

State of Alaska's **Medical Care Advisory Committee**

FY 2010 Alaska Medicaid Program Budget Recommendation

presented to
Commissioner William Hogan
Alaska Department of Health and Social Services

August 29, 2008

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF HEALTH CARE SERVICES

Sarah Palin, Governor

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August 29, 2008

Commissioner William Hogan
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Dear Commissioner Hogan,

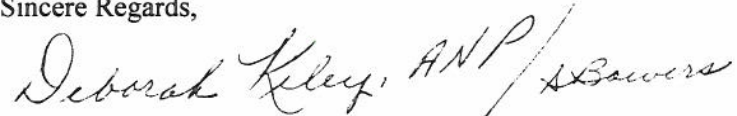
Over the past year, despite the restricted teleconference meeting environment, the MCAC has continued to work diligently. The Committee devoted 2 1/2 days in Homer listening to concerns of providers including physicians, nurse practitioners, dentists, behavioral health and senior and disability service agencies, as well as consumers. Participants openly expressed concerns about budget constraints; lack of practitioners; inability to access services within a reasonable time frame; increasing patient populations with behavioral health issues; communication issues with the Department and First Health Services Corporation staff; lack of available services; and challenges faced by private practice providers who are finding it difficult to maintain financially viable practices.

The Committee appreciates the input of the many individuals, both consumers and providers, who have come before the committee to share their knowledge and concerns about the Medicaid Program. We would also like to thank the Department for hearing our concerns about (a) evaluating the cost effectiveness of an adult dental plan and subsequently increasing the funding for dental services; (b) initiating regulations to cover services for psychologists; and (c) improving the funding for providers in the more isolated areas of the state. We look forward to reports on the progress of these essential services.

Jerry Fuller continues to be a consistent and invaluable source of information and support. Sally Bowers, who coordinates Committee activities, has worked tirelessly to support the work of the MCAC, and assure that we hear the voices of Alaskans who have concerns related to Medicaid.

The MCAC presents the attached FY 2010 Budget Recommendations for the Medicaid Program. We trust these suggestions will generate discussion and careful consideration to be included in your final budget for the Department as it is forwarded to Governor Palin.

Sincere Regards,



Deborah Kiley, ANP, FAANP
MCAC Chair

Attachment

CC: William Streur, Deputy Commissioner, DHSS
Jerry Fuller, Medicaid Director

Alaska Medical Care Advisory Committee
FY 2010 Budget Recommendation for Alaska's Medicaid Program
August 29, 2008

Scope of the MCAC Budget Recommendation

In 2008 the MCAC has continued to focus on the challenges faced by the providers and recipients of Medicaid while adapting to a profound change in the meeting structure of the group. The majority of public input this year was provided during the onsite meeting in Homer in the spring of 2008. The input from this meeting reinforced the magnitude of problems we have previously discussed, and is reflected in recommendations for this year.

COST CONTAINMENT

Projections in the Lewin Report indicate factors such as Alaska's aging population will continue to drive Medicaid growth. As the number of chronically ill and disabled persons enrolled in Alaska Medicaid continues to grow, investment in creative options to control spending without drastic reduction of services must be explored. The MCAC has heard reports of the statewide shortage of Assisted Living Facilities (ALF) which provide more cost effective care than skilled nursing facilities.

Recommendation

- To allow seniors to age in Alaska, and remain near their families, explore what is needed to encourage ALFs in communities throughout the state, including Medicaid waivers.
- Consider creation of "Denali Senior Care" to address and consolidate senior services in a comprehensive way.

DISEASE MANAGEMENT

Disease management has become recognized as a strategy to address high-cost recipients with chronic diseases. Experience in some states has demonstrated that enrolling Medicaid recipients with certain high-cost chronic diseases in disease management programs has reduced the medical expenses associated with these recipients. Decreased spending related to emergency room visits and inpatient hospital admissions in addition to overall improvement in recipients' health outcomes have been demonstrated results of disease management programs.

Recommendation

- Secure legislative approval for funding to complete the design and development of a disease management program that can be implemented in Alaska's Medicaid Program.
- Implement a pilot program for Coordinated Primary Care-also known as a medical home-for Medicaid patients. Coordinated Primary Care could improve quality and contain costs through more efficient use of resources.

COMMUNICATION WITH PROVIDERS AND RECIPIENTS

The need to improve communication and streamline paperwork between the Department, FHSC and the providers was the theme that resounded through every provider's message during meetings this year. Whether the issue was enrollment, treatment plans, new regulations, policy updates, training, audits, appeals, or hearings, the consistent complaint was their need to be informed, heard and respected. There was a strong indication that the communication system needs refining at all levels. Providers noted they often duplicate paperwork submitted to both the Department programs and FHSC. Faxes and mailed copies are sent multiple times before there is confirmation that the information has been received by the staff designated to receive the information, and patients are

penalized when reports are “late” because they were lost by the state agency. It was reported that Department and FHSC staff were rude, discourteous and provided inaccurate information during phone calls.

Providers also voiced their need to be informed about policy updates and/or new regulations that have significant impact on their services. Remittance advices and newsletters from FHSC tend to be the main sources of information. Important information can easily be overlooked unless effective communication techniques are used consistently.

A consumer mentioned that the value of Medicaid services is not recognized by most recipients resulting in misuse and abuse of “the system”. She noted that consumers of Medicaid may be more considerate and prudent when utilizing services if they were aware of the monetary value.

Recommendation

- Conduct an audit of the communication systems between the Department, FHSC and providers.
- Assess the processes for receiving documentation from providers both within Department programs and FHSC to identify the process problems that cause paperwork (fax and mail) to be misplaced and lost.
- Develop guidelines to improve the process and streamline communication to eliminate the problems. Develop accountability and performance measures to ensure appropriate responses within a reasonable time. Encourage enhanced communication for all users of Medicaid via electronic information.
- Develop more effective means of communicating policy updates and regulations to providers.
- We continue to recommend an electronic and voice mail hotline that providers can use to ask questions and report problems to the Department.
- Develop a system to provide Medicaid recipients an annual accounting of the dollar value of services they received paid by Medicaid.

ALTERNATIVES TO OUT OF STATE TREATMENT

In recent years Alaska has experienced technological advances in treatments that had previously been available only at larger medical centers outside the state. Historically, Medicaid has paid for recipients’ travel (and often an escort to accompany that recipient); incurring extended lodging and travel costs in addition to the cost of treatment. Although many treatments are now available in the state, recipients still are required to travel out when a service is not recognized in the state plan. This results in increased costs and disruption in the lives of the patients and their families.

Recommendation

Explore a state plan amendment or other option to provide care in-state when services such as hyperbaric oxygen treatment are available, rather than expending money for transportation to an out of state facility for an extended stay for treatment.

DENALI KID CARE (DKC)

MCAC has heard complaints from providers around the state that patients, especially pregnant women face very long delays in completing enrollment in DKC. Providers indicated that in many cases, delays enrolling women were significant enough that the woman had her baby before she was approved for Medicaid. Although providers continue to provide care, the delay impacts the patient’s ability to obtain medications, including prenatal vitamins, and their ability to travel for care. This effects the

willingness of women to come in for prenatal care as early or as often as they should resulting in inadequate or in some cases no prenatal care.

Also mentioned were significant issues when calls are made to Public Assistance i.e. the callers are often placed on hold for extended periods of time and then told the system is too busy, they will need to call back later. Clinics have limited resources and are not able to accommodate such significant delays requiring call backs.

Often, extremes in family situations increase the challenges for the family to deal with their daily needs and they are not able to keep track of additional responsibilities such as deadlines associated with DKC eligibility. Clients and their families miss deadlines resulting in a lapse in coverage. Case workers could play a pivotal role in assisting these families to maintain DKC enrollment and prevent extra enrollment paperwork and lapses in health care for these children, many who have challenging physical problems.

Recommendation

- Review of the policies and procedures currently being followed for enrollment in DKC to determine more efficient methods to hasten the process of enrollment/re-enrollment. Establish outcomes measures to monitor the effectiveness of enrollment procedures.
- Consider developing a process that will allow case workers to be notified when a child's DKC will expire to enable case workers to assist families avoid lapses and unnecessary delays in treatment.
- Consider extending the period of eligibility from 6 months to 12 months.
- Increase the level of eligibility from 175% to 200% of poverty level.

REIMBURSEMENT FOR NURSE PRACTITIONERS (NPs)

Nurse practitioners (NPs) provide high-quality cost-effective care. MCAC members understand the important contribution NPs make to Alaska's health care system and believe they should be reimbursed on par with physicians for the health care services they provide. In 1997 the United States Balanced Budget Act authorized reimbursement for NPs in all sites of services; setting the payment rate for NPs at 85 % of the physician rate. Administrative and clinical data regarding NP services is often included in the physicians' information making it difficult to document the exact services rendered by the NP. The full clinical and financial benefits of NP services will not be realized until coverage and reimbursement rules become more competitive and equitable.

Recommendation

Increase NP payment to equal physician payment for the same services.

ACCESS TO MENTAL HEALTH SERVICES

Loss of crucial mental health services is contributing to a growing statewide mental health disaster. Adults are unable to access behavioral health treatment until they become a danger to self or others. Early intervention services known to be effective in preventing long term and more severe emotional illness for patients dealing with emotional problems, mental illness, alcohol and/or drug abuse are not available. Low reimbursement rates have made it impossible to maintain financially viable clinics or initiate early intervention services.

Recommendation

Secure legislative approval for funding to increase the rate of reimbursement for mental health

services. Encourage state support for expanding the Medicaid program to include development and sustainability of early intervention programs through waivers that guarantee additional federal funds.

THERAPEUTIC RESPITE HOMES

Families dealing with daily challenges of caring for children with developmental disabilities who require intensive supports generally due to complex medical conditions, behavioral challenges, and/or significant physical impairments have few options when dealing with the critical need for out-of-home short or long term respite. Significant care needs remove the feasibility of foster care. Therapeutic respite home offers a supportive community residence for children at risk of out-of-home placement due to significant care needs that are unable to be met by parents or family. The residential model is able to provide short-term respite for a family with emergency needs or longer-term residence for children who are not able to be cared for in the family home.

Recommendation

Explore options to secure approval for funding to establish payment for therapeutic respite homes that promote and encourage parental involvement for families seeking short or long term respite care when faced with the critical and heartrending choice of out-of-home placement for their children. This could be accomplished by obtaining home and community based Medicaid waiver funds along with state grant funds for services in this home

DENTAL COVERAGE

The MCAC is grateful that the Department has initiated funding for adult dental coverage to include preventive and treatment services. These services may improve the employability of beneficiaries and reduce the need for oral health related emergency medical care.

Recommendation

The MCAC encourages the Department to increase effort to remove barriers in policy, regulation and financing that impact the capacity of Medicaid to adequately fund Medicaid dental services and more effectively utilize providers who have agreed to participate in Medicaid. We recommend that outcomes of the adult dental program and the increase in dental fees in 2008 be monitored to provide information on program effectiveness, and opportunities for improvement.

Thank you for the opportunity to present these budget recommendations. We hope they are helpful as you prepare your recommendations for Governor Palin. Please do not hesitate to contact the MCAC if we can clarify any of these recommendations, or be of assistance in any way.

On behalf of the Medical Care Advisory Committee, I thank you for your consideration.