

Handout F3



# Arkansas Medicaid Overview

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# Arkansas Medicaid – Who's Covered?

- Children and Pregnant Women up to 200% of Federal Poverty Level (FPL)
- Parents of dependent children up to 17% of FPL (lowest in the nation)
- Low Income Individuals with Disabilities
- Low Income Elderly (largely limited to Long Term Care services)

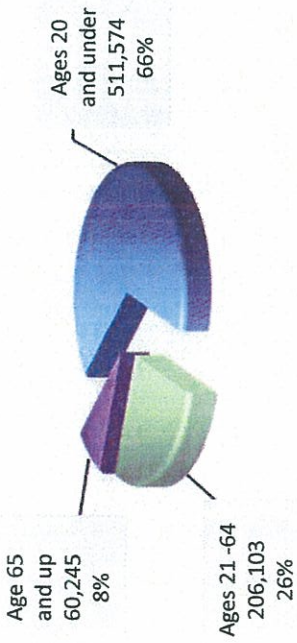
Federal Poverty Level	
Individual Income	\$11,490
Family of 4 Income	\$23,550

# Who does Medicaid serve?

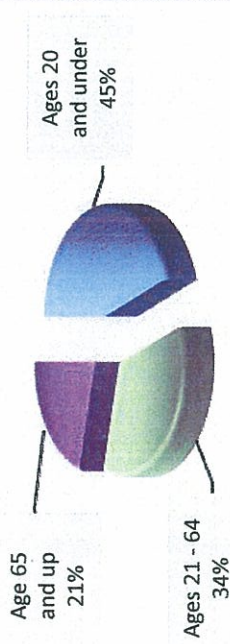
## SFY13 Beneficiaries and Total Claim Payments

### Demographics and Utilization

Beneficiaries



Total Claim Payments



Totals do not include cost settlements

- 66% of beneficiaries are ages 20 and under yet they account for only 45% of spend
- 55% of spend is for the elderly and adults with disabilities
- 66% of nursing home days are paid by Medicaid

# Arkansas Medicaid Funding

- A state-federal partnership. Many federal mandates, some state flexibility.
- Arkansas pays 30% of the total cost.
- FY 2015 Total Arkansas Medicaid Budget: \$4.8B (not including Private Option)
  - Federal share: \$3.3B
  - State share: \$1.5B

State share composed of:	
General Revenue	\$903 M
One-time Funds	\$88M
Other Funds*	\$529M

\*Soda Pop Tax, Nursing Home and Hospital Fees, Drug Rebates, etc.

# Largest Medicaid 2013 Cost Categories

Category	2013 Service Category Cost
Hospitals	\$1,250M
Private Nursing Homes	\$660M
Physicians, dentists, other medical practitioners	\$550M
Behavioral Health	\$460M
Developmental Disabilities	\$372M
Pharmacy	\$350M

# What services are covered by Arkansas Medicaid?

## Mandatory

- Hospital Services – Inpatient and Outpatient
- Physician Services
- Nursing Facility Services (21 and older)
- Laboratory and X-Ray
- Child Health Services Early and Periodic Screening, Diagnosis and Treatment (Under 21)
- Rural Health Clinic
- Transportation
- Nurse Practitioner
- Medical and Surgical Services of a Dentist
- Home Health Services
- Federally Qualified Health Centers
- Family Planning Services and Supplies
- Certified Nurse Mid-wife Services

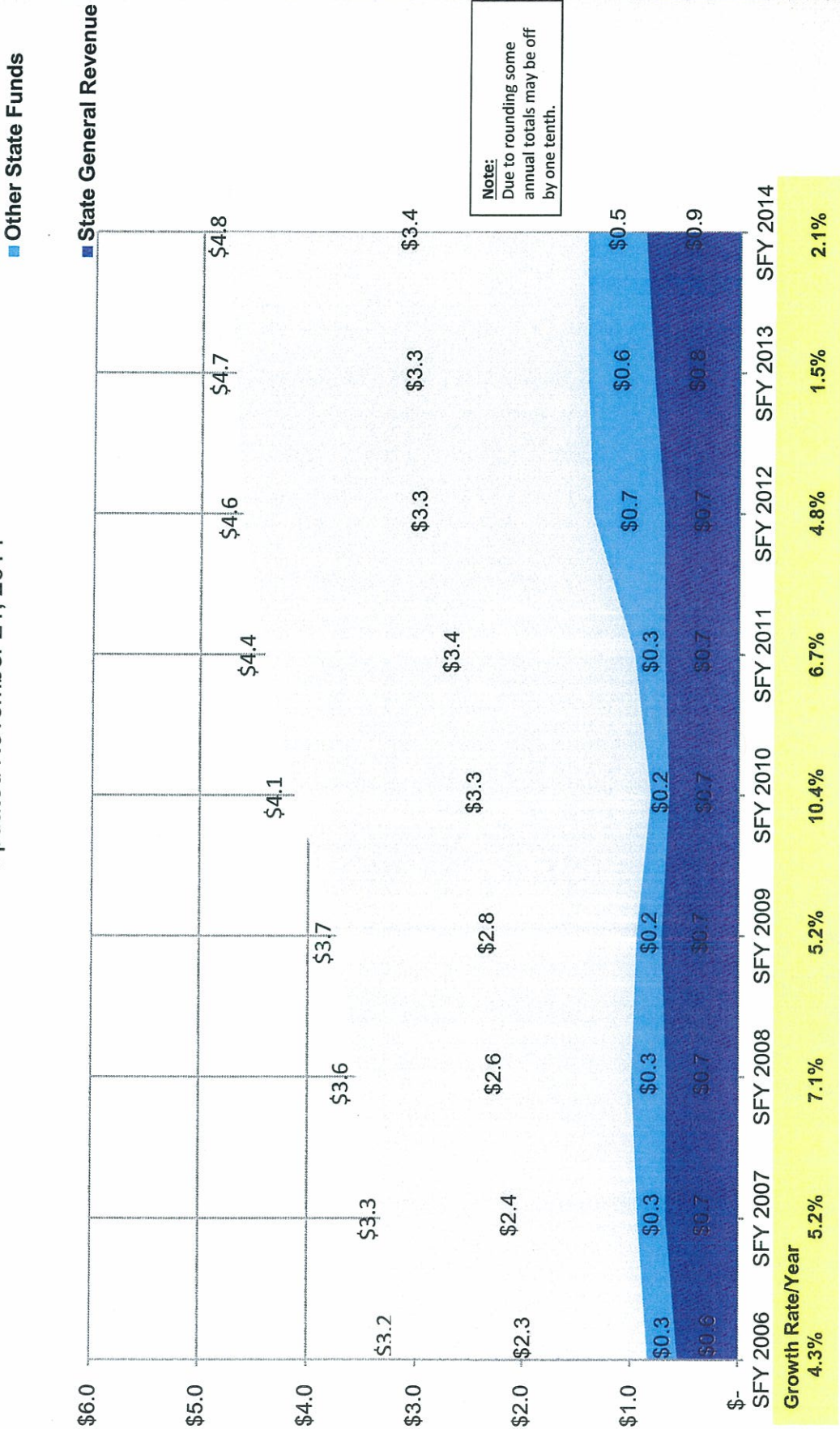
## Optional

- 38 Optional Services
  - Includes behavioral, developmental, and home and community-based services for the elderly and physically disabled
    - e.g. Rehabilitative Services for Persons with Mental Illness, Developmental Day Treatment Clinic Services, Independent Choices, Occupational, Physical, and Speech Therapies
  - Includes specific types of providers, medical supplies, and equipment
    - e.g. Podiatrists, Chiropractors, Prescription Drugs, Audiologists, Private Duty Nurses, Durable Medical Equipment

# Arkansas Medicaid Growth Trends

Arkansas Medicaid Expenditures and Funding (in Billions)  
 SFY 2006 - SFY 2014

Updated November 21, 2014



**Note:**  
 Due to rounding some  
 annual totals may be off  
 by one tenth.

SOURCE: Arkansas Department of Human Services (DHS), Division of Medical Services (DMS)

# Accountability in Arkansas Medicaid: DHS Efforts

- Increased collections and cost avoidance
  - Third Party Liability and Post Payment Recoveries
    - Nearly doubled from 2007-2013 (\$28M - \$53M)
  - Systematic pre-payment reviews for correct coding and claim checks
    - Resulted in cost savings of \$14.7M from April 2011 – June 2013
  - Partnership with the Office of the Medicaid Inspector General (OMIG) & the Attorney General to pursue and prosecute fraud, waste, and abuse.
    - \$8.7M in collections and recoveries over the past 5 years
- Enhanced capabilities in the new Medicaid Management Information System
  - Identify specific patterns of provider fraud and abuse
  - Employ claims analysis to detect hidden, collusive, and more complicated fraud schemes
  - Additional support to OMIG for fraud detection, leads for investigations, and referrals to law enforcement





Building a healthier future for all Arkansans

# Payment Improvement Initiative Results

## Early success with episodes of care and medical homes

- ✓ Increased screenings for diabetes, HIV, and other conditions in pregnant women
- ✓ 19% reduction in unnecessary use of antibiotics
- ✓ 29% drop in ADHD costs per episode
- ✓ 80% of eligible clients in medical homes

Projected cumulative state savings  
of \$3.6B, 2013 - 2020

Must continue with additional episodes and reforms to Developmental Disabilities, Behavioral Health and Long Term Care.

# Potential Medicaid Cost Controls

- Continue Payment Improvement Initiative
  - Nursing Home, Behavioral Health, and Developmental Disabilities Reform
  - Episode and Medical Home Implementation
- Community First Choice Option?
- Explore Managed Medicaid for high need populations
- Contract for Enhanced Payment Integrity