

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Heck</i>	DATE <i>4-6-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>101386</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>CC: CMS file Singleton, Depp</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
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From: "NAMD" <tess.moore@namd-us.org>
To: <polatty@scdhs.gov>
Date: 3/19/2012 4:28 PM
Subject: [NAMD Member Update] NAMD Releases Medicaid Program Integrity Paper; Spring Meeting Update; Survey Requests

*Peer PLS log
KecK - (N/A)
C:cms
Not*

NAMD RELEASES MEDICAID PROGRAM INTEGRITY PAPER; SPRING MEETING
UPDATE; SURVEY REQUESTS

*Electronic
provided*

Monday, March 19, 2012

RECEIVED to all
Depts.
APR 06 2012

NAMD Serving You #namd-serving-you
New at medicaiddirectors.org #new-at-medicaiddirectors.org
Regulatory News #regulatory-news
Hill Update #hill-update
In the News #in-the-news
Other Items of Interest #other-items-of-interest
Mark Your Calendar #mark-your-calendar

Department of Health & Human Services
OFFICE OF THE DIRECTOR

.... NAMD Serving You

*/NAMD issues position paper on Medicaid program integrity. /*The National Association of Medicaid Directors (NAMD) released a position paper describing a number of concrete opportunities to improve Medicaid program integrity efforts. The report, "Rethinking Medicaid Program Integrity: Eliminating Duplication and Investing in Effective, High-Value Tools," makes four overarching recommendations:

- 1) Clarify the roles of the state and federal governments in Medicaid program integrity efforts;
- 2) Improve collaboration and communication between Medicare and Medicaid;
- 3) Invest in resources tailored to individual state Medicaid programs; and
- 4) Evaluate the return on investment and utility of existing program integrity initiatives.

In a release about the paper Andy Allison, Arkansas Medicaid Director and NAMD President said, "The increasingly federalized approach to Medicaid program integrity is not effective. At best it impedes and at worst it undermines state efforts to reorient Medicaid programs to focus on purchasing high-value, appropriate services for vulnerable populations."

The paper is posted on NAMD's website at:
<http://medicaiddirectors.org/resources/publications>

/NAMD-CMS call on managed LTC scheduled for March 26th/ . The Care Management and Integration Policy Committee will convene for a call with the Center for Medicaid and CHIP Services (CMCS) on March 26th from 3:30-4:30 pm ET. All Directors are invited to participate and should RSVP to Andrea [mailto:andrea.maresca@namd-us.org]. Background materials and the call-in information are posted on NAMD's state-only website under Policy Committees/Care Management and Integration.

*3 separate
logs.*

During this call, CMCS will brief Directors on the agency's goals and information about the new tools they are developing, including MLTSS planning

resources. In addition, Directors will be asked for their input and insights on managed LTSS. NAMD will work with the Committee to identify what, if any, action is needed to inform CMCS activities going forward.

***/UPDATE:** Care Management and Integration Policy Committee. /*On March 12, NAMD sent an update to the Committee on CMCS' managed long-term care services and supports efforts and the following issues. More detailed information is available on the Policy Committee's webpage.

* The Committee is currently vetting a follow-up NAMD document with recommendations to improve states' access to and use of Medicare data. Comments are due to Andrea by March 20th. The Board will review this and NAMD staff willshare with CMS' Medicare and Medicaid Coordination Office.

* NAMD notified the Committee that CMS is updating its Medicaid managed care oversight manual. Committee members, and other interested Directors, are encouraged to notify Andrea if you have recommendations for updating the manual.

***/REMINDER:** CMCS/ASPE call with NAMD Policy Committee on access measures project. /*On March 21, from 3-4 pm ET, NAMD's Eligibility and Access Policy Committee will hold a call with the leadership of the Centers for Medicaid and CHIP Services (CMCS) and HHS' Office of the Assistant Secretary for Planning and Evaluation (ASPE), including Cindy Mann, Penny Thompson and Rick Kronick. All Directors are invited to participate in this call. CMCS and ASPE will update the Committee on the agencies' joint project to develop Medicaid access measures. They also will discuss how to ensure ongoing input from Medicaid Directors.

Directors may invite the pertinent staff lead on this topic to join you on this call and/or to serve on this Committee's Access Measures Subject Matter Experts (SME) Workgroup. As needed, this SME Workgroup will develop recommendations for the Policy Committee's consideration to share with CMCS/ASPE.

Additional information, including the background memo and call number, are posted on NAMD's state only page under Policy Committee/Eligibility and Access Committee. Please contact Andrea [mailto:andrea.maresca@namd-us.org] with any questions and to RSVP for this call.

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.... [New at medicaiddirectors.org](http://www.medicaiddirectors.org)

/Spring meeting agenda posted./ The agenda for the Spring meeting has been updated. Please log in to the State-only site to see the updated agenda and registration information. As a reminder, the hotel cut off is April 20, so please make your reservations soon by a calling the hotel directly at (703) 920-3230.

/NAMD survey requests to Medicaid Directors/ NAMD sent a set of short survey requests on behalf of your colleagues. Descriptions and a link to each is included below. We ask that you complete these by March 29th. If you have questions, please contact Kathleen.nolan@namd-us.org.

- * DRG transitions: A number of states have been asking about the use of DRGs in Medicaid, and the experience of states in terms of cost implications. <https://www.surveymonkey.com/s/SVZ6CLF>
- * Co-payment reforms: Several states are interested in co-pay reforms, and would like to know how many other states are engaged on this issue. <https://www.surveymonkey.com/s/TLF5BSC>
- * ABD in managed care: Illinois would like to know about enrollment of aged, blind and disabled in managed care. <https://www.surveymonkey.com/s/QKNCHRM>
- * Level-of-Care determination tools: Illinois would also like to understand how other states determine level of care for nursing homes and HCBS. <https://www.surveymonkey.com/s/QKQBS7S>

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... Regulatory News

*/CMS will host all-state call on Medicaid portal and 2014 TA Teams./ * On March 20th 3-4pm ET, CMS will conduct a call with states to describe their plan to launch the new electronic portal for SPA and waiver requests (MACPro). The call will also provide information on the 2014 technical assistance plan that has been emerging from CMS over the past few weeks, including the launch of state TA teams (called SOTAs) and a status update on the study of FMAP conversion methodologies (see the discussion below on the eligibility regulation for information on FMAP conversion). Call-in Information: Participant: (877) 260-8900. Confirmation Number: 241459. Contact Kathleen [mailto:Kathleen.nolan@namd-us.org] for more information on these efforts.

*/Medicaid eligibility regulation issued./ *On Friday, CMS released the long-awaited Medicaid eligibility regulation. NAMD staff plans to provide Directors with more of our analysis this week. As you and your staff digest the regulation, we look forward to receiving your reactions as well.

In the meantime, you may be interested in the following high-level changes:

- * FMAP methodology: While options for simplified methodologies for FMAP calculations were included in the proposed regulation, these provisions are NOT included in this regulation. CMCS indicated to NAMD that additional time is needed to evaluate these options, including information from CMCS/RAND's 10-state pilot project work which is ongoing. CMCS anticipates a final rule on these provisions around October 2012. However, CMCS plans to issue a white paper laying out their preliminary thinking on the conversion methodologies, possibly next week, and will seek feedback from states.
- * Eligibility determinations: States will have the option to allow the Exchange (including a non-governmental Exchange entity) to make the final Medicaid/CHIP eligibility determination. States also may choose to have the Exchange make an initial determination and refer the individual to Medicaid/CHIP agency for a final determination. The rule specifies the information must be shared electronically and states cannot duplicate requests for information. CMCS added language to specify that states must follow requirements for timeliness for making determinations and separate requirements setting standards for the eligibility determination process. The regulation sets forth criteria for timeliness. However, sub-regulatory guidance will provide the details for the timeliness.

* People with disabilities: CMCS clarifies that people with disabilities with income at or below 133% of the FPL (138% with disregard) who qualify for Medicaid on MAGI-based methodology can still apply and be determined eligible and enrolled in an optional Medicaid category that includes services appropriate to their needs. This is specifically designed to address individuals who need and qualify for long-term care and home and community based services. Individuals with disabilities who are determined eligible for premium tax credits to purchase coverage via an Exchange can still apply for Medicaid coverage under an optional category. They would be enrolled in an Exchange qualified health plan while their Medicaid eligibility is determined.

* Verification: States must have a verification plan on file with HHS and CMCS states it believes this will help avoid inconsistencies with eligibility policies and PERM and federal program integrity efforts. The agency stresses that PERM reviews are based on the information available to the Medicaid agency at the time the determination is made, not any retrospective information that otherwise becomes available. Thus, it will be important for states to ensure it has a thorough verification plan on file. However, in its response to comments, CMCS states additional guidance is forthcoming on these issues including how the agency ensure PERM and MEQC policies are consistent with the new rule.

/Medicaid eligibility regulation calls// The Center for Medicaid and CHIP Services (CMS) will kick off a series of webinars for states by providing an overview of the regulation on March 22nd from 1:30-2:30 ET. As detailed in the agency's Information Bulletin and listed below, CMCS will follow with a series of topical calls for states, each running 90 minutes. They also plan to launch individual state TA efforts in the weeks ahead. A CMCS will send announcements and registration information for each webinar in advance of the scheduled date.

- * March 22, 2012, 1:30-2:30 p.m. EST: Overview of the Final Rule
- * March 29, 3:00 p.m. EST: MAGI methods and Household Scenarios
- * April 5, 3:00 p.m. EST: Coordination across Medicaid, CHIP, and Affordable Insurance Exchanges
- * April 19, 3:00 p.m. EST: Application and Verification process, and ensuring accessibility for individuals with disabilities and those who are limited English proficient
- * April 26, 3:00 p.m. EST: MAGI Screening and Renewals
- * May 10, 3:00 p.m. EST: Eligibility Final Rule Wrap-up

For planning purposes, we also want to let you know that NAMD is working with CMCS to coordinate a state-only meeting, sponsored by CMCS, focused on the eligibility regulations immediately. We will provide additional details about the CMCS portion as soon as they are available. *At this time, CMCS anticipates holding the meeting at the Gateway Crystal Marriott (same hotel as the NAMD meeting) for Directors and key staff the afternoon of May 22nd through mid-day on Wednesday, May 23rd.*

/CYMI: HHS delays 5010 enforcement by 3 months/ The Centers for Medicare & Medicaid Services' Office of E-Health Standards and Services (OEHS) announced last week that it will not initiate enforcement action for an additional three months, through June 30, 2012, against any covered entity that is required to comply with the updated transactions standards adopted under the Health Insurance Portability and Accountability Act of 1996 (HIPAA): ASC X12 Version 5010 and NCPDP Versions D.0 and 3.0. In a release

about the decision, OECS states CMS Medicaid staff will continue to work with individual states regarding their program readiness.

Information about the delay is posted at: <http://www.cms.gov/ICD10/>

/Update on Strong Start Initiative/. A few weeks ago, the CMS Innovations Center and CMCS jointly announced a two-part initiative to improve birth outcomes, particularly in Medicaid. The initiative includes grants to states or other groups (e.g., providers) to support state-level Medicaid initiatives. (For more detail, go to <http://www.innovation.cms.gov/initiatives/strong-start/>). Letters of interest from all applicants are due this Wednesday (3/21), with applications due in June. Applications from non-state entities must include signed commitments from the Medicaid agencies, as well as a plan and budget for securing the necessary Medicaid and vital records data. So whether you choose to apply or not, you may be hearing from others in your state. CMS has been struggling with how to help non-state applicants connect with their state agencies, and NAMD has been trying to help. We will keep you informed on developments -- such as what data elements will be required. NAMD is also tracking LOIs to make sure you are aware of applicants in your state. If you have questions about this initiative, please contact Kathleen [mailto:kathleen.nolan@namd-us.org].

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... Hill Update

/CBO releases annual March baseline. /On March 13th the Congressional Budget Office (CBO) released its updated budget projections for federal fiscal years 2012 to 2022. Overall, based on current law, CBO projects a deficit of approximately 7.6 percent of gross domestic product in 2012 (\$1.2 trillion), with deficits falling to average 1.4 percent of GDP over the 2013-2022 period. Based on its assumptions about economic expansion and constraints on federal discretionary spending, CBO projects federal spending to decline slightly as a percentage of GDP in the next few years. However, later in the budget window, spending will increase relative to GDP because of increasing expenses stemming from the aging of the population and rising costs of health care. CBO also provides alternative projections assuming certain statutory tax and spending provisions, such as the Medicare physician reimbursement rate, were extended.

CBO's Medicaid specific projections include the following:

* Average monthly Medicaid enrollment is projected to increase from 54 million in 2011 to 75 million in 2022 (total enrollment is projected to rise from 67 to 94), with adult enrollment rising from 18 to 37 million over this time period.

* Average federal spending over the ten year period 2012-2022 will increase 6% for children, the aged, and blind and disabled individuals, and 9 percent for the adult category.

The detailed budget chart with enrollment and federal spending projections is posted at:

http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059_Medicaid.pdf

/CBO and JCT revise forecast for Medicaid expansion, leave state spending estimates unchanged;/ The Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT) released updated estimates for the insurance coverage provisions of the Affordable Care Act (ACA). CBO and JCT now estimate that the insurance coverage provisions of the ACA will have a net cost of just under \$1.1 trillion over the 2012-2021 period, approximately \$50 billion less than their agencies' March 2011 estimate for that 10-year period.

Compared to their earlier estimate, the agencies cite an additional \$168 billion in projected outlays for Medicaid and CHIP. This increase was offset in part by a reduction of \$97 billion in the projected costs for the tax credits and other subsidies for health insurance provided through the Exchanges and related spending and a reduction of \$20 billion in the projected costs for tax credits for small employers.

The CBO and JCT also adjusted their projections of health insurance coverage. According to their March 2012 report, from 2016 on, 17 million additional people will be enrolled in Medicaid and CHIP, compared to 16 million in the March 2010 estimate. Fewer people (between 20 million and 23 million) are now expected to obtain health insurance coverage from their employer or by purchasing coverage through Exchanges.

Reasons for the projection changes include:

- * Adjustments made to reflect subsequent legislation;
- * Changes in the economic outlook to reflect a slower recovery with higher unemployment throughout the projection period; and
- * Technical changes to CBO and JCT's estimating procedures, some of which reflect provisions of CMS' proposed Exchange and Medicaid eligibility regulations.

In a footnote regarding state spending, CBO estimates state spending for Medicaid and CHIP related to the ACA's coverage provisions for the 2012-2021 period will be about \$60 billion - essentially unchanged from its March 2011 report. The projection jumps to \$73 billion by extending the budget window out one year, from 2012 to 2022. While the agency projects higher federal spending due to higher anticipated enrollment, they project more enrollees will qualify for a higher federal share of their service related costs than estimated in March 2011.

The CBO and JCT report is posted at:

<http://www.cbo.gov/sites/default/files/cbofiles/attachments/03-13-Coverage%20Estimates.pdf>

*/MACPAC issues recommendations to Congress. /*The Medicaid and CHIP Payment and Access Commission (MACPAC) released its March 2012 report to Congress. The report makes recommendations in two areas: Medicaid and persons with disabilities and Medicaid program integrity (PI).

The recommendations for persons with disabilities call on the Secretary of the Department of Health and Human Services (HHS) to focus on innovations that support high-quality, cost effective care. A second recommendation directs HHS to work with states to update and improve quality assessment for Medicaid enrollees with disabilities. The Commission highlights that Medicaid spends more in total and per person on Medicaid-only enrollees qualifying on the basis of a disability than on any other population in Medicaid, and that

quality measurement for this population needs improvement.

The Commission's recommendations for Medicaid PI are consistent with those in NAMD's position paper on this topic. Among other things, MACPAC advises that HHS should collaborate with states to eliminate inefficient, redundant programs and create federal feedback loops. The Commission also emphasized that federal resources should focus on states, specifically to improve best practices and develop and disseminate better tools and training for states.

The report also includes chapters on access to care for children enrolled in Medicaid and CHIP and state approaches for financing. As in the past, these chapters describe the current landscape and challenges, thereby laying the groundwork for potential recommendations on these broad topics in future reports.

The report is available at: <http://www.macpac.gov/reports>.

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.... In the News

*/Salo comments on outlook for Medicaid per capita cap/. *As the House of Representatives prepares its budget resolution for federal fiscal year 2013, there's been mounting chatter about possible Medicaid proposals, including a Medicaid cap plan. POLITICO reports that a Medicaid per capita cap is unlikely to be in House budget. POLITICO's Matt DoBias reported that the House Republican's budget is expected to include a Medicaid block grant proposal. NAMD's Matt Salo told POLITICO, " It would make sense. If that's what they [House Republicans] want to do, you start with a block grant and hopefully you get to per capita caps."

*/CQHealthbeat/** quotes Salo on reactions to eligibility reg*. In a story on the newly released Medicaid eligibility regulation, the Congressional trade publication /CQHealthbeat/ covered comments from Center for Medicaid and CHIP Services' (CMCS) Director Cindy Mann. During a press call she told reporters the rule will make it much easier for states to run their Medicaid programs. /CQHealthbeat/ quotes Mann as saying, "We had overwhelmingly strong support from all stakeholders for the rule."

NAMD's Salo told the congressional trade publication that, "the provision about how to conveniently calculate the regular and enhanced match rates for enrollees are not included in this regulation. CMS anticipates a final rule on these provisions around October 2012. We understand why it takes so long, because this is extraordinarily complicated. But the longer any piece takes, the more it stretches already tight time frames" for the health law. That's especially the case "since many state agencies are or soon will be preparing budgets for the next fiscal year."

Salo added that state Medicaid agencies will need flexibility on the deadlines for determining final Medicaid eligibility when they do it rather than the exchanges. ("Medicaid Expansion Rule Aims for Vastly Simpler Enrollment Process," March 16, 2012)

/NC talks to Stateline about medical home opportunities.//Stateline/ reporter Christine Vestal recently covered differing opinions and information

about the success and promise of medical homes and the related federally defined parameters for Medicaid health homes. Vestal writes that states experimenting with this nationwide movement say that when practiced by doctors serving Medicaid patients, it improves overall health conditions and saves billions of dollars in the long run. The article poses questions about the short run likelihood to contain Medicaid costs and cites findings from a new study

<http://www.ajmc.com/publications/issue/2012/2012-2-vol18-n2/Early-Evaluations-of-the-Medical-Home-Building-on-a-Promising-Start>
published in *The American Journal of Managed Care*/ reports that contradict claims by medical home supporters that significant cost reductions have been achieved in the first few years of adopting the approach.

Vestal also cites a recent study

<http://www.communitycarenc.org/elements/media/files/miliman-executive-summary.pdf>
by the actuarial firm Milliman which found that North Carolina's Medicaid program saved nearly \$1 billion in federal and state money between fiscal years 2007 and 2010. NC's Dr. Allen Dobson told *Stateline* /that the North Carolina program has saved money and required little upfront investment. According to the article, North Carolina was investing less than 8 percent of its Medicaid budget on primary care when the program got started. Dr. Dobson told *Stateline*/ that today, despite the substantial primary care investment, the total incremental cost of the medical home program is still only 1.3 percent of the state's Medicaid budget. See:
<http://stateline.org/live/details/story?contentid=638995>

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... Other Items of Interest

*/NAMD staff swells to five/. *NAMD is delighted (and relieved) to welcome our newest staff member, Abby Kahn. Abby completed double masters degrees (in Public Policy and Public Health) at UC-Berkeley in December 2011. She has worked for a number of "fan favorites," including HMA, Urban Institute and Medi-Cal. She started her work-life with an internship on the Hill followed by a stint at the Health Teen Network in Baltimore. Abby can be reached at <mailto:abby.kahn@namd-us.org>.

*/NAMD's Salo to speak at Alliance for Health Reform webinar./*On March 27th at 2 pm ET, the Alliance for Health Reform will host a live webinar, "Implementing Health Reform in the States." NAMD's Executive Director Matt Salo is a panelist along with Noam Levy of the *LATimes*/and Enrique Martinez-Vidal, vice president for state policy and technical assistance at AcademyHealth. The webinar will focus on trends in states and implications for states if the Supreme Court strikes down parts or all of the Affordable Care Act. To watch the live webinar log onto <http://www.allhealth.org>. No charge or registration required.

/*Medicaid directors and staff offered discount to family planning meeting.

*/The 2012 National Family Planning & Reproductive Health Association (NFPRHA) Conference will focus on the significant role of Medicaid as a payment source for family planning services. NFPRHA is offering NAMD members and their staff the opportunity to attend the NFPRHA conference at discounted rates.

Content of particular interest to Medicaid staff who work on family planning include:

- * Medicaid Peer-to-Peer Meeting - Family planning program administrators and state Medicaid program staff discuss key issues and share best practices related to family planning SPAs and waivers.
- * A Conversation on Medicaid & Family Planning - Learn how CMS is working to help health centers get ready for the millions of patients who will gain Medicaid coverage under the Affordable Care Act.
- * Health Exchanges Panel -Learn what state health exchanges mean for family planning providers and systems.

The conference will take place April 29 to May 2 at the Westin City Center in Washington, DC. For more information visit:
<http://www.nationalfamilyplanning.org/conference>. To register at the discounted rate follow the "create an account
<https://www.nationalfamilyplanning.org/sspage.aspx?pid=290&tab=1>" link and check the box indicating you are a NAMD member when you complete the new user registration form.

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.... Mark Your Calendar

*/NAMD Policy Committee call with CMCS on MLTSS: /*Monday, March 26 from 3:30-4:30 pm ET

*/Medicaid Policy Committee call with CMCS/ASPE on Access measures: /*March 21, 3-4 pm ET.

/2012 National Family Planning & Reproductive Health Association (NFPRA) Conference/: April 29 to May 2, Westin City Center, Washington, DC:
<http://www.nationalfamilyplanning.org/conference>

*/NAMD State-only Spring Meeting: /*May 20-22, 2012, Crystal Gateway Marriott, Arlington, VA *Registration and *hotel reservation information and a preliminary working draft agenda:
<http://medicaiddirectors.org/member-services/spring-2012-conference>

/Save the date for NAMD's 2012 Fall meeting:/ October 28-30, 2012, Crystal City, Marriott, Arlington, VA.

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