

Medicaid Transformation Savings Scorecard and Quarterly Report

Q2 – SFY 2021

Presented to
House and Senate Committees on Public Health, Welfare, & Labor



**ARKANSAS DEPARTMENT OF
HUMAN SERVICES**

August 2, 2021

A Four Section Report to Track Medicaid and Savings

- DHS is obligated to provide a quarterly report beginning with the first quarter of SFY18 that:
 - Includes a dashboard or scorecard to track savings from reforms approved by the Health Care Task Force (HCTF). The reforms target “at least \$835 million” in savings from traditional Medicaid.
 - Reports on all Medicaid programs to monitor spending and savings across the programs.
 - Measures the impact on Medicaid spending and other quality/performance indicators from implementation of provider-led organized care in Arkansas.
- Act 802 requires DHS to submit to the Bureau of Legislative Research an initial report on September 1, 2017, to establish the baseline for the quarterly reports.
- Act 802 further provides:
 - If project (sic) savings in an amount less than five percent (5%) of the goal are not achieved during any two (2) consecutive quarters unrelated to non-claims based performance, the department shall develop additional reforms to achieve the savings goals (emphasis added.)”
 - “If legislative action is required to implement the additional reforms ..., the Department may take the action to the Legislative Council or the Executive Subcommittee of the Legislative Council for immediate action.”



HCTF Baseline Projected Spending With Traditional Medicaid Transformation Initiatives and DD and BH Provider-Led Model (PASSE)

Spending and Savings by Year & Program Dollars in Millions (\$M)	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2017-21
*HCTF Baseline, Traditional Medicaid	\$5,379	\$5,648	\$5,930	\$6,227	\$6,538	\$29,722
‡HCTF Projected Traditional Spending with Transformation Initiatives	\$5,302	\$5,495	\$5,757	\$6,026	\$6,322	\$28,902
HCTF Projected Traditional Spending with Transformation Initiatives and Full-risk Provider-led Model	\$5,302	\$5,495	\$5,757	\$6,026	\$6,227	\$28,806
HCTF Projected Savings with Traditional and Full-risk Provider-led Model for BH and DD	\$77	\$153	\$173	\$201	\$311	\$915
HCTF Full-risk Provider-Led Model for BH and DD "PASSE" Projected Savings	\$0	\$0	\$0	\$0	\$40	\$40
HCTF Full-risk Provider-Led Model for BH and DD "PASSE" Projected Premium Tax Revenue	\$0	\$0	\$0	\$0	\$56	\$56

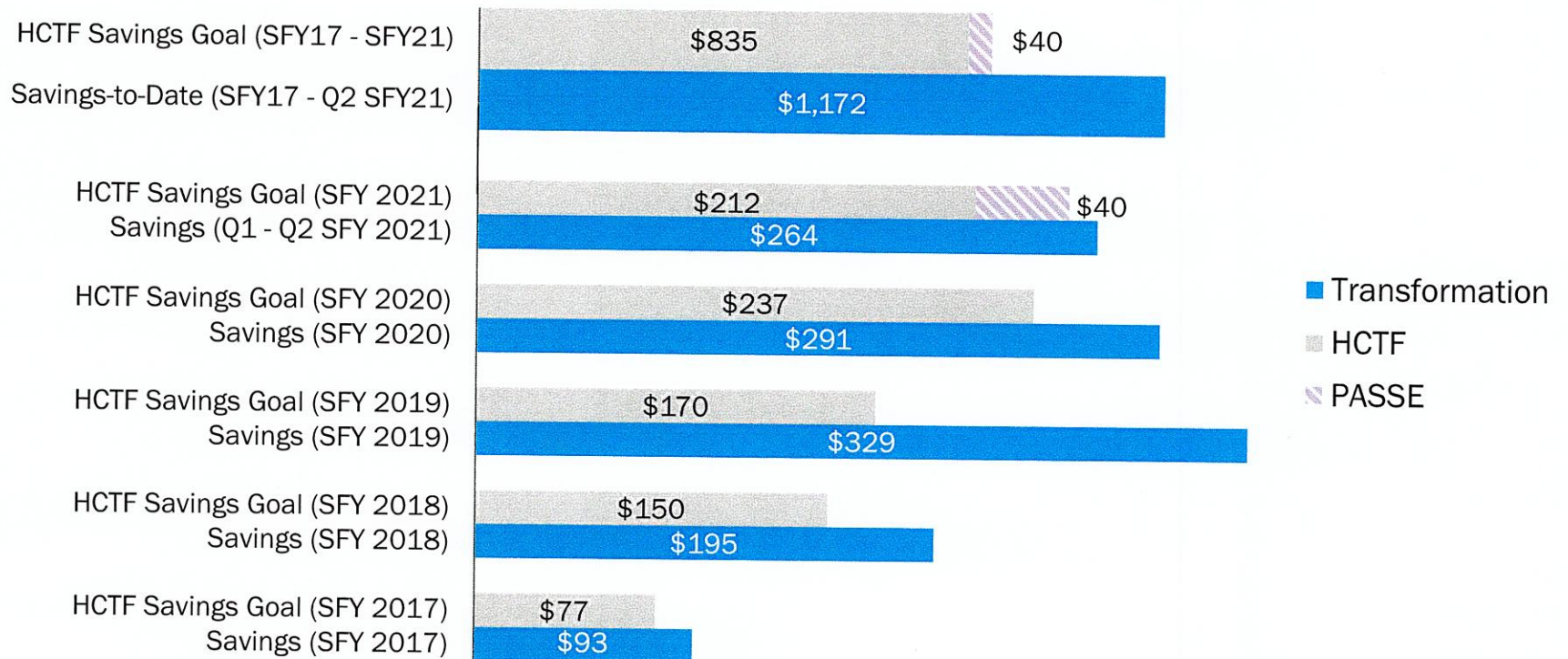


Traditional Medicaid Scorecard

Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Overall Savings (\$M)



Note(s): (1) SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$73M reduction in Overall SFY 2019 savings from \$402M to \$329M
 (2) In prior scorecards the Dental premium tax was counted towards savings. Starting in SFY 2020, all premium taxes (Dental and PASSE) will be counted as a fiscal impact. Therefore HCTF savings goals for SFY 2018 and SFY 2019 were reduced by \$3M each year (the amount of Dental premium tax).

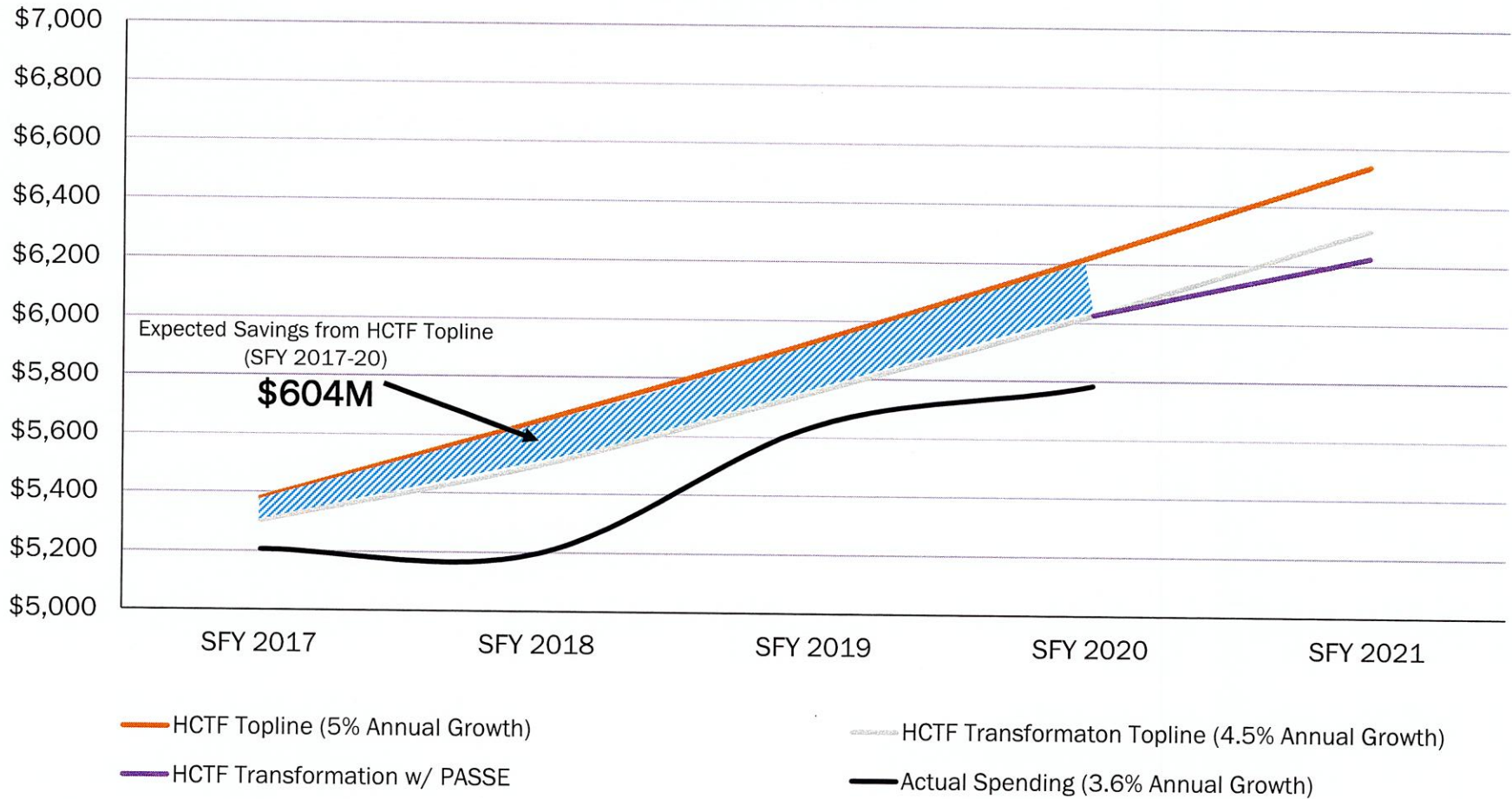


Traditional Medicaid Spending vs HCTF Toplines

SFY 2017-2021

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Dollars in Millions (\$M)

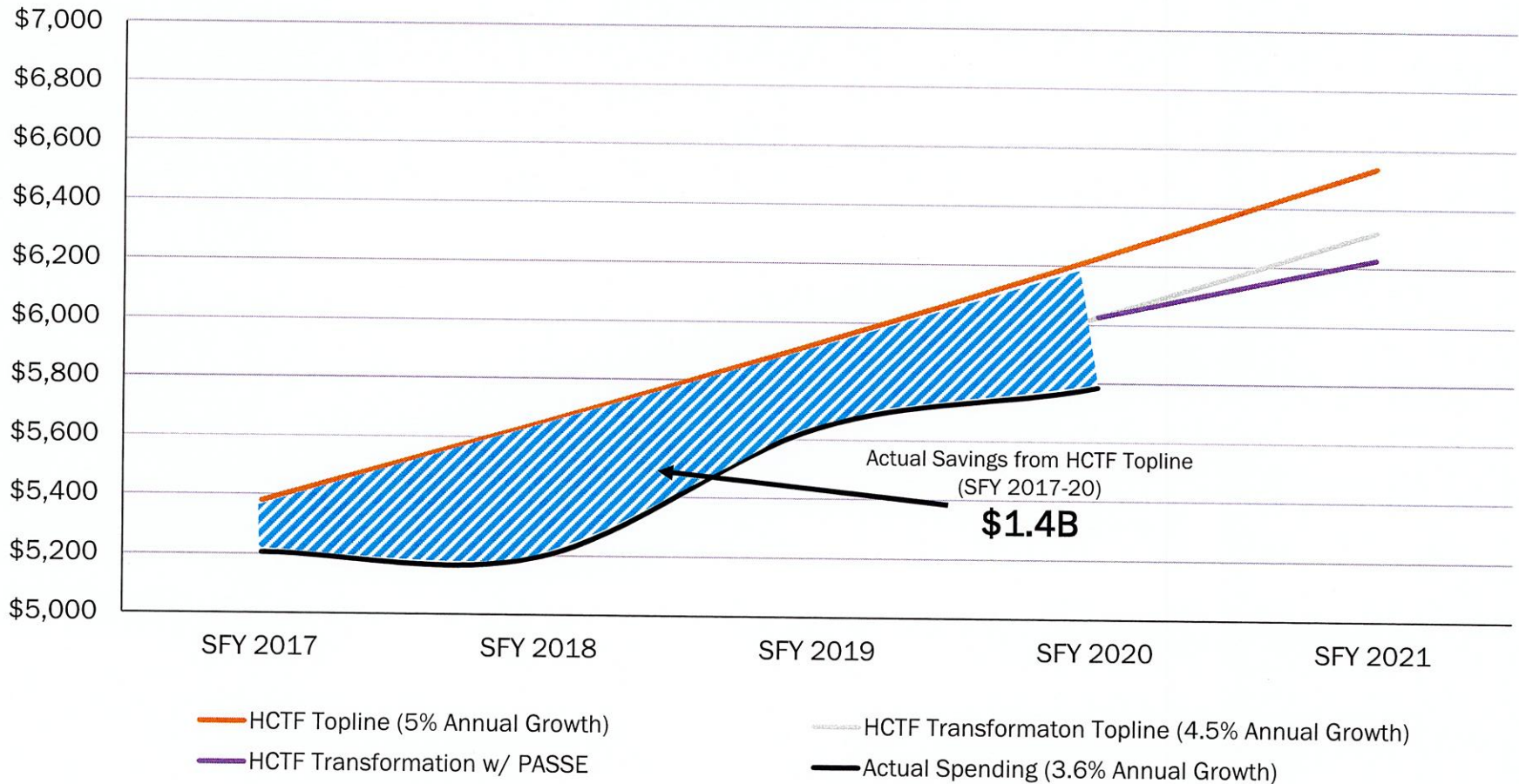


Traditional Medicaid Spending vs HCTF Toplines

SFY 2017-2021

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Dollars in Millions (\$M)



Traditional Medicaid Scorecard

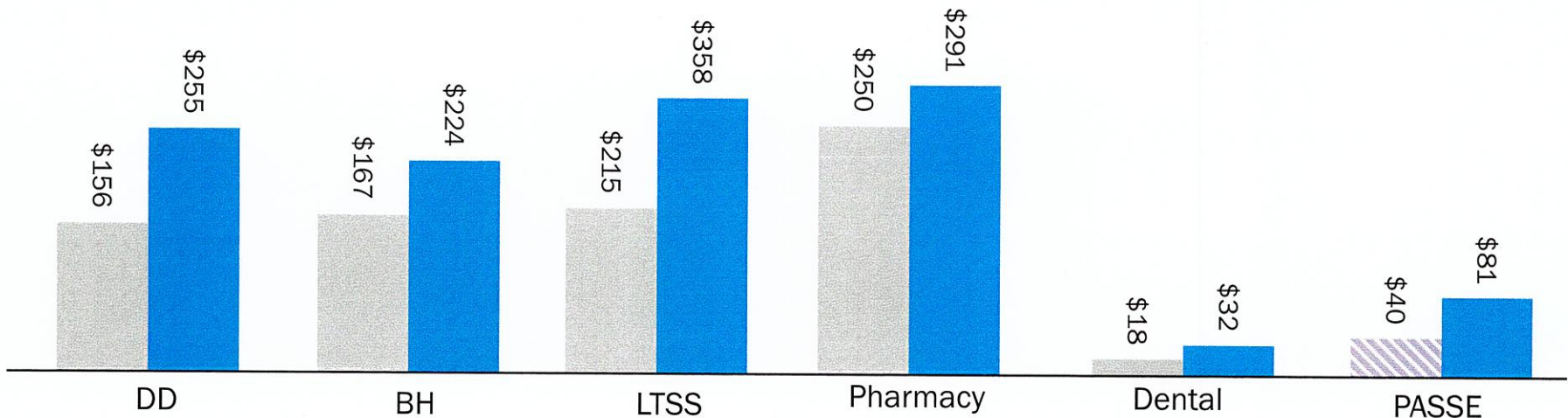
Savings Overview by Program

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Overall Savings (\$M)



Program Savings (SFY17 – Q2 SFY21) compared to their SFY 2017-21 HCTF Savings Goals (\$M)



Note(s): (1) Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.

(2) SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$73M reduction in Overall SFY 2019 savings from \$402M to \$329M

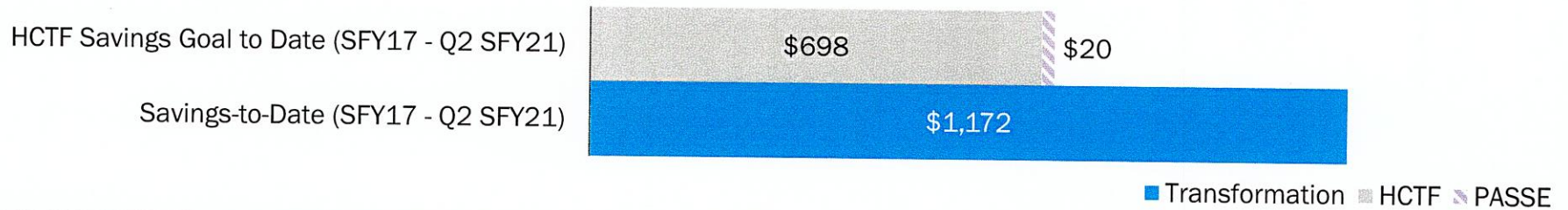


Traditional Medicaid Scorecard

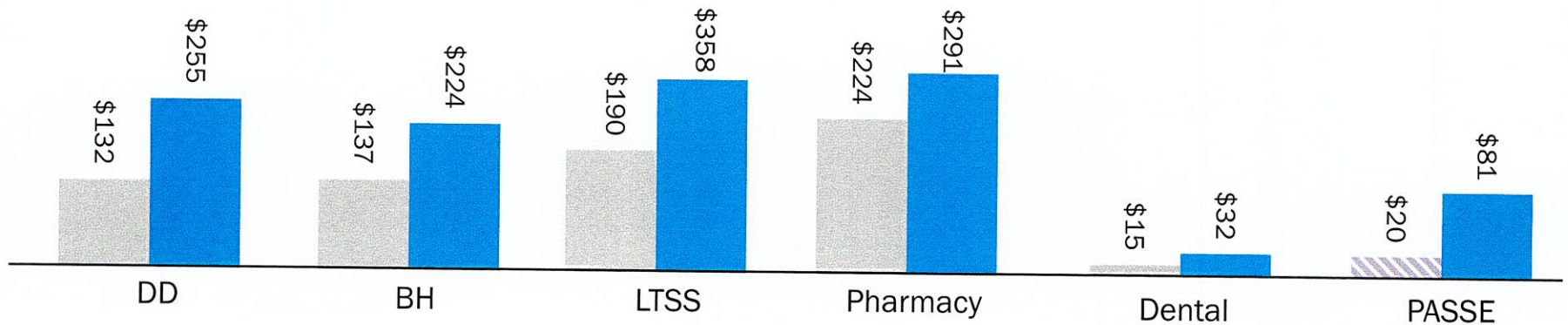
Savings-to-Date (SFY 2017- Q1 SFY 2021)

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Overall Savings-to-Date (\$M) (SFY 2017 – Q2 SFY 2021)



Program Savings-to-Date compared to their Savings Goals-to-Date (\$M) (SFY 2017 – Q2 SFY 2021)



Note(s): (1) Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.
 (2) SFY 2019 savings were adjusted due to the PASSEs becoming full risk in March 2019. This resulted in a \$73M reduction in Overall SFY 2019 savings from \$402M to \$329M



Traditional Medicaid Scorecard

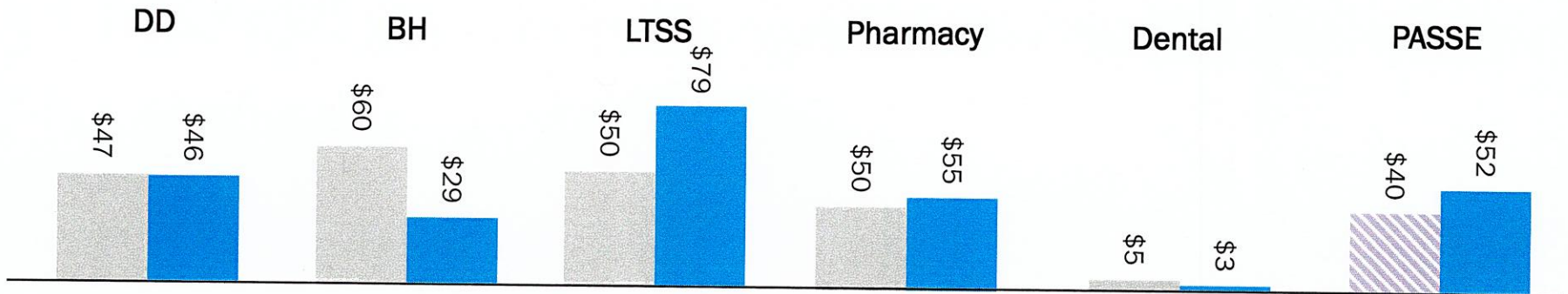
SFY 2021

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Overall Savings (\$M)



SFY 2021 Savings by Program (\$M)



Note(s): Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.

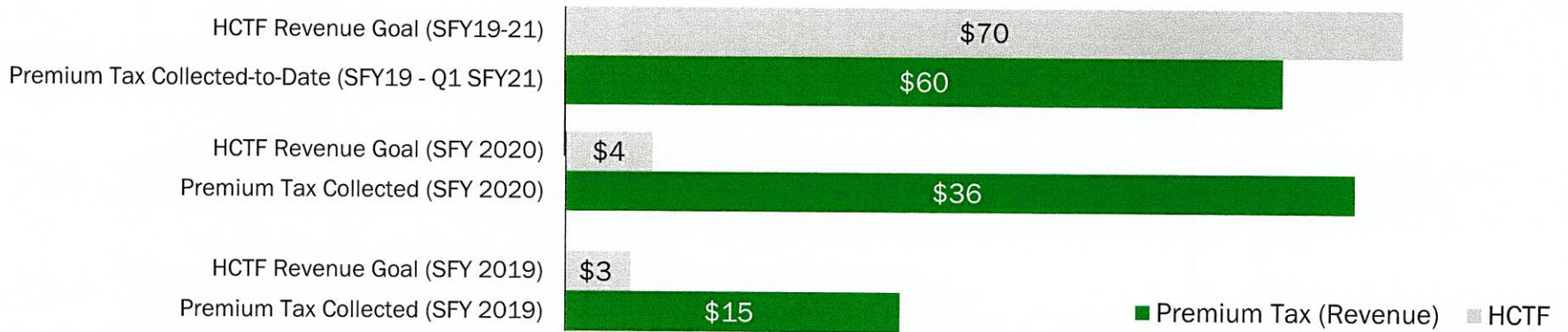


Traditional Medicaid Scorecard

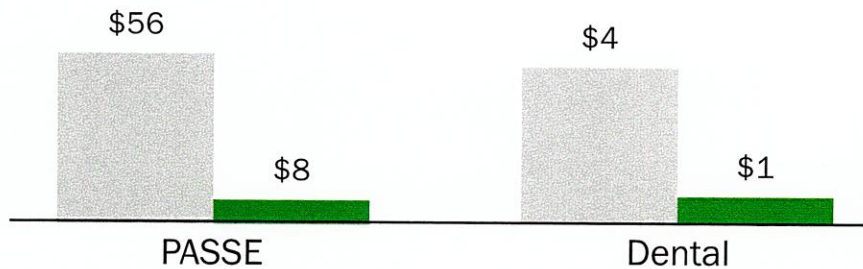
HCTF Premium Tax Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

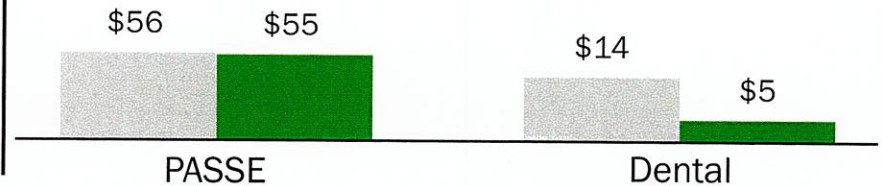
Overall Premium Taxes Collected (\$M)



SFY 2021 by Program



Program Revenues compared to their SFY 2017-21 HCTF Revenue Goals (\$M)



Note(s): The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments. HCTF Revenue Goal for PASSE begins in SFY2021.



Traditional Medicaid Scorecard

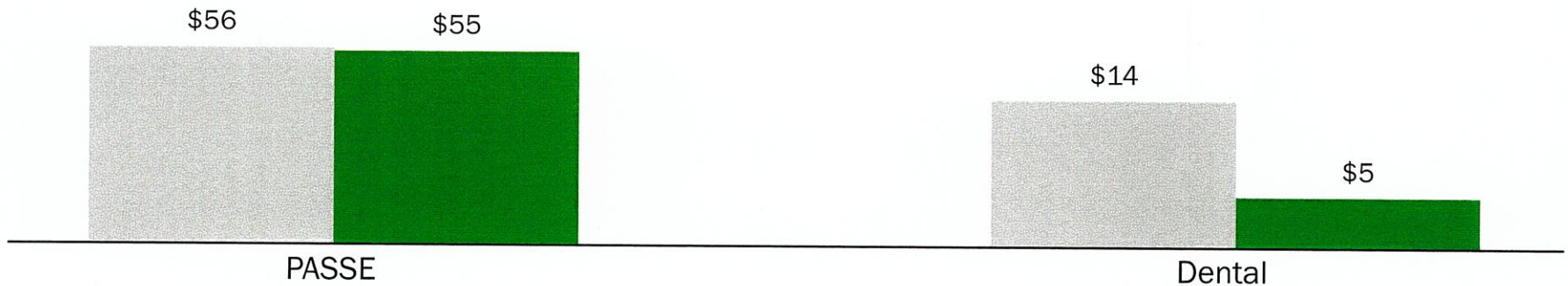
HCTF Premium Tax Collections-to-Date (SFY 2017-21)

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Premium Tax Collections-to-Date (\$M) (SFY 2019 – Q1 SFY 2021)



Premium Tax Collections-to-Date compared to their Revenue Goals-to-Date (\$M) (SFY 2019 – Q1 SFY 2021)



Note(s): The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments. HCTF Revenue Goal for PASSE begins in SFY 2021.

- Bar Charts Not To Scale -



Medicaid Transformation Spend by Quarter

SFY 2020-21

Note: Q4 SFY2020 Forward Impacted
By COVID-19 Public Health Emergency

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q2 – SFY20 Actual	Q3 – SFY20 Actual	Q4 – SFY20 Actual	Q1 – SFY21 Actual	Q2 – SFY21 HCTF Topline (5% Annual Increase)	Q2 – SFY21 Actual	Q2 – SFY21 Savings / (Cost)
Developmentally Disabled (DD)	\$94.3	\$94.6	\$67.3	\$72.0	\$105.6	\$91.6	\$14.0
Behavioral Health (BH)	\$17.0	\$15.1	\$16.3	\$12.9	\$27.8	\$13.2	\$14.6
Long Term Services & Supports (LTSS)	\$231.1	\$235.6	\$278.5	\$244.6	\$281.7	\$236.6	\$45.1
Pharmacy	\$77.2	\$82.7	\$72.0	\$73.9	\$106.4	\$82.2	\$24.2
Dental	\$35.1	\$33.8	\$35.0	\$36.9	\$39.3	\$38.5	\$0.8
Grand Total	\$454.6	\$461.8	\$469.1	\$440.3	\$560.8	\$462.1	\$98.7

Note(s): (1) Further details of each section can be found in Section III and the Appendix
 (2) The reductions in DD and BH spending from previous scorecards is the result of removing PASSE participants and/or programs affected by the PASSE
 (3) Pharmacy savings are based on gross pharmacy expenditures. It does not factor in drug rebates.



Traditional Medicaid Spend by Quarter

SFY 2020-21

Note: Q4 SFY2020 Forward Impacted
By COVID-19 Public Health Emergency

Spending & Savings by Year & Program Dollars in Millions (\$M)	Q2 – SFY20 Actual	Q3 – SFY20 Actual	Q4 – SFY20 Actual	Q1 – SFY21 Actual	Q2 – SFY21 Actual
Institutional Medical Services	\$162.1	\$152.8	\$166.6	\$141.5	\$148.6
Non-Institutional Medical Services	\$131.8	\$132.0	\$100.0	\$113.9	\$131.5
Habilitative & Rehabilitative Services	\$124.3	\$123.8	\$72.0	\$100.5	\$119.5
Long-Term Services & Supports	\$284.8	\$295.1	\$312.4	\$293.5	\$298.6
Pharmacy	\$77.2	\$82.8	\$72.1	\$73.9	\$81.2
Capitated Payments (Includes PASSE, NET, PCMH, and Dental Managed Care)	\$402.3	\$324.3	\$293.0	\$324.3	\$377.6
Supplementals/Cost-Settlements/Access Payments	\$16.1	\$207.5	\$219.1	\$167.0	\$147.7
Non-Claims Payments	\$117.7	\$141.3	\$278.2	\$167.3	\$152.6
Total Traditional Medicaid	\$1,316.2	\$1,459.7	\$1,513.3	\$1,382.0	\$1,459.3

Note(s): (1) These categories contain Contracts, HDCs, Part D claw backs, and other programs which are not part of transformation
(2) As the PASSEs pay for Medical Services, Habilitative & Rehabilitative Services, and Prescription Drugs for their members, there will be corresponding reductions in those fee-for-service expenditures.



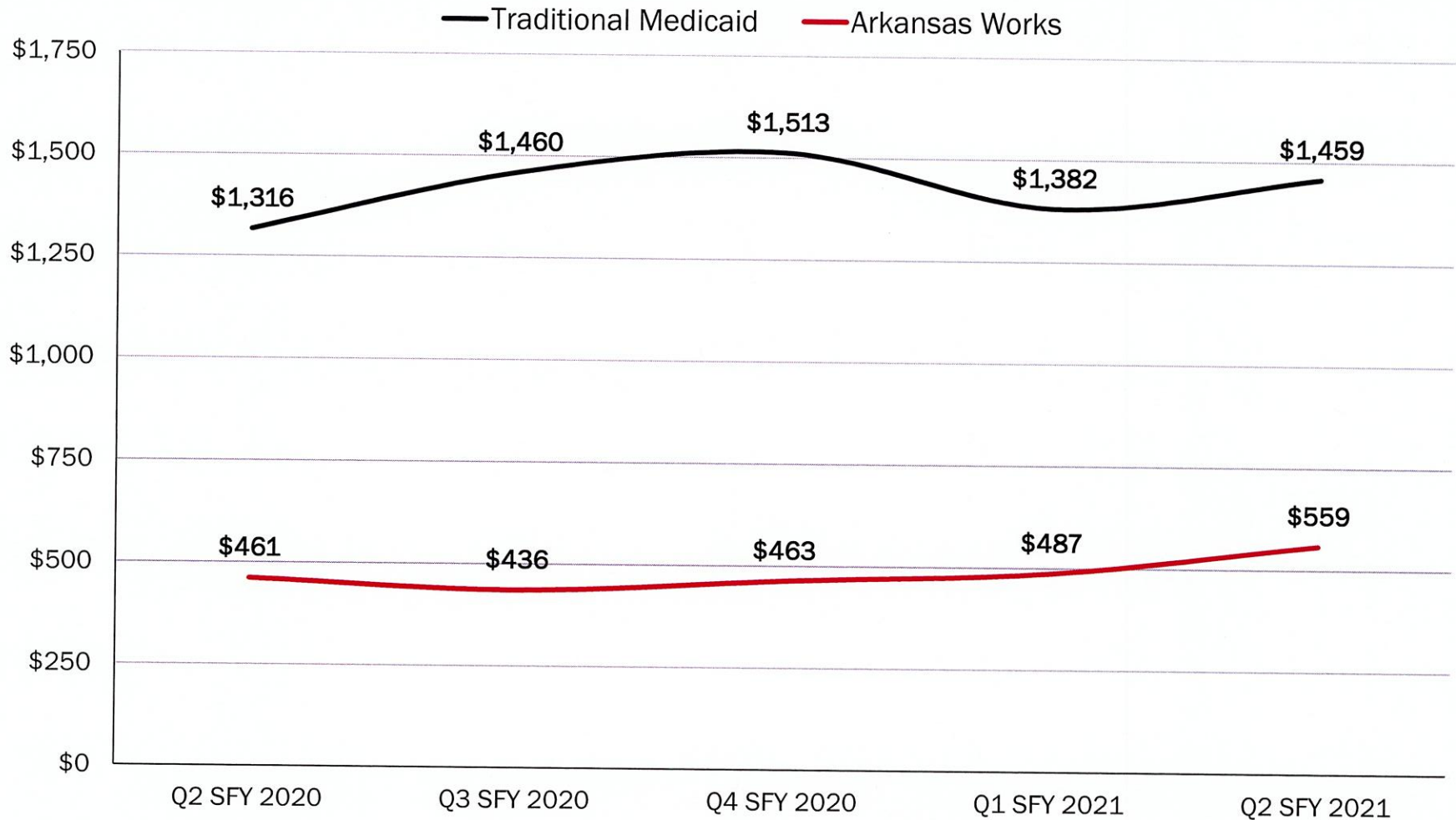
SECTION II

Medicaid Enrollment & Spending Report

Overall Medicaid Spend by Quarter (\$M)

SFY 2020-21

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



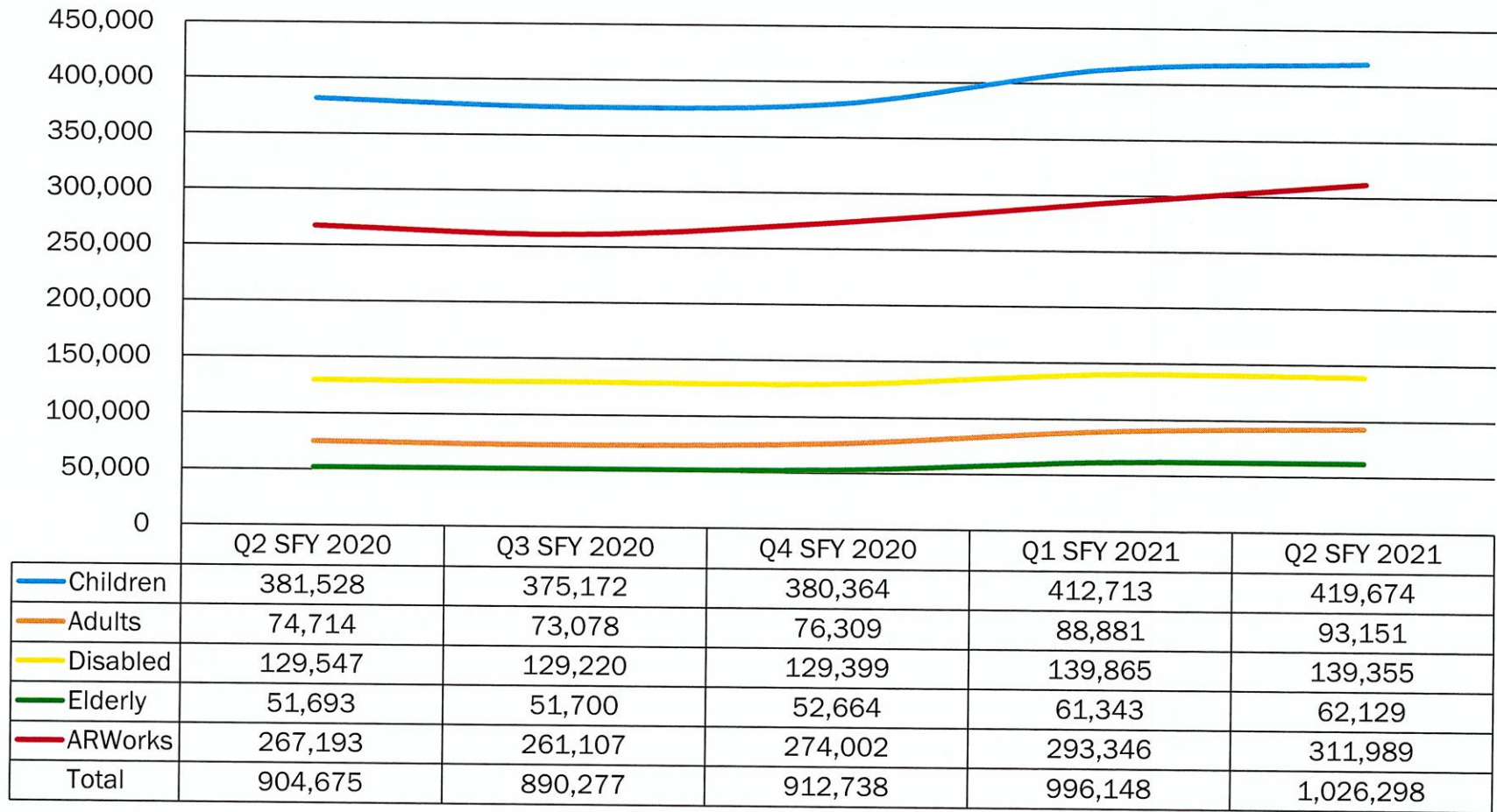
ARKANSAS DEPARTMENT OF HUMAN SERVICES

Source(s): COS Weekly SFY2021 - Week 27

Medicaid Enrollment by Quarter

SFY 2020-21

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



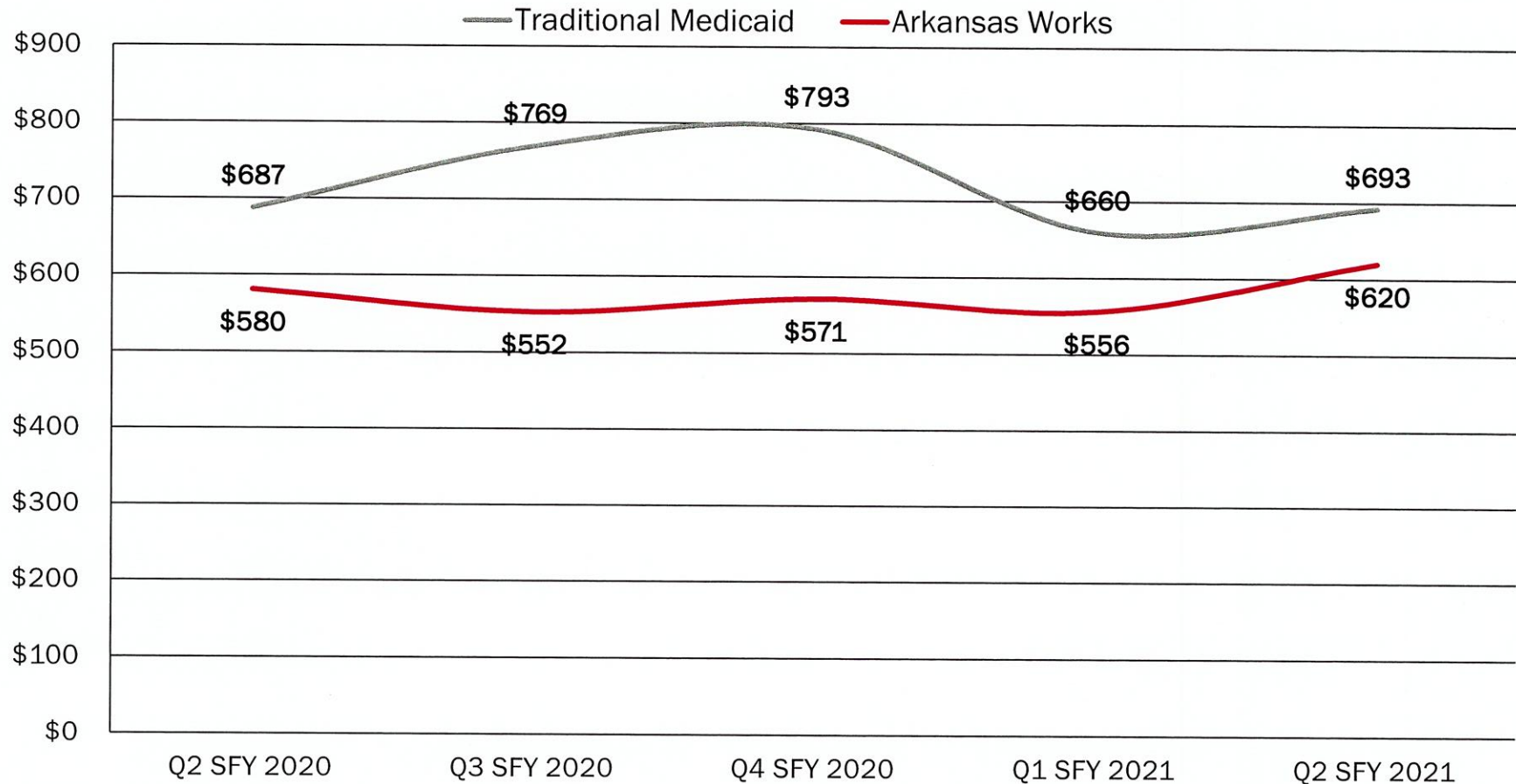
Note(s): This enrollment report was run on Feb 11, 2021. Enrollment is counted on the last day of each month. Due to the COVID-19 public health emergency starting in Q4, Medicaid suspended disenrollment.



Medicaid Quarterly Per Member Per Month (PMPM)

SFY 2020-21

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



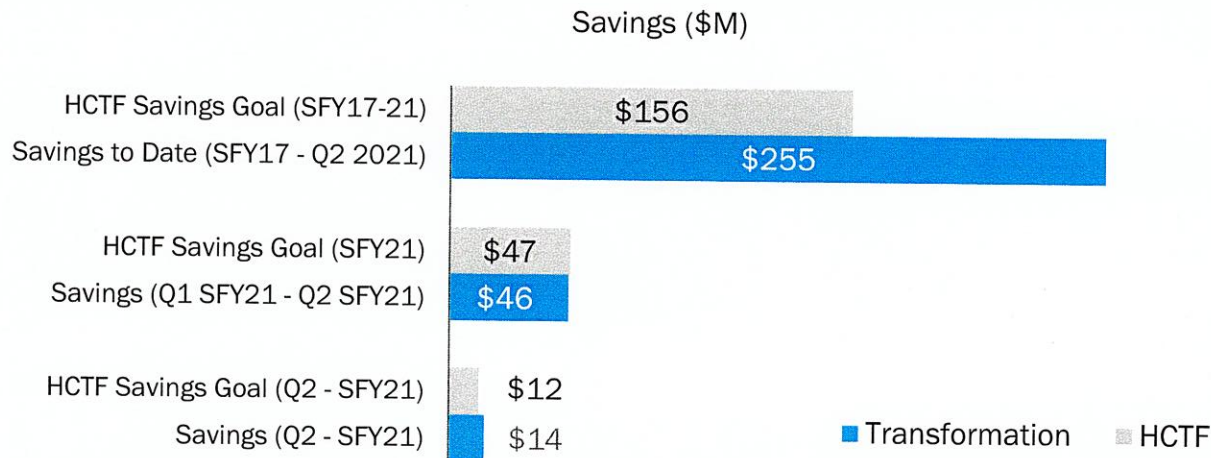
Note(s): This enrollment report was run on Feb 11, 2021. Enrollment is counted on the last day of each month.



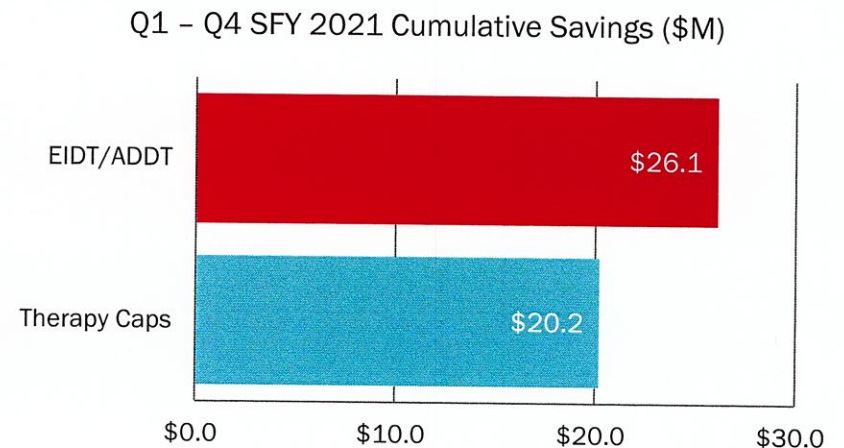
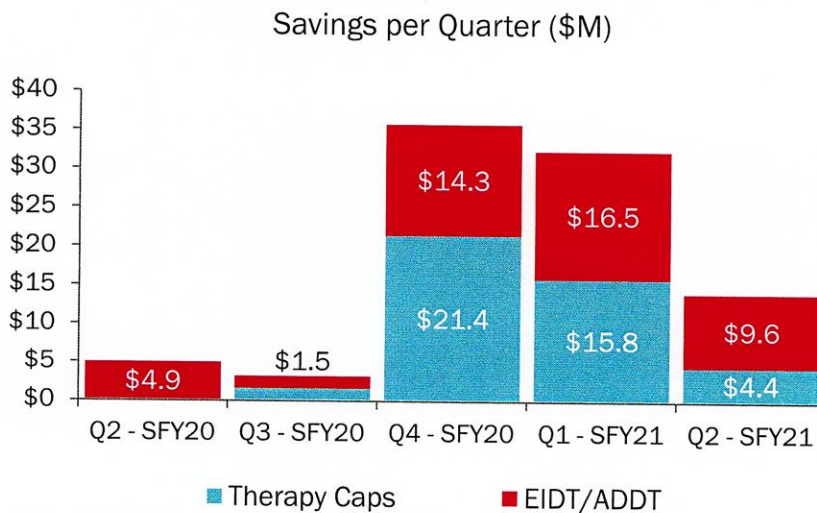
Developmentally Disabled (DD)

Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



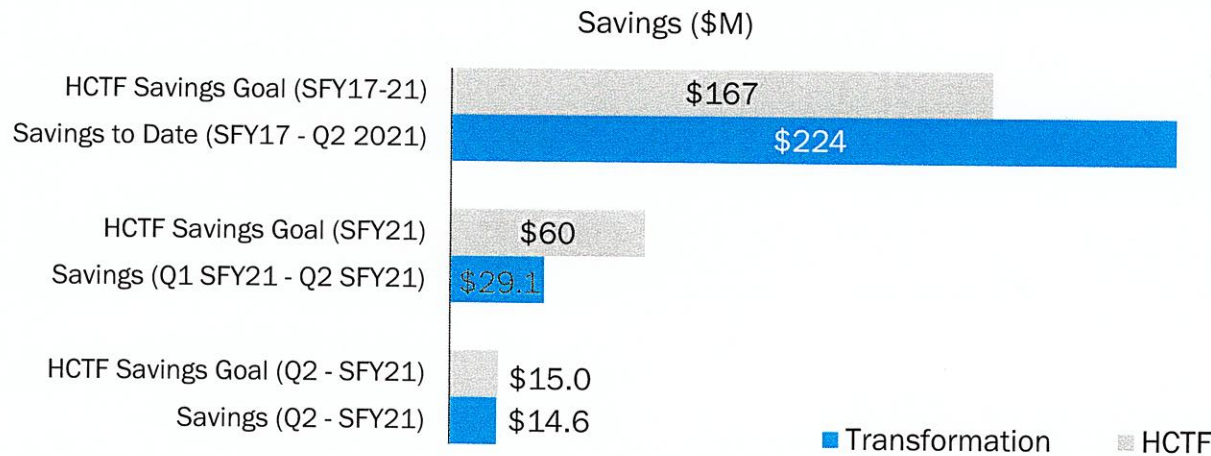
The vast majority of ICF and DD Waiver (Autism and CES) users have transitioned over to the PASSEs. As a result, starting in Q1 - SFY 2020 the Scorecard will only measure savings on Therapy Caps and EIDT/ADDT.



Behavioral Health (BH)

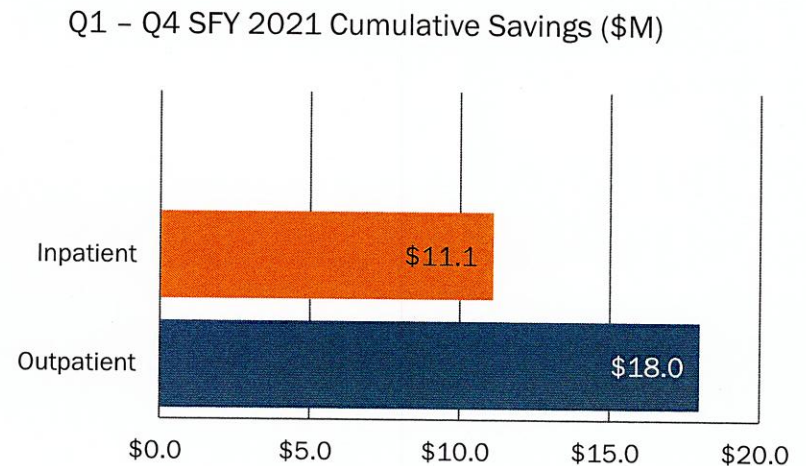
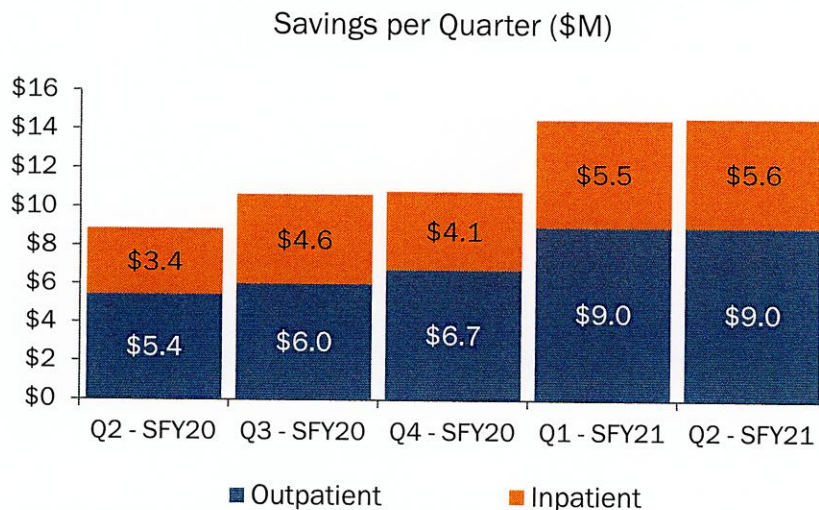
Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



Due to the vast majority of Inpatient and Outpatient BH users transitioning over to the PASSEs, starting in Q1 - SFY 2020 the Scorecard will only measure savings on Non-PASSE users of Inpatient and Outpatient BH services.

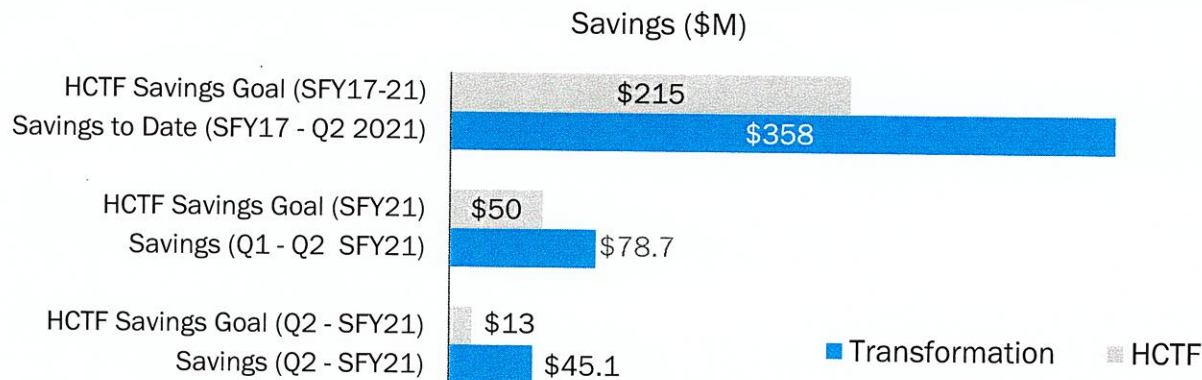
As a result, the totals shown reflect those of Non-PASSE users.



Long Term Services and Supports (LTSS)

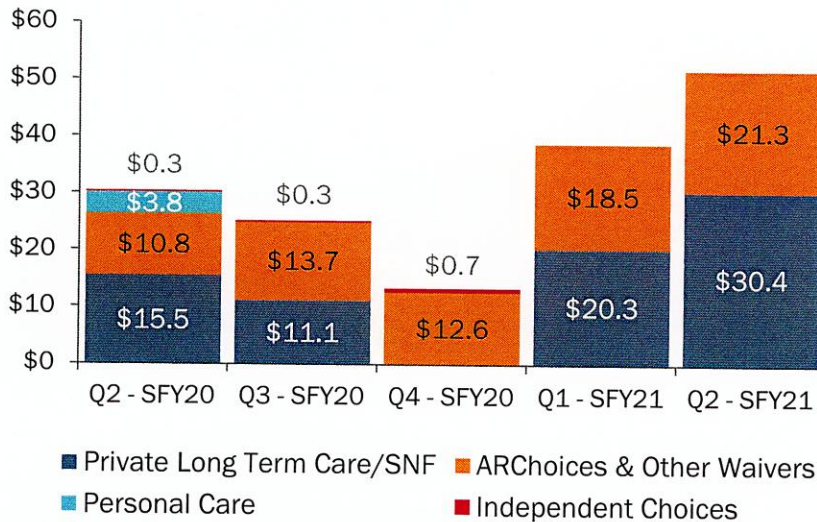
Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

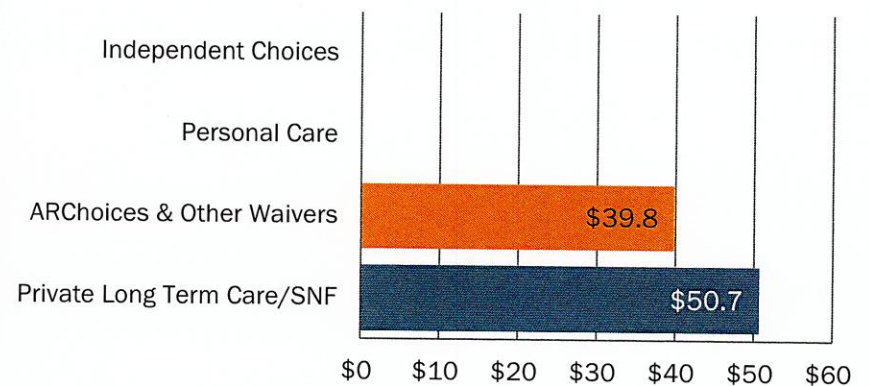


In Q2 - SFY 2021, Personal Care and Independent Choices were over their savings targets by \$5.1M and \$1.5M respectively due to rate increases for both programs.

Savings per Quarter (\$M)



Q1 - Q4 SFY 2021 Cumulative Savings (\$M)



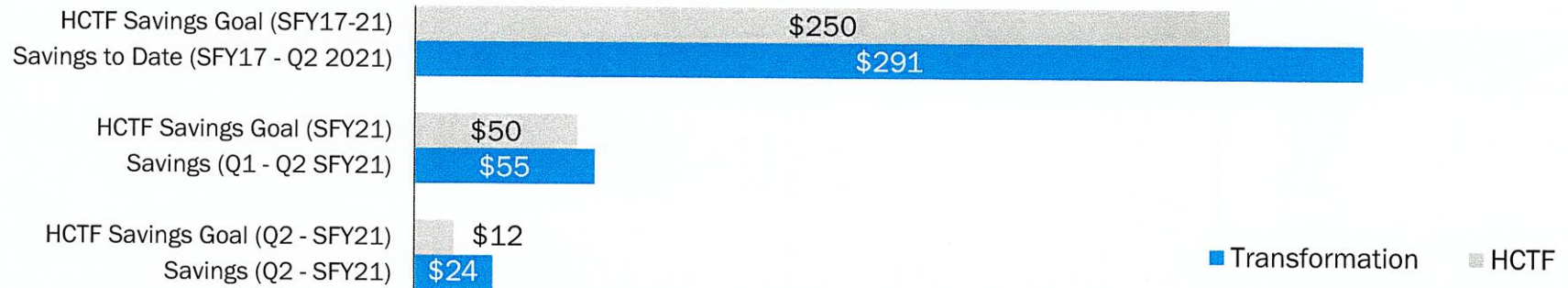
Note(s): (1) In Q3 - SFY 2020, Personal Care was over their savings target by \$25K
 (2) In Q4 - SFY 2020, Personal Care and Private SNFs were over their savings targets by \$7.2M and \$9.8M respectively
 (3) In Q1 - SFY 2021, Personal Care and Independent Choices were over their savings targets by \$3.7M and \$1.5M respectively.



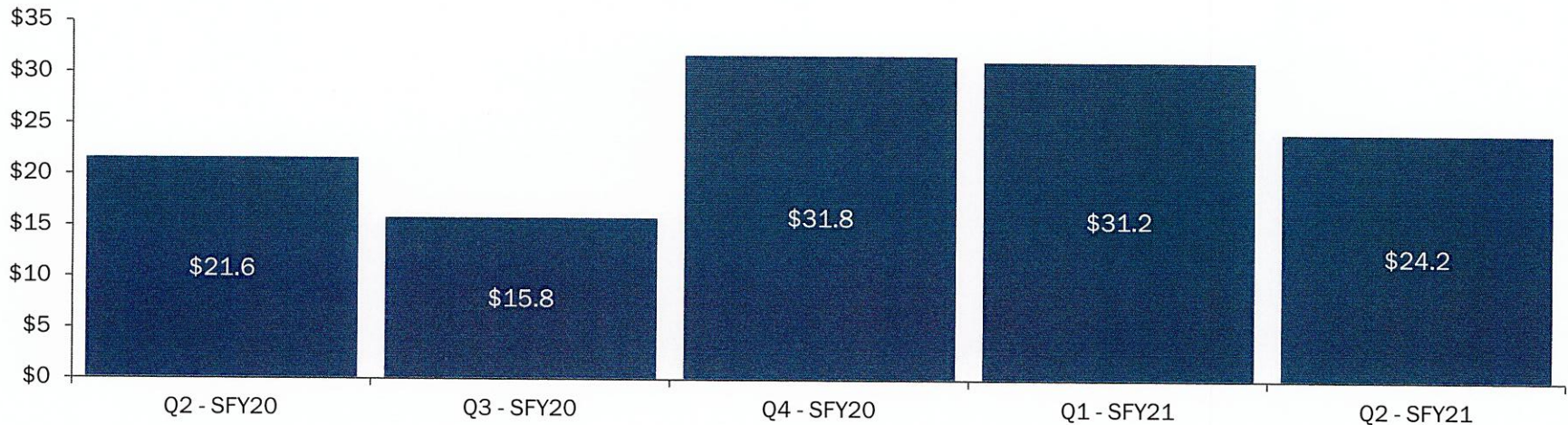
Pharmacy Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

Savings (\$M)



Savings per Quarter (\$M)



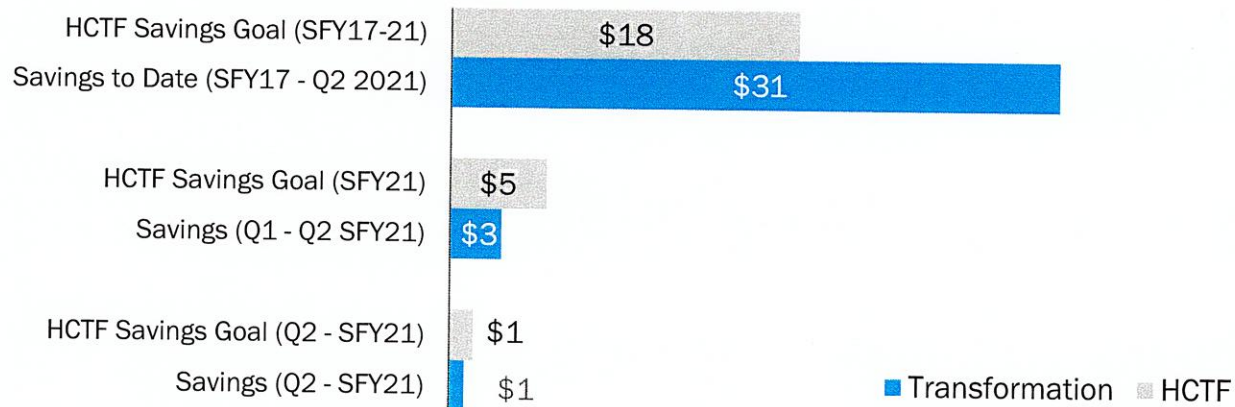
Note(s): Pharmacy savings does not factor in drug rebates. It is calculated using gross pharmacy expenditures.



Dental Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

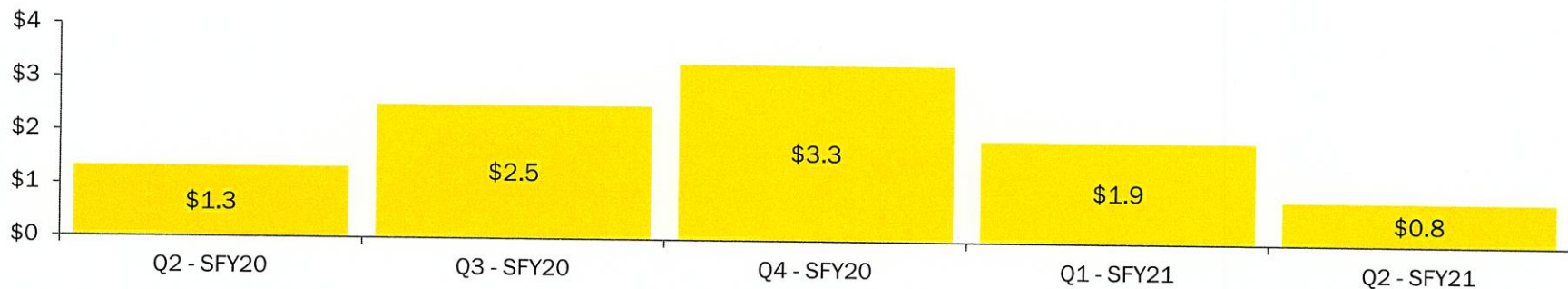
Savings (\$M)



\$710K

Premium Taxes paid by Dental MCOs in Q1 of SFY 2021

Savings per Quarter (\$M)



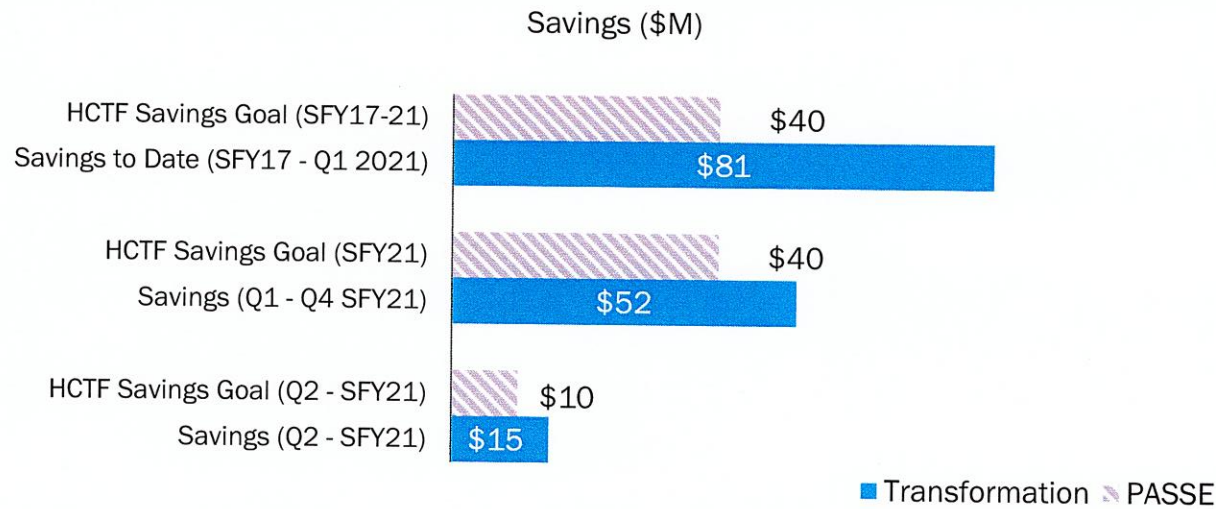
Note(s): The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments.



Provider-Led (PASSE)

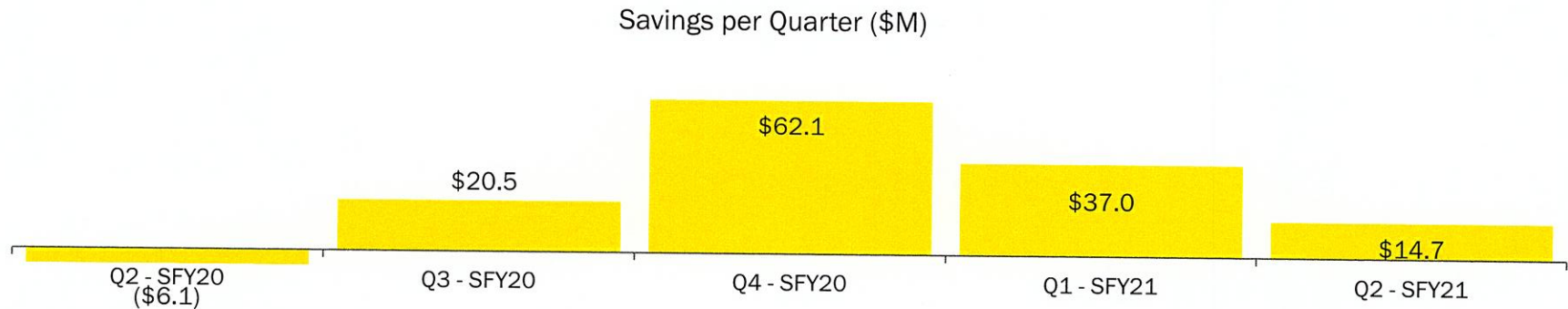
Savings Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



\$7.5M

Premium Taxes paid by the PASSEs in Q1 - SFY 2021



Note(s): (1) See page 13 for how PASSE savings is calculated.
 (2) The Arkansas Insurance Department (AID) collects premium taxes on Dental Managed Care and PASSE organizations 45 days following the end of the quarter. As a result, the scorecard can only report the previous quarter's premium tax payments.



Savings Attributed to Provider-Led (PASSE)

SFY 2021

Note: Q4 SFY2020 Forward Impacted
By COVID-19 Public Health Emergency

Per Member Per Month (PMPM)	Values / Amounts
Projected Baseline PMPM for SFY 2021	\$2,498
Q2 – 2021 PASSE PMPM (Actual)	\$2,390
PMPM Savings (Q2 2021 Projected – Q1 2022 Actual)	\$107
Q2 – 2021 Quarterly Enrollment Member Months	136,709
PASSE Savings / (Cost) Q2 - 2021	\$14.7 M

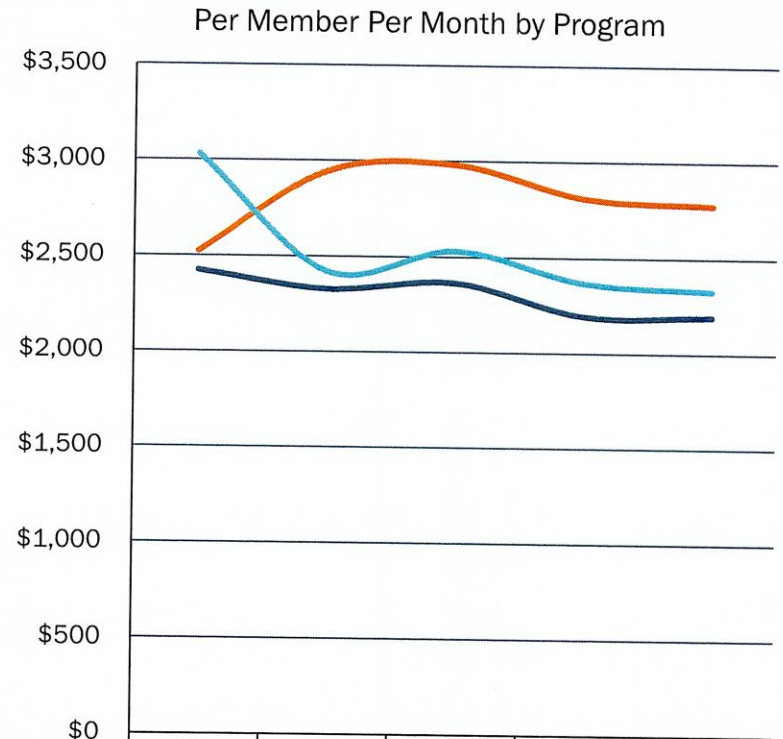
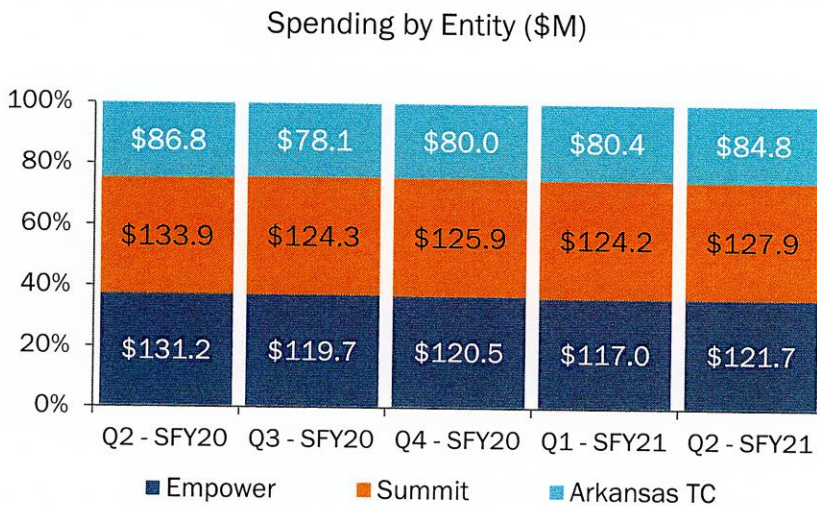
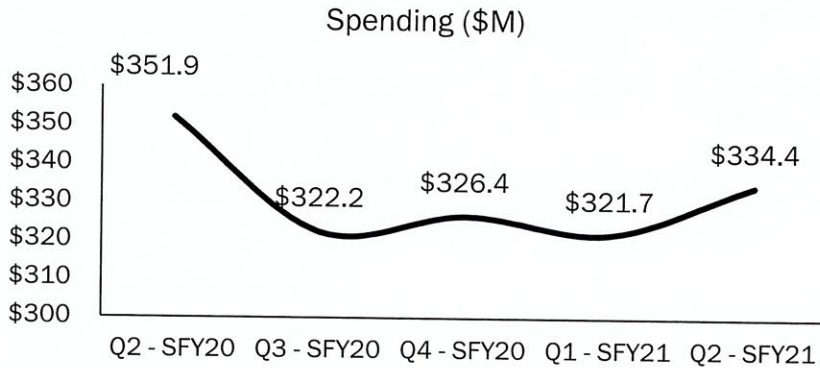
Note(s): PASSE rates are set on a calendar year basis. To hold the savings target constant, savings are calculated by using the composite PMPM from SFY 2020 indexed by 4.5% annual growth. The savings are the difference between the baseline and the actual PMPM multiplied by member months in the quarter.



Provider-Led (PASSE)

Spending Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency



	Q2 SFY20	Q3 SFY20	Q4 SFY20	Q1 SFY21	Q2 SFY21
Empower	\$2,425	\$2,329	\$2,365	\$2,194	\$2,195
Summit	\$2,526	\$2,944	\$2,979	\$2,810	\$2,777
Arkansas TC	\$3,031	\$2,421	\$2,532	\$2,368	\$2,331

Note(s): (1) PASSEs assumed full-risk (Phase II) on March 1, 2019.

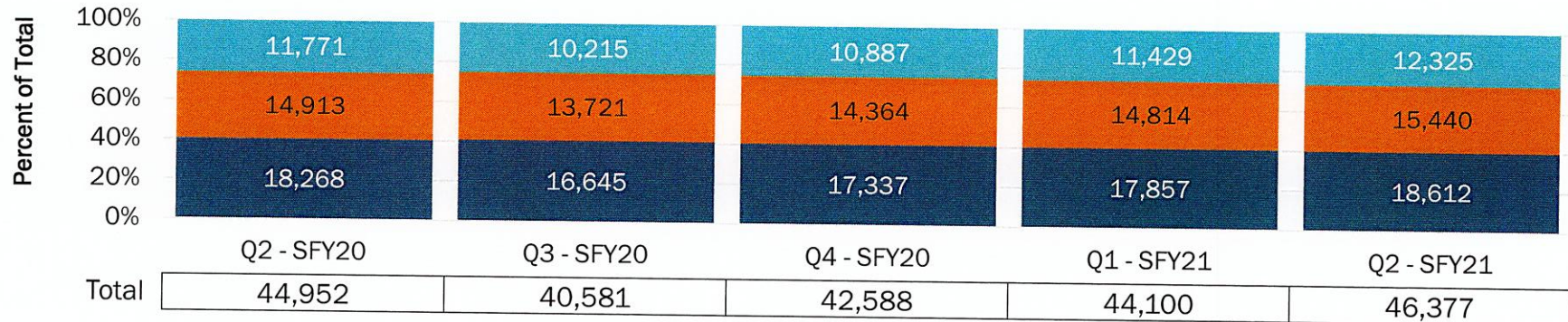


Provider-Led (PASSE)

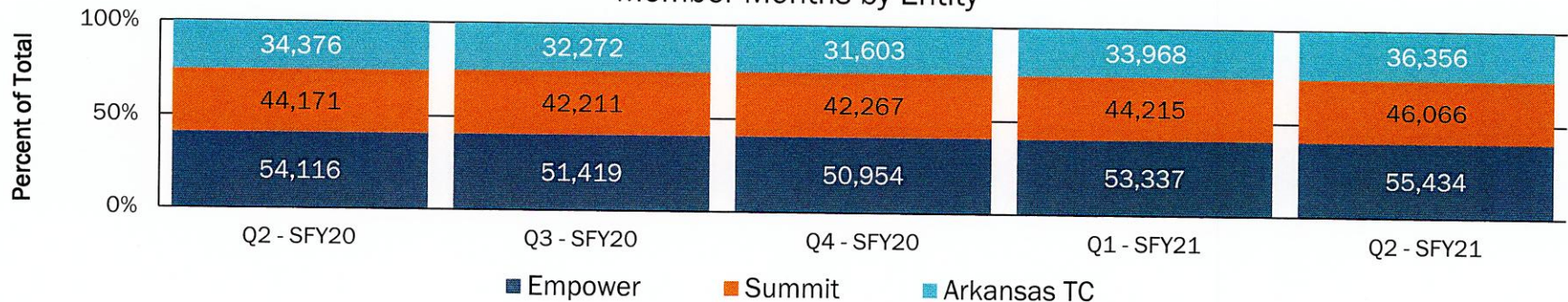
Program Overview

Note: Q4 SFY2020 Forward Impacted By COVID-19 Public Health Emergency

PASSE Enrollment by Quarter



Member Months by Entity



Note(s): (1) This point-in-time report was run on Jul. 10, 2019. Enrollment for each quarter is counted on the last day of each month and DOES NOT include retro-active eligibility for each month and as a result do not change Scorecard to Scorecard.
 (2) PASSEs assumed full-risk (Phase II) on March 1, 2019.

