

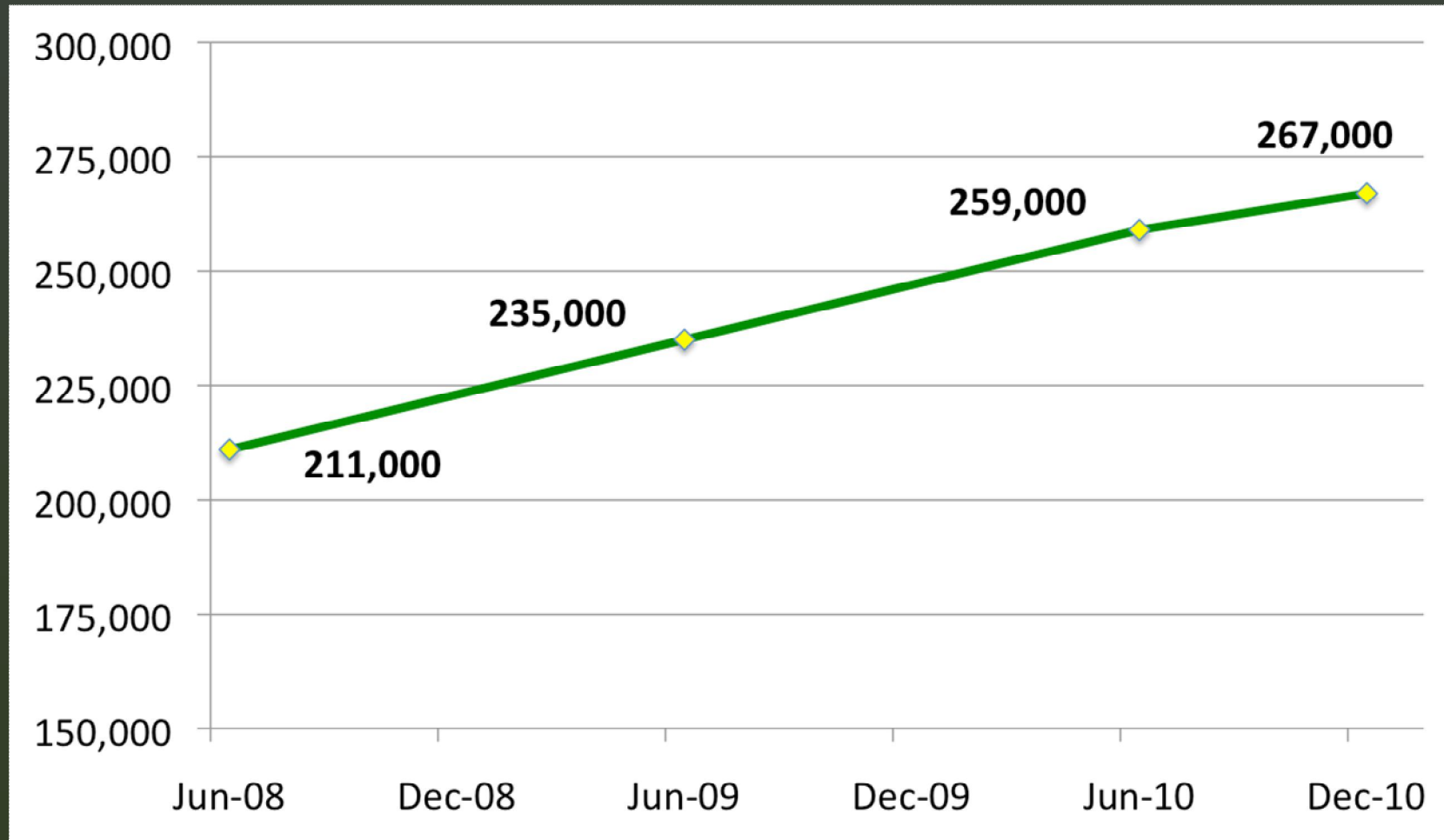


Addressing the Med-QUEST Division's Budget and Moving Forward

July 29, 2011

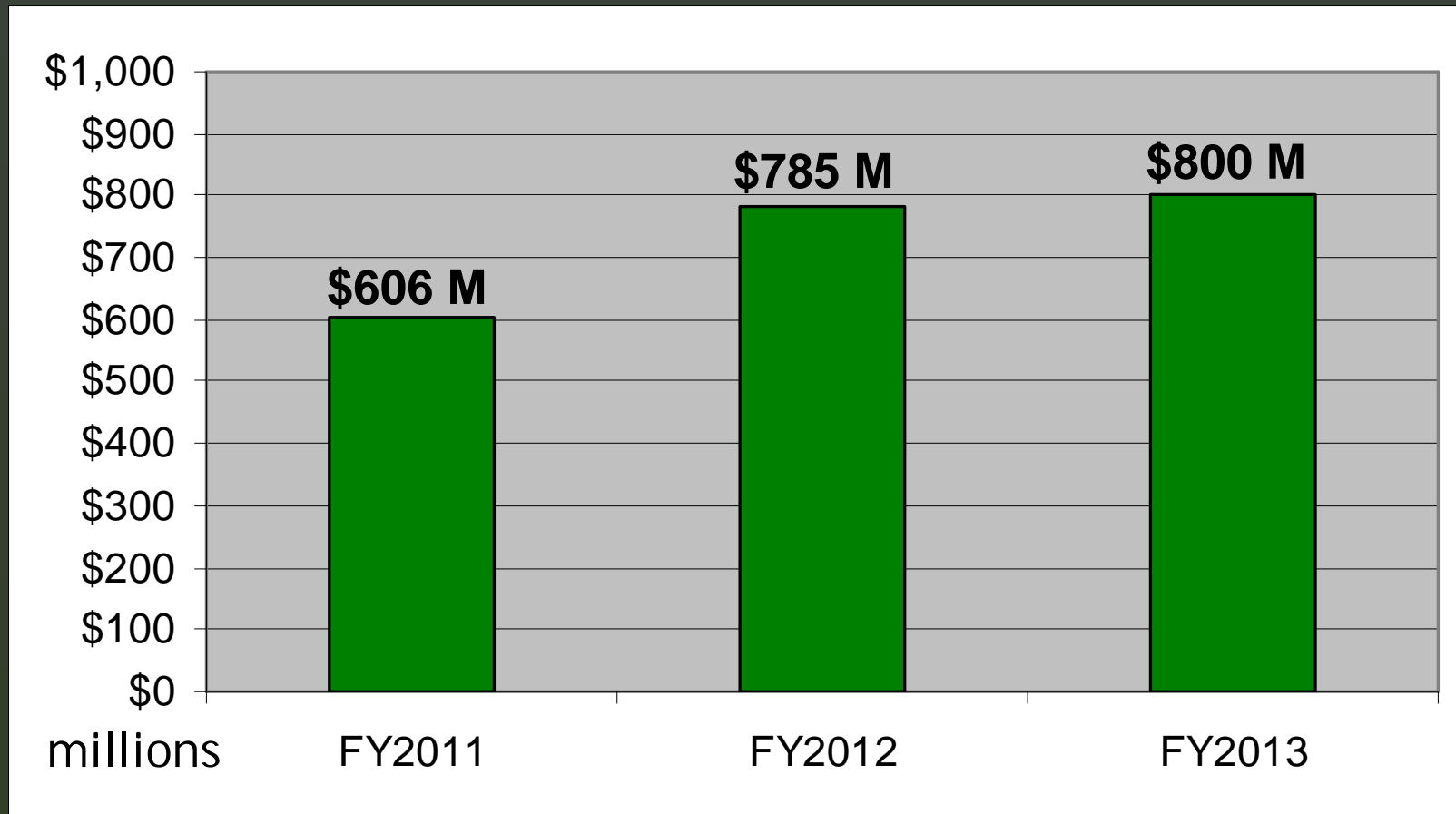


26% Enrollment Increase June 2008 through December 2010





Increasing Budgeted General Funds





Values

- Prioritize the neediest and most vulnerable
 - Children
 - Pregnant women
 - Disabled
 - Elderly
- Minimize impact on overall population health status
- Recognize impact on already strained safety-net
- Maximize federal funding to supplant general funds
- Community partnership
- Health care system transformation



Community Dialogue

- Held statewide community forums in February 2011 and May 2011
- Participated in legislative meetings
- Had many meetings with stakeholders
- Received numerous suggestions from the public



Strategies to Move Forward

- Focus on neediest
- Improve efficiency
- Support innovation and modernization



Focus on Neediest

- **Decrease eligibility for adults from 200% to 133% FPL**
 - Affects optional adult expansion populations
 - ~4,500 individuals in QUEST-ACE and QUEST-Net affected
 - Aligns with Medicaid expansion under ACA
- **Suspend the QUEST-ACE enrollment limit**
 - Program slated to close to new applicants January 1, 2012
 - Instead will continue to accept new enrollees
- **Expand benefits of QUEST-ACE and QUEST-Net to equal those for adults in QUEST**



Continuum of Benefits

- Children
 - Pregnant Women
 - Adults <65 years and without a disabling diagnosis not receiving long-term care services (LTCS)
 - Adults \geq 65 years or with a disabling diagnosis not receiving LTCS
 - Adults receiving LTCS
- * Individuals receiving LTCS are nursing facility level of care and receive skilled or intermediate nursing services in their home, community, or facility



Preserved Benefits

- **Children**
 - No reduction in benefits
- **Pregnant Women**
 - No reduction in pregnancy related services
- **Benefits also available for all others**
 - Dialysis
 - Cancer treatment
 - Services for those with severe and persistent mental illness
 - Home and community-based services
 - Organ transplantation



Pharmacy Benefits

- Goal is to use the least expensive medication to achieve the patient oriented health outcome
- Generic medication when comparatively effective, except as required by statute
- Brand name medication when no comparatively effective generic available
- Ensure treatment is evidence-based
- Explore single Medicaid formulary and possible merger with EUTF for single State formulary



New benefit package non-disabled non-pregnant adults <65 years

- 10 inpatient days (plus 10 additional acute psychiatric days)
- 20 outpatient visits (plus 6 additional behavioral health visits)
- Laboratory and imaging associated with covered visits
- 3 outpatient hospital/ambulatory surgical center procedures
- Prescription medications
- Family planning/contraceptives
- Diabetes supplies
- Vaccines (pneumonia, influenza, tetanus/diphtheria)
- Limited non-emergency transportation
- Emergency medical
- Emergency dental
- Language access services



Other Benefit Changes

- **Seniors and those with a disabling diagnosis not receiving long-term care services**
 - Decrease maximum weekly chore hours from 20 to 10
 - Align outpatient rehabilitation services to match Medicare
 - Limited non-emergency transportation
- **Adults receiving long-term care services**
 - Align outpatient rehabilitation services to match Medicare



The Way Forward

- Prepare for implementation of the Affordable Care Act
 - Medicaid expansion to 133% FPL
 - Supporting a health insurance exchange
- Work to modernize and transform our program
 - New eligibility system
 - Health information technology
 - Health homes



New Eligibility System

- Fair share initiative: 90% federal match
 - Approximately \$3,000,000 state funds appropriated will bring in \$27,000,000 federal funds
- Current system is 23 years old
- New system will:
 - Increase transparency
 - Electronically verify information
 - Increase timeliness
 - Interface with health insurance exchange



Health Information Technology

- Fair share initiative: 90% federal match
 - Approximately \$70,000 state funds appropriated and will bring in \$630,000 federal funds
- Health information technology can improve the quality and efficiency of health care
- Medicaid electronic health record (EHR) incentive program
 - Eligible professionals can receive ~\$64,000
 - Hospitals can receive >\$2,000,000



Health Home

- Fair share initiative: 90% federal match
- The Affordable Care Act contained a provision for a two-year Medicaid health home program
 - Comprehensive care management
 - Care coordination and health promotion
 - Comprehensive transitional care from inpatient to other settings
 - Individual and family support
 - Referral to community and social support services
- Enables more efficient and higher quality clinical care
- Partner with community to shape program as allowed by CMS



Health Care Transformation in Hawaii

- Build upon and further the State's national role as a leader in providing health care coverage for its population
- Improve patient outcomes and reduce healthcare costs by
 - Achieving universal health insurance coverage
 - Improving the organization and delivery of health care services
 - Promoting the effective and efficient delivery of State government health care services
- Appointment of Healthcare Transformation Coordinator



Prepaid Health Care and Hawai'i Health Insurance Exchange

- HB 1134 passed by the Legislature and signed by Governor confirms the State's intent to retain the Hawai'i Prepaid Health Act
- SB 1348 passed by the Legislature and signed by the Governor establishes the Hawai'i Health Insurance Exchange