

Goals for Medicaid Redesign + Expansion

1. Improve enrollee health **outcomes**
2. Optimize **access** to care
3. Drive **increased value** (quality, efficiency, and effectiveness) in the delivery of services
4. Provide **cost containment** in Alaska's Medicaid budget and general fund spending



Alaska Medicaid Redesign: A Phased Journey to Peak Performance



Final Report: Recommended Package of Reforms

A. Foundational System Reforms

1. Primary Care Improvement Initiative
2. Behavioral Health Access Initiative
3. Data Analytics + IT Infrastructure Initiative

B. Paying for Value, Pilot Projects

4. Emergency Care Pilot Initiative
5. Accountable Care Organizations Pilot: Shared Savings/Losses Model

C. Workgroups to Support Reform Efforts

1. Define Appropriate Use of Telemedicine and Expand Utilization
2. Medicaid Business Process Improvements
3. Ongoing Medicaid Redesign Key Partner Engagement

Summary of Actuarial Results for Reform Initiatives

MEDICAID REDESIGN INITIATIVES: NET PROGRAM INITIATIVE COSTS (SAVINGS) TO ALASKA * VALUES IN \$MILLIONS

| INITIATIVE | FY17 | FY18 | FY19 | FY20 | FY21 |
|--|---------|---------|---------|---------|----------|
| Baseline | \$490.2 | \$521.2 | \$549.3 | \$589.6 | \$626.3 |
| Initiative 1: Primary Care Improvement | \$2.4 | \$5.0 | \$0.5 | (\$0.8) | (\$2.4) |
| Initiative 2: Behavioral Health Access | \$0.0 | \$1.7 | \$3.6 | \$5.3 | \$7.2 |
| Initiative 4: Emergency Room | (\$1.3) | (\$2.7) | (\$3.4) | (\$4.1) | (\$4.8) |
| Initiative 5: Accountable Care Organization | \$0.0 | \$0.0 | (\$1.0) | (\$2.0) | (\$4.2) |
| Workgroup 1: Telemedicine | \$0.0 | (\$2.6) | (\$5.8) | (\$9.4) | (\$13.2) |
| Initiative 6: Full-Risk Managed Care Organization | \$0.0 | \$0.0 | \$0.0 | \$7.2 | \$7.6 |

* Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.

Recommended Package of Reforms

- Initiative 2: Behavioral Health Access
 - Apply for a Section 1115 waiver to help finance reforms: 5-year demonstration period + potential 3-year extension.
 - Establish new standards of care to support expanded delivery of substance use and mental health services.
 - Remove the grantee requirement to bill Medicaid.
 - Allow a broader range of licensed and credentialed behavioral health providers to bill Medicaid.
 - In second year, amend Section 1115 waiver to include a federal waiver of the IMD exclusion for residential substance use treatment.
 - Address gaps in the crisis response system.
 - Contract with an Administrative Services Organization to perform key support functions.

Actuarial Results: Behavioral Health Access Initiative

| MEDICAID REDESIGN INITIATIVES: BEHAVIORAL HEALTH ACCESS INITIATIVE | | | | | |
|---|--------------|--------------|--------------|---------------|---------------|
| VALUES IN \$MILLIONS* | | | | | |
| SERVICE CATEGORY | FY17 | FY18 | FY19 | FY20 | FY21 |
| Facility Inpatient | \$0.0 | (\$0.2) | (\$0.5) | (\$0.9) | (\$1.5) |
| Facility Outpatient | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.2 |
| Professional | \$0.0 | \$1.2 | \$5.0 | \$9.4 | \$14.3 |
| Pharmacy Drugs | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.2 |
| PCCM Fee | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Capitation | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| TOTAL CHANGE IN MEDICAL COST | \$0.0 | \$1.1 | \$4.6 | \$8.7 | \$13.2 |
| ASO Fees | \$0.0 | \$3.5 | \$5.3 | \$5.5 | \$5.8 |
| TOTAL EXPENDITURE CHANGE | \$0.0 | \$4.6 | \$9.9 | \$14.2 | \$19.1 |
| After Shared Savings | \$0.0 | \$4.6 | \$9.9 | \$14.2 | \$19.1 |
| FMAP Share | \$0.0 | \$2.9 | \$6.3 | \$8.9 | \$11.8 |
| NET ALASKA COST (SAVINGS) | \$0.0 | \$1.7 | \$3.6 | \$5.3 | \$7.2 |

** Excludes pharmacy rebates and DHSS administrative expenses. Excludes savings from cost reductions in other state programs. Initiatives are not mutually exclusive; therefore, the fiscal implementation of all, or a subset, of the initiatives will not equal the sum of these estimates.*