



Rhode Island's 1115 Research and Demonstration Waiver: The Global Consumer Choice Compact

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Medicaid

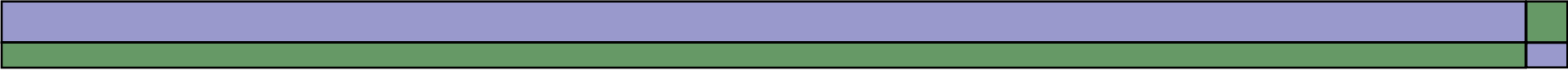
- ❑ Funded by both the federal and state government
- ❑ Medical Assistance, rehabilitation and other services to help attain or retain capability for independence or self-care
- ❑ Families with dependent children
- ❑ Aged, blind, or disabled individuals
- ❑ Income and resources are insufficient to meet the costs of necessary medical services



Medicaid: Administration

- Federal Level:
 - Department of Health and Human Services
Centers for Medicare & Medicaid Services
(CMS);
 - 52% of funding

- State Level:
 - Executive Office of Health and Human
Services
 - 48% of funding



Medicaid: Program

- Serves app. 200,000 Rhode Islanders
- Expenditures - \$1.9 billion
- Generous Safety – Net:
 - Children – 250% FPL
 - Parents – 175% FPL
 - Medically Needy Program
- 75% of Medicaid eligibles enrolled in a managed care arrangement



State of Medicaid 2008

- Severe budget deficit
- System reform was needed:
 - Too many people inappropriately residing in nursing homes
 - Insufficient capacity in the community for long-term care
 - Lack of coordinated care for adults with disabilities and frail elders
 - Payment methodologies driven by provider costs



RI 1115 Global Waiver

- Three Program Goals:
 - Re-balance the Long-term Care System
 - Ensure primary and acute care is managed and coordinated with other services and supports
 - Procure Medicaid-funded services through cost-effective strategies that support program goals



RI 1115 Global Waiver Program Goals: Results to Date

- Positive impact on the number of low-acuity persons entering or remaining in nursing homes
- Stemmed growth rate of nursing home costs and utilization and increased expenditures in and utilization of home and community-based services



RI 1115 Global Waiver Program Goals: Results to Date

- All Medicaid beneficiaries except those with third party coverage are enrolled in a form of managed care: either managed care organization or primary care case management
- More predictable payment methodologies based on patient diagnosis or need as opposed to provider costs



RI 1115 Global Waiver Program Goals: Results to Date

- Cost Savings (FY 2009 – 2010):
 - Program Management Provisions – No 1115 Waiver Required: **\$22,892,894**
 - Provisions requiring additional CMS Approval - Could have implemented under old waiver authority: **\$9,396,325**
 - Explicit Global Waiver Provisions: **\$22,944,288**



RI 1115 Global Waiver

- Administrative Goals:
 - Incorporate 11 different waiver authorities and accompanying reporting and administrative requirements into one waiver.
 - Facilitate the current 1115 Waiver Amendment review process – level of CMS review is commensurate with scope of change.



RI 1115 Global Waiver

Administrative Goal

Facilitate the current 1115 Waiver Amendment review process – ensure level of CMS review is commensurate with scope of change

Cat I	Change that is administrative in nature: -changes to prior authorization process; -additional HCBS benefits
Cat II	Programmatic change not requiring review of budget neutrality agreement: -changes to payment methodologies -addition or elimination of optional benefits
Cat III	Requires review of budget neutrality agreement: -Eligibility Changes



RI 1115 Global Waiver Administrative Goal: Results to Date

Results are mixed:

- Majority of Category I changes are approved quickly
- No category III requests have been submitted
- Impact of the maintenance of effort requirements in ARRA and then in the ACA have negatively impacted the flexibility anticipated
 - example: increased premiums for families in managed care



RI 1115 Global Waiver

- Financing Goals:
 - Determine if the use of Federal Medicaid matching funds for populations or services that are not generally eligible for federal match is cost-effective.



RI 1115 Global Waiver

Financing Goal

- Global Waiver is not a block grant; it is an 1115 Waiver that operates under a 5 year federal cap
- Different from other 1115 Waiver Budget Neutrality agreements:
 - Traditional Budget neutrality allows expenditures on both the State and Federal side to grow every year
 - Rhode Island can only draw down federal funds up to an aggregate budget cap of \$12.1 billion over the five year demonstration.
 - **Still dependent on initial State expenditure**
 - Unlikely that cap will be reached



RI 1115 Global Waiver

Financing Goal

- ❑ Federal cap does allow immediate access to CNOM
- ❑ “Costs Not Otherwise Matchable” - explicit authority from CMS to claim federal matching funds for populations or services that are not traditionally eligible for federal Medicaid match
- ❑ Authority based on notion that the 1115 Waiver allows States to demonstrate that there may be services or populations that CMS should consider including in the Medicaid State Plan



RI 1115 Global Waiver Financing Goal

CNOM Expenditures			
	State	Federal	Total
FY 09	\$5,801,081	\$6,434,905	\$12,235,986
FY '10	\$15,414,550	\$16,834,903	\$32,249,453
FY '11	\$17,335,506	\$19,502,121	\$36,837,626



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Lessons Learned

- Know what it is you are asking for
 - Not sufficient to just ask for flexibility – easy for CMS to grant flexibility to increase access; improve quality
 - Executive Branch must keep Legislature informed and involved



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Lessons Learned

- Medicaid alone is not enough
 - States need to look at all publicly funded health care and ensure care is coordinated; regardless of the existence of a matching Federal Medicaid dollar

- Today's environment is not tomorrow's
 - ARRA and ACA were not anticipated – have required re-focused attention



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Lessons Learned

- Ensure you are using existing flexibility
 - Generally, the regulatory flexibility exists, CMS imposes unnecessary administrative constraints
 - Global Waiver has not been as successful in addressing administrative barriers due to the historic structure and culture of CMS and unanticipated State restrictions



RI 1115 Global Waiver

- Have we achieved a less expensive, better, more sustainable publicly-funded health care system?
- **Yes**
 - Inter-agency cooperation has improved
 - Major program reforms have been implemented
 - Savings have been realized



RI 1115 Global Waiver

- If we could get a block grant today, would we want one?
- **No**
 - RI not ready to give up on entitlement to health care
 - Federal involvement is both necessary and healthy

But, need to continue to improve administrative processes at Federal level



Future Steps

- Pursuing a dual-eligible initiative:
 - CMS is showing creativity and openness in terms of financing – shared savings; three-party agreements
- Interested potential model of federal financial participation through a pay-for-performance model to States
 - Collaborate with other States
 - Federal funding would be based on State's outcome measures
- Need to decide whether to renew Waiver, in light of changes in 2014.