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# **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**

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February 28, 2022  
Washington, DC

# Presentation Outline

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- 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

# Presentation Addresses The Major Program Activities For DHCF Over The Last 18 Months

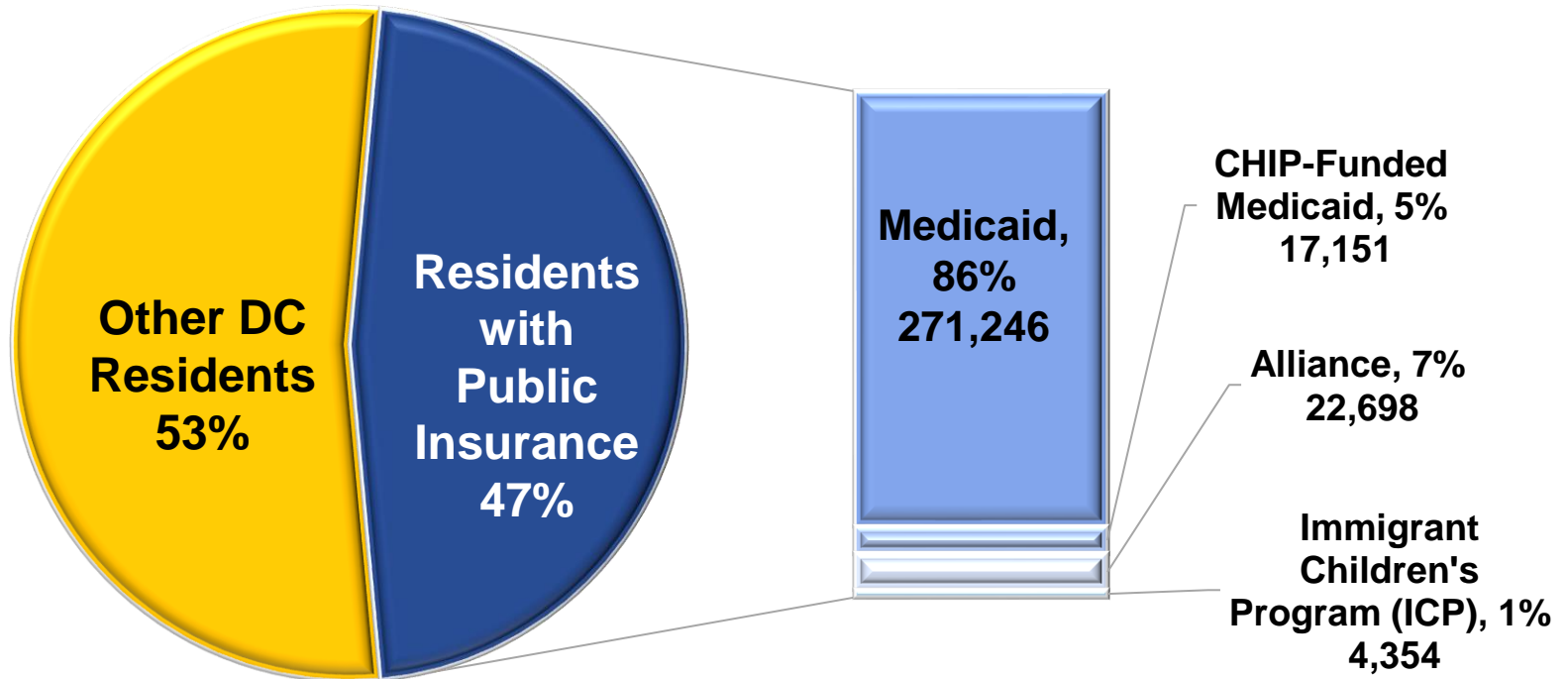
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- ❑ Thank you, Chairman Gray, for the opportunity to discuss the performance of DHCF for FY2021 and part of FY2022 with an emphasis on DHCF's major initiatives
- ❑ We are a mission driven agency that focuses on the management of the District's public 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

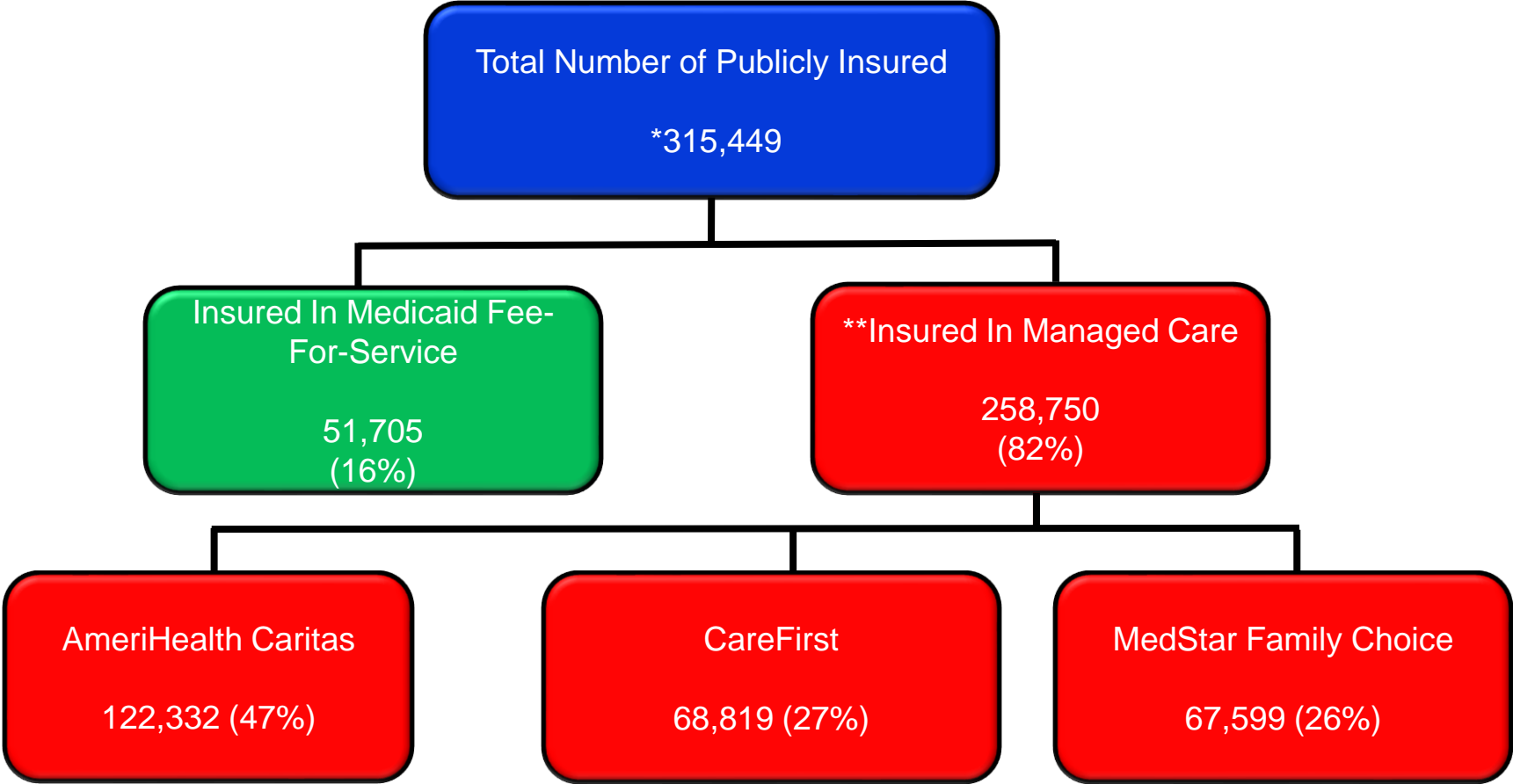
Total District of Columbia Residents = 670,050



**Source:** District population estimate reflects July 1, 2021, from [U.S. Census Bureau](https://www.census.gov/). Medicaid, Alliance, and ICP data reflects average monthly enrollment in January 2022, DHCF's Medicaid Management Information System.

**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



\*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

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

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- ❑ 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

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



# Resuming Eligibility Policies Will Create Several Challenges

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- ❑ 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

# Enhanced Provider Payments Will Also End Once The Time Period For PHE Concludes

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- ❑ 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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# Guided By Medicaid Reform, DHCF Has Several Major Initiatives Underway

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- ❑ 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.

# The Integration Of Medicaid and Medicare For Dually Eligible Medicaid Enrollees is A Major Step Forward For DHCF

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- ❑ 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

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- ❑ 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)

# The Work On Behavioral Health Transformation Continues

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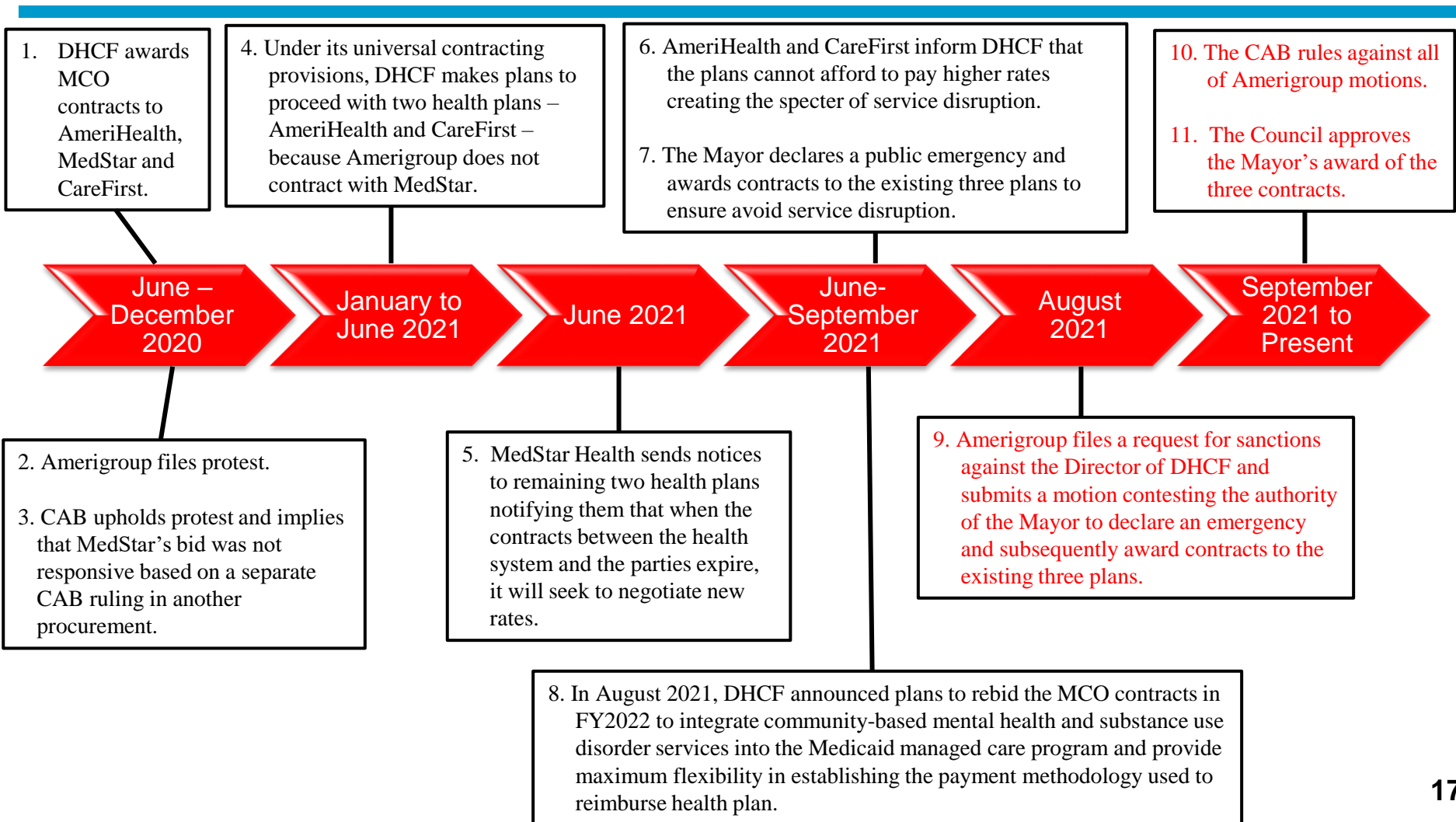
- ❑ Two years ago, in November of 2019, we began an initiative to transform the behavioral health system.
- ❑ In 2021, DHCF announced its intent to reprocur the managed care contracts to allow for the inclusion of a full complement of behavioral health services as a part of this reform
- ❑ The end goal 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



# The Current Procurement Was Reissued on February 2, 2022

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- ❑ 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

# DCAS Development Work Is Now Complete

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- ❑ 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

# 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

The screenshot shows the District of Columbia Benefits Portal website. At the top, there is a navigation bar with the "District First" logo, "Home", "Create Account", and "Log In" buttons. The main header features a large blue banner with the text "Welcome to District of Columbia Benefits Portal" and a sub-header "Apply for SNAP, TANF/Cash, Assistance and Medical Benefits or learn more about all our offered benefits". Below the banner are two buttons: "Apply Now" and "See Offered Benefits". The main content area is titled "How else can District First help you?" and contains four service cards, each with an icon and a right-pointing arrow:

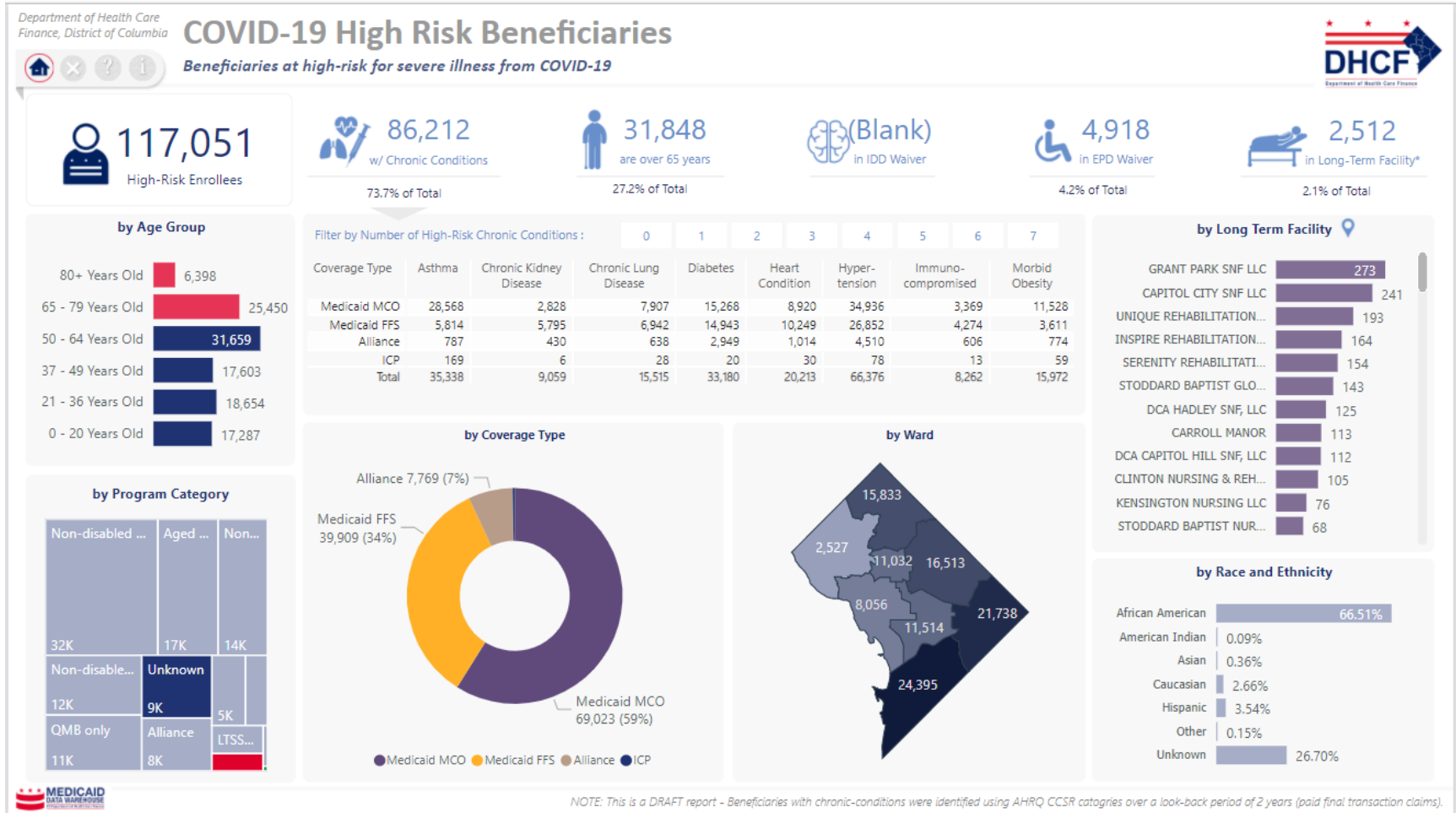
- Check your benefit eligibility**: Answer a few questions to find out what benefits you're eligible for.
- Renew or recertify your benefits**: Are your benefits expiring? Submit a request to renew or recertify your benefits.
- Report a change**: New baby? Got a new address or a new job? Update and report any changes to your Household Information.
- Health Care Coverage**: Do you own a small business? Go to DC HealthLink and apply for healthcare coverage for you and/or your family.

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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



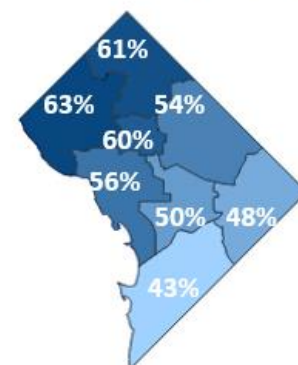
**Note:** Does not include data reflecting the CDC's recent expansion of high-risk categories.

# COVID Vaccination Levels For DHCF Populations Are Improving But Remain Comparatively Low

Number and Percent of February 2022 Beneficiaries with 1+ COVID Vaccination, by Age and Program

Program Age	Alliance			ICP			Medicaid			Total		
	Enrolled	Vaccinated	%	Enrolled	Vaccinated	%	Enrolled	Vaccinated	%	Enrolled	Vaccinated	%
Age <5	1			427	40	9%	29,609	907	3%	30,037	947	3%
Age 5+	23,010	15,006	65%	3,934	1,917	49%	259,397	132,170	51%	286,341	149,093	52%
Age 05-11	1			1,361	435	32%	30,572	7,075	23%	31,934	7,510	24%
Age 12-15				881	500	57%	18,739	8,491	45%	19,620	8,991	46%
Age 16-17	2	1	50%	518	310	60%	7,584	3,745	49%	8,104	4,056	50%
Age 18-20	14	7	50%	1,152	660	57%	10,472	4,661	45%	11,638	5,328	46%
Age 21-44	14,919	9,694	65%	22	12	55%	102,446	46,872	46%	117,387	56,578	48%
Age 45-64	5,974	4,111	69%				59,718	39,181	66%	65,692	43,292	66%
Age 65 & Over	2,100	1,193	57%				29,866	22,145	74%	31,966	23,338	73%
<b>Total</b>	<b>23,011</b>	<b>15,006</b>	<b>65%</b>	<b>4,361</b>	<b>1,957</b>	<b>45%</b>	<b>289,006</b>	<b>133,077</b>	<b>46%</b>	<b>316,378</b>	<b>150,040</b>	<b>47%</b>

Percent of February 2022 Beneficiaries 5+ with 1+ COVID Vaccination, by Ward



Number and Percent of February 2022 Beneficiaries Age 5+ with 1+ COVID Vaccination, by FFS/MCO

MCO and FFS Group	Enrolled	Vaccinated	%	Average Age
FFS	50,509	32,754	65%	60
MCO	235,832	116,339	49%	32
AMERIHEALTH DC	108,922	56,801	52%	32
CAREFIRST COMM HEALTH PLAN	61,797	29,132	47%	33
HEALTH SVC FOR CHILDREN WSPECL NEED	4,302	1,875	44%	15
MEDSTAR FAMILY CHOICE INC	60,811	28,531	47%	33
<b>Total</b>	<b>286,341</b>	<b>149,093</b>	<b>52%</b>	<b>37</b>

DHCF Population and District-Wide Vaccination Rates

Age	District-wide*		DHCF populations
	Estimate	DC Health data only	
Total population	94%	67%	47%
5 years of age & up	100%**	71%	52%
12 years of age & up	100%**	75%	56%
18 years of age & up	100%**	75%	57%
65 years of age & up	100%**	86%	73%

**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.

# DHCF Strategies To Increase Vaccination Rates Center On Managed Care Plans

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- ❑ 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

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- ❑ 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