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To: Soura, ChristianChristianSoura@gov.sc.gov

Date: 9/2/2014 12:10:37 PM

Subject: Fwd: [NAMD Update] Fall 2014 NAMD Conference; 340B Orphan Drug Rule; Penn Medicaid Expansion Approved; Behavioral Health Integration; Delivery System Reform

Attachments: newsletter-header.png

Sent from my iPhone

Begin forwarded message:

From: "NAMD" <tess.moore@medicaiddirectors.org>

Date: September 2, 2014 at 11:45:23 AM EDT

To: kostbr@scdhhs.gov

Subject: [NAMD Update] Fall 2014 NAMD Conference; 340B Orphan Drug Rule; Penn Medicaid Expansion Approved; Behavioral Health Integration; Delivery System Reform

Reply-To: tess.moore@medicaiddirectors.org

Fall 2014 NAMD Conference; 340B Orphan Drug Rule; Penn Medicaid Expansion Approved; Behavioral Health Integration; Delivery System Reform

Tuesday, September 2, 2014

FROM THE NAMD DESK

- Fall 2014 NAMD Conference Countdown: 68 Days!

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- Federal Judge Backs HRSA 340B Orphan Drug Rule, New Lawsuits Expected
- CMS Fact Sheet Explores Screening and Intervention Tool for Substance Use

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- Congress in Recess Until September 8

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- New York Times Covers DEA's Tightened Restrictions on Hydrocodone Prescribing
- Governing Analyzes the Legal Risks of Sovaldi Coverage Restrictions

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- CMWF Releases Report on Behavioral Health Integration Strategies
- AHRO Releases Hospital Guide to Reduce Medicaid Readmissions
- ICRC Releases Call Summary on D-SNP Contract Oversight and Quality Monitoring
- BPC Releases Health Delivery System Reform White Paper
- The Commonwealth Fund Releases Issue Brief on Arkansas Health Care Payment Improvement Initiative

SAVE THE DATE

- Fall 2014 NAMD Conference

FROM THE NAMD DESK

Fall 2014 NAMD Conference Countdown: 68 Days!

The NAMD staff wishes to welcome our readers back from the long weekend and all your summer travels. We hope you have recharged and are ready to catch up on all the news and work occurring in state Medicaid agencies.

Looking ahead, we hope you will join us for NAMD's Fall Conference being held November 3-5 in Arlington, VA. This is an exciting opportunity to learn more about the mechanics of state delivery and payment issues, approaches to integration and strategies state agencies are employing to seize new opportunities and meet new demands - and many more of the hottest topics.

The NAMD Fall Meeting agenda topics are now posted online. You can view it by [clicking here](#). And we will be adding new content over the next several weeks.

Don't forget to complete your online conference registration at the Early Bird Rate! You can register by [clicking here](#). Registration fees increase after October 3, 2014. We look forward to seeing you in Arlington in November!

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REG UPDATE

Federal Judge Backs HRSA 340B Orphan Drug Rule, New Lawsuits Expected

On August 27, a federal District Court judge declined to discard a recent interpretive rule issued by the Health Resources Services Administration (HRSA) regarding orphan drug purchases under the 340B drug rebate program. Previously, HRSA issued a final rule which stated that orphan drugs were eligible for 340B rebates so long as they were used to treat a condition other than that which gave the drug orphan status. This rule was challenged in a lawsuit by the Pharmaceutical Research and Manufacturers of America (PhRMA) and overturned by the court, which found that HRSA lacked the statutory authority to issue a legislative rule of this sort. However, this initial ruling found that HRSA's interpretation was allowable by the statute.

HRSA declined to modify its first rule to reflect its interpretive status, instead opting to issue a new interpretive rule which maintained that orphan drugs could be purchased at 340B prices so

long as they treated non-orphan conditions. PhRMA sought to have this rule overturned on the same grounds as the previous rule, but was not successful. In the ruling, the judge noted that PhRMA is free to challenge this rule in a new lawsuit.

CMS Fact Sheet Explores Screening and Intervention Tool for Substance Use

The Centers for Medicare and Medicaid Services (CMS) released a fact sheet on Medicaid and Medicare coverage of Screening, Brief Intervention, and Referral to Treatment (SBIRT) services. SBIRT is an evidence-based model to identify problem drinking and substance use and prevent substance use disorders. The CMS resource is intended to inform providers about Medicaid coverage of SBIRT services, the types of providers that may deliver these services, and billing for them. In particular, the fact sheet explains in Medicaid:

- A licensed provider may recommend the screening and practitioners who meet the provider qualifications established by the state in their State Plan may provide the brief intervention.
- SBIRT is covered under EPSDT for children, but may be provided at the state's option for adults.
- There are various billing codes state Medicaid programs may choose to use for this set of services, which are outlined in the document.

In addition, the document discusses SBIRT services for dual eligible beneficiaries. It notes that providers should bill SBIRT services to bill Medicare and the claim will be transferred to Medicaid, as appropriate. The CMS fact sheet is available here: http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/SBIRT_Factsheet_ICN904084.pdf.

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HILL UPDATE

No news this update; Congress is in recess.

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IN THE NEWS

Kaiser Health News Explores Implications of Recent CMS Guidance on ASD Services

On August 26, Kaiser Health News published an article titled "Federal Officials Order Medicaid to Cover Autism Services." The article discusses guidance issued July 7 by CMS requiring state Medicaid agencies to cover Autism Spectrum Disorder (ASD) treatment services under EPSDT. Experts from the autism advocacy community are quoted as saying they believe this guidance will require states to cover Applied Behavioral Analysis (ABA) therapy. The article also notes that many states will need to work to implement these services required by the new guidance.

NAMD's Executive Director, Matt Salo, is quoted in the article discussing the cost implications of the guidance, saying: "The nexus of covering a lot of kids and a fairly unknown condition and treatment for that condition, combined with EPSDT, anytime you get that you get states a bit concerned because there's very little way to control costs in that arena."

Read the article at <http://www.kaiserhealthnews.org/Stories/2014/August/26/Michelle-Andrews-Medicaid-coverage-for-autism>.

New York Times Covers DEA's Tightened Restrictions on Hydrocodone Prescribing
On August 21, The New York Times published an article titled "In Move to Curb Drug Abuse, D. E.A. Tightens Rule on Widely Prescribed Painkiller." The article discusses a new rule from the Drug Enforcement Administration (DEA), which places hydrocodone in a more restrictive drug category. Physicians will no longer be able to order prescriptions via telephone and patients will have to acquire a new prescription to obtain additional drugs, rather than refilling an existing prescription. The move comes in the face of an ongoing increase in prescription painkiller overdoses and deaths, widely linked to increased usage of heroin and other opioids.

Read the article at http://www.nytimes.com/2014/08/22/health/vicodin-prescription-drug-abuse-hydrocodone.html?_r=1.

Governing Analyzes the Legal Risks of Sovaldi Coverage Restrictions
On August 19, Governing published an article titled "The Risky Business of Limiting Medicaid Access to Sovaldi." The article outlines the opinions of several legal experts and hepatitis C patient advocacy groups who state that there will unquestionably be lawsuits in the near future to overturn some states' prior authorization restrictions on the use of Sovaldi, Gilead's new hepatitis C drug. Also discussed is the evidence review from the Center for Evidence-Based Policy at Oregon Health and Science University, which helped inform several states' Sovaldi coverage decisions, as well as more specific looks at certain states, including Oregon, Illinois, and Texas.

Matt Salo, Executive Director of NAMD, is quoted on Oregon's coverage policies, saying, "If this gets kind of couched as a public health crisis, as a push to eradicate a communicable disease, then I don't think Oregon's distinction makes a difference."

Read the full article at <http://www.governing.com/topics/health-human-services/gov-hepatitis-coverage-solvaldi-lawsuits.html>.

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OTHER ITEMS OF INTEREST

CMS Approves Pennsylvania Medicaid Expansion

On August 27, the Centers for Medicare and Medicaid Services (CMS) announced its approval of Pennsylvania's Medicaid expansion program, "Healthy Pennsylvania." The expansion is authorized under an 1115 waiver.

New beneficiaries will receive health services through contracted managed care plans. The waiver allows Pennsylvania to charge up to 2% of income as premiums for newly eligible beneficiaries between 100-133% FPL, but will not be subject to copays beyond an \$8 copay for non-emergency use of emergency rooms. These premiums can be reduced after the first year of program implementation if beneficiaries perform certain healthy behaviors. The first year of the program also waives the provision of non-emergency medical transportation services. Additionally, both new beneficiaries and current beneficiaries will also be eligible for job training incentives, though the utilization of these incentives will not impact program eligibility.

Read the approval documents at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/pa/pa-healthy-ca.pdf>.

CMWF Releases Report on Behavioral Health Integration Strategies

Recently, the Commonwealth Fund released a report titled "State Strategies for Integrating Physical and Behavioral Health Services in a Changing Medicaid Environment." The report provides an overview of the various approaches states are utilizing in order to break down siloes between the delivery of physical and behavioral health services.

Three broad strategic approaches are discussed in the report: administrative strategies, purchasing strategies, and regulatory strategies. Administrative integration approaches include steps to consolidate service deliveries under a single agency, or to build working relationships between Medicaid agencies and behavioral health agencies when overall consolidation isn't feasible. Purchasing strategies include implementing fully integrated managed care approaches for both service lines, or working to better coordinate services between managed care providers and providers reimbursed via carve-outs. Regulatory strategies include incentivizing the adoption of electronic health records (EHR) by behavioral health providers and streamlining provider licensing and credentialing rules.

Read the report at http://www.commonwealthfund.org/~media/files/publications/fund-report/2014/aug/1767_bachrach_state_strategies_integrating_phys_behavioral_hlt_827.pdf.

AHRQ Releases Hospital Guide to Reduce Medicaid Readmissions

Recently, the Agency for Healthcare Research and Quality (AHRQ) released a guide aimed at disseminating evidence-based strategies for reducing hospital inpatient readmissions for the Medicaid population. The guide aims to provide tools for acute care facilities to adapt or expand existing efforts, develop new strategies, develop partnerships across healthcare settings, and comply with CMS's Conditions of Participation requirements for a standard, improved, and transitional care for patients.

The guide is available at: <http://www.ahrq.gov/professionals/systems/hospital/medicaidreadmitguide/index.html#>.

ICRC Releases Call Summary on D-SNP Contract Oversight and Quality Monitoring

Recently, the Integrated Care Resource Center (ICRC) released a summary of a May call on Medicare Advantage (MA) Dual Eligible Special Needs Plans (D-SNPs). This call addressed CMS regulations and actions to conduct contract oversight and quality monitoring of D-SNPs via presentations from CMS and discussion by the states and NAMD staff. The issue areas addressed included the role of CMS Regional Offices in contract oversight and compliance actions, audits, enforcement actions, and the Medicare Star Rating system's applicability to D-SNPs.

Read the call summary at <http://www.chcs.org/media/ICRC-D-SNP-Contract-Oversight-and-Quality-Monitoring-Summary-May-2014.pdf>.

BPC Releases Health Delivery System Reform White Paper

On August 19, the Bipartisan Policy Center (BPC) released a white paper titled "Transitioning from Volume to Value: Opportunities and Challenges for Health Care Delivery System Reform." The paper identifies key issue areas on which there is established bipartisan agreement in order to encourage efforts aimed at realistic, attainable reforms. The agreement between the Senate

Finance Committee, the House Ways and Means Committee, and the House Energy and Commerce Committee on legislation to repeal the Medicare sustainable growth rate (SGR) for physician payments is particularly emphasized as a key opportunity. Also emphasized is the Center for Medicare and Medicaid Innovation (CMMI)'s ability to develop and incentivize more organized systems of care.

The white paper is a notable step back from more sweeping BPC proposals last year, which the organization says reflects the shifting political landscape. This paper is the first in a series of papers to be published over the next year. Read the white paper [here](#).

The Commonwealth Fund Releases Issue Brief on Arkansas Health Care Payment Improvement Initiative

In August, The Commonwealth Fund published an issue brief on the health care payment and delivery system innovations begun by Arkansas through the state's Health Care Payment Improvement Initiative. The brief focused on the initiative's key aspects and the possibility for the innovations to be picked up by other states.

The brief found that the following major components were instrumental in the initiative's present success:

- High-level leadership from the governor's office
- Inclusive and ongoing stakeholder participation
- Encouraging broad based agreement and common principles
- Ambitious but realistic reforms
- Strategic use of state levers like purchasing and regulatory authorities to drive multipayer involvement
- Expanding coverage to bring patients into reform
- Funding for planning and implementation

The entire brief can be found here: http://www.commonwealthfund.org/~media/files/publications/issue-brief/2014/aug/1766_bachrach_arkansas_payment_reform_ib.pdf

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SAVE THE DATE

Fall 2014 NAMD Conference Countdown: 68 days!

We hope you will join us for the 4th Annual NAMD Conference being held November 3-5, 2014 in Arlington, VA. The NAMD Conference is considered to be the highlight of the year in the Medicaid field. You don't want to miss the opportunity to participate.

NAMD has developed an informative and compelling agenda for the conference. In order to assist you in your planning for the conference, we have posted the agenda online. You can view it by [clicking here](#).

Don't forget to complete your online conference registration at the Early Bird Rate! You can register by [clicking here](#). Registration fees increase after October 3, 2014. We look forward to

seeing you in Arlington in November!

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