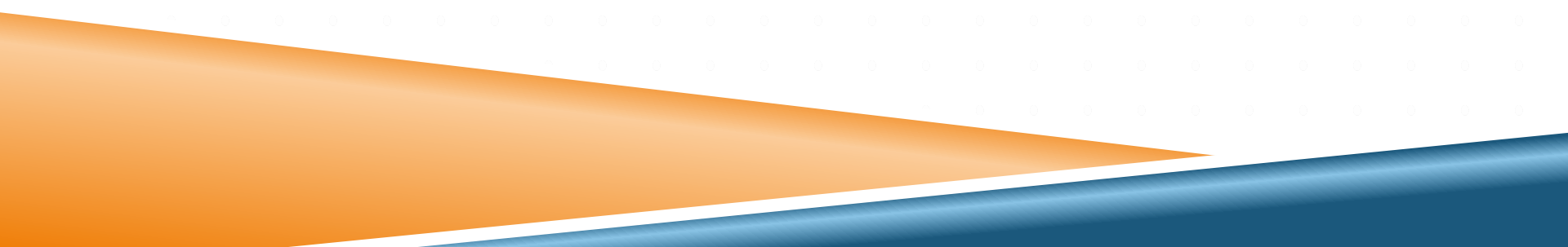
CENTER FOR HEALTH POLICY

UNIVERSITY OF MISSOURI

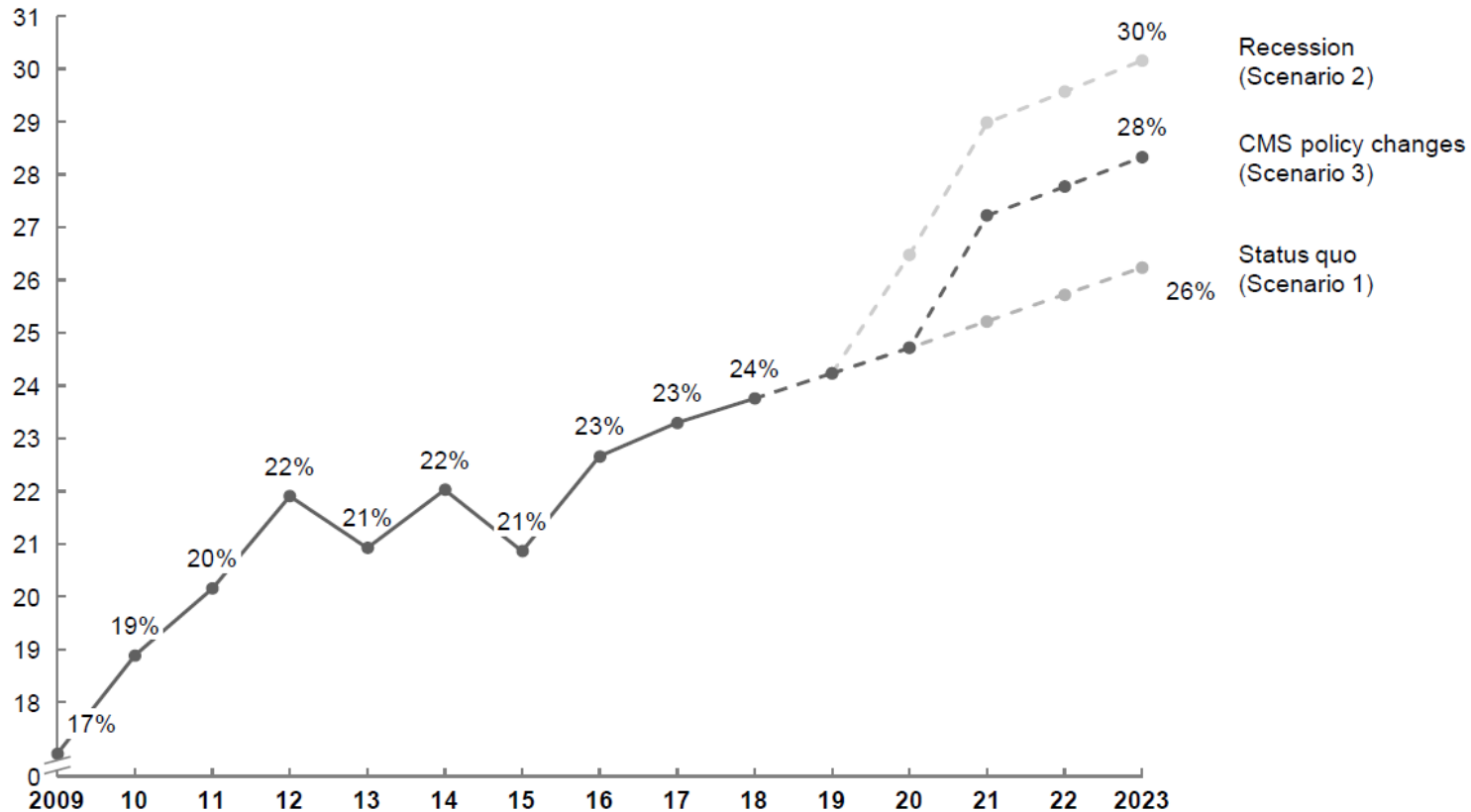
FRIDAY, OCTOBER 25, 2019

Why Transformation?

“**Transformation** is the process of fundamentally changing the systems, processes, and technology across a whole **business** or **business** unit, to achieve measurable improvements in efficiency, effectiveness and stakeholder satisfaction.”

- ❖ Current system is unsustainable
 - ❖ Health outcomes are not acceptable
 - ❖ Payment Models are outdated and not aligned with State’s goals
 - ❖ Very few incentives to increase quality and almost no incentives to control costs
 - ❖ Good work is being done in some areas – but these basic problems are not isolated
- 

Current System is Unsustainable

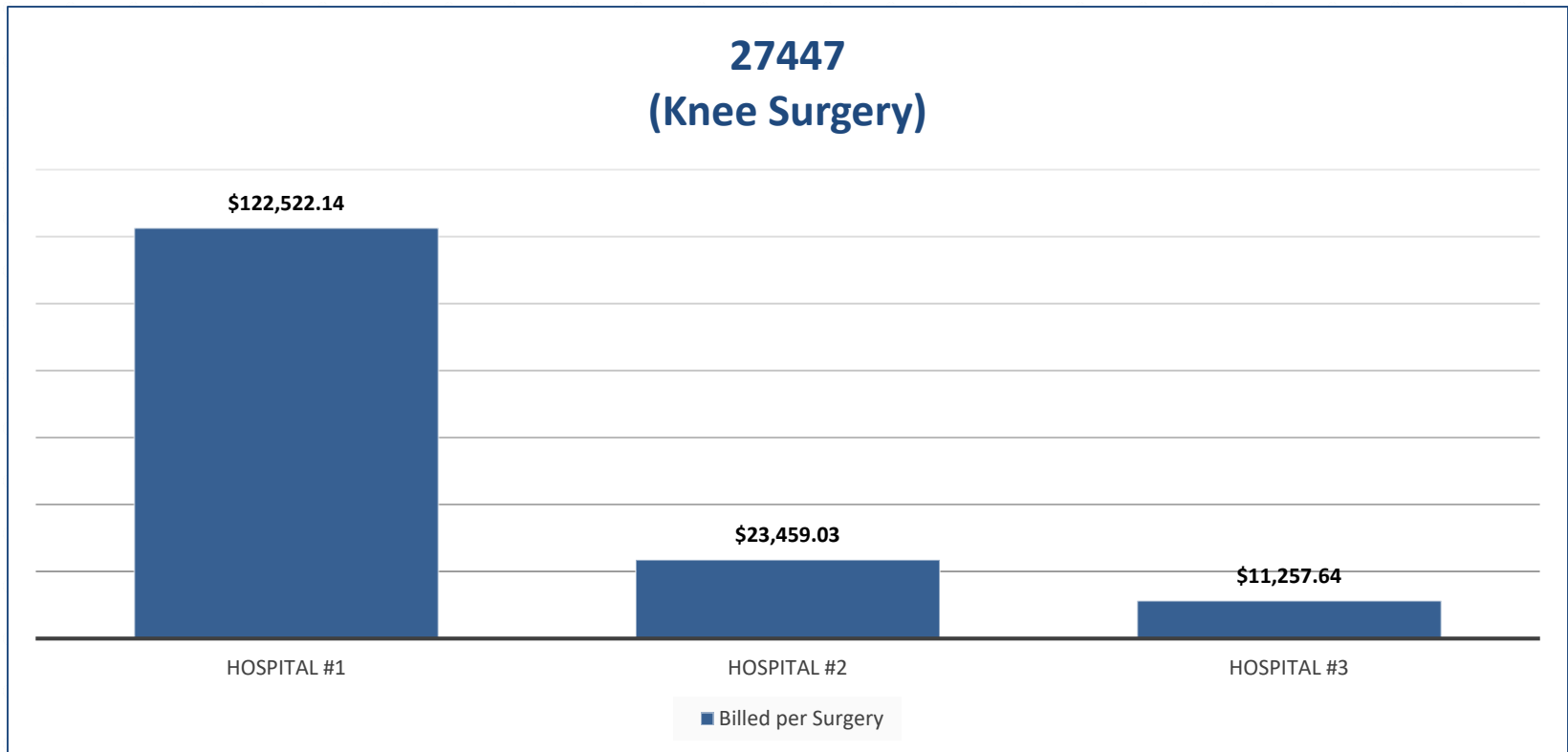


MEDICAID SPENDING AS PERCENT OF GENERAL REVENUE, SFY2009-23

Source: Rapid Response Review – Assessment of Missouri Medicaid Program Final Report

Outdated Payment Methodologies

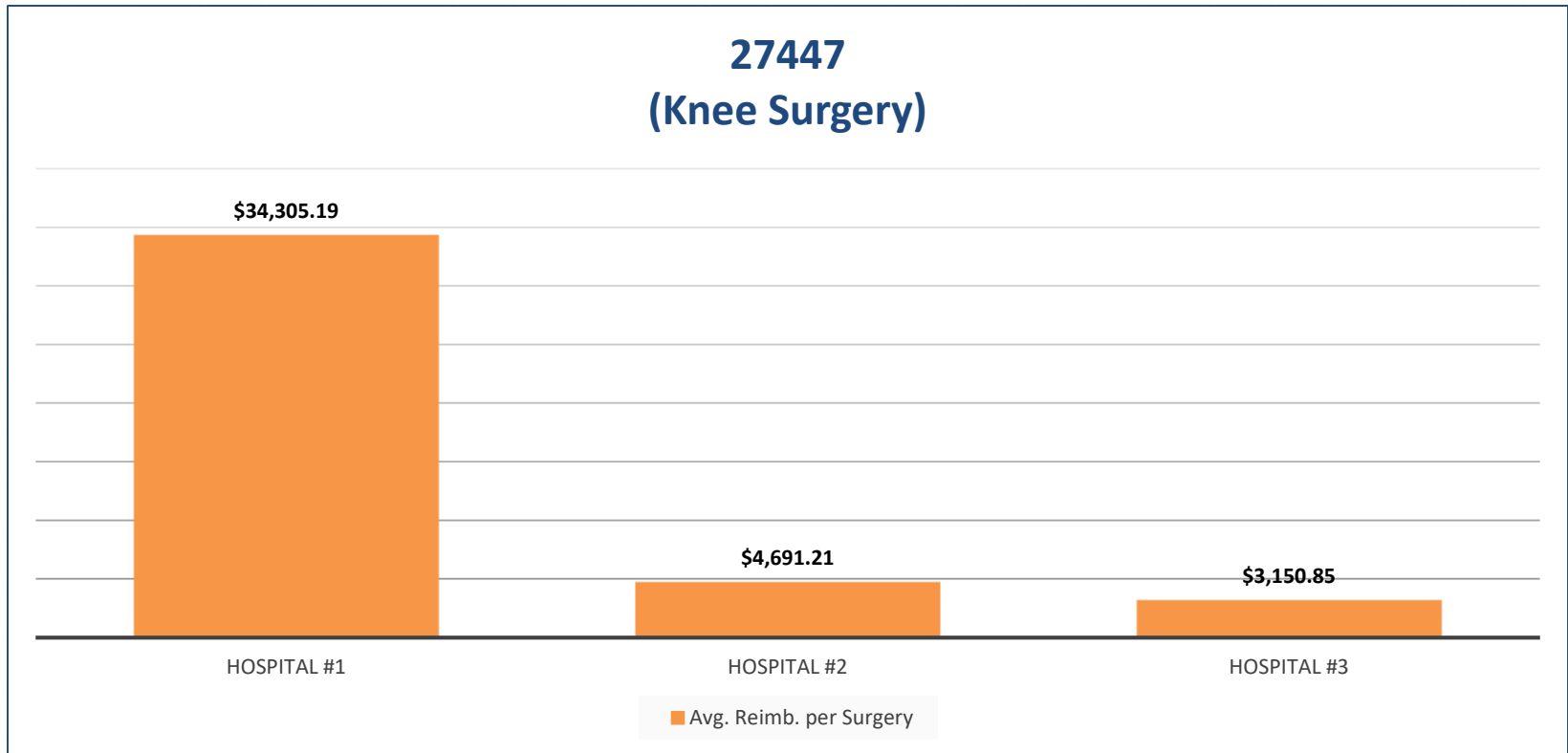
Outpatient Procedures: % of Billed Charges Amount Charged



Outdated Payment Methodologies

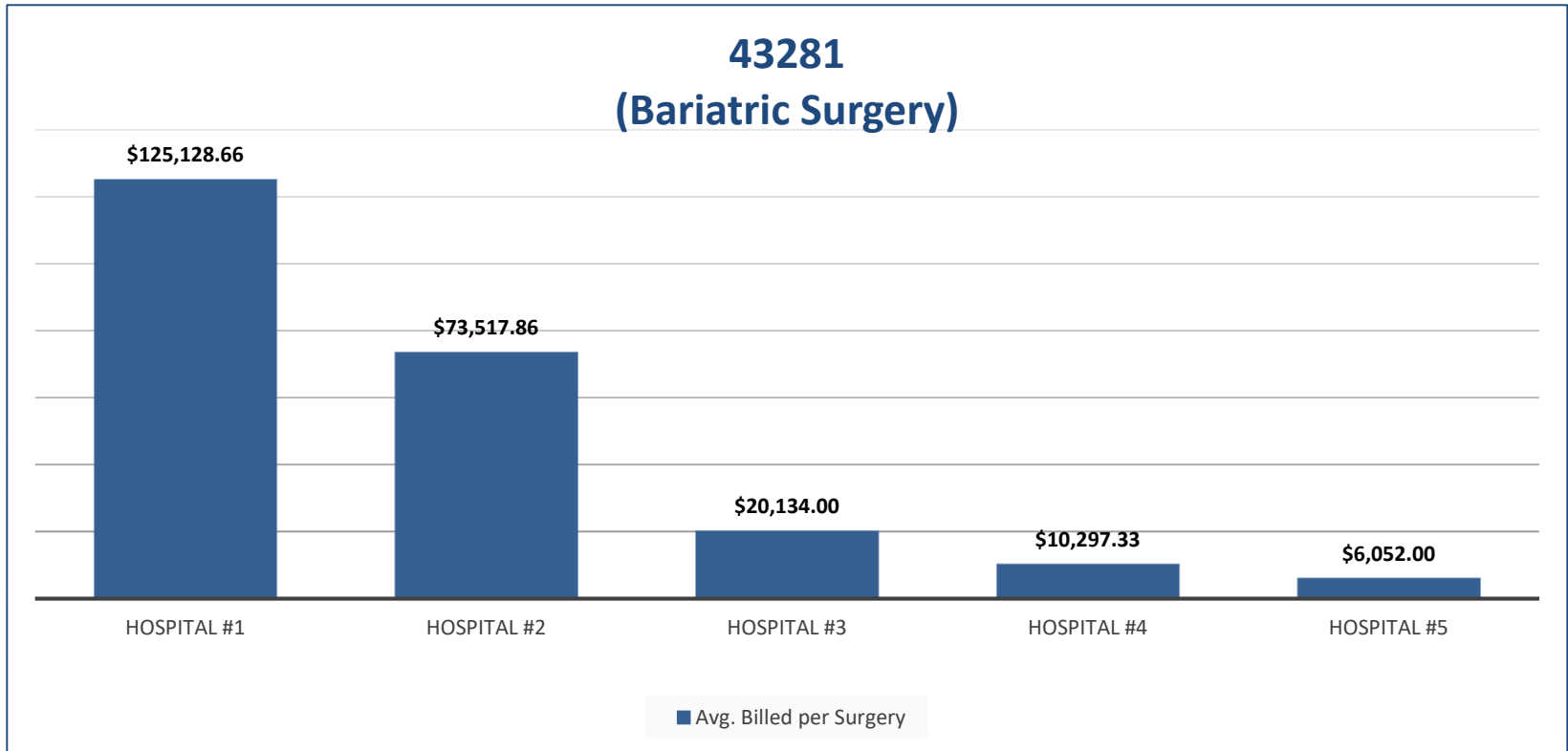
Outpatient Procedures

Amount Reimbursed



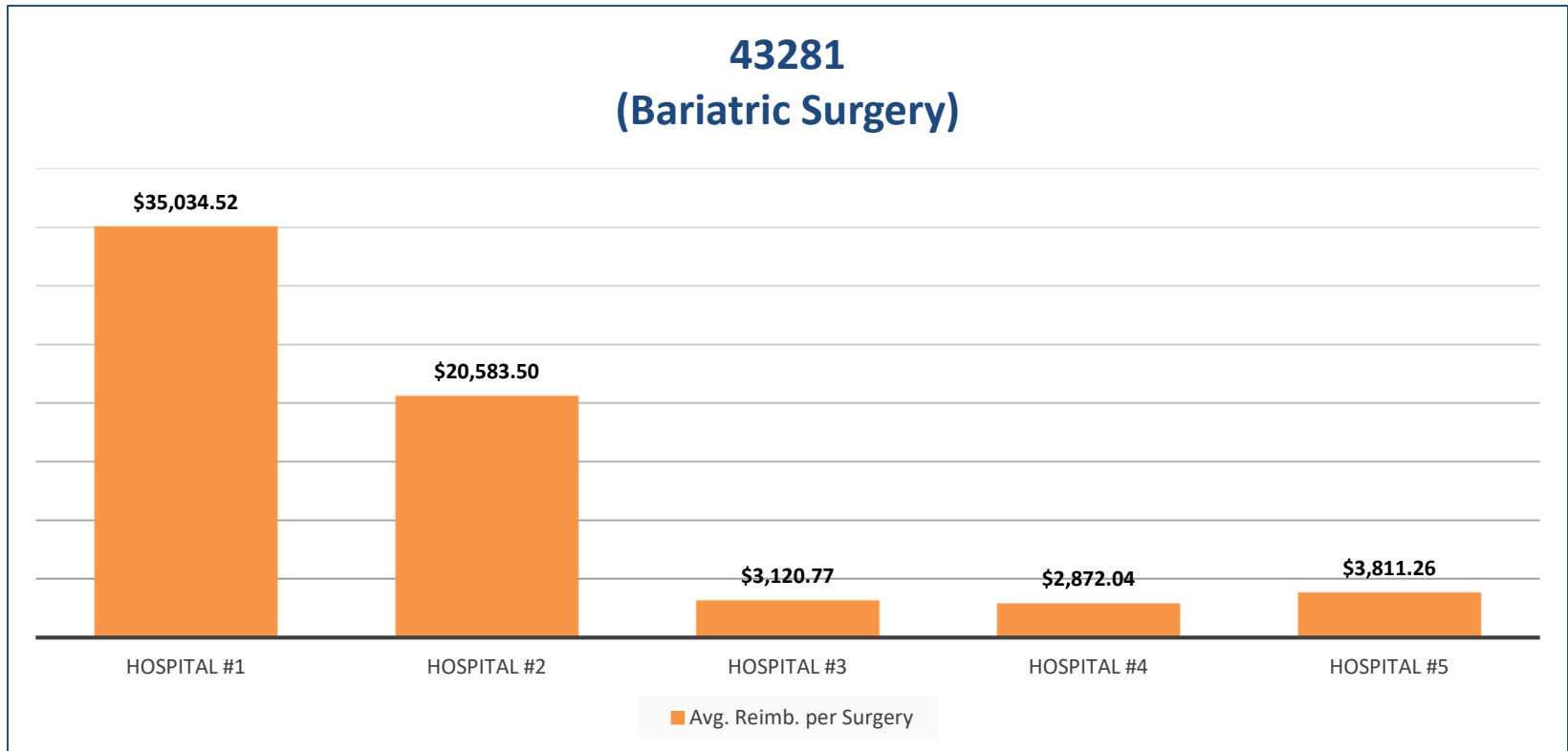
Outdated Payment Methodologies

Outpatient Procedures: % of Billed Charges Amount Charged

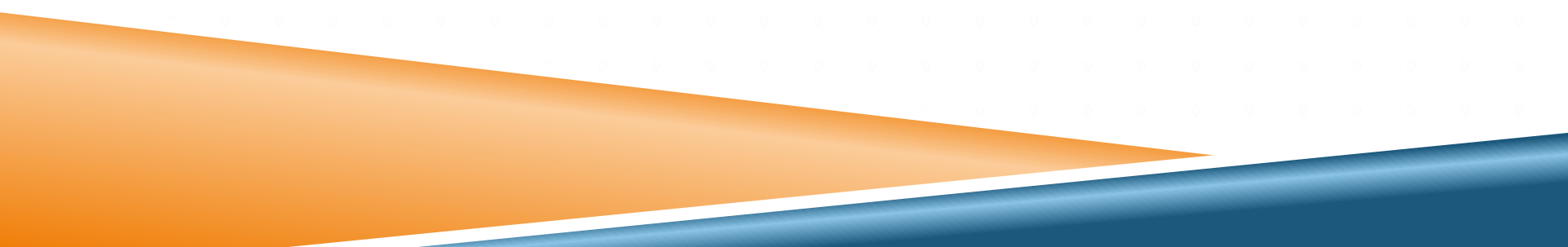


Outdated Payment Methodologies

Outpatient Procedures: % of Billed Charges Amount Reimbursed



Transformation...

- ❖ Must set an ambitious, actionable, measurable vision for the near and long-term future of the program
 - ❖ A large portfolio of transformation initiatives are underway but significant work remains
 - ❖ Once in a generation opportunity – must do the work and have the will to see it through
 - ❖ Must focus on Transformation not just Reform
- 

Vision Statement

Together we will build a best in class Medicaid program that addresses the needs of Missouri's most vulnerable in a way that is financially sustainable.



Transformation...

- ❖ A large portfolio of transformation initiatives are underway but significant work remains
 - Near Term – High Impact Opportunities
 - Build off what's working – Stop what's not
 - Pay for Value – Not Volume

Near Term/High Impact Initiatives Implemented or “In-Flight”

❖ Acute Care

- Shift top 50 outpatient surgeries to a fee schedule.*
- Shift remainder of outpatient hospital reimbursement to fee schedule.
- Alternatives to Chronic Pain Management

❖ Program Integrity

- Fraud, Waste and Abuse Taskforce
- Expand capability to identify additional improper payments that can be prevented using claims edits and pre-pay changes or can result in recoveries*
- Improved collaboration and communication between MHD and MMAC*
- Improve Third Party Liability identification.

❖ Pharmacy

- Reduce grandfathering and maximize rebate capture.*
- Require NDC on non-j codes.*
- Increased Prior Authorizations and Claims Edits on Opioids and Benzodiazepines (Xanax)

❖ Managed Care

- Incorporate additional efficiency measures into the managed care rate-setting process.*
- Quality-based withholds – to increase accountability and provider collaboration

❖ Long Term Services and Supports

- DHSS Assessment Changes
- Extend Money Follows The Person.*
- Pace - program of all- inclusive care for the elderly.*

❖ MMIS/Systems

- Enterprise Data Warehouse
- Management Dashboards – Increasing transparency and evaluation of outcomes

❖ Operations

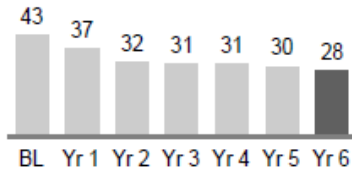
- Enrollment Broker
- Removing Unnecessary or duplicative processes
- Benefits Determination Processes

Build off what's working...

Impact of Primary Care Health Homes: Hospital Use

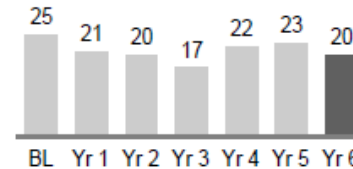
Utilization results across all PCHH enrollees

Percentage of PCHH enrollees who had an ED visit, %



There has been a 35% decrease in ED use for all PCHH enrollees from baseline, through year 6 of the PCHH program

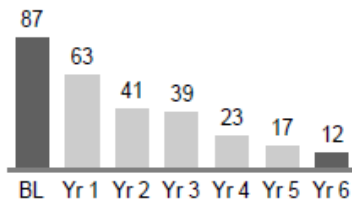
Percentage of PCHH enrollees who had a hospitalization, %



There has been a 20% decrease in hospital use from the baseline, through year six of the program.

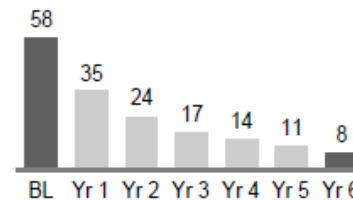
Utilization results across high utilizers

% of high utilizers with ED visits



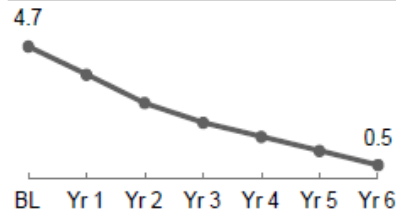
There has been an 86% decrease in ED visits for individuals who are considered to have high ED or hospital utilization.

% of high utilizers with hospital admissions



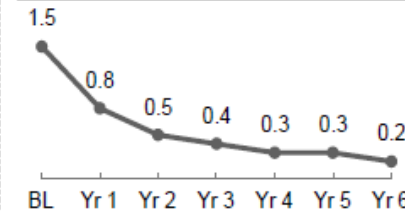
In total, the percentage of high utilizers who are admitted to the hospital has been reduced by 86%.

Average # of ED visits for high utilizers



The average number of ED visits decreased from 4.7 visits per person to less than one visit/person by year six, an 89% decrease.

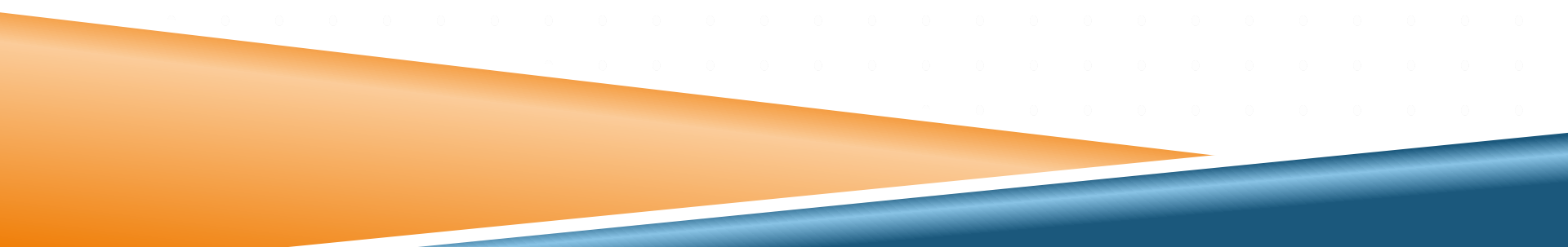
Average # of hospitalizations for high utilizers



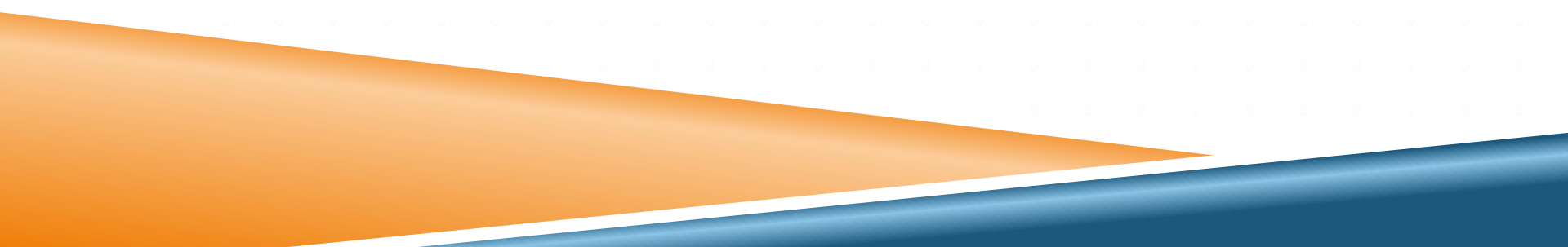
The average number of hospitalizations has decreased by 87% from baseline to year six.

The impact of PCHH on ED and hospital use has been especially effective among high utilizers

Transformation Office

- ❖ Drive action, help clarify goals, balance priorities and coordinate between initiatives
 - ❖ Help create and execute the initiative- and workstream specific implementation plans
 - ❖ Create, maintain, report on, and further develop the fact base for initiatives per workstream
 - ❖ Perform advanced data and analytics functions for the workstreams
 - ❖ Support the stakeholder engagement process in its different forms
- 

Achieving Success

- ❖ Ensure access to services that meet the needs of our participants in every part of Missouri
 - ❖ Improve participants' experience and healthcare outcomes, and increase their independence.
 - ❖ Bring Medicaid spending growth in line with growth in Missouri's economy
 - ❖ Partner with providers to modernize our care delivery system
 - ❖ **Become a leader in the implementation of value-based care in Medicaid**
- 



MEDICAID TRANSFORMATION

AN UPDATE

CENTER FOR HEALTH POLICY

UNIVERSITY OF MISSOURI

FRIDAY, OCTOBER 25, 2019