Department of Health Care Finance (DHCF) Fiscal Year 2021-2022 Performance Oversight Hearing

Presentation Before the Committee on Health Council of the District of Columbia
The Honorable Vincent Gray, Chairperson

February 28, 2022
Washington, DC
Presentation Outline

✓ Introduction

❑ Unwinding from the Public Health Emergency

❑ DHCF Major Activities
  ➢ Medicaid-Medicare Integration
  ➢ Behavioral Health Transformation
  ➢ Next Steps With MCO Contracts
  ➢ Status of DCAS

❑ COVID Vaccinations Among Publicly Insured Residents

❑ Conclusion
Thank you, Chairman Gray, for the opportunity to discuss the performance of DHCF for FY2021 and part of FY2022 with an emphasis on DHCF’s major initiatives.

We are a mission driven agency that focuses on the management of the District’s public health insurance programs under the general direction of Mayor Muriel Bowser.

I continue to serve in a dual role which began in September 2018. In this capacity, I benefit substantially from:

- A strong executive team at DHCF, anchored by Medicaid Director, Melisa Byrd
- Ciana Creighton, the very capable Chief of Staff for DMHHS and cluster staff

Goal of DHCF remains to improve health outcomes for program enrollees through–

- Enhanced access to a full range of health care providers
- Sound reimbursement for those that deliver the care
- And program incentives that drive quality and improved health outcomes
Nearly Half Of District Residents Rely Upon Publicly Funded Health Care Insurance To Pay For Their Health Care

Proportion of DC Residents with DHCF-Funded Coverage, January 2022

Total District of Columbia Residents = 670,050

Residents with Public Insurance (47%)

Other DC Residents (53%)

Medicaid, 86% 271,246

CHIP-Funded Medicaid, 5% 17,151

Alliance, 7% 22,698

Immigrant Children's Program (ICP), 1% 4,354


Note: The District resident total was substantially revised downward due to the 2020 Census and may undercount certain individuals (e.g., those who are not US citizens) and thus the percentage with DHCF coverage may be overstated. Sum of components may not equal total due to rounding.
Roughly 82 Percent Of The District’s Publicly Insured Are Assigned To One Of DHCF’s Three Managed Care Programs

**Total Number of Publicly Insured**: *315,449

**Insured In Medicaid Fee-For-Service**: 51,705 (16%)

**Insured In Managed Care**: 258,750 (82%)

**AmeriHealth Caritas**: 122,332 (47%)

**CareFirst**: 68,819 (27%)

**MedStar Family Choice**: 67,599 (26%)

*This total includes 4,994 children who are enrolled in the District’s managed care program for children with special needs, but that those enrollees are not reflected in the table sub-totals.

**Children with special needs served through HSCSN are not included in this count.

Source: DC Medicaid Management Information System (MMIS) data extracted in January 2022.
Unwinding from the Public Health Emergency

DHCF Major Activities

- Medicaid-Medicare Integration
- Behavioral Health Transformation
- Next Steps With MCO Contracts
- Status of DCAS

COVID Vaccinations Among Publicly Insured Residents

Conclusion
DHCF Adopted Several Major Program Changes Using Flexibilities Granted By The Federal Public Health Emergency (PHE)

- Recently, the federal PHE was extended on January 16, 2022 and can last up to 90 days (through April 16, 2022)

- DHCF received a federal match increase of 6.25% that was conditioned on maintaining coverage for beneficiaries during the PHE and terminating only in the case of death, relocation, or upon request

- In addition, DHCF introduced the following flexibilities to ensure access to care, and provider stability during the PHE:
  - Provider rate enhancements to protect the provider community from ruinous revenue losses
  - Expansion of telemedicine and case management benefits using electronic means
**As The PHE Termination Period Approaches, DHCF Will Be Required To Unwind Some Of The Program Changes**

<table>
<thead>
<tr>
<th>Authority</th>
<th>Effective Date</th>
<th>Termination Date</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid disaster relief/emergency SPA for the COVID-19 PHE</td>
<td>March 1, 2020, or any later date elected by the state</td>
<td>End of the federal PHE (including any extensions), or any earlier date elected by the state</td>
<td>Temporary 20% increase to nursing facility rates (DC SPA 20-001)</td>
</tr>
<tr>
<td>Appendix K (used for home and community-based services waivers)</td>
<td>January 27, 2020, or any later date elected by the state</td>
<td>Up to six (6) months following the conclusion of the federal PHE (including any extensions)</td>
<td>Temporary 15% increase to assisted living facility rates (1915(c) HCBS Waiver Appendix K)</td>
</tr>
<tr>
<td>Medicaid 1135 Waivers</td>
<td>March 1, 2020</td>
<td>End of the federal PHE (including any extensions)</td>
<td>District 1135 Waiver Request:</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Temporarily suspend Medicaid fee-for-service prior authorization requirements</td>
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</table>
Resuming Eligibility Policies Will Create Several Challenges

- Once the PHE ends, we will need about 14 months to return to the pre-pandemic cadence for eligibility renewals

- Challenges –
  
  - Currently, the combined enrollment level for Medicaid and Alliance – at more than 315,000 members – is the largest in the history of the program
  
  - Many current enrollees have no familiarity with the renewal process and the new automated system for accessing benefits
  
  - Caseload management requires that we maintain an even volume of renewals
Some health care provider groups face a loss in PHE enhanced payments as they continue to adjust to utilization volatility

- Skilled Nursing Facilities (20%)
- Intermediate Care Facilities for the Intellectually Disabled (15%)
- Federally Qualified Health Centers (Flat payments regardless of utilization)
- Home Health Agencies (Paid overtime and quarantine rate)
- Mental Health Rehabilitation Services (20%)
- Adult Substance Abuse Rehabilitation Services (20%)
- Home and Community Based Service Providers (Retainer and enhanced payment)

Pressure building to extend some of these payments with American Rescue Program Act funding – sustainability is the issue
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- **DHCF Major Activities**
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  - Behavioral Health Transformation
  - Next Steps With MCO Contracts
  - Status of DCAS
- COVID Vaccinations Among Publicly Insured Residents
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Guided By Medicaid Reform, DHCF Has Several Major Initiatives Underway

- As we noted in last year’s performance review, DHCF is in the midst of a major reform of the District’s Medicaid program.

- The overarching goal of this reform is to redirect programming in ways that will improve beneficiary outcomes per health care dollar spent.

- This five-year effort is guided by four strategic priorities:

  1. Build a health system that provides whole person care;
  2. Ensure value and accountability;
  3. Strengthen internal operational infrastructure; and
  4. Implement a meaningful PHE response, including monitoring and closure.
Currently over 37,000 District residents are enrolled in both the Medicare and Medicaid programs.

These residents must navigate two complex delivery systems when accessing their healthcare benefits.

DHCF is implementing two major expansions to coverage and service delivery for dually eligible beneficiaries:

1. An expansion of the existing District Dual Choice program
2. The Program of All-inclusive Care for the Elderly – start date will fall between the last quarter of 2022 and January 2023

These initiatives promise improved integration across Medicare and Medicaid and better health care outcomes through a coordinated and interdisciplinary model of care, governed by value-based payments.
Dual Choice (and PACE) Are The Most Significant Changes To the District's Long Term Care Program In Decades

- Dual Choice expansion launched on February 1, 2022

  - DHCF pays a monthly capitation rate to a selected Medicare Advantage plan – UnitedHealthcare – that covers all Medicare and most Medicaid services
  - Participation is voluntary; initial program expansion limited to individuals already enrolled in United for Medicare coverage
  - DHCF has included a continuity of care period (180 days) to avoid service disruption

- For two years, DHCF engaged providers and other stakeholders on the new program and its effect on EPD Waiver services.

  - For Dual Choice members, EPD providers now work with both DHCF and UnitedHealthcare
  - Providers bill and receive payment for services from UnitedHealthcare

- UnitedHealthcare must offer a contract to all Medicaid-enrolled home health agencies (HHAs) and adult day health care programs (ADHPs)
Two years ago, in November of 2019, we began an initiative to transform the behavioral health system.

In 2021, DHCF announced its intent to reprocure the managed care contracts to allow for the inclusion of a full complement of behavioral health services as a part of this reform.

The end goal was to establish a whole person, population-based, integrated Medicaid behavioral health system.

Led by DHCF and our partner, the Department of Behavioral Health (DBH), a multi-year phased approach was set:

- Phase I - Behavioral health service expansion
- **Phase II - Managed care integration**
- Phase III - Integrated care payment models
Stakeholder Engagement For This Transformation Has Been Extensive

- Stakeholder engagement for this effort – which is often referred to as the behavioral health “carve-in” – formally kicked off in January 2021 with a Stakeholder Advisory Group

- Comprised of –
  - Persons with lived experience
  - Advocates
  - Community members
  - Provider organizations and managed care plans
  - Government agency staff

- This group addressed core elements of a successful transition – services, contracts, beneficiary and provider engagement, quality and oversight, and rate enhancements

- The integration of behavioral health into our managed care program will be effective October 1, 2023
The Path To The Current Managed Care Contracts, June 2020 to Present

1. DHCF awards MCO contracts to AmeriHealth, MedStar and CareFirst.

2. Amerigroup files protest.

3. CAB upholds protest and implies that MedStar’s bid was not responsive based on a separate CAB ruling in another procurement.

4. Under its universal contracting provisions, DHCF makes plans to proceed with two health plans – AmeriHealth and CareFirst – because Amerigroup does not contract with MedStar.

5. MedStar Health sends notices to remaining two health plans notifying them that when the contracts between the health system and the parties expire, it will seek to negotiate new rates.

6. AmeriHealth and CareFirst inform DHCF that the plans cannot afford to pay higher rates creating the specter of service disruption.

7. The Mayor declares a public emergency and awards contracts to the existing three plans to ensure avoid service disruption.

8. In August 2021, DHCF announced plans to rebid the MCO contracts in FY2022 to integrate community-based mental health and substance use disorder services into the Medicaid managed care program and provide maximum flexibility in establishing the payment methodology used to reimburse health plan.

9. Amerigroup files a request for sanctions against the Director of DHCF and submits a motion contesting the authority of the Mayor to declare an emergency and subsequently award contracts to the existing three plans.

10. The CAB rules against all of Amerigroup motions.

11. The Council approves the Mayor’s award of the three contracts.
On November 19, 2021, the Office of Contracting and Procurement (OCP), on behalf of the Department of Health Care Finance, issued a solicitation seeking MCO proposals for the District’s Medicaid program.

While this solicitation is still ongoing, on February 2, 2022, OCP released a new and supplemental solicitation seeking additional MCOs.

To ensure the sustainability of the District’s Managed Care Program, the District will contract with at least two but not more than three MCOs so that Medicaid beneficiaries have a choice of providers.

The District is still currently on schedule to meet the estimated award date of June 30, 2022. To bring stability to the program, the new contracts period will include a five-year base period and one five-year option period.
The District successfully launched the final phase of DCAS on November 15, 2021, eight years after the work was initiated.

The new system effectively transitions from our outdated legacy eligibility system to an integrated platform that connects District residents to an array of benefits.

Residents now have the ability to access applications for both health care programs and food or cash benefits through a single-entry point and integrated application.

The District Direct resident portal allows residents to complete the entire enrollment and eligibility process online, and hopefully will become the preferred way to manage their benefits.

DCAS Development Work Is Now Complete
The District’s New Gateway To Public Benefits – Called District Direct Offers Significant Enhancements

District Direct features include the following:

- Apply and recertify for food, cash, and health benefits
- Manage and view benefits (EBT balances, payment details)
- Connect to existing beneficiary accounts to see active cases or in progress tasks, such as needing to submit verification documents or recertify
- View a personalized dashboard with required tasks, status, cases, and more available (must have a connected account)
- View electronic notices, allowing more time for responses (e.g., recertification deadlines, missing verifications, etc.), while still receiving notices by mail
- Submit verification documents electronically; and,
- Review frequently asked questions (FAQs) and contact details for the agencies
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More Than 100,000 DHCF Enrollees Are Considered High Risk For COVID-19 And Two-Thirds Are Enrolled In DHCF’s Managed Care Program

**COVID-19 High Risk Beneficiaries**

Beneficiaries at high-risk for severe illness from COVID-19

- **117,051** High-Risk Enrollees
- **86,212** w/ Chronic Conditions
- **31,848** are over 65 years
- **4,918** in IDD Waiver
- **2,512** in Long-Term Facility

**by Age Group**

- 80+ Years Old: 6,398
- 65 - 79 Years Old: 25,450
- 50 - 64 Years Old: 31,659
- 37 - 49 Years Old: 17,603
- 21 - 36 Years Old: 18,654
- 0 - 20 Years Old: 17,287

**by Program Category**

- Medicaid MCO: 20,569
- Medicaid FFS: 8,514
- Alliance: 767
- ICP: 169
- Total: 35,338

**by Coverage Type**

- Medicaid MCO (29,099, 34%)
- Medicaid FFS (9,023, 12%)
- Alliance (7,769, 7%)
- ICP (9,023, 12%)

**by Ward**

- **15,833**
- **11,032**
- **16,513**
- **24,355**

**by Race and Ethnicity**

- African American: 66.5%
- American Indian: 0.09%
- Asian: 0.33%
- Caucasian: 2.66%
- Hispanic: 3.54%
- Other: 0.15%
- Unknown: 26.7%

**Note:** Does not include data reflecting the CDC’s recent expansion of high-risk categories.
COVID Vaccination Levels For DHCF Populations Are Improving But Remain Comparatively Low

<table>
<thead>
<tr>
<th>Program and Percent of February 2022 Beneficiaries with 1+ COVID Vaccination, by Age and Program</th>
</tr>
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<tbody>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td><strong>Age &lt;5</strong></td>
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<tr>
<td><strong>Age 5+</strong></td>
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<tr>
<td>Age 05-11</td>
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<tr>
<td>Age 12-15</td>
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<tr>
<td>Age 16-17</td>
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<tr>
<td>Age 18-20</td>
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<tr>
<td>Age 21-44</td>
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<tr>
<td>Age 45-64</td>
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<tr>
<td>Age 65 &amp; Over</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
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<table>
<thead>
<tr>
<th>DHCF Population and District-Wide Vaccination Rates</th>
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</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td><strong>Enrolled</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>5 years of age &amp; up</strong></td>
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<tr>
<td><strong>12 years of age &amp; up</strong></td>
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<tr>
<td><strong>18 years of age &amp; up</strong></td>
</tr>
<tr>
<td><strong>65 years of age &amp; up</strong></td>
</tr>
</tbody>
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Source: DHCF analysis of DC Health and Maryland immunization registry data received via CRISP and DHCF Medicaid Management Information System data as of 2/20/2022. District-wide vaccination rates are from https://coronavirus.dc.gov/data/vaccination as of 2/14/2022. *The “Estimate” column reflects DC immunization registry data and Tiberius/HHS estimates. The “DC Health data only” column reflects only the DC immunization registry data. **Unrounded figure is 99.9% for % & up, 12 & up, 18 & up, and 65 & up.
Initially, DHCF initially engaged a vendor to conduct direct outreach to the total population of unvaccinated Medicaid fee-for-service beneficiaries during the summer of 2021.

Managed care plans were directed to conduct outreach to their Medicaid and Alliance beneficiaries, using vaccine print and digital ads, text messaging, social media, and radio.

DHCF is also considering a beneficiary financial incentive program that would be administered for unvaccinated members in the Medicaid and Alliance programs.

- As an example, members could be awarded gift cards when they complete initial and booster vaccinations.
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Conclusions

- Mr. Chairman, this concludes my performance oversight testimony on the activities of DHCF.

- DHCF is proud of the work we do everyday to continue with the modernization of the program as we address critical policy and program operational issues.

- Most importantly, our Medicaid reform efforts move forward as we prepare for the end of the public health emergency and the attendant challenges.

- Thank you for this opportunity to testify today and we are happy to receive your questions and those of the members of the Committee on Health.