

***Presentation to the 2019 Health and Human Services
Joint Appropriation Subcommittee***

Medicaid and Health Services Management Branch

Department of Public Health and Human Services

The following topics are covered in this report:

- Overview & Summary of Major Functions
- Highlights and Accomplishments during the 2019 Biennium
- Funding and FTE Information
- Change Packages

Overview and Summary of Major Functions

The **Medicaid and Health Services Management Branch** (MHSM) serves as the umbrella for programs that provide health coverage, mental health and chemical dependency services, and specialized developmental disability services. By combining Medicaid and other health care services under one branch, the Department of Health and Human Services (DPHHS) is able to coordinate and optimize the efficient delivery of services. The MHSM Branch Manager oversees and coordinates programs and activities of MHSM and, as the State Medicaid and Healthy Montana Kids (CHIP) Director, establishes policy for the Montana Medicaid and the Healthy Montana Kids program.

The MHSM branch is comprised of four divisions and one program:

- Senior and Long Term Care Division
- Developmental Services Division
- Addictive and Mental Disorders Division
- Health Resources Division, and
- The Medicaid Systems Support Program

The Divisions within the MHSM Branch strive to treat people at the least costly and/or least intrusive level. For long term services this means rehabilitation and/or care in the home and community is emphasized over institutionalization. For more acute needs, care by a community provider rather than in a hospital or residential setting is preferred. We do, however, recognize and support the importance of all aspects of a continuum of care. Our six state facilities and private partners such as hospitals and nursing facilities provide the avenue to treat the relatively small number of people who need the most intensive level of care.

The contributions of each MHSM Division are outlined in their individual presentations. The MSHM Divisions are currently engaged in the following **strategic initiatives**:

- Increase the availability and access to of substance abuse recovery services statewide,
- Promote care coordination to support the appropriate utilization of preventive and other necessary services,
- Improve health outcomes by emphasizing care at the right level and intensity,
- Increase and simplify the delivery of community-based services as an alternative to institutional care,
- Improve access to services for underserved and vulnerable populations,
- Promote cost effectiveness in the delivery of health care services by maximizing the value of information technology investments

Medicaid Systems Support

Medicaid Systems Support Program (MSSP) serve two critical functions 1) managing the operations of the existing MMIS and 2) providing expertise and leadership in the development and design of a new modular MMIS.

Existing MMIS

The core of our current MMIS a claims payment system operated by Conduent. It processes over 14.3 million Medicaid, Healthy Montana Kids (formerly known as CHIP), and Mental Health Services Plan claims per year.

The MMIS also processes claims for outside medical care for prisoners in the custody of the Department of Corrections and residents at the Montana State Hospital, the Montana Mental Health Nursing Care Facility, the Montana Developmental Center (which officially closed in November 2018), and the Montana Chemical Dependency Center. An example of outside medical care is an emergency room visit or an MRI. One of the many cost efficiencies in the 2015 Health and Economic Livelihood Partnership Act was adoption of Medicaid payment rates for outside medical care for prisoners and residents not otherwise eligible for Medicaid.

Future MMIS

Our current MMIS is over thirty years old and is being actively replaced. The Medicaid Systems Support Program management and staff are providing expertise and leadership in the development and design of a new modular MMIS. A number of modules have been implemented to date including:

- **FlexibleRx** which process pharmacy claims, was implemented on December 6, 2015. CMS conducts a certification review of all new MMIS systems. FlexibleRx was certified by CMS on February 14, 2017.
- The **Premium Billing and Collections** module was implemented in January 2018 and supports the billing of monthly premiums for a portion of the Medicaid Expansion population and provides multiple methods for members to pay their premiums, including through an online portal.
- The first release of the **Population Health Data Analytics** module was implemented in August 2018, this module allows for the aggregation of patient data across multiple health information technology resources, the analysis of that data into a single, actionable patient record, and the actions through which care providers can improve both clinical

Definition: MMIS

The Medicaid Management Information System (MMIS) is a configuration of interconnected technology solutions that provide automated claims processing and information retrieval.

Examples of key MMIS components include:

Provider Management
Member Engagement
Prior Authorization
Claims Processing
Data Warehouse
Data Analytics
Population Health

and financial outcomes. Additional components of this module will be implemented in 2019.

Additional module projects initiated in 2018 include systems integration, provider services and care management. RFPs for a financial support services module and claims process module will be released in 2019.

The final component of this budget is grant funding that is passed through to Medicaid providers for meaningful use of electronic health records.

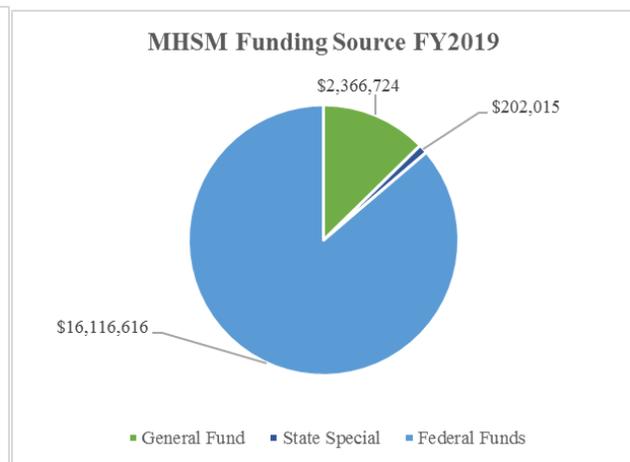
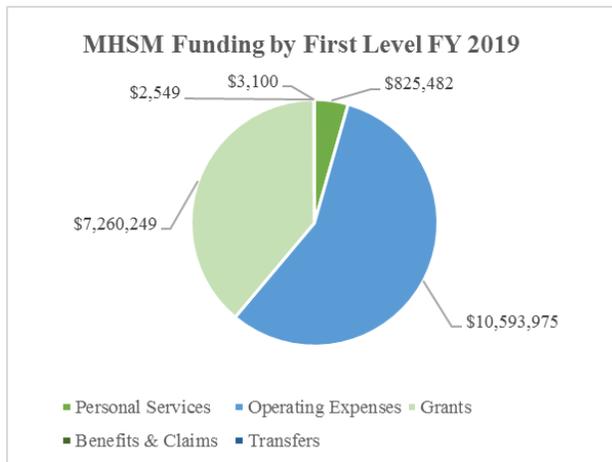
Highlights and Accomplishments During the 2019 Biennium

The Medicaid and Health Services Management Branch (MHSM) succeeded in achieving key milestones across a number of key initiatives in the past biennium. These milestones drove innovation and improved access to appropriate health services while navigating significant budget instability. The core goal of these innovations is to empower the men, women and children served to achieve better health outcomes. MHSM and DPHHS realized operational efficiencies by braiding resources and enhancing systems across all branches and divisions, and worked with state policymakers and the Governor's Office to leverage federal funding sources, optimized Medicaid Program benefits, and offered more robust coverage for a full continuum of health services. We drove strategically aligned innovation by:

- **Expanding coverage and access to care for low-income adults** through the impact of Medicaid Expansion;
- **Enhancing primary care**, through implementing and expanding such pilot projects as Patient Centered Medical Homes and Comprehensive Primary Care Plus (CPC+);
- **Empowering Montana tribes to create healthy communities**, by implementing the first of its kind Tribal Health Improvement Program which creates a unique opportunity for each tribe to design and operate robust health promotion programs that are culturally-based and relevant to their members and communities;
- **Building the continuum of care for substance abuse treatment**, through leveraging federal funding, increasing providers, and building the capacity to provide and reimburse for evidence-based substance use disorder treatment and recovery supports; and
- **Reducing avoidable hospitalizations of high cost, high risk Medicaid enrollees**, through expanding chronic care management to address medical and non-medical factors that may be impacting their health.

Funding & FTE Information

Medicaid and Health Services Management	FY 2019 Budget	FY 2020 Request	FY 2021 Request
FTE	15.00	15.00	15.00
Personal Services	\$825,482	\$1,535,502	\$1,536,392
Operating Expenses	\$10,593,975	\$10,594,008	\$10,594,015
Grants	\$7,260,249	\$7,260,249	\$7,260,249
Benefits & Claims	\$2,549	\$2,549	\$2,549
Transfers	\$3,100	\$3,100	\$3,100
TOTAL COSTS	\$18,685,355	\$ 19,395,408	\$ 19,396,305
	FY 2019 Budget	FY 2020 Request	FY 2021 Request
General Fund	\$2,366,724	\$2,666,768	\$2,667,147
State Special	\$202,015	\$202,849	\$203,992
Federal Funds	\$16,116,616	\$16,525,791	\$16,525,166
TOTAL Funds	\$18,685,355	\$19,395,408	\$19,396,305



Change Packages

(See lfd budget analysis, pages B-34 to B-35)

Present Law Adjustments:

SWPL - 1 - Personal Services

The budget includes \$710,020 in FY 2020 and \$710,910 in FY 2021 to annualize various personal services costs including FY 2019 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of snapshot, and vacancy savings.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2020	\$300,027	\$834	\$409,159	\$710,020
FY 2021	\$300,403	\$1,977	\$408,530	\$710,910
Biennium Total	\$600,430	\$2,811	\$817,689	\$1,420,930

SWPL - 3 - Inflation/Deflation

This change package includes an increase of \$33 in FY 2020 and \$40 in FY 2021 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the State Motor Pool operated by the Department of Transportation.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2020	\$17	\$0	\$16	\$33
FY 2021	\$20	\$0	\$20	\$40
Biennium Total	\$37	\$0	\$36	\$73