Paths to Financial Sustainability for Comprehensive Pediatric Complex Care Programs – A Medicaid Policy Toolkit for Title V Agencies and Providers

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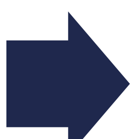
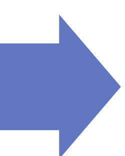
Collaborative Improvement and Innovation Network to Advance Care for Children with Medical Complexity (CMC CoIIN)

Four-year quality improvement project funded by the federal Maternal and Child Health Bureau



10 state teams across the country



Shared goals:

- Improve the quality of life for children with medical complexity
- Improve the well-being of their families
- Improve the cost effectiveness of their health care

Boston University School of Social Work
Center for Innovation in Social Work & Health

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CMC CoIIN Project Structure

Center for Innovation in Social Work and Health at Boston University (CoIIN Management and Supervision)

National Advisory Committee

Evaluation Team

Health Management Associates (Medicaid)

Family Voices (Family Partnership)

AMCHP (CoIIN Expertise)

American Academy of Pediatrics (Care Delivery Support, Dissemination)

Population Health Improvement Partners (QI Expertise)

10 State Teams

AL, CO, IN, KY, MA, MN, OR, TX, WA, WI

(Title V, Medicaid, Families, CMC Practice Sites, Primary Medical Homes, Children's Hospitals, and Other)

Relevant Catalyst Center Resources

Health Homes

Improving Care Coordination for Children with Medical Complexity: Exploring Medicaid Health Home State Options

Pathways to Medicaid Coverage for Children with Disabilities

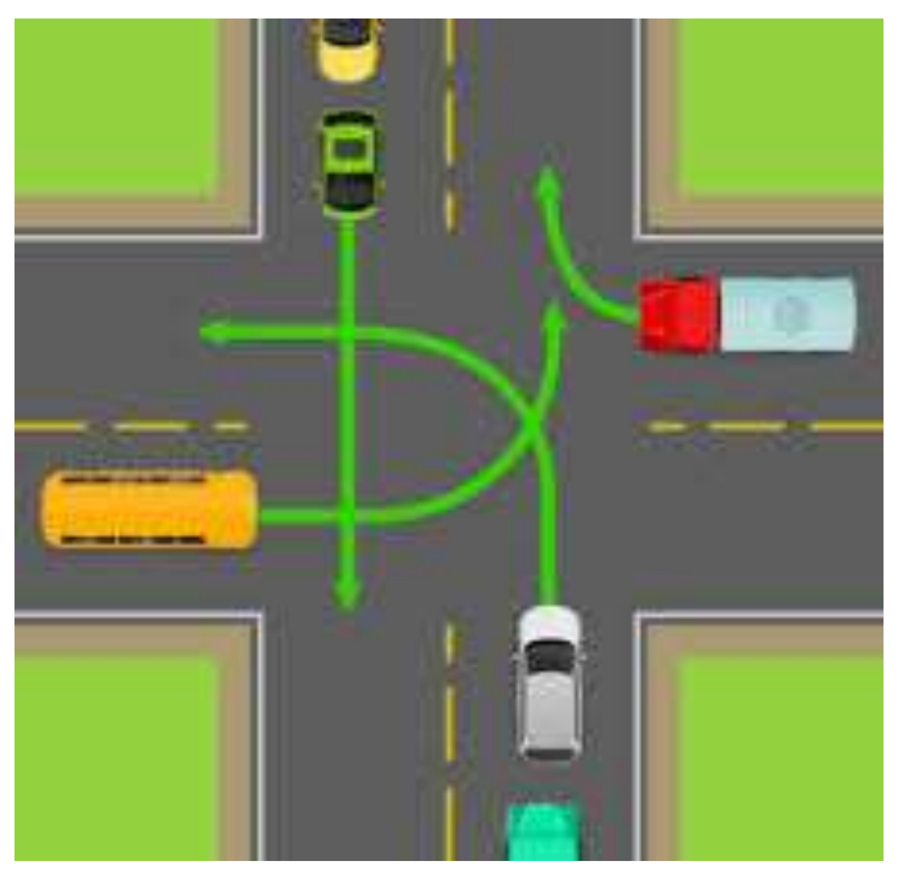
Expanding Access to Medicaid Coverage: The TEFRA Option and Children with Disabilities

Medicaid/CHIP 101

Public Insurance Programs and Children with Special Health Care Needs: A Tutorial on the Basics of Medicaid and the Children's Health Insurance Program (CHIP)

Questions? Ask an Expert at cyshcn@bu.edu

Major Intersections to Traverse



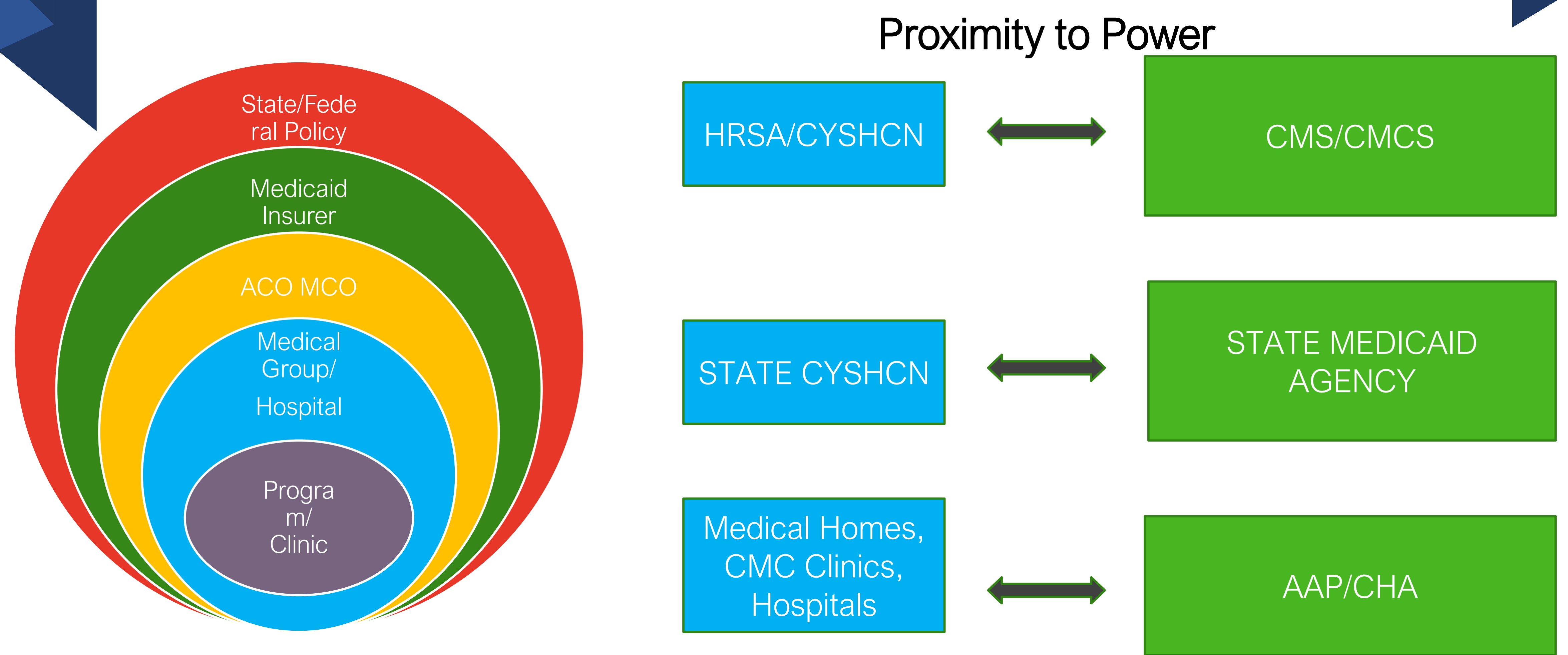
- Setting the Stage
- Medicaid Policy Tools Applicable to CoIIN Initiatives
- Internal Assessment – Financial Need to Sustain Your Intervention
- State Environmental Scan – Identify Gaps/Needs
- Different Scale Strategies for Sustainability and Replication
- Questions/Discussion

Setting the Stage – Why is Sustainability So Hard?

Clarity

- These new “models of service delivery” are unique and evolving
- It is difficult to differentiate the intensity of care coordination, plans of care, and medical homes that are a part of the CMC intervention models from those that are in the general domain for other populations
- Children with medical complexity does not have a standard definition

Setting the Stage – Why is Sustainability So Hard?



Setting the Stage – Why is Sustainability So Hard?

Costs Dominate National Policy

- National healthcare costs are nearly double those of other developed countries making health insurance a financial burden for individuals and families.
- National policy is focused on healthcare costs, so it is a lens through which initiatives and innovations are viewed and shaped.
- There is limited evidence of improved outcomes and positive return on investment for new models of service delivery to children with medical complexity.

Setting the Stage – Why is Sustainability So Hard?

Finding Effective Partners

- Improving models of service delivery for CMC requires interdisciplinary and interorganizational partnership, but examples are few and far between nationally (outside the CMC CoIIN).
- The institutions (e.g., hospitals) that are natural professional allies may have other priorities with key policy-makers.
- Connection with potentially very effective advocates like Family Voices and other consumer organizations is not a typical partnership in approaching policymakers.

Setting the Stage – Why is Sustainability So Hard?

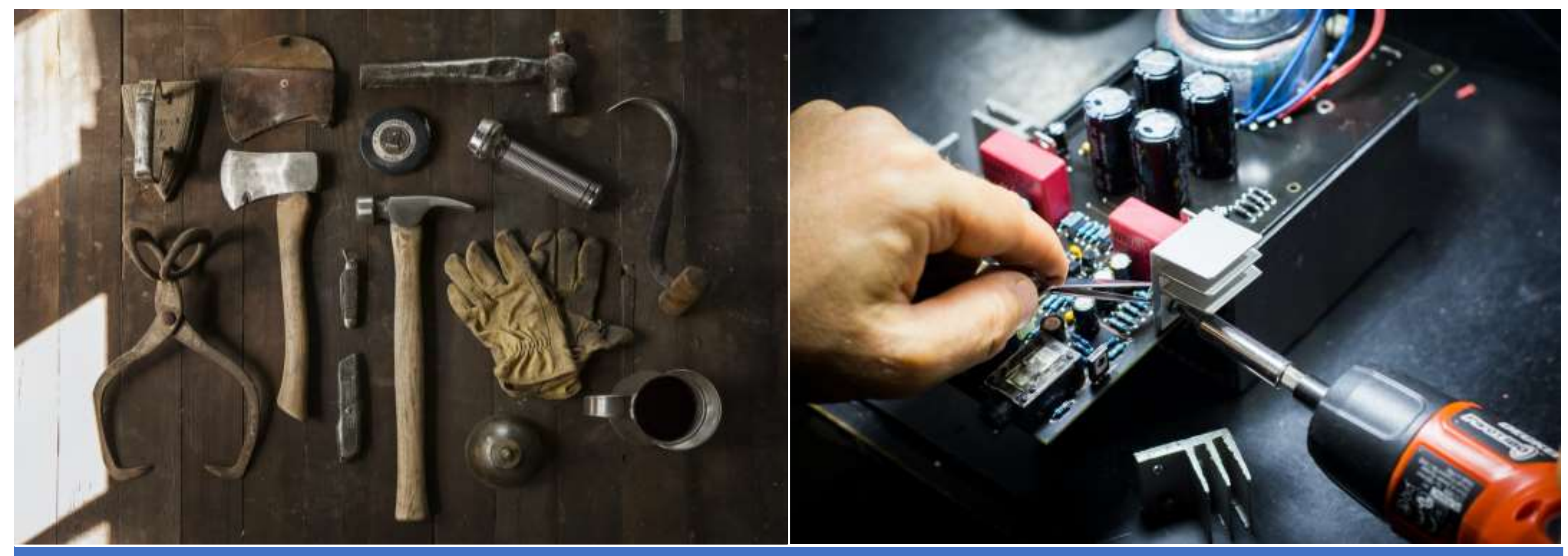
Broad Approach to Care Coordination

- Both Title V and XIX program leadership are focused on broad care coordination systems
- These are typically general medical/health homes or care coordination programs through public agencies
- Title V because of its "public and population health" philosophy
- Title XIX because of its immense size

Setting the Stage – Why is Sustainability So Hard?

Sizing Up Medicaid

- Medicaid's size can be intimidating and hard to penetrate
- Medicaid is a federal/state partnership where significant discretion lies at the state level
- Federal law/rules historically pointed Medicaid to Title V for state policy and service delivery direction for CYSHCN
- Medicaid is a major influence on state health policy but also a state health policy instrument
- Medicaid is buffeted on many sides; it needs wins
- It has many tools at its disposal and CYSHCN programs need to understand them



The Medicaid Toolkit

There are many wide-ranging policy instruments at their and your fingertips

The Policy Tools Most Useful for CMC

Broad

- ACE Kids Act
- Family Opportunity Act
- EPSDT
- 1115 Waivers

More Targeted

- 2703 Waivers
- 1915 Waivers and Authorities
- TEFRA SPA
- Federal Regulation 431.615(c)
- Targeted Case Mngt

The Policy Tools Categorized

Eligibility

- Family Opportunity Act
- 1915 Waivers/Authority
- TEFRA SPA
- 1115 Waivers

Service/Reimbursement

- ACE Kids Act
- 2703 Waivers
- Federal Regulation 431.615(c)
- Targeted Case Mngt
- EPSDT
- 1115 Waivers

The Policy Tools Briefly Explained

ACE Kids Act

- Just signed into law on 4/19/19;
- Thrust is to establish health homes and build a system of care for children with medical complexity (CMC);
- Health home has high bar but broadly defined;
- Substantial monitoring and reporting requirements;
- Incentive with FMAP for health home increased by 15% for 2 quarters;
- Planning grants available starting 10/1/22 with state match required;
- State Plan option with earliest begin date of 10/1/22.

The Policy Tools Briefly Explained

Family Opportunity Act

- Part of 2005 Deficit Reduction Act;
- Relates specifically to expanding Medicaid eligibility for children with a "severe disability", defined specifically as meeting SSI criteria;
- Expands Medicaid financial eligibility up to 300% FPL (family income);
- Allows states to charge premiums, capped at 5% of income for families <200% FPL and 7.5% for families <300% FPL;
- State Plan option;
- Only 5 states have adopted the FOA (CO, IA, LA, ND, and TX).

The Policy Tools Briefly Explained

Federal Regulation 431.615(c)

"A state plan must"

- "(1) Describe cooperative arrangements with the State agencies that administer, or supervise the administration of, health services and vocational rehabilitation services designed to make ***maximum use*** of these services;"
- "(2) Provide for arrangements with title V grantees, under which the Medicaid agency ***will utilize the grantee*** to furnish services that are included in the State plan";
- In subsection (4), it also provides "if requested by the title V grantee…that the Medicaid agency ***reimburse the grantee or the provider for the cost of services*** furnished beneficiaries by or through the grantee";
- Arrangements to this effect should be ***enumerated in the required Memorandum of Understanding*** between Medicaid and the Title V agency;
- While this doesn't guarantee Medicaid agency agreement, this should serve as considerable leverage when negotiating interagency arrangements.

The Policy Tools Briefly Explained

Section 2703 of the ACA Waivers

- This is another health home option but for individuals of all ages – it is targeted to providers that integrate and coordinate the full range of services for individuals with multiple chronic conditions;
- The financial incentive is greater than with ACE Kids with an FMAP rate of 90% for 8 quarters.

1115 Waiver

- Gives Secretary of HHS authority to approve experimental, pilot, or demonstration projects that are found by the Secretary to be likely to assist in promoting the objectives of the Medicaid program;
- Kitchen sink waiver - only limitation is FMAP rate and budget neutrality;
- Heavy lift for federal approval - only where other SPA/Waiver options insufficient.

The Policy Tools Briefly Explained

1915 Waivers and Other 1915 Authorities – A Dizzying Array

- 1915(c) waivers have been most common and applicable to CMC through enhanced in-home supports that are provided as an alternative to services in an institution – this waiver option also disregards family income for financial eligibility purposes;
- 1915(b) waivers focus on "freedom of choice" and usually apply when there is mandatory enrollment in service delivery systems specifically designed for CMC;
- 1915(i) is another form of the (c) waiver but thru the State Plan;
- 1915(j) and (k) give individuals more control over finances.

The Policy Tools Briefly Explained

TEFRA SPA (Katie Beckett Program)

- Very similar to 1915(c) waivers but through the State Plan;

Targeted Case Management (TCM)

- Case management provided only to specific classes of individuals (e.g., CMC) or those who reside in specified areas of the state;
- Although “freedom of choice” and “single TCM provider” apply, this can be effectively limited to CMC specialized provider settings.

EPSDT (Early and Periodic, Screening, Diagnosis, and Treatment

- For children, requires states to provide access to any Medicaid-coverable service in any amount that is medically necessary, regardless of whether the service is covered in the state plan.

Internal and Systems Assessments – Micro & Macro

Internal Assessment - Micro

What do you need to financially sustain your innovation?

Internal Assessment – Micro Internal Assessment Steps

- Identify providers, both internal and external
- Determine which providers commit sufficient time to require added revenue to maintain their participation
- Quantify the time and cost of each provider of care coordination and other non-reimbursed activities
- Consider indirect costs
- Convert costs to patient/service specific amounts to develop charges or otherwise negotiate compensation
- Assess payer mix

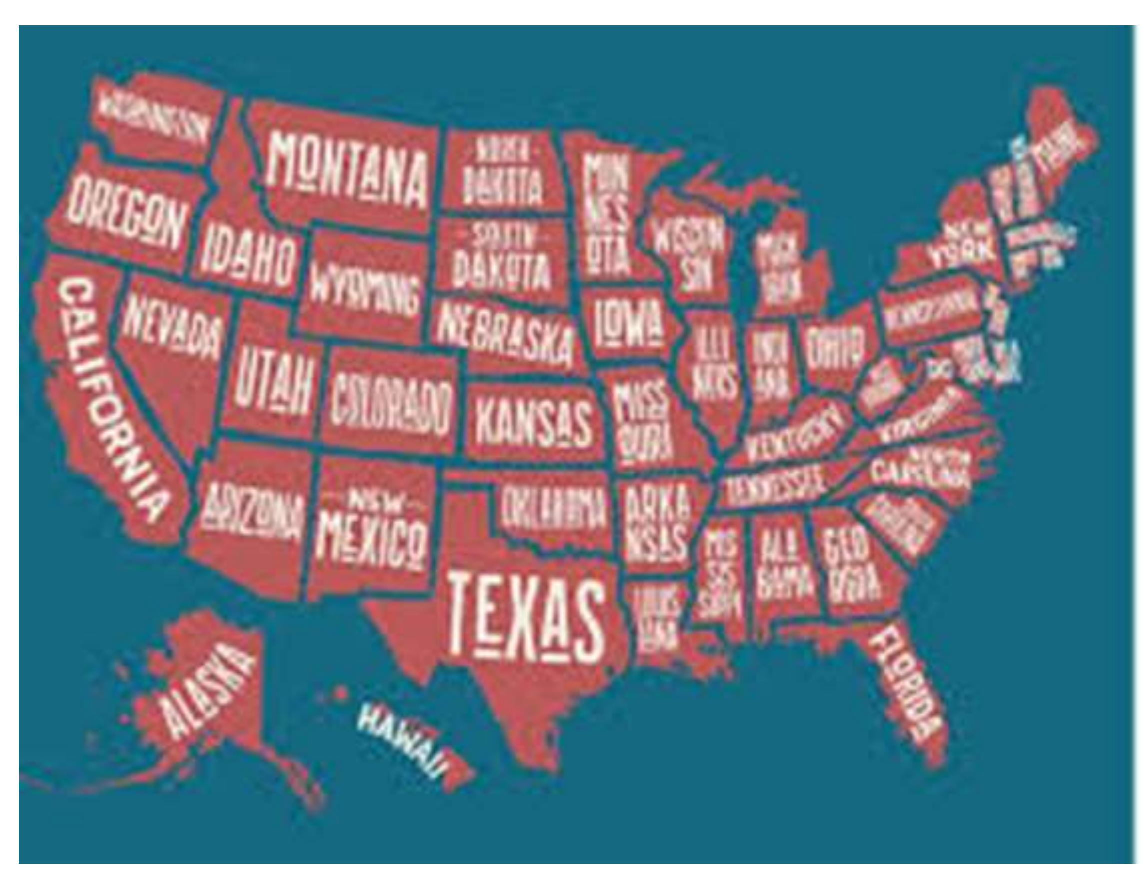
Systems Assessment - Macro

What do you need to replicate and financially sustain the innovation as a SYSTEM of care?

Systems Assessment - Macro or Systems Assessment Steps

- Identify other providers in the state with similar care systems or capacity to develop them
- Reach out to determine their interest in developing a statewide or regional system of care for CMC
- Pursue agreement on minimum resource, service function, quality, and accountability requirements
- Pursue agreement on reimbursement methodology and compensation ask
- Engage Medicaid/other payers to establish service requirements, expectations, and reimbursement amount
- Move through the implementation process to an improved system of care for CMC

State Environmental Scan



Identifying Gaps and Needs in Your State

State Environmental Scan

DON'T GET FREAKED OUT

BUT YOU DO NEED TO FIGURE OUT WHAT HEALTHCARE WORLD YOU LIVE IN

Environmental Scan - Eligibility

Key Programs & Elements

	Medicaid	CHIP	Waiver	TEFRA	FOA	Title V CYSHCN
Income - FPL	≥133%	≤400%	None	None	≤300%	???
Level of Care	None	None	Institution	Institution	SSI	???
Benefits	Medicaid	Medicaid or more limited	Medicaid + CM + home and community-based services	Medicaid	Medicaid	???
Private Insurance	Allows	Excludes	Allows	Allows	Allows	???
Premiums	No	Yes	Optional/No	No	Yes	???
Authority	State Plan	CHIP State Plan	Waiver	State Plan	State Plan	State Legislation

Environmental Scan - Benefits

- Oversimplified - start with care plan development, care coordination, telehealth, and transition services, 4 common complex care services
- The Simple Question - Does Medicaid cover your key intervention services?
- Not so Simple - this does get complicated! You have to figure out:
  - How extensive the coverage is (some but not all CPT codes?);
  - Whether coverage varies by Medicaid "program" (waiver only?);
  - If there are restrictive conditions on coverage (e.g., only certain providers);
  - In an MCO environment, are MCO policies consistent or varied?
- MAYBE MOST IMPORTANT – DOES MEDICAID RECOGNIZE AND PAY FOR THE DIFFERENT INTENSITY OF CARE COORDINATION FOR CMC?

Environmental Scan – Service Delivery Structures

State	Fee-For-Service	PCCM	MCO	ACO	Public Risk System	Public CM System	Waiver
Alabama		Dominant				ACHN	
Colorado		Dominant				RAE	
Indiana	Half w waiver		Half				Half
Kentucky	Residual		Dominant				
Massachusetts	Residual			Dominant			
Minnesota	Dominant		Residual				Many - Dom
Oregon					CCO		
Texas			Star Kids				
Washington	Residual		Dominant				
Wisconsin	Dominant		Residual				CLTS - Dom

Environmental Scan - Reimbursement

- The Simple Question - Does Medicaid pay enough to cover your costs?
- Not so Simple - this does get complicated! You have to figure out:
    - Have you fully taken advantage of Medicaid reimbursement?
    - If a hospital clinic/program, has your institution fully credited you with your proportion of DSH and similar aggregate payments?
    - Is your program responsible to cover indirect costs?
    - If an MCO environment, how might the MCO deviate from FFS for better or worse? Is there variation between MCOs? Is there opportunity to negotiate with MCOs?
- MAYBE MOST IMPORTANT – DOES MEDICAID RECOGNIZE AND PAY FOR THE DIFFERENT INTENSITY OF CARE COORDINATION FOR CMC?

Environmental Scan – Reimbursement

Alternative Payment Methods (APMs) – some advantages

- Generally more flexible; Gives you more control over the allocation of resources
  - They are intended to enable investment in preventive, care coordination, and other non-traditional services
  - They could exempt you from prior authorization requirements and other utilization control methods
- They are oriented to linking reimbursement levels to your total costs or the child's total cost of care

Environmental Scan – Budget & Context

BUDGET/FUNDING

- On the Title V government program and provider side, there are often unrecognized opportunities for additional Medicaid matching funding
- Some of the policy tools, like 2703 waivers and ACE Kids, bring additional Medicaid funding
- There is lots of evidence (not necessarily ironclad but still legitimate) that pediatric comprehensive complex care programs are cost effective

GENERAL CONTEXT

- Understand your state's health policy environment
- Where are the levers of power and influence?

Strategies for Sustainability & Replication

Many policy tools for different scale initiatives

Strategies – Limited/Statewide Principles

Why are provider specific strategies essentially the same for a statewide service delivery system?

- Both involve establishing criteria for the service delivery system that embodies the intervention or innovation.
- Medicaid needs this in order to gain federal approval and to articulate policy.
- This could be for one highly specialized provider or a group of similarly capable specialized providers.

Medicaid Policy Tool Options

- Federal Regulation 431.615(c)
- Targeted Case Mngt
- EPSDT
- MCO Contractual Requirements
- 1115 Waivers
- 2703 Waivers

Strategies – Limited/Statewide Examples

- Using Federal regulation 431.615(c), the Title V agency establishes criteria for complex care clinics and certifies yours, and perhaps others, for Medicaid reimbursement
- Using EPSDT, the Medicaid agency recognizes your unique intervention as an appropriate treatment for complex care children and provides coverage along with appropriate reimbursement (e.g., Intensive Feeding Clinic in MI)
- Using Targeted Case Management, the Medicaid agency identifies your target population of children and establishes criteria and provider qualifications that fit your intervention (e.g., Wisconsin complex care clinics)
- Where many of the CMC are enrolled in Medicaid HMOs, the Medicaid agency establishes contract requirements that you as a provider and your services are mandated for the high needs population of children you serve
- For NICU grads that you serve into the community, an 1115 waiver assures continuous eligibility up to age 3 along with the care coordination and community benefits provided through your intervention

Strategies – Transformational Principles

What might be the scope of a transformational strategy?

- Think about developing a system that provides comprehensive services to all CMC, both the right mix and amount for different CMC sub-populations and geographically accessible.
- There are opportunities with both service delivery structures and eligibility expansion; Medicaid has policy tools to address both.
- The ACE Kids Act provides a template for a comprehensive system for CMC; Use it.
- There are almost certainly elements of a comprehensive system scattered among providers in your state. Build from there.

Best Medicaid Policy Tool Options

- ACE Kids Act
- 2703 Waivers
- 1115 Waivers
- Federal Regulation 431.615(c)

Strategies – Transformational Ideas

- Develop the broadest 2703 waiver for CMC (or waivers since they are possible as separate initiatives) that is feasible in the near term and then use it as a bridge to the ACE Kids Act. This enables both a tangible service delivery system improvement and experience in building toward the more comprehensive system that is the vision of the ACE Kids Act. An important consideration in this idea is that ACE Kids Act funding is not available until 10/1/22 while 2703 waivers are available now. Further, 2703 waivers have better financing incentives than ACE Kids.
- Adopt the Family Opportunity Act in tandem with 2703 waivers, or ACE Kids if you are willing to wait. This has the advantage of expanding the number of CMC who will qualify for Medicaid and that, in turn, adds to the number of children receiving these services who will have Medicaid reimbursement available.
- Develop an 1115 waiver that combines the ACE Kids and Family Opportunity Acts and resolves the Medicaid eligibility discrepancies between them. ACE Kids defines CMC but doesn't expand financial eligibility. The FOA raises the financial bar for CMC meeting SSI criteria to 300% FPL. The 1115 could resolve this inconsistency by raising the financial eligibility level to 300% FPL for all children meeting the CMC definition in ACE Kids.
- In all cases, it is recommended to pursue APMs with sufficient levels of reimbursement.

Questions/Discussion