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# FEDERAL POLICY UPDATE: DC, BALTIMORE, AND BEYOND

Collaborative Connections – Impacting Care  
An RHP Learning Collaborative Summit  
Dallas, TX  
May 22, 2018

Barbara Eyman  
Eyman Associates, PC

# TODAY'S AGENDA: THE CHANGING HEALTH POLICY LANDSCAPE

- CMS in the Trump Era: People, Philosophy, Policy
  - Emerging Waiver Policies
  - Delivery System Reform
- The Affordable Care Act—Yesterday and Today
- Bipartisanship in Health Policy? Combatting the Opioid Crisis



# CMS IN THE TRUMP ERA: CHANGES IN PEOPLE, PHILOSOPHY, & POLICY

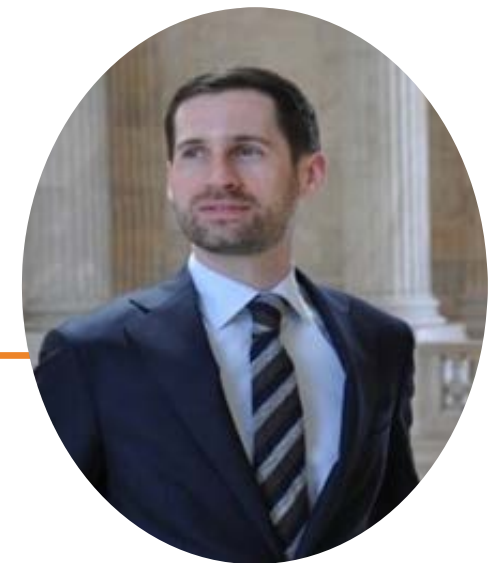
# KEY PLAYERS AT HHS AND CMS



Tom Price,  
HHS Secretary



Seema Verma,  
CMS Administrator



Brian Neale,  
Director of Medicaid  
and CHIP Services

# CHANGING PRIORITIES



# CMS NEW MEDICAID VISION TAKING SHAPE

“Our vision for the future of Medicaid is to reset the federal-state relationship, and restore the partnership, while at the same time modernizing the program to deliver better outcomes for the people we serve.”

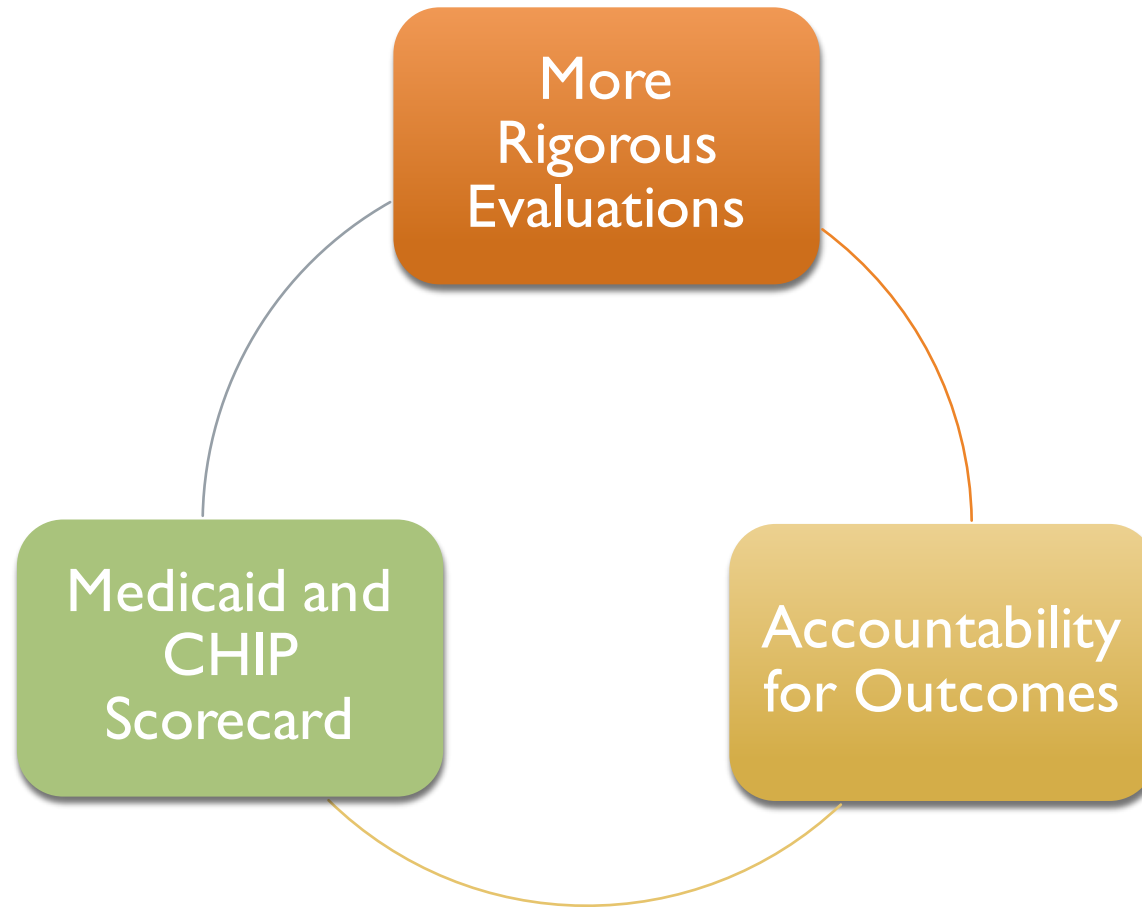
-Nov. 2017 speech to National Association of Medicaid Directors



Seema Verma,  
CMS Administrator



# Accountability



# Program Integrity

- Waste, Fraud, & Abuse
- Tougher enforcement
- Rigorous CMS oversight
  - State expenditures
  - State eligibility determinations
- Budget neutrality
- Use of designated state health programs



# Flexibility

## Policy Changes

- Work requirements will be approved
- Lifetime limits will not be approved
- Substance abuse waivers (IMD waiver)
- Delivery system reform?

## Streamlining Federal Approvals

- Waivers
- SPAs

## Reducing Regulatory Burden

- Managed Care Rule
- Equal Access Rule



# The “Community Engagement” Initiative

## Purpose

- Promote better mental, physical and emotional health
- Help individuals rise out of poverty and attain independence

## Community Engagement Activities

- Work
- Job search
- Job Training
- Caregiving
- Education
- Volunteer service

## Affected Populations

- Applies to non-disabled adults
- Exemptions may include: age, disability, responsibility for a dependent, participation in substance use treatment program, etc.

## Program Administration

- States should align requirements with TANF or SNAP
- “Reasonable modifications” required for individuals with SUD
- Beneficiary supports required ... but not funded by Medicaid
- Outcomes-based evaluations tied to health and independence goals
- Impact on safety net providers

# PERSONAL RESPONSIBILITY INITIATIVES

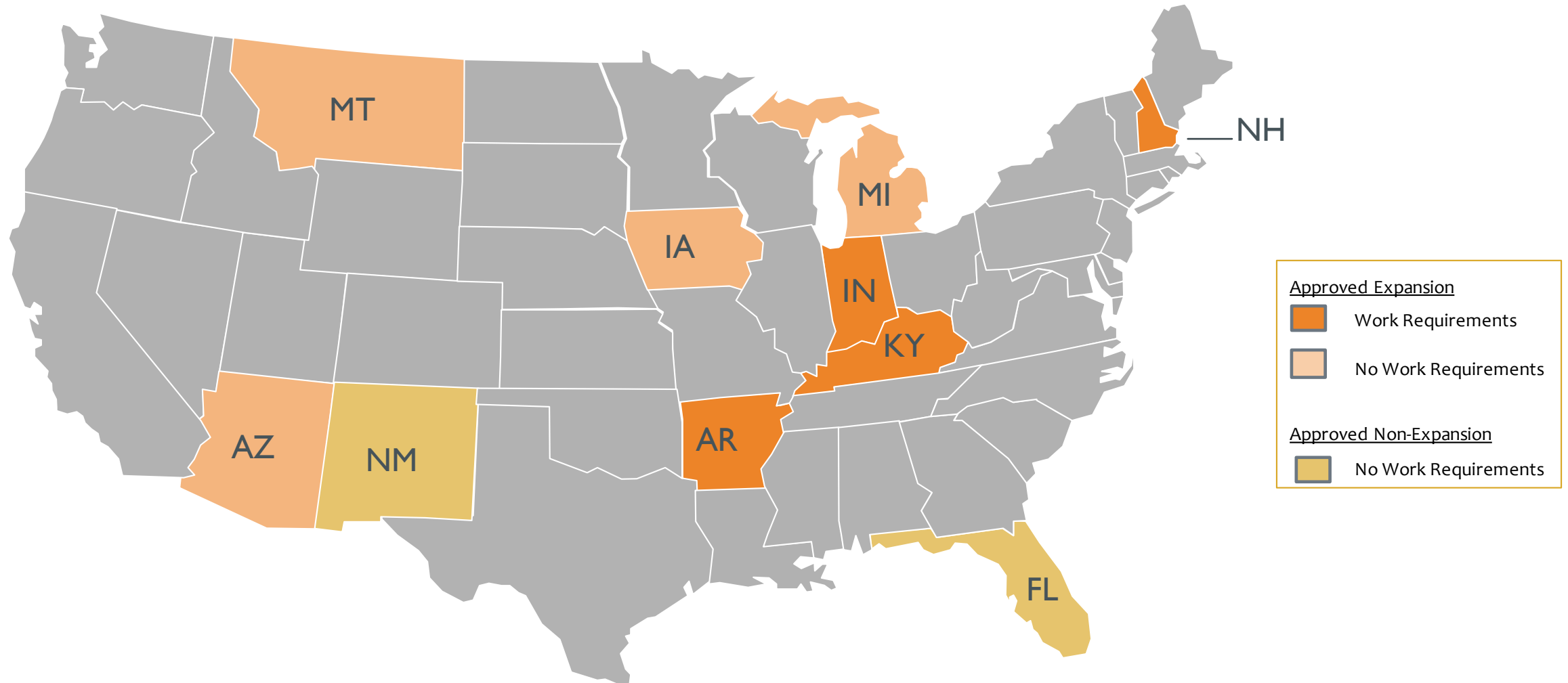
## Eligibility & Enrollment

- Work Requirements
- Retroactive Eligibility
- Lockout Provisions
- Drug Tests
- ~~Lifetime limits~~

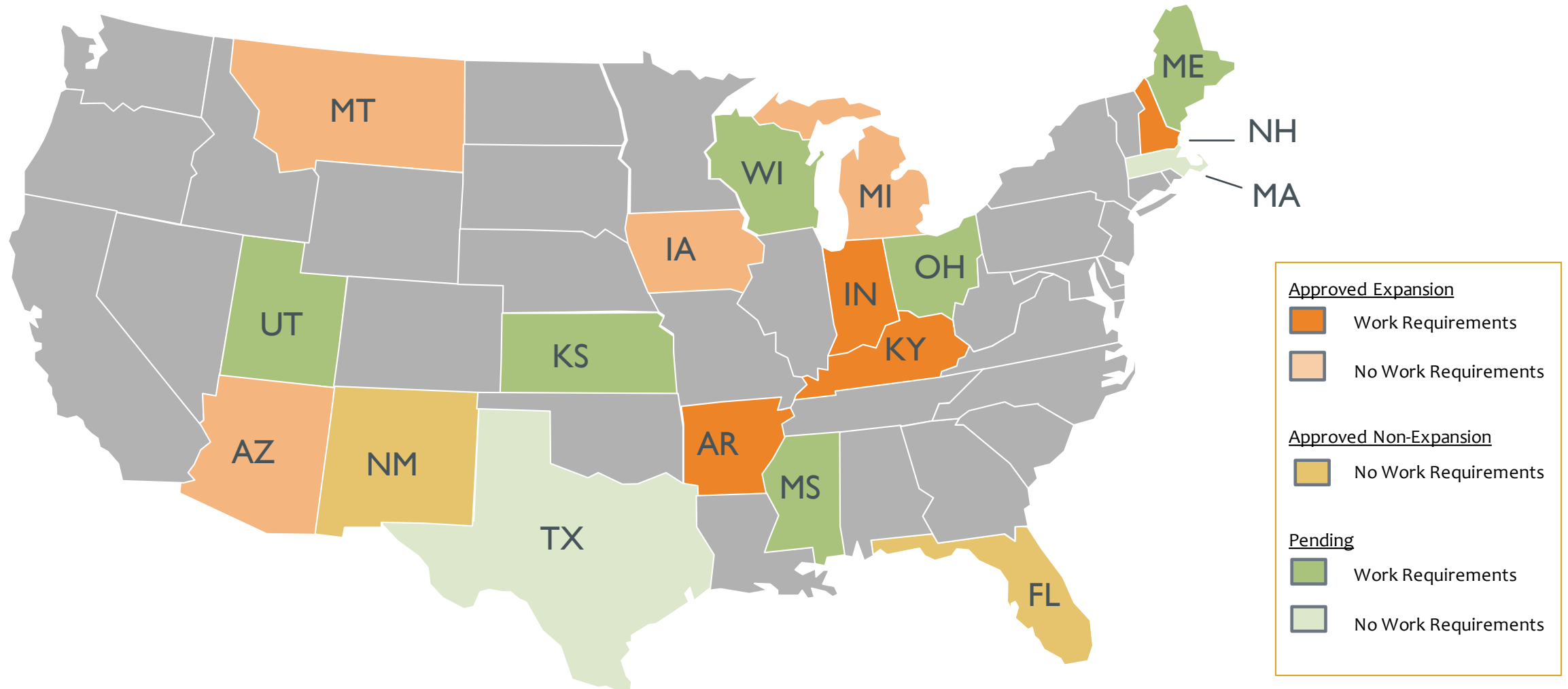
## Benefit Restrictions, Copays, & Healthy Deductibles

- Premiums
- Copays
- HSAs
- Fees for excess ED use
- Healthy Behavior Incentives
- No non-emergency transportation

# Approved Work Requirements & Personal Responsibility Initiatives





# Approved and Pending Work Requirements & Personal Responsibility Initiatives



# Approved Work Requirements & Personal Responsibility Initiatives

## Expansion States

State	Work Requirements	Eligibility and Enrollment Restrictions	Benefit Restrictions, Copays, Healthy Behaviors
Arkansas	X	X	
Arizona		X	X
Iowa		X	X
Indiana	X	X	X
Kentucky	X	X	X
Michigan		X	X
Montana		X	
New Hampshire	X	X	



	Work Requirements
	No Work Requirements

## Non-Expansion States

State	Work Requirements	Eligibility and Enrollment Restrictions	Benefit Restrictions, Copays, Healthy Behaviors
Florida			X
New Mexico			X

## Pending Work Requirements & Personal Responsibility Initiatives

State	Work Requirements	Eligibility and Enrollment Restrictions	Benefit Restrictions, Copays, Healthy Behaviors
Arizona	X	X	
Florida		X	
Kansas	X		
Massachusetts		X	X
Maine	X	X	X
Mississippi	X		
New Mexico		X	X
Ohio	X		
Texas		X	X
Utah	X	X	X
Wisconsin	X	X	X

	Work Requirements
	No Work Requirements

# Substance Use Disorder Waivers

## CMS Guidance (Nov. 2017)

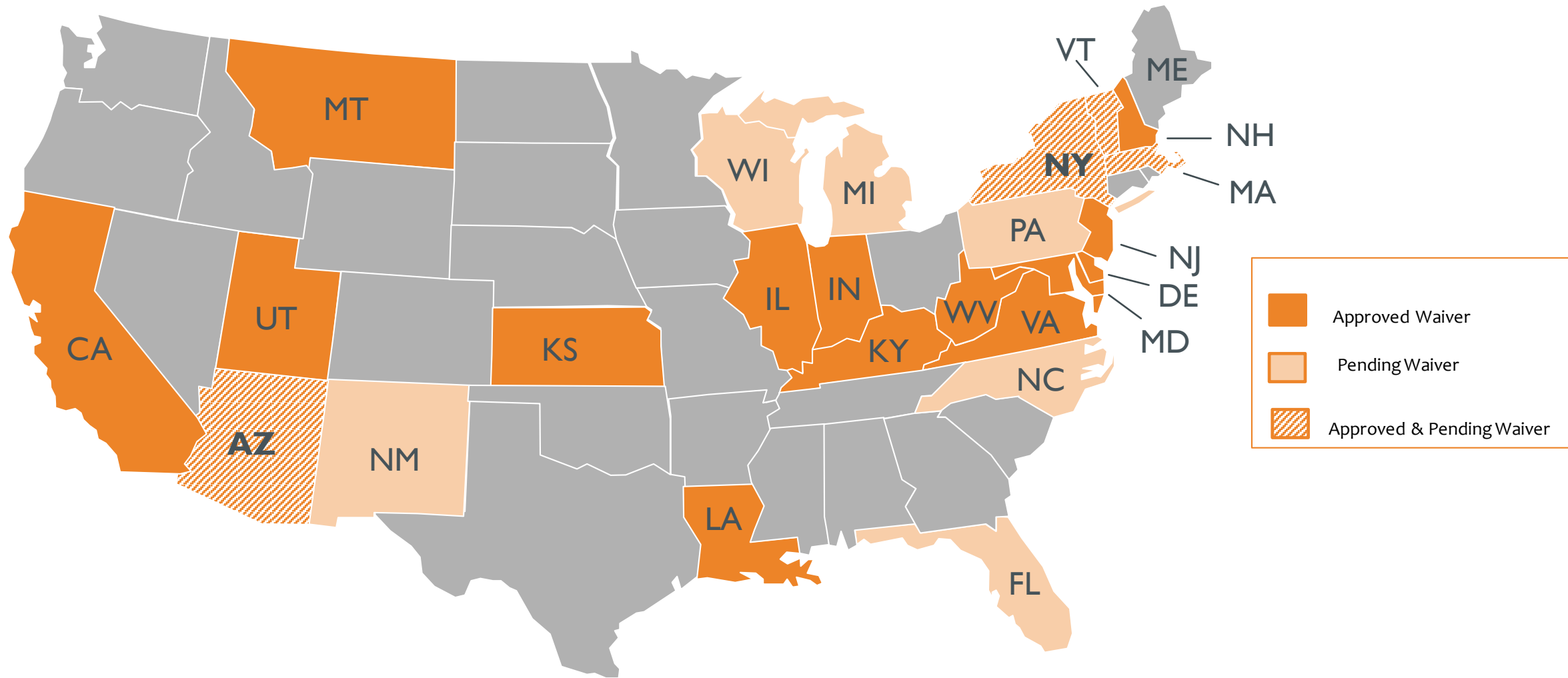
- Flexible and streamlined option to combat opioid crisis
- Specified goals, milestones and rigorous evaluations
- Monetary penalty for failure to comply with reporting
- Option for waiver of IMD exclusion

## Common Elements

- Waiver of IMD exclusion
- Integrating physical and behavioral health
- Expanding service coverage (e.g. withdrawal management, peer recovery support, residential treatment)
- New provider guidelines and requirements

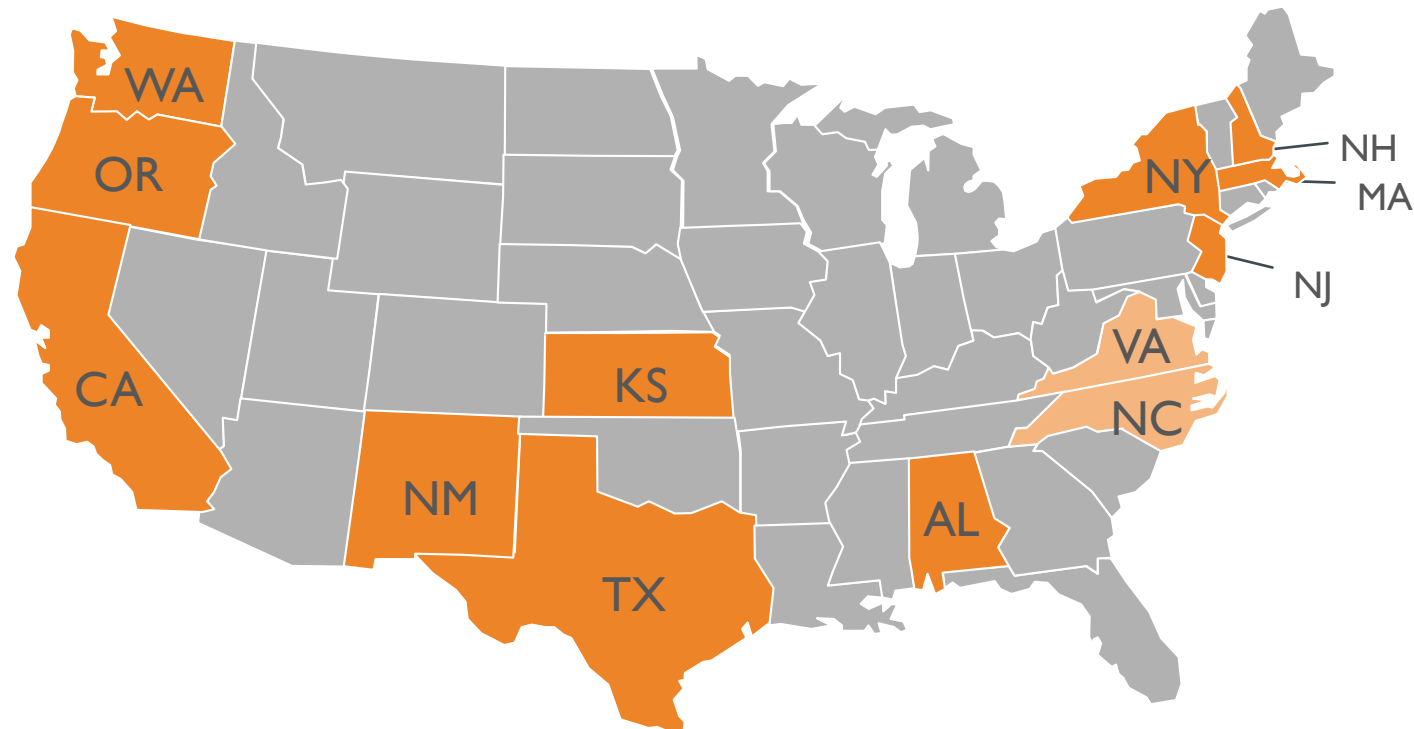


# Substance Abuse Waivers



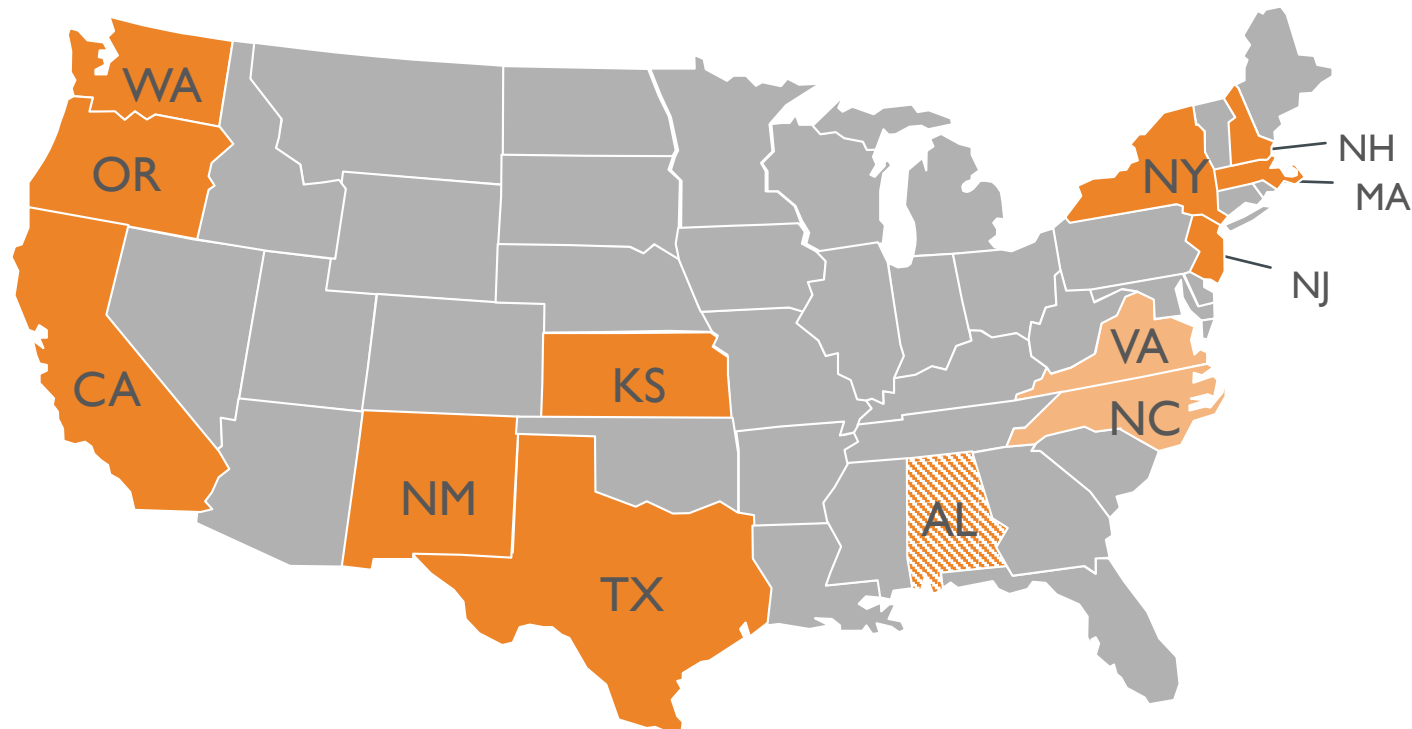
## DSRIPs: LAST YEAR

- New DSRIP Approved in Washington on January 9, 2017

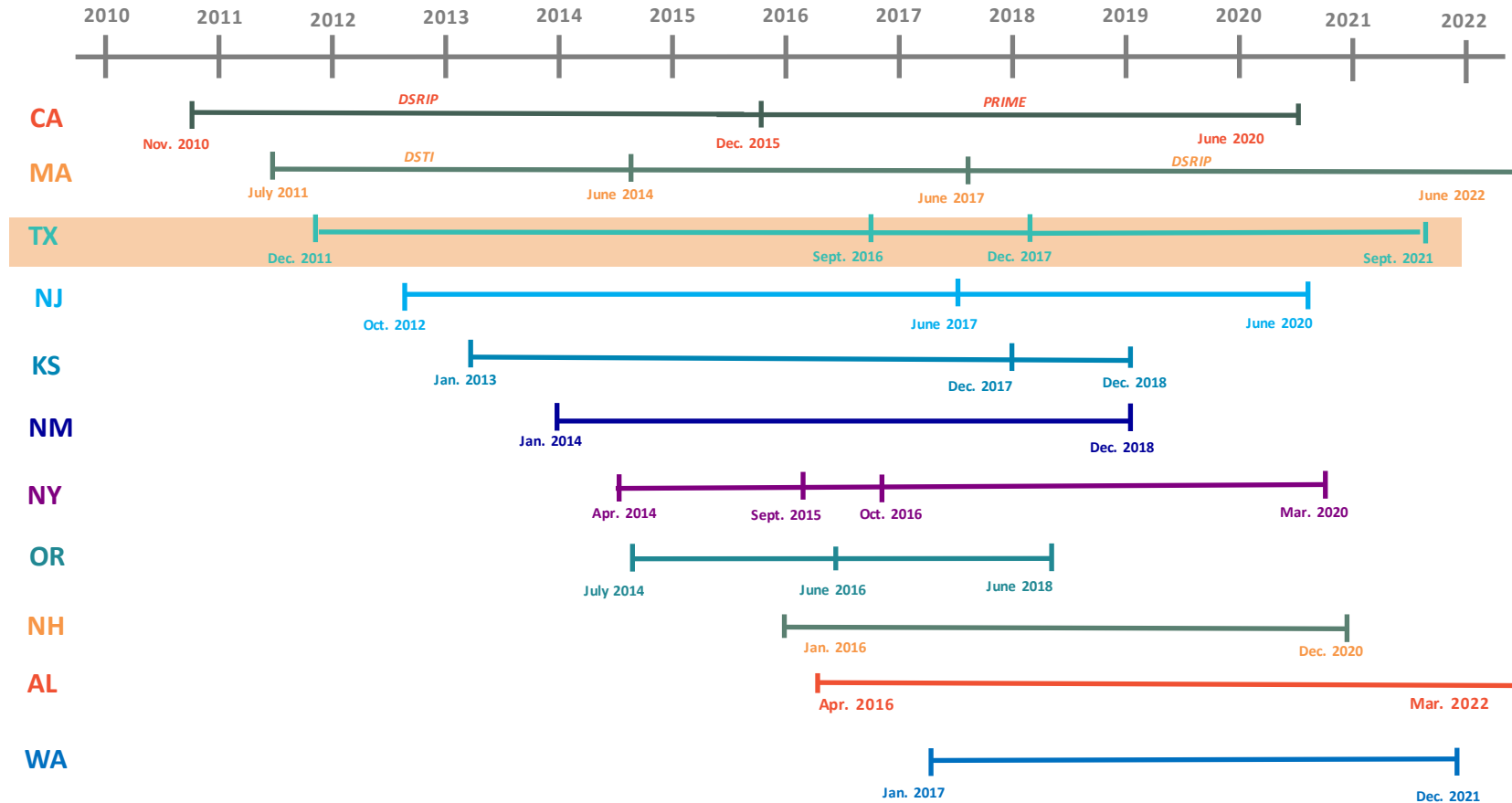


## DSRIPs: NOW

- No new DSRIPs approved (or proposed) in the Trump Administration
  - 2 DSRIPs extended in 2017 (TX & NJ)



# TIMELINE OF APPROVED DSRIPs



## CMS' PRINCIPLES IN ACTION: WHAT ABOUT DSRIPs?

- Apparent CMS policy:
  - Enforcing time-limited nature of DSRIPs
  - Emphasis on measuring impact on outcomes (accountability)
- Willingness to approve DSRIP-like programs through managed care?

# PLANNING FOR A POST-DSRIP WORLD

- How are States transitioning?
  - Transitioning to Alternative Payment Models
    - NY Value-Based Payment Roadmap (target: 80-90% MCO payments based on value)
    - NJ Sustainability and Transition Plan
  - Implementing Accountable Care Organizations (MA)
  - Whole Person Care (CA)
    - Coordination of health, behavioral health and social services
    - Run by counties and other local governmental entities
    - Focused on vulnerable groups of high utilizers

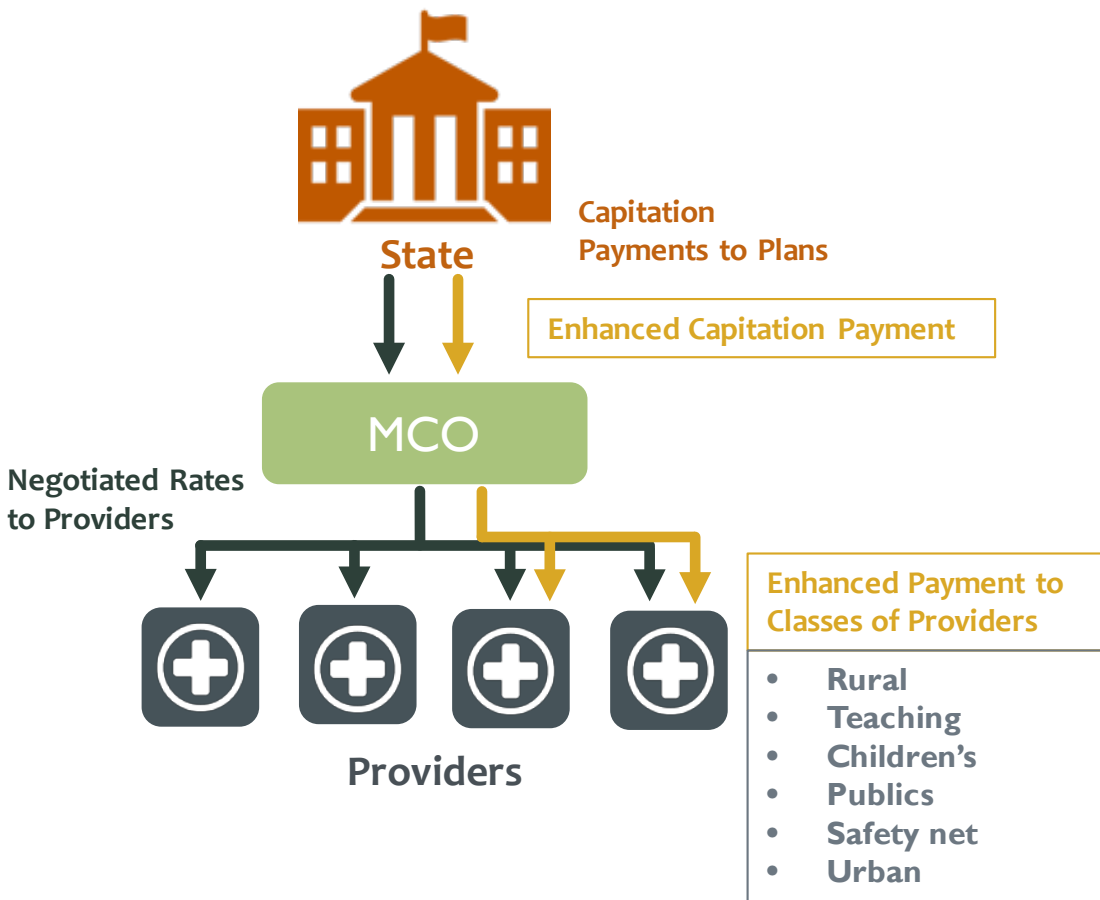
# DELIVERY SYSTEM REFORM THROUGH MANAGED CARE

## Medicaid Managed Care Rule Issued May 2016



- First Update Since 2002
- 420 Federal Register Pages
- Significant New Requirements for States
- States may not direct how MCOs spend capitation dollars

# DIRECTED EXPENDITURES UNDER MANAGED CARE



When Can States Require Plans to Make Specific Payments to Specific Providers?

1

Value-Based Payments

2

Delivery System Reform Payments/Performance Improvement Initiatives

3

Uniform Rate Increases/Minimum or Maximum Fee Schedules (e.g. UHRIP)

\* Further Conditions Apply



# Directed Delivery System Reform Payments

## Arizona



- CMS approved a \$300 million “Targeted Investment Program” through Managed Care authority
- Lump sum payments made through MCOs based on achievement of metrics
- Metrics promote more integrated delivery system (behavioral/physical health) for targeted populations

## Rhode Island



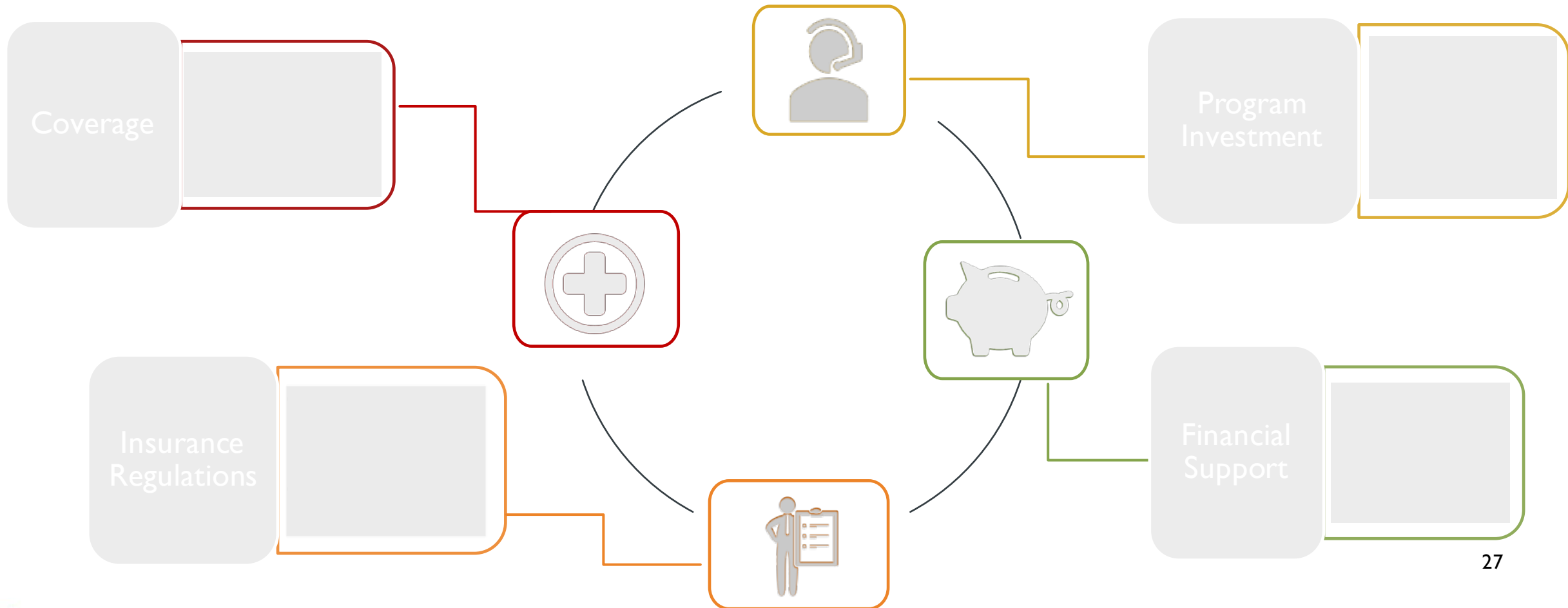
- “Health System Transformation Project” using Managed Care authority
- One-time incentive payments for hospitals, nursing facilities
- Accountable Entity incentive payments pursuant to a Roadmap towards accountability for total cost of care/quality/outcomes

# THE AFFORDABLE CARE ACT

YESTERDAY AND TODAY



# THE ACA: A PRIMER

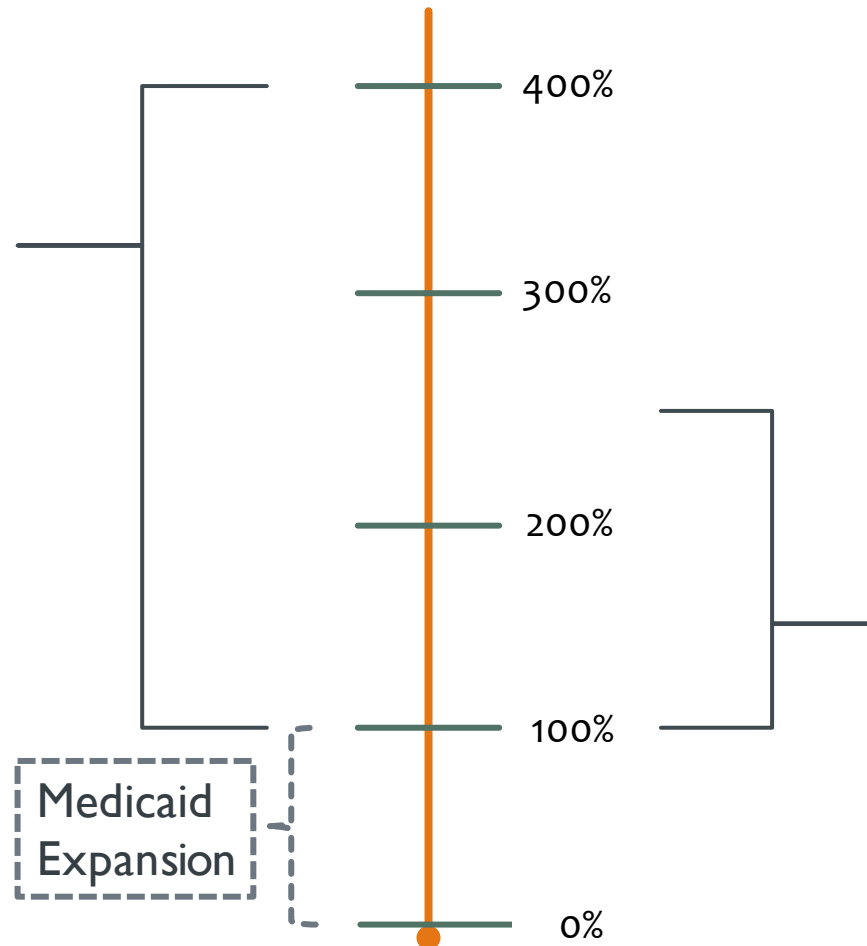


# Tax Credits & Subsidies

## Premium Tax Credits

- Advance refundable credits to offset cost of monthly premiums
- Available for individuals between 100-400% FPL
- May be applied to any level plan (except copper)
- Credit limits premium cost to % of family income
- Tied to second cheapest silver plan (benchmark plan)

## Federal Poverty Level



## Cost Sharing Subsidies

- Offset cost of copays & deductibles
- Available for individuals between 100-250% FPL
- May only be applied to silver plans
- Amount of subsidy tied to income level bracket

# The Evolving ACA



## Legislation

- Multiple attempts to repeal the ACA
- Eliminate individual mandate



## Regulations

- Reduce open enrollment window (6 weeks)
- Greater state flexibility on Essential Health Benefits
- Expand short-term limited-duration health plans from 3 to < 12 months (proposed)
- Expand flexibility re: Assoc'n health plans (proposed)
- Revise guaranteed availability
- Allows lower actuarial value for exchange plans
- Additional documentation for special enrollment



## Funding Decisions

- Eliminate Cost Sharing Reduction Payments
- Reduce advertising budget by 90%
- Reduce Navigator funding by 30%
- New methodology for funding Navigators (now tied to enrollment goals)

## UNINTENDED CONSEQUENCES: THE COST SHARING DEBATE

- Plans required to limit out-of-pocket costs to individuals  $\leq 250\%$  FPL
- CMS has provided extra funding to plans to cover the cost of CSR
- In 2017, CMS withdrew CSR funding for plans
- Plans responded by increasing price of *Silver Level* plans

*Result: Boon for subsidized consumers*

# The CSR Fix

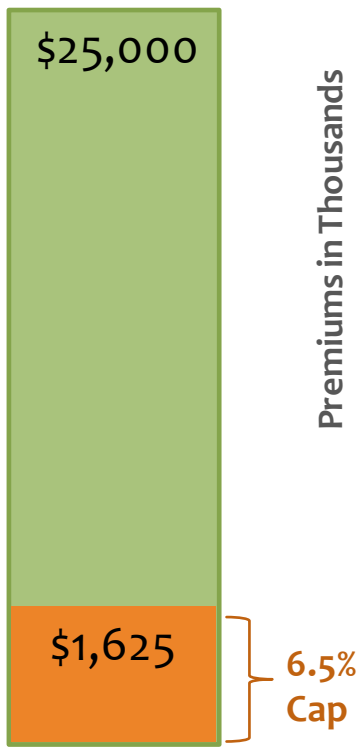
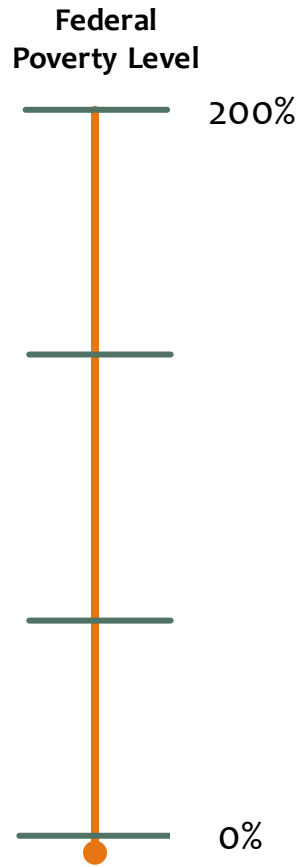


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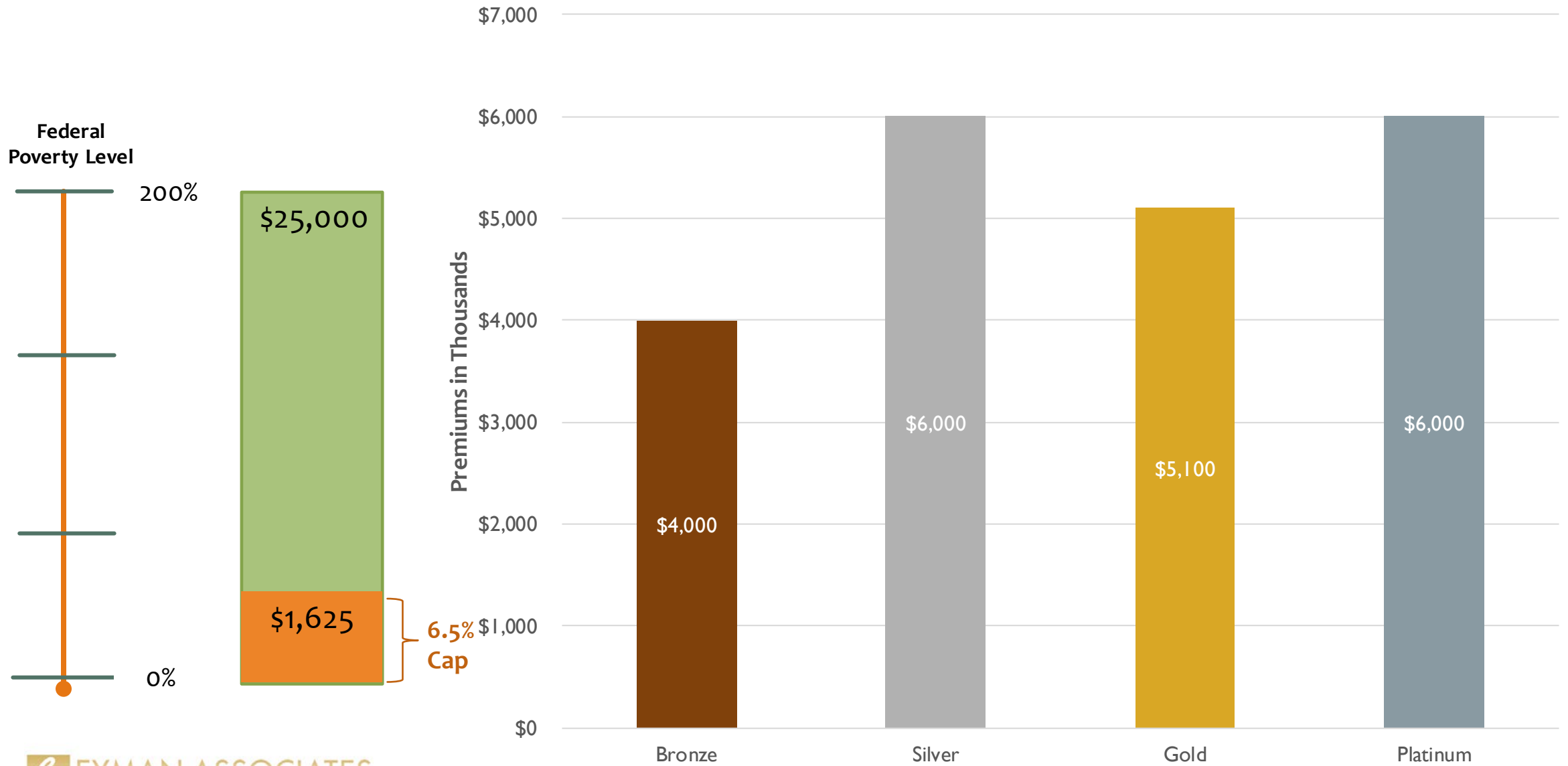




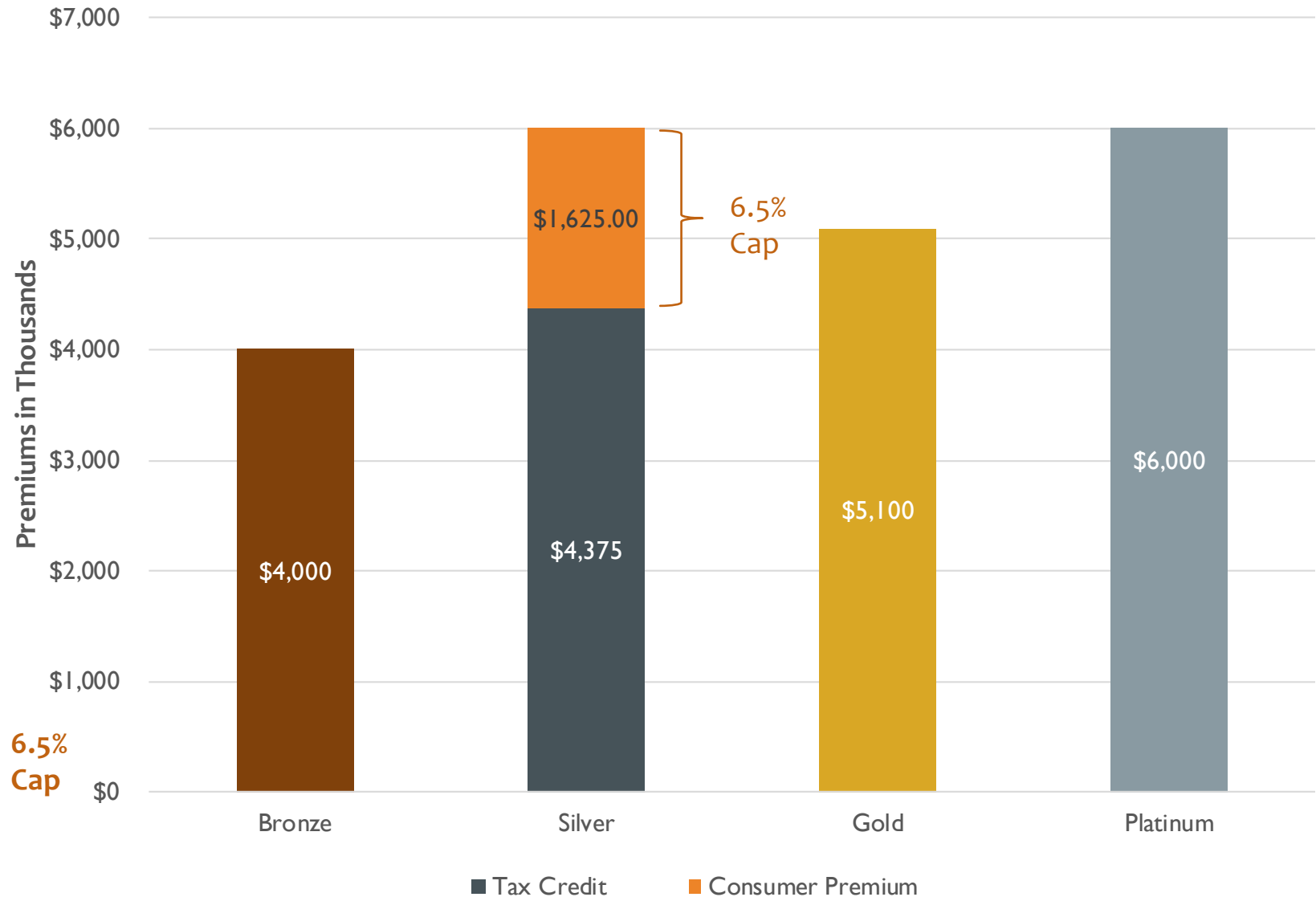
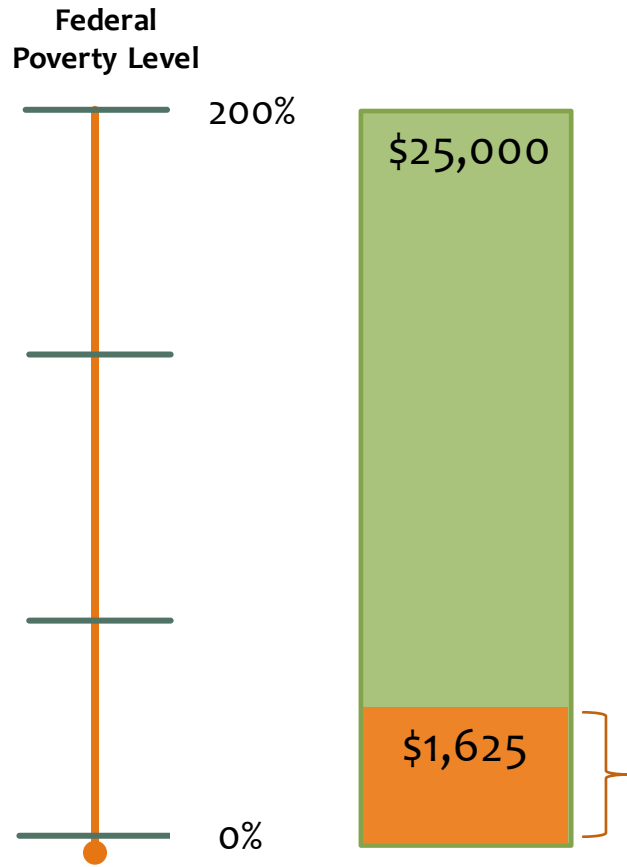
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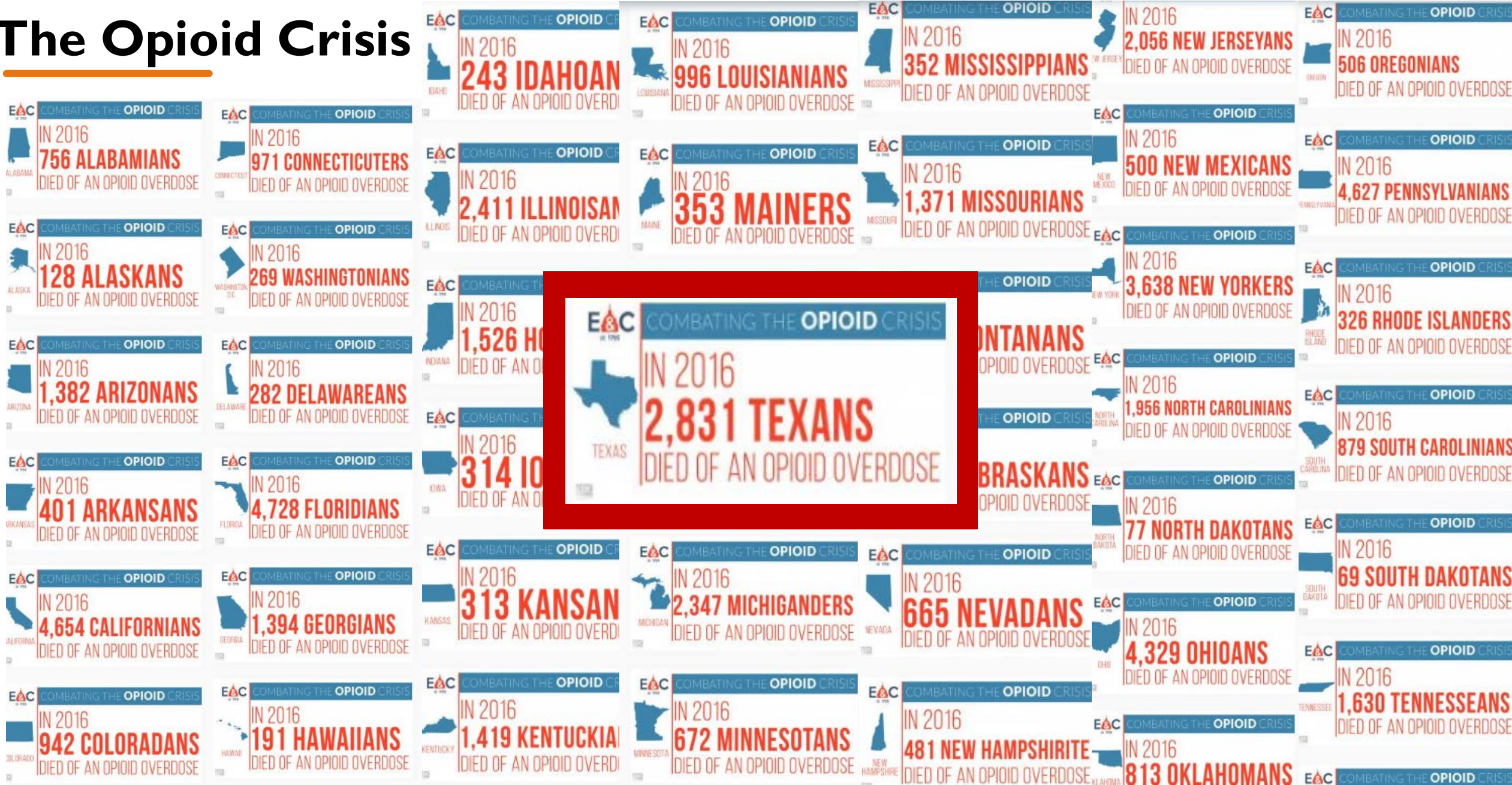




# BIPARTISANSHIP IN HEALTH POLICY? ADDRESSING THE OPIOID CRISIS



# The Opioid Crisis



# Combating the Opioid Crisis

## HOUSE

2 Committees

Energy & Commerce  
Ways & Means

6 Hearings

65+ Bills

Target:  
Memorial Day  
Recess [?]

Status:  
Committee  
Markups  
Completed

## SENATE

2 Committees

Health, Education, Labor & Pensions  
Finance

7 Hearings

40+ Proposals

# Combating the Opioid Crisis: Legislative Efforts

## Treatment & Recovery

- Comprehensive Opioid Recovery Centers
- Access to Buprenorphine and methadone treatment
- Expand telemedicine for rural treatment centers
- Opioid Overdose protocols

## Data & Privacy

- Mandating state Medicaid programs to report use of GME funds
- Access to patients' complete health history
- Better method of displaying SUD history on patient records
- One consent for "all treating providers"

## Enforcement

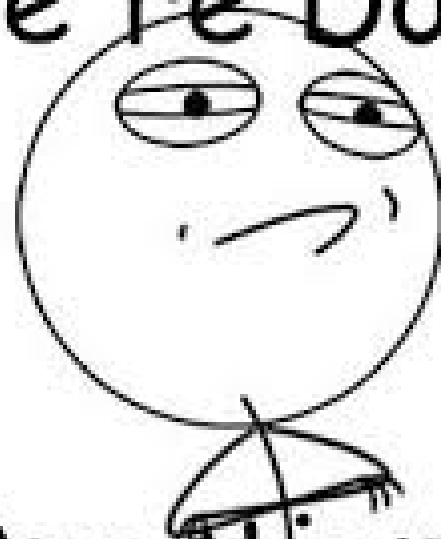
- Detecting fraudulent prescriptions
- E-prescribing for controlled substances under Medicare Part D
- Identifying outlier opioid prescribers
- Prescription drug monitoring administered by Medicaid providers and pharmacists

## Research & Prevention

- Flexibility for NIH research on non-addictive pain treatment
- Expansion of opioid awareness education



We're Done.



Questions?

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