

TSG Status Report # 2

Appendix

To: Arkansas Health Reform Task Force

Re: Health Care Reform/Medicaid Consulting Services

Da: July 15, 2015

PREPARED BY:

THE STEPHEN GROUP
814 Elm Street, Suite 309
Manchester, NH, 03102
Main: (603)419-9592
www.stephengroupinc.com

Table of Contents

Table of Contents.....	2
Interviews and Discussions this Month:	3
Pharmacy interviews and research:.....	5
Out-of-State Research Related Discussions:.....	6
Pertinent Research/Policy/Opinion Articles obtained and reviewed:	7
Analysis of the 1,000 Highest-Cost Arkansas Medicaid Beneficiaries – Traditional Medicaid Categories (FY 2015)	8
Analysis of the 1,000 Highest-Cost Arkansas Medicaid Beneficiaries – Medically Frail Population (July 2015)	13
Arkansas Health Care Payment Improvement Initiative 2015 TSG Provider Survey	17
CoCentrix DAAS Work Summary	31
Quarterly Traditional Medicaid and Private Option Population and Budget Expenditures Received From DHS for first three quarters of SFY 2015.....	32
Third Quarter FY 2015.....	33
Number of Medically Frail Eligibles and Recipients First Three Quarters 2015	35
Private Option Medically Frail PMPM CY 14 With Adjustments for Supplemental Payments (Claims Incurred).....	36
McKinsey Contract Negotiation Update.....	37
Total Value of Top 25 DHS Contracts Reviewed by TSG	59
SFY 2015 Newly Eligible Premium and Cost Sharing Payments and Total Recoupments from Carriers .	62
Patient Centered Medical Homes (PCMH) in place in states in 2014	63
Human Development Center Expenditures FY 11 to FY 15 tied to Census.....	64

Interviews and Discussions this Month:

- Adam Gray, MD
- Alicia Goodson
- Amelia Elam, AFMC
- Andy Sudranium, MD
- Ann Purvis, ADH
- Barney Larry, Baxter Regional
- Barry Fielder, QualChoice
- Barry Pierce, MD
- Bart Dickinson , Chief Counsel, Medicaid IG
- Becky Andrews, AFMC/MMCS
- Beth Knight, MD
- Booth Rand, AID
- Carla Coleman, EVP, AR Academy of Family Physicians
- Charles Varela, MD
- Charles Willett, Fulton County Hospital
- Chris Dickerson, Optumas
- Clark Fincher, MD
- Craig Cloud, DHS, Director, Division of Aging and Adult Services
- Craig Wilson, ACHI
- Danilo Trivic, Ambetter
- Daryl Bassett, Director, Arkansas Department of Workforce Services
- Dave Wroten, Arkansas Medical Society,
- David Greenwood, VP, Enterprise Business Intelligence, AR BCBS
- David Ivers, Mitchell & Blackstock
- David Kisner, EBRX
- David Norsworthy
- David Nuzum, McKinsey
- David Zuni, MD
- Dawn Stehle, Director DMS/DHS
- Deborah Bachrach, Manatt
- Derek Lewis, National Medical Association, AK
- Dianne Skaggs, Director, Mental Health Council
- Dick Wyatt, DHS, Chief Information Officer
- Don Denton, General Counsel, DWS
- Don O. Wright, MD
- Dr. James Suen, UAMS
- Dr. William Golden, DHS
- Dusty Maxwell, DDPA
- Ed Lacey, Baptist Health Medical Center
- Elizabeth Smith, Medicaid IG
- Gary Bebow, White River Health System
- Greg Kaupp, Magellan Rx
- Herb Sanderson, Director, AARP
- Howraa Al-Mousawi, ADH
- Jackie Prokop, Director of Policy, Indiana Medicaid/Healthy Indiana

THE STEPHEN GROUP

- Jason Darden, DHS
- Jason Jersey, DataPath
- Jim Brader, DHS
- Jodian Tritt, AHA
- Joe Thompson, ACHI
- John Ryan, CEO Ambetter
- John Selig, Director DHS
- Joseph Thompson, MD UAMS
- Joseph Trahan, CVS Health
- Jonah Houts, Express Scripts
- Judy Zuu, MD
- Justin Nickels, Disability Rights
- Kate Bridges, DHS
- Kim Skidmore
- Kris Young, Magellan Rx
- Mark Langerfeld, Optum
- Mark Story, Chief Fiscal Officer, DMS
- Mark White, DHS
- Marquita Little, AR Advocates for Children & Families
- Mary Leath, Community Health Centers of Arkansas
- Mary Roberts, Magellan
- Michael Harold, Express Scripts
- Michael Mitchell, Mitchell & Blackstock
- Michelle Gray
- Mindy Lipson, Manatt
- Nell Smith, BLR
- Nicole May, Value Options
- Patricia Boozang, Manatt
- Paula Wilson, DHS
- Phil Hacker, White River Health System
- Pradeep Goel, CEO, EngagePoint
- Rachel Davis, Director, AR Health Care Assoc
- Ray Montgomery, Unity Health/White County
- Robert Lane, MD
- Robert Wright, Mitchell & Blackstock
- Ron Calkins, Assistant Director, UI, DWS
- Ron Peterson, Baxter Regional
- Ron Simpson, MD
- Ron Snead, Deputy Director, DWS
- Sally Titus, Assistant Director, Iowa DHS/Medicaid
- Samantha Walton, Michigan DFSSA/Medicaid
- Sara Israel, Developmental Disabilities Provider Association
- Scott Pace, AR Pharmacists Assoc.
- Stanley A Townsend, Stone County Medical Center
- Steve Schramm, Optumas
- Steve Spaulding, Sr. VP, Enterprise Networks, AR BCBS
- Suzanne Bierman, AD Medical Services, DHS

THE STEPHEN GROUP

- Tim Carlock, BLR
- Tim Lampe, DHS, Director, Office of Quality Assurance
- Tim Ward, McKinsey
- Tom Latkovic, President, McKinsey
- Victor Sterling, AD Medicaid Mgt, DM
- Tim Carlock, BLR
- Mary Franklin, DCO
- Victor Sterling, DHS IT
- Tim Taylor, DHS IT
- Ronald Calkins, Workforce Services
- Joe Lamattina, OptumInsight
- Susan Burton, DCO
- Tim Carlock, BLR
- Mary Franklin, DCO
- Victor Sterling, DHS IT
- Tim Taylor, DHS IT
- Ronald Calkins, Workforce Services
- Joe Lamattina, OptumInsight
- Susan Burton, DCO

Pharmacy interviews and research:

- Express Scripts
- Ambetter
- Qualchoice
- DHS Pharmacy and Data
- AR BCBSA
- Magellan
- DERP
- State of Arkansas State Employee Benefits group
- EBRX

Out-of-State Research Related Discussions:

- Marty Janssen, RCCO Contract Manager, Colorado Dept of Health Care Policy & Financing
- Jeremy Sax, Denver Health Contract Manager, Colorado Dept of Health Care Policy and Financing
- Lisa Grunigen, Connecticut Dept of Social Services
- Amy Harris-Roberts, Medicaid Policy, Illinois Dept of Healthcare and Family Services
- Sue Beecher, Program Evaluation manager, Office of Medicaid Policy and Planning, Indiana Family and Social Services Administration
- Carrie Banahan, Executive Director, Kentucky Health Benefit Exchange, Kentucky Cabinet for Health and Human Services
- Patricia Rutley-Johnson, Maryland Dept of Health and Mental Hygiene
- Kimmarie Mercure, Director of Electronic Data Management, MassHealth
- Tammie Smith Office of Medicaid, Minnesota Dept of Health Services
- Melody Braley, Chief of Operations, Client Services, Medicaid Business and Policy, New Hampshire Dept of Health and Human Services
- Dennis Shaw, Supervisor, Ohio Dept of Medicaid client services hotline
- Center for Evidence-based Policy at Oregon Health and Science University
- Nicole King, Center for Evidence-based Policy at Oregon Health and Science University
- Susan Aromaa, Center for Evidence-based Policy at Oregon Health and Science University
- Erin Sanborn, Center for Evidence-based Policy at Oregon Health and Science University
- Terry Smith, Director of Division of Family Services, NH Department of Health and Human Services
- Stephanie Muth, Director of Medicaid Eligibility System and Services, Texas Executive Offices of Health and Human Services

Pertinent Research/Policy/Opinion Articles obtained and reviewed:

- Charting a Path Forward for Uniform Assessment of LTSS Needs. Barbara Gage, G Lawrence Atkins, Elizabeth Blair, Deanna Marion; LTQA Alliance/Scan Foundation: 6/2014
- Best and Worst Practices in Medicaid Long Term Care. Candace Howes; Direct Care Alliance: 2010
- A Systems Approach to Achieve the Triple Aim. George Isham, MD, MS, Health Partners/Institute of Medicine; 12/5/2012
- NAMD Letter to CMS: Medicaid Managed LTSS. Medicaid Director's Policy Recommendations to Support Efficient, High Quality Programs: 8/6/12
- Medicaid in an Era of Health and Delivery System Reform: Results from a 50 State Medicaid Budget Survey for FY 2014/2015. Health Management Associates/Kaiser Family Foundation/NAMD
- Medicaid Delivery System and Payment Reform: A Guide to Key Terms and Concepts. Kaiser Commission on Medicaid and the Uninsured: 6/15
- Determining Medicaid Nursing Home Eligibility: A Survey of State Level of Care Assessment. Leslie Hendrickson, Gary Kyzr-Shelley, Rutgers Center for State Health Policy, 2008
- The ACA and Medicaid Expansion Waivers. Robin Rudowitz, Samantha Artiga, MaryBeth Musumeci; Kaiser Commission on Medicaid and the Uninsured
- Implementing Evidence Based Practice for Persons with Serious Mental Illness. WC Torrey, et al; *Psychiatric Services*, 52, 45-50
- Gilbert, Allison R., Lorna L. Moser, Richard A. Van Dorn, Jeffrey W. Swanson, Christine M. Wilder, Pamela Clark Robbins, Karli J. Keator, Henry J. Steadman, and Marvin S. Swartz. 2010. "Reductions in Arrest Under Assisted Outpatient Treatment in New York." *Psychiatric Services* 61(10):1-4

Analysis of the 1,000 Highest-Cost Arkansas Medicaid Beneficiaries – Traditional Medicaid Categories (FY 2015)

1. Primary diagnosis of each:

DHS provided responses showing primary diagnosis codes for each of the 1000 high utilizers and also total costs of each. The claims costs ranged from a high of \$5.9 Million to a low of \$219,225.31. Nineteen of the top claims were in the range of \$1MM to \$2MM. The total amount paid for FY 2015 for high non Medically Frail utilizers was \$322,742,223.12. TSG can forward the list upon request of any Task Force member. See TSG Status Update # 2 for broad description of the diagnosis of these high utilizers.

2. Age distribution:

Age Calculation as of FDOS	Recipient ID Count
Age Under 1	238
Age 1 - 6	191
Age 7 - 18	194
Age 19 - 21	62
Age 22 - 64	428
Age Over 65	79

3. Aid category:

Recipient ID Count	State Aid Catgy Code w Desc
590	- System Generated From Recipient Eligibility
452	45 - Disabled Child SSI DC AD-Grant
215	41 - Aid to the Disabled AD AD-No Grant
180	43 - Disabled Individual SSI DI AD-Grant
119	04 - DDS Non-Medicaid
104	61 - Pregnant Women Poverty level Child PW-PL PW-No Grant
102	63 - SOBRA Newborn PW-NB PW-No Grant
97	52 - Newborn NB NB-No Grant
69	11 - Aid to Aged AA No Grant
23	49 - Disabled TEFRA Child TEFRA AD-No Grant
19	92 - IV-E Foster Care I-VE-FC FC-No Grant
18	91 - Foster Care FC FC-No Grant
17	01 - ARKids First
4	35 - Blind Child BC AB Grant
3	20 - AFDC Grant AFDC-GR AFDC-Grant
2	46 - Disabled Exceptional Case AD-EC AD-MN
1	25 - Transitional Medicaid TM AFDC-No Grant
1	47 - Disabled Spenddown Case AD-SD AD-MN
1	44 - Disabled Spouse SSI SDAD SSI Spouse AD-Grant

THE STEPHEN GROUP

1	13 - Aged Individual SSI AI AA-Grant
1	31 - Aid to the Blind AB No Grant
1	33 - Blind Individual SSI BI AB-Grant

* The Description 'System Generated From Recipient Eligibility' represents NET and Managed Care

** The Recipient had Medicaid and Non-Medicaid eligibility open at the same and the Non-Medicaid Aid Category was incorrectly applied to the claim. If the claim is for a Medicaid service, then the Medicaid Aid Category should have been applied

4. Breakdown of provider type:

Recipient ID Count	Provider Type
927	02 - Physician MD Group
898	05 - Hospital
771	07 - Pharmacy
649	15 - Transportation
463	16 - Prosthetic Services
441	01 - Physician MD
298	09 - Independent Laboratory
276	22 - Optometrist Optician
254	13 - Intermediate Care Facility Mentally Retarded
205	11 - Skilled Nursing Facility
188	14 - Home Health
188	23 - Optical Dispensing Contractor
151	10 - Independent Radiology
138	24 - Clinics
112	42 - Therapy Regular Group
103	Home Care/ Waiver Services; DDS - Alternative Community Service, EC - ElderChoices, AAPD - Adult With Physical Disabilities, ALF - Assisted Living, AUTISM - Autism Waiver
100	26 - Rehabilitation Center
94	31 - Dental Group
87	33 - Hyperalimentation
71	30 - Health Department
65	38 - Private Duty Nursing
63	62 - Nurse Practitioner Group
62	76 - TCM CMS
60	37 - Ventilator Equipment
56	17 - Podiatrist
53	32 - Personal Care
49	08 - Dental
45	49 - Federally Qualified Health Center
44	69 - Managed Care Resident Group
43	29 - Rural Health Clinics
41	78 - Developmental Rehabilitation Services
33	20 - Hearing Services
32	25 - Psychiatric Facility-Inpatient

THE STEPHEN GROUP

31	- SYSTEM GENERATED FROM CLAIM *
28	28 - Ambulatory Surgical Center
28	43 - Therapy School District Education Service Cooperative Special
28	48 - Podiatry Group
28	81 - AHEC MCPG PCP Group
26	61 - School Based Vision & Hearing Screener
25	04 - Physician DO Group
24	80 - Oral Surgeon Group
17	47 - Hospice Facility
14	03 - Physician DO
11	41 - Medicare Medicaid Crossovers Only
9	58 - Nurse Practitioner
8	21 - Therapy
8	44 - Psychology Group
6	98 - APD Attendant Care, Counseling Case Management
5	34 - Hemodialysis
5	87 - Independent Choices
4	18 - Chiropractor
3	39 - Adult Denture Laboratory
2	84 - APD Environment Adaptations
2	88 - DYS TCM Organization
1	19 - Psychology
1	35 - Family Planning
1	79 - Oral Surgeon Individual

*These claims did not have a Provider Type listed on the claims.

5. Number of top 1,000 high cost utilizers receiving services at Arkansas Children's Hospital and University of Arkansas Medical Center and the total amount of same.

Recipient ID Count	Billing Provider Name	Billing Provider Type w Desc	Total Paid Amt.
492	ARKANSAS CHILDRENS HOSPITAL	05 - Hospital	\$109,716,477.30
187	UNIV HOSPITAL OF ARKANSAS	05 - Hospital	\$8,051,344.10

Note: Both hospitals are receiving cost base reimbursement.

6. Of the Top-1000 high utilizers, 35 were for transplant cases.

7. Number of claim type and amount paid per claim type:

a. Count of Recipient Ids by Claim Type

Recipient ID Count	Claim Type w Desc
881	J - Medical and medical adjustment
771	D - Drug and drug adjustment

THE STEPHEN GROUP

718	M - Outpatient and outpatient adjustment
528	S - Inpatient and inpatient adjustment
458	T - Nursing home and nursing home adjustment
270	B - EPSDT
216	E - Professional crossover and professional crossover adjustment
152	K - Dental and dental adjustment; screening and screening adjustment
150	W - Outpatient crossover and outpatient crossover adjustment
68	V - Inpatient crossover and inpatient crossover adjustment
6	X - Nursing home crossover and nursing home crossover adjustment

b. Amt. Paid by Claim Type

Total Paid Amt.	Claim Type w Desc
\$132,613,692.22	S - Inpatient and inpatient adjustment
\$100,091,131.78	T - Nursing home and nursing home adjustment
\$47,725,124.57	J - Medical and medical adjustment
\$36,484,217.82	D - Drug and drug adjustment
\$5,283,811.50	M - Outpatient and outpatient adjustment
\$207,963.02	E - Professional crossover and professional crossover adjustment
\$118,917.76	W - Outpatient crossover and outpatient crossover adjustment
\$108,873.00	V - Inpatient crossover and inpatient crossover adjustment
\$63,258.67	K - Dental and dental adjustment; screening and screening adjustment
\$33,680.12	B - EPSDT
\$11,552.66	X - Nursing home crossover and nursing home crossover adjustment
\$322,742,223.12	Total

8. 218 of Top-1000 were Dually Eligible for Medicare and Medicaid

9. Percentage of Top-1000 claims for prescription drugs

Claim Count	Drug/Other Claim Count	Claims' Percentage
70489	Drug Claim	26%
205291	Non -Drug Claims	74%
275780	Overall - Summary	100%

10. Number in institutional settings:

a. Nursing facilities:

17 Recipient IDs (Provider Type 11 - Skilled Nursing Facility except Arkansas Heath Center)

b. Human Development Centers

THE STEPHEN GROUP

254 Recipient IDs (Provider Type 13 - Intermediate Care Facility Mentally Retarded)

- c. AR State Psychiatric:
32 Recipient IDs (Provider Type 25 - Psychiatric Facility-Inpatient)
- d. AR State SNF:
199 Recipient IDs (Provider Type 11 - Skilled Nursing Facility from Arkansas Heath Center)

11. Number receiving specialty targeted case management for developmental disability services and mental illness:

- a. Provider Type 24 – Clinics, Specialty V3 – DDTC: 85 Recipient IDs
- b. Provider Type 26 - Rehabilitation Center, Specialty R6 - Rehabilitative Services for Persons w/ Mental Illness: 95 Recipient IDs

Analysis of the 1,000 Highest-Cost Arkansas Medicaid Beneficiaries – Medically Frail Population (July 2015)

1. Primary diagnosis for each utilizer:

DHS provided responses showing primary diagnosis codes for each of the top 1,000 high utilizers and also total costs of each. The costs range from a high of \$542,171.63 to a low of \$29,939.20. The total amount paid for FY 2015 for high Medically Frail utilizers was \$55,031,771.43. TSG can forward the list upon request.

2. Ages for each:

Age Calculation as of FDOS	Recipient ID Count
Age Under 1	0
Age 1 - 6	0
Age 7 - 18	0
Age 19 - 21	14
Age 22 - 64	987
Age Over 65	2

3. Breakdown by service and provider type:

Recipient ID Count	Provider Type
1000	15 - Transportation
990	02 - Physician MD Group
988	07 - Pharmacy
978	05 - Hospital
727	01 - Physician MD
592	09 - Independent Laboratory
495	16 - Prosthetic Services
383	22 - Optometrist Optician
364	23 - Optical Dispensing Contractor
341	26 - Rehabilitation Center
318	14 - Home Health
219	31 - Dental Group
203	49 - Federally Qualified Health Center
156	62 - Nurse Practitioner Group
141	08 - Dental
133	81 - AHEC MCPG PCP Group
127	28 - Ambulatory Surgical Center
98	29 - Rural Health Clinics
82	32 - Personal Care
81	69 - Managed Care Resident Group

THE STEPHEN GROUP

79	04 - Physician DO Group
78	47 - Hospice Facility
60	03 - Physician DO
60	39 - Adult Denture Laboratory
60	48 - Podiatry Group
53	10 - Independent Radiology
36	58 - Nurse Practitioner
27	18 - Chiropractor
26	80 - Oral Surgeon Group
24	30 - Health Department
22	34 - Hemodialysis
19	33 - Hyperalimentation
19	17 - Podiatrist
15	79 - Oral Surgeon Individual
15	11 - Skilled Nursing Facility
8	35 - Family Planning
6	87 - Independent Choices
4	65 - TCM Organization Facility
4	41 - Medicare Medicaid Crossovers Only
2	37 - Ventilator Equipment
2	25 - Psychiatric Facility-Inpatient
2	38 - Private Duty Nursing
2	20 - Hearing Services
1	44 - Psychology Group
1	24 - Clinics

4. Claim type and amount:

a. Count of Recipient Ids by Claim Type

Recipient ID Count	Claim Type w Desc
1000	J - MediPcal and medical adjustment
988	D - Drug and drug adjustment
967	M - Outpatient and outpatient adjustment
759	S - Inpatient and inpatient adjustment
338	K - Dental and dental adjustment; screening and screening adjustment
88	E - Professional crossover and professional crossover adjustment
61	W - Outpatient crossover and outpatient crossover adjustment
26	V - Inpatient crossover and inpatient crossover adjustment
14	T - Nursing home and nursing home adjustment
3	X - Nursing home crossover and nursing home crossover adjustment
1	B - EPSDT

b. Amt. Paid by Claim Type

Total Paid Amt	Claim Type w Desc
\$17,145,906.54	J - Medical and medical adjustment
\$15,744,478.60	S - Inpatient and inpatient adjustment
\$14,096,857.46	D - Drug and drug adjustment
\$7,495,048.13	M - Outpatient and outpatient adjustment

THE STEPHEN GROUP

\$222,630.87	K - Dental and dental adjustment; screening and screening adjustment
\$104,449.57	T - Nursing home and nursing home adjustment
\$86,384.30	E - Professional crossover and professional crossover adjustment
\$70,709.47	W - Outpatient crossover and outpatient crossover adjustment
\$39,520.08	V - Inpatient crossover and inpatient crossover adjustment
\$25,727.00	X - Nursing home crossover and nursing home crossover adjustment
\$59.41	B - EPSDT
\$55,031,771.43	Total

5. Amount of Top-1,000 that are Dual Eligible:

95 Recipients

THE STEPHEN GROUP

6. Percentage of the 1,000 identified MF high utilizes claims for prescription drugs:

Claim Counts	Drug/Other Claim Count	Claims' Percentage
48355	Drug Claim	25.68%
139946	Non - Drug Claims	74.32%
188301	Overall - Summary	100%

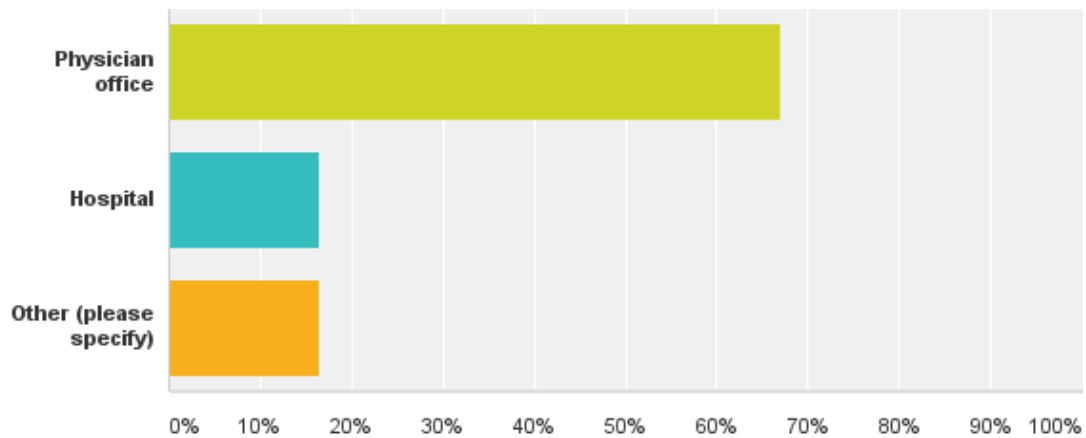
7. Location:

- e. Nursing facilities:
14 Recipient IDs (Provider Type 11 - Skilled Nursing Facility except Arkansas Heath Center)
 - f. Human Development Centers
0 Recipient IDs (Provider Type 13 - Intermediate Care Facility Mentally Retarded)
 - g. AR State Psychiatric:
2 Recipient IDs (Provider Type 25 - Psychiatric Facility-Inpatient)
 - h. AR State SNF:
1 Recipient ID (Provider Type 11 - Skilled Nursing Facility from Arkansas Heath Center)
8. How many received Mental Health Services?
- c. Provider Type 26 - Rehabilitation Center, Specialty R6 - Rehabilitative Services for Persons w/ Mental Illness: 278 Recipient IDs

Arkansas Health Care Payment Improvement Initiative 2015 TSG Provider Survey

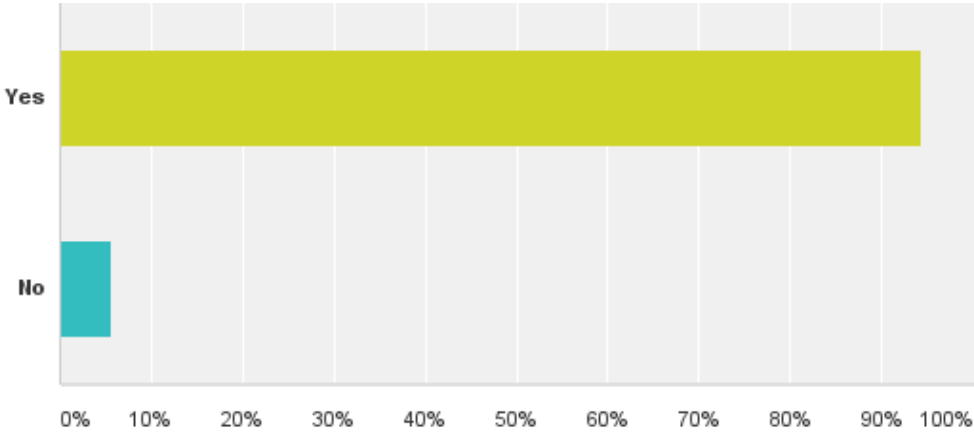
Preliminary Results – July 2015

Do you represent a physician office or a hospital?



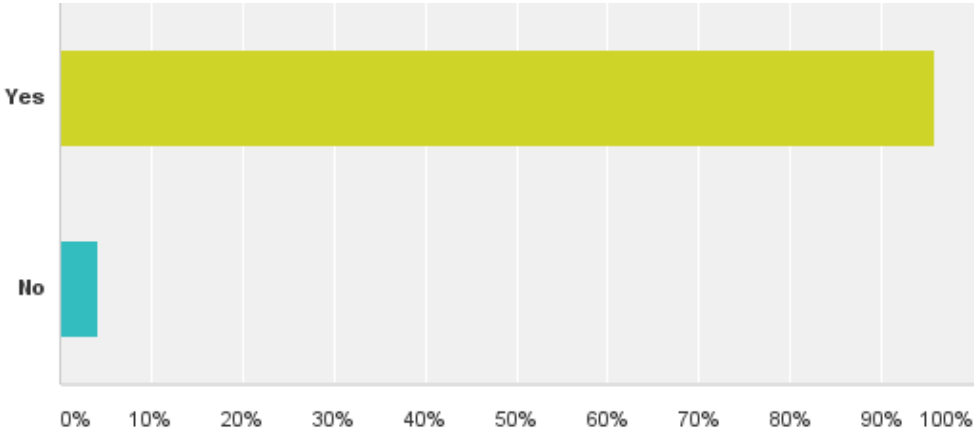
Answer Choices	Responses
Physician office	67.07% 167
Hospital	16.47% 41
Other (please specify)	16.47% 41
Total	249

Do you currently provide care to Medicaid recipients?



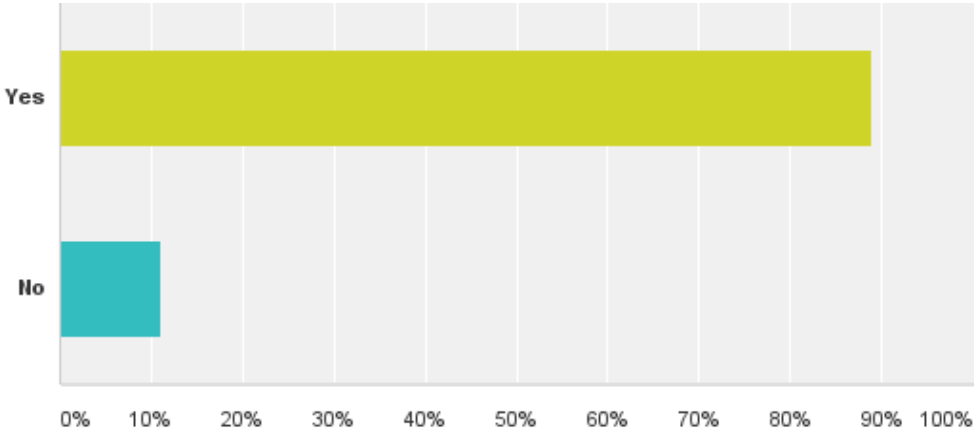
Answer Choices	Responses
Yes	94.31% 232
No	5.69% 14
Total	246

Did you provide care to Medicaid recipients prior to 2014?



Answer Choices	Responses
Yes	95.85% 231
No	4.15% 10
Total	241

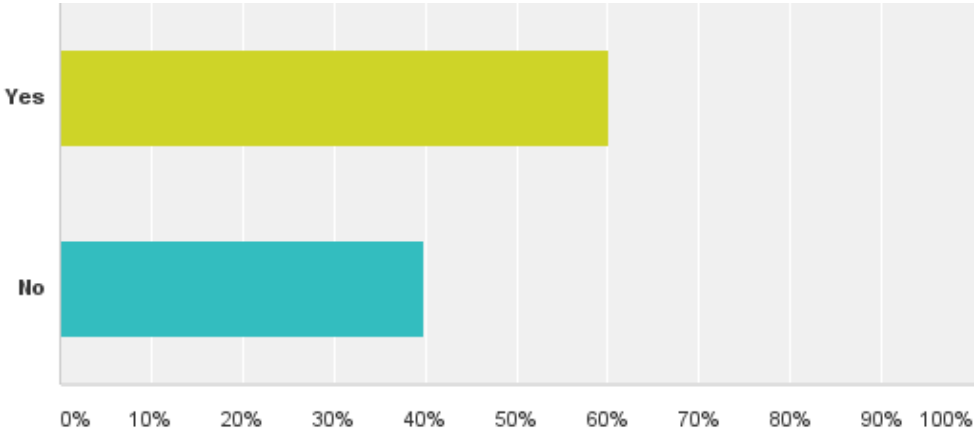
Does your organization use an electronic health record?



Answer Choices	Responses
Yes	88.93% 217
No	11.07% 27
Total	244

THE STEPHEN GROUP

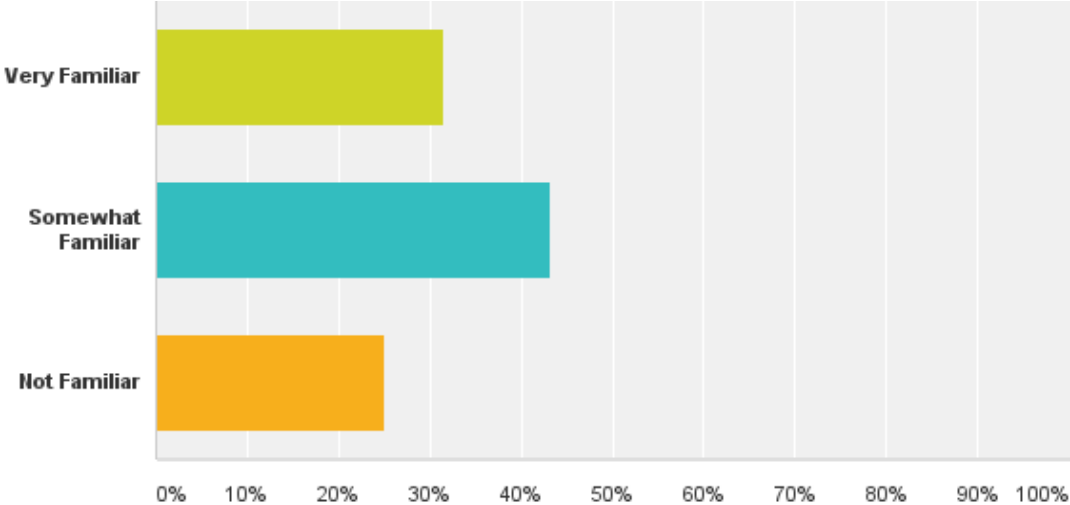
Does your organization use an electronic care plan?



Answer Choices	Responses
Yes	60.17% 142
No	39.83% 94
Total	236

THE STEPHEN GROUP

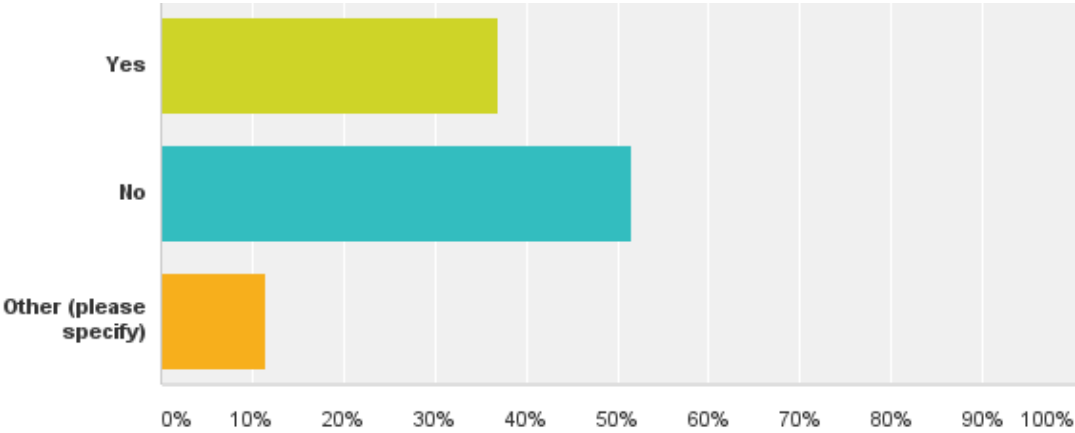
Are you familiar with the Episode-of-Care (EOC) based payment initiative that has been implemented by Arkansas Medicaid, BlueCross BlueShield of Arkansas, and other payers?



Answer Choices	Responses
Very Familiar	31.55% 59
Somewhat Familiar	43.32% 81
Not Familiar	25.13% 47
Total	187

THE STEPHEN GROUP

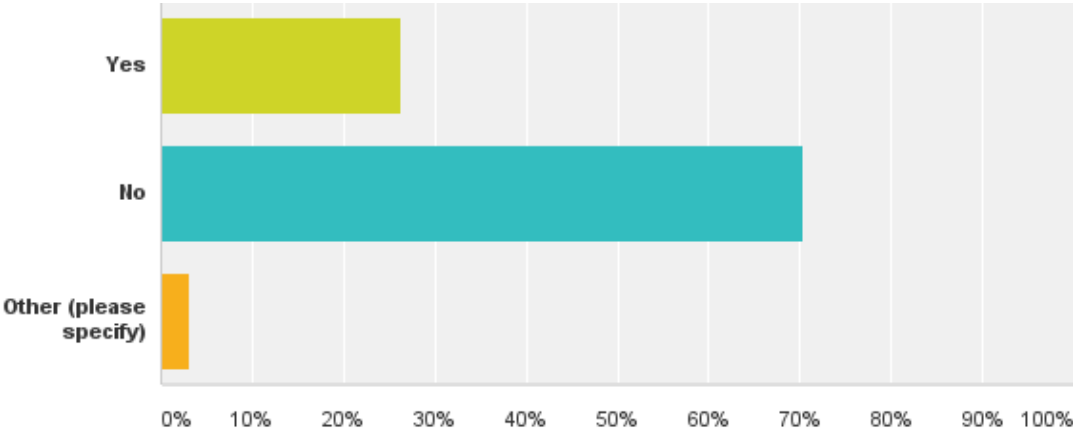
Are you a Principal Accountable Provider (PAP) for any of the episodes in the EOC initiative?



Answer Choices	Responses
Yes	36.96% 68
No	51.63% 95
Other (please specify)	11.41% 21
Total	184

THE STEPHEN GROUP

Have you accessed the reports on EOC costs through the provider portal?



Answer Choices	Responses
Yes	26.34% 49
No	70.43% 131
Other (please specify)	3.23% 6
Total	186

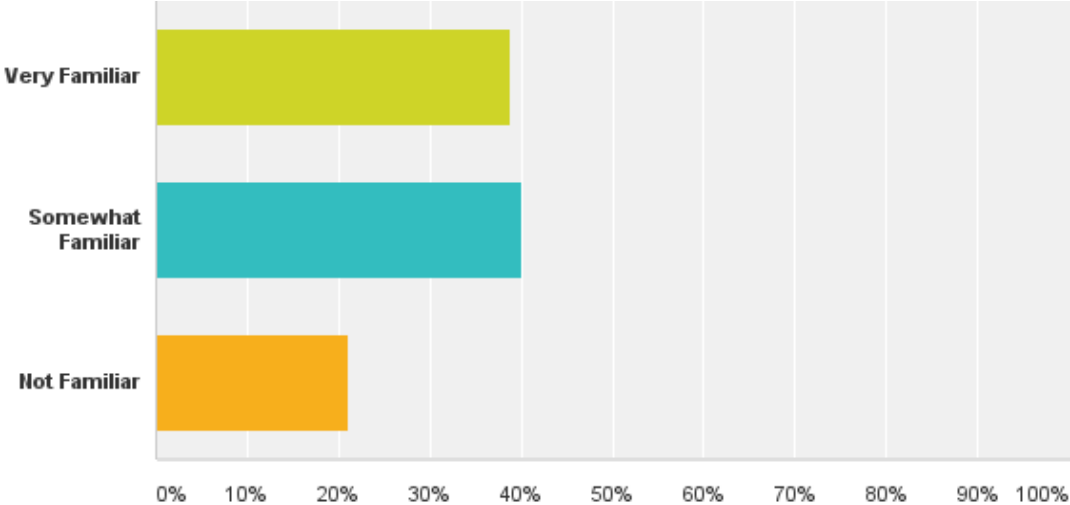
THE STEPHEN GROUP

Please indicate the degree to which you agree with each of the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A	Total	Weighted Average
The reports on episode costs provided by payers have been useful.	5.20% 9	12.14% 21	20.23% 35	13.87% 24	8.67% 15	39.88% 69	173	3.14
The EOC initiative has caused me/us to change my/our practice and/or referral patterns.	6.94% 12	13.29% 23	17.34% 30	18.50% 32	10.40% 18	33.53% 58	173	3.18
The EOC initiative has helped to restrain the growth in Medicaid hospital/medical spending.	5.78% 10	8.09% 14	24.86% 43	17.92% 31	15.03% 26	28.32% 49	173	3.40
The EOC initiative can lower the cost of care.	8.05% 14	16.67% 29	17.24% 30	19.54% 34	12.64% 22	25.86% 45	174	3.16
The EOC initiative has helped to improve the efficiency and efficacy of care provided to Medicaid patients.	5.17% 9	6.32% 11	21.84% 38	19.54% 34	20.69% 36	26.44% 46	174	3.60
The EOC initiative will improve the overall quality of care.	5.23% 9	9.88% 17	20.35% 35	17.44% 30	21.51% 37	25.58% 44	172	3.54

THE STEPHEN GROUP

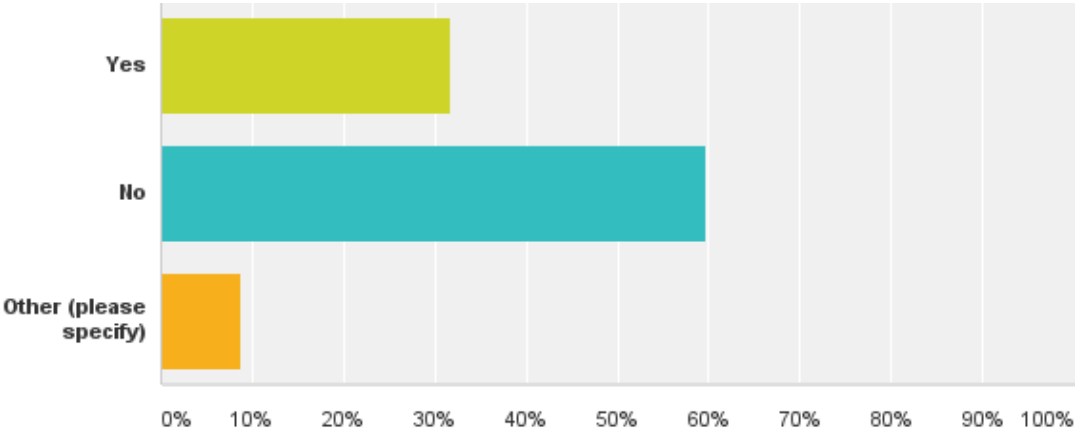
Are you familiar with the Patient-Centered Medical Home (PCMH) initiative that has been implemented by Arkansas Medicaid, BlueCross BlueShield of Arkansas, and other payers?



Answer Choices	Responses
Very Familiar	38.89% 63
Somewhat Familiar	40.12% 65
Not Familiar	20.99% 34
Total	162

THE STEPHEN GROUP

Are you participating as a PCMH?



Answer Choices	Responses
Yes	31.68% 51
No	59.63% 96
Other (please specify)	8.70% 14
Total	161

THE STEPHEN GROUP

Please indicate the degree to which you agree or disagree with each of the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A	Total	Weighted Average
The PCMH initiative has caused me/us to change my/our practice or referral patterns.	12.58% 19	12.58% 19	17.88% 27	11.26% 17	11.92% 18	33.77% 51	151	2.96
The PCMH initiative has helped to restrain the growth in Medicaid hospital/medical spending.	7.33% 11	12.00% 18	24.67% 37	15.33% 23	10.00% 15	30.67% 46	150	3.13
The PCMH initiative can lower the cost of care.	8.72% 13	21.48% 32	18.79% 28	12.08% 18	11.41% 17	27.52% 41	149	2.94
The PCMH initiative has helped to improve the efficiency and efficacy of care provided to Medicaid patients.	10.67% 16	11.33% 17	24.00% 36	12.67% 19	12.67% 19	28.67% 43	150	3.07
The PCMH initiative will improve the overall quality of care.	12.67% 19	22.00% 33	14.67% 22	10.00% 15	12.67% 19	28.00% 42	150	2.83

THE STEPHEN GROUP

Please indicate the degree to which you agree or disagree with each of the following statements:

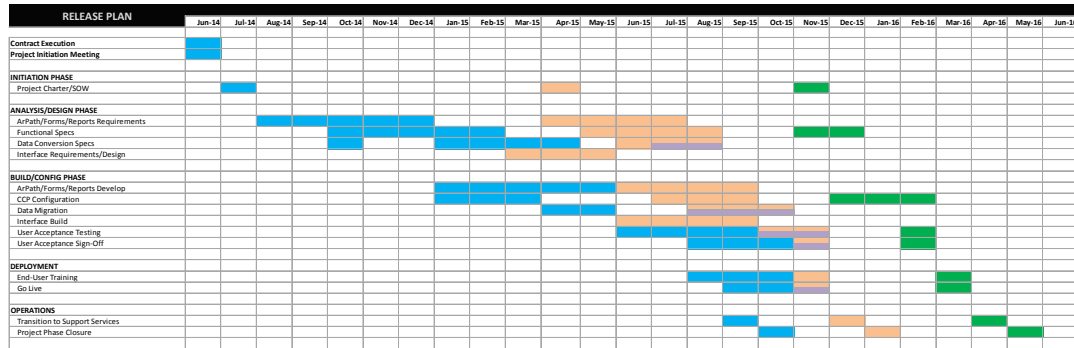
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A	Total	Weighted Average
Using a vendor to coordinate the care for special needs and complex populations would improve the overall quality of care.	3.82% 6	15.29% 24	21.02% 33	29.30% 46	25.48% 40	5.10% 8	157	3.60
Using a vendor to coordinate the care for special needs and complex populations would reduce the cost of care.	3.85% 6	13.46% 21	23.08% 36	27.56% 43	26.92% 42	5.13% 8	156	3.64

THE STEPHEN GROUP

Please indicate the degree to which you agree or disagree with each statement:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A	Total	Weighted Average
Your organization provides less uncompensated care today than it did prior to 2014.	19.35% 30	27.74% 43	17.42% 27	18.71% 29	9.68% 15	7.10% 11	155	2.69
The financial stability of the health care industry in Arkansas has improved since the establishment of the EOC and PCMH initiatives.	11.61% 18	16.77% 26	29.03% 45	17.42% 27	15.48% 24	9.68% 15	155	3.09
The EOC and PCMH initiatives make it more likely for me to recommend pursuing a career in health care in Arkansas.	9.68% 15	7.10% 11	25.16% 39	21.94% 34	27.74% 43	8.39% 13	155	3.56

CoCentrix DAAS Work Summary



ISS	Assumptions	Assessment Release Scope	POC Release Scope
1) Moving to DHS internal environment - date TBD	1) DHS (NGI) will become trained to create/maintain forms.	Data Conversion-Misc/Complex	Forms:
2) Business process requirements are evolving per State	2) POC forms have minimal customizations and closely represent the paper forms	Data Conversion-CIM	3330
3) All Choices approval/denial may change requirements/scope	3) Additional 9 forms to be estimated via Change process once forms are known	ARPath	9603-AAFP
	4) Timelines assume DAAS-POC has higher priority than DO	MDA Form	9603-AIF
	5) Portal is standard out-of-box implementation	interRAI extract	9603-EC
		Reports:	9611
		Total # of Assessments by Nurse/County/Region/Statewide (4 reports)	Freedom of Choice
		Total # of Re-Assessments by Nurse/County/Region/Statewide (4 reports)	IC-20
		Total # of assessments or reassessments by nurse/county/region/date (1 report)	9601
		Pending applications by county by program (1 report)	9610
		Total # of IC clients (1 report)	9618
		Total # of IC-waiver clients (1 report)	9659
		Active Participants by county (1 report)	ARPath Addendum
		Nurse Caseload Summary (1 report)	DHS-4000
		Level of Care (LOC) Report (1 report) / Total # of clients for each LOC outcome	DHS-4006
		CHES Report (1 report) / Total # of approved & denied based on CHES 3+	Self-Directed / Independent Choices
		CPS Report (1 report) / Total # of approved & denied based on CPS 3+	Workflow to allow for Independent Choices selection
		Activities of Daily Living (ADLs) Report (1 report) / Total # of approved & denied based on ADLs	Security roles for Independent Choices staff
		Assessment Audit Report (1 report, for OLTC)	IC Reports, quantity 17 including:
		Offline Synch	QA MISMATCH
		Security Roles	MISSING DATA REPORT
		Contact Form	PENDING REPORT TO PALCO
			RESTART REPORT TO PALCO
			REASSESSMENT REPORT TO PALCO
			DISENROLLMENT REPORT TO PALCO
			CHANGE IN BUDGET REPORT TO PALCO
			MONTHLY MANAGEMENT REPORT
			COMPLIANCE TRACKING REPORT
			EXPIRING POC'S REPORT
			FULL ENROLLMENT REPORT
			ENROLLMENT SUM REPORT
			REASSESSMENT LEAD REPORT
			PALCO REFERRAL LEAD REPORT
			PALCO REFERRAL SUM REPORT
			PAYMENTS OR UNLISHED REPORT
			BUSINESS OBJECTS COUNSELING REPORT
			DAAS Reports, quantity 12
			Average Minutes of Assessment
			Total Copied Assessments
			LOC Changes
			Total Diseases ICD
			Unduplicated Count by Service
			Unduplicated County by County
			Total # Outcome Changes after Appeal
			Total # Outcome Changes after Reconsideration
			Total # of APS Referrals made by HCBS
			Total # of OHRC Referrals made by HCBS
			Total # of LOC Changes from Reconsideration or Appeals
			9608 Monthly Report
			Data Migration for Independent Choices (Access database)
			Interface with ANSWER to receive demographic information
			Interface with MMS to receive provider information

Quarterly Traditional Medicaid and Private Option Population and Budget Expenditures Received From DHS for first three quarters of SFY 2015

Traditional	1,151,274,941	1,213,824,845	1,228,462,071
Newly Eligible (Private Option)	292,957,820	327,079,752	344,350,494
Total	1,444,232,761	1,540,904,598	1,572,812,569
Traditional enrollment	667,803	667,815	668,770
Newly Eligible (PO) Enrollment	216,232	228,983	243,615
Total	884,035	896,798	912,385
PMPQ for Traditional	1,724	1,818	1,837
PMPQ for Newly Elig (PO)	1,355	1,428	1,414
Total	1,634	1,718	1,724

THE STEPHEN GROUP

Third Quarter FY 2015

Calendar Year	(All)				
Month	(All)				
State Fiscal Quart	3				
State Fiscal Year	2015				
YEAR OVER YEAR COMPARISON *****					
Compares selection criteria to the same period one year prior *****					
Traditional Medicaid					
Aid Category	(Multiple Items)				
Category of Service	Total Amt Paid	Amt Paid Prior	Monetary Variance	Pct Variance	
Hospital Services	\$ 431,660,212	\$ 426,760,818	\$ 4,899,393	1.15%	
Long Term Care	\$ 237,177,557	\$ 236,834,329	\$ 343,229	0.14%	
DD	\$ 131,241,162	\$ 124,471,382	\$ 6,769,781	5.44%	
Mental Health	\$ 126,140,930	\$ 134,862,582	(\$8,721,652)	(6.47%)	
Physician Services	\$ 74,140,652	\$ 74,249,614	(\$108,963)	(0.15%)	
Prescription Drug	\$ 106,458,703	\$ 95,041,504	\$ 11,417,199	12.01%	
Other Medical	\$ 51,325,831	\$ 50,112,237	\$ 1,213,594	2.42%	
Other Practitioners	\$ 34,431,062	\$ 32,779,882	\$ 1,651,180	5.04%	
Transportation	\$ 16,907,686	\$ 18,152,415	(\$1,244,729)	(6.86%)	
Family Planning	\$ 1,262,924	\$ 2,045,878	(\$782,954)	(38.27%)	
Clinics	\$ 9,753,882	\$ 9,614,016	\$ 139,865	1.45%	
Case Management	\$ 1,007,428	\$ 819,160	\$ 188,268	22.98%	
Medicare Related	\$ 6,914,550	\$ 6,601,988	\$ 312,562	4.73%	
Unmapped COS	\$ 39,497	\$ 0	\$ 39,497	#DIV/0!	
Grand Total	\$ 1,228,462,076	\$ 1,212,345,805	\$ 16,116,271	1.33%	
Private Option					
Aid Category	Newly Eligible Adults				
Category of Service	Total Amt Paid	Amt Paid Prior	Monetary Variance	Pct Variance	
Hospital Services	\$ 18,623,504	\$ 6,969,417	\$ 11,654,087	167.22%	
Long Term Care	\$ 1,407,965	\$ 254,563	\$ 1,153,402	453.09%	
DD	\$ 22,012	\$ 14,151	\$ 7,861	55.55%	
Mental Health	\$ 2,368,630	\$ 829,481	\$ 1,539,149	185.56%	
Physician Services	\$ 11,665,340	\$ 4,372,708	\$ 7,292,632	166.78%	
Prescription Drug	\$ 11,107,721	\$ 3,691,441	\$ 7,416,279	200.90%	
Other Medical	\$ 3,816,276	\$ 1,466,996	\$ 2,349,280	160.14%	
Other Practitioners	\$ 2,207,664	\$ 1,379,869	\$ 827,795	59.99%	
Transportation	\$ 4,568,397	\$ 1,780,169	\$ 2,788,228	156.63%	
Family Planning	\$ 167,516	\$ 69,954	\$ 97,562	139.47%	
Clinics	\$ 1,382,390	\$ 689,847	\$ 692,543	100.39%	
Case Management	\$ 1,373	\$ 53	\$ 1,320	2,514.29%	
Medicare Related	\$ 74,018	\$ 9,038	\$ 64,979	718.93%	
Private Option Premiums plus Cost Share	\$ 286,937,689	\$ 100,556,715	\$ 186,380,974	185.35%	
Grand Total	\$ 344,350,494	\$ 122,084,404	\$ 222,266,091	182.06%	
	Aid Category	(All)			
	Total Amt Paid	Amt Paid Prior	Monetary Variance	Pct Variance	
Grand Total	\$ 1,572,812,570	\$ 1,334,430,209	\$ 238,382,361	17.86%	

THE STEPHEN GROUP

ARKANSAS MEDICAID						
Total Paid Amounts For Medically Frail Population by Category of Service						
PROGRAM	SFY2014	SFY2014	SFY2015	SFY2015	SFY2015	
	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	
	Jan, Feb, Mar Expenditures	Apr, May, Jun Expenditures	Jul, Aug, Sep Expenditures	Oct, Nov, Dec Expenditures	Jan, Feb, Mar Expenditures	
<u>Hospital/Medical:</u>						
Inpatient Hospital	\$2,001,854	\$6,905,006	\$7,841,753	\$7,536,560	\$5,711,116	
Outpatient Hospital	\$1,518,648	\$4,646,556	\$4,404,788	\$4,161,591	\$3,590,201	
Inpatient Psychiatric (Includes Sexual Offender)	\$0	\$5,206	\$31,260	\$13,654	\$16,545	
Rehabilitative Services for Persons with Mental Illness (RSPMI)	\$622,500	\$1,639,113	\$1,832,170	\$2,063,633	\$2,027,104	
Federally Qualified Health Centers (FQHCs)	\$278,072	\$713,369	\$804,615	\$822,703	\$741,272	
Rural Health Clinics	\$98,220	\$196,542	\$215,384	\$253,416	\$248,011	
Home Health Services	\$79,127	\$301,981	\$426,021	\$445,585	\$454,094	
Personal Care Services	\$17,473	\$127,654	\$193,479	\$288,210	\$355,376	
Hospice	\$35,018	\$117,160	\$114,587	\$175,046	\$167,625	
Private Duty Nursing	\$8,572	\$41,136	\$25,600	\$12,013	\$0	
<u>Practitioners:</u>						
Physician Services	\$2,469,925	\$7,683,103	\$8,642,950	\$8,386,212	\$7,531,550	
Dental Services (Includes Oral Surgery)	\$576,230	\$1,320,342	\$1,460,721	\$1,242,586	\$1,055,437	
<u>Other Practitioners:</u>						
Chiropractor	\$6,582	\$27,625	\$28,039	\$32,851	\$21,119	
Nurse Anesthetist (CRNA)	\$8,048	\$27,971	\$57,173	\$39,518	\$34,186	
Nurse Midwife	\$0	\$140	\$796	\$1,109	\$54	
Optometrist/Oculars	\$244,857	\$357,729	\$292,041	\$277,612	\$247,922	
Other Practitioner Crossovers	\$901	\$3,416	\$1,976	\$2,360	\$3,927	
Nurse Practitioner	\$9,630	\$29,376	\$31,286	\$27,080	\$28,568	
Audiologist	\$421	\$1,155	\$1,411	\$936	\$1,507	
Psychologist	\$0	\$0	\$52	\$343	\$52	
Therapy (Speech, Occupational and Physical)	\$0	\$2,206	\$1,459	\$859	\$387	
<u>Clinics and Programs:</u>						
Family Planning (Physician, Clinic, etc.)	\$22,468	\$90,672	\$68,546	\$91,728	\$76,582	
Ambulatory Surgical Center	\$43,884	\$156,219	\$283,145	\$319,471	\$263,054	
Maternity Clinics	\$710	\$3,982	\$2,059	\$5,751	\$3,484	
Lab & X-ray Services (Includes Radiologist and Pathologist)	\$708,356	\$1,876,081	\$1,800,736	\$1,919,277	\$1,469,761	
Health Dept. Communicable Diseases	\$3,207	\$8,922	\$11,743	\$24,371	\$24,126	
Early and Periodic Screening, Diagnosis and Treatment (EPSDT)	\$48,180	\$177,643	\$190,012	\$209,587	\$64,048	
<u>Other Care Services:</u>						
Durable Medical Equip/Oxygen	\$88,962	\$370,725	\$528,110	\$731,351	\$902,121	
Eyeglasses	\$31,136	\$65,311	\$44,075	\$48,233	\$41,399	
Ventilator	\$1,429	\$9,774	\$4,173	\$0	\$0	
Hyper alimentation	\$472	\$7,448	\$3,746	\$15,899	\$54,185	
Hemodialysis	\$11,156	\$54,030	\$61,468	\$63,993	\$78,526	
Other Care Crossovers	\$5,497	\$21,200	\$38,163	\$39,997	\$59,380	
Medicare Crossovers	\$56	\$375	\$973	\$242	\$1,289	
Tuberculosis	\$355	\$493	\$1,052	\$1,898	\$1,435	
Ambulance	\$145,497	\$498,291	\$626,488	\$573,417	\$512,093	
Non-Emergency Transportation Waiver (NET)	\$151,296	\$301,891	\$436,456	\$383,522	\$352,218	
DDTCS Transportation	\$0	\$1,264	\$617	\$369	\$509	
Developmental Day Clinic Treatment Services	\$8,120	\$15,661	\$20,723	\$24,426	\$18,683	
Case Mgmt. 60 and Older	\$53	\$270	\$615	\$855	\$1,155	
Independent Choices	\$494	\$886	\$8,324	\$14,358	\$23,466	
Total Hospital / Medical	\$9,247,405	\$27,807,925	\$30,538,782	\$30,252,624	\$26,183,569	
<u>Prescription Drugs:</u>						
Prescription Drugs	\$2,418,004	\$5,748,597	\$7,975,992	\$9,168,664	\$9,633,823	
Total Prescription Drugs	\$2,418,004	\$5,748,597	\$7,975,992	\$9,168,664	\$9,633,823	
<u>Long Term Care:</u>						
Private Nursing Facilities	\$0	\$23,541	\$71,006	\$12,737	\$45,638	
Total Long Term Care	\$0	\$23,541	\$71,006	\$12,737	\$45,638	
TOTAL MEDICAID PROGRAM	\$11,665,409	\$33,580,063	\$38,585,779	\$39,434,026	\$35,863,029	
TOTAL DMS PROGRAM & ADMIN	\$11,665,409	\$33,580,063	\$38,585,779	\$39,434,026	\$35,863,029	
TOTAL EXPENDITURES FOR MEDICALLY FRAIL - CY 2014		\$123,265,277				
TOTAL EXPENDITURES FOR MEDICALLY FRAIL - YEAR TO DATE FOR CY 2015		\$35,863,029				

THE STEPHEN GROUP

Number of Medically Frail Eligibles and Recipients First Three Quarters 2015

Please note that recipients refers to MF individuals with paid claims; while eligibles to everyone who had MF designation

	SFY 15 Q1	SFY 15 Q2	SFY 15 Q3			
Eligibles	23,065	23,294	24,847			
Recipients	22,827	23,292	24,823			

Private Option Medically Frail PMPM CY 14 With Adjustments for Supplemental Payments (Claims Incurred)

201410	201411	201412	CY14 Claims Total	CY14 Supplemental Payment Estimate	Total
\$ 508,779	\$ 370,890	\$ 332,884	\$ 4,999,005	\$ -	\$ 4,999,005
\$ 3,241,027	\$ 2,806,953	\$ 3,187,885	\$ 26,343,316	\$ -	\$ 26,343,316
\$ 83	\$ 88	\$ -	\$ 745	\$ -	\$ 745
\$ 2,115,162	\$ 1,783,161	\$ 1,633,712	\$ 27,008,040	\$ 18,891,276	\$ 45,899,316
\$ 18,455	\$ 24,320	\$ 14,645	\$ 189,528	\$ -	\$ 189,528
\$ 5,293,937	\$ 4,302,218	\$ 4,460,334	\$ 54,901,964	\$ 2,012,599	\$ 56,914,563
\$ 4,040	\$ 3,884	\$ 10,137	\$ 137,394	\$ -	\$ 137,394
\$ 4,712	\$ 4,560	\$ 456	\$ 12,008	\$ -	\$ 12,008
\$ 1,842,586	\$ 1,475,735	\$ 1,574,686	\$ 20,202,323	\$ 14,541,026	\$ 34,743,349
\$ 40,588	\$ 33,938	\$ 43,628	\$ 380,749	\$ -	\$ 380,749
\$ 46,196	\$ 33,369	\$ 36,375	\$ 428,600	\$ -	\$ 428,600
\$ -	\$ -	\$ 212	\$ 1,982	\$ -	\$ 1,982
\$ 13,115,564	\$ 10,839,116	\$ 11,294,954	\$ 134,605,654	\$ 35,444,901	\$ 170,050,554

201410	201411	201412	CY14 Claims Total	CY14 Supplemental Estimate	Total
\$ 22.11	\$ 15.96	\$ 14.45	\$ 19.54	\$ -	\$ 19.54
\$ 140.86	\$ 120.78	\$ 138.42	\$ 102.98	\$ -	\$ 102.98
\$ 0.00	\$ 0.00	\$ -	\$ 0.00	\$ -	\$ 0.00
\$ 91.93	\$ 76.73	\$ 70.94	\$ 105.57	\$ 73.85	\$ 179.42
\$ 0.80	\$ 1.05	\$ 0.64	\$ 0.74	\$ -	\$ 0.74
\$ 230.08	\$ 185.13	\$ 193.67	\$ 214.61	\$ 7.87	\$ 222.48
\$ 0.18	\$ 0.17	\$ 0.44	\$ 0.54	\$ -	\$ 0.54
\$ 0.20	\$ 0.20	\$ 0.02	\$ 0.05	\$ -	\$ 0.05
\$ 80.08	\$ 63.50	\$ 68.37	\$ 78.97	\$ 56.84	\$ 135.81
\$ 1.76	\$ 1.46	\$ 1.89	\$ 1.49	\$ -	\$ 1.49
\$ 2.01	\$ 1.44	\$ 1.58	\$ 1.68	\$ -	\$ 1.68
\$ -	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ 0.01
\$ 570.01	\$ 466.41	\$ 490.43	\$ 526.17	\$ 138.55	\$ 664.72

McKinsey Contract Negotiation Update

Following is TSG spreadsheet sent to Dawn Stehle at DHS in response to Task Force request to review current contract being negotiated and provide comments related to same

<u>Category</u>	<u>Num</u>	<u>Deliverable</u>	<u>Price</u>	<u>Expected Timeframe</u>	<u>TSG Comments</u>
Episodes					
	1	Develop draft episode 1 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	2	Develop draft episode 2 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	3	Develop draft episode 3 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	4	Develop draft episode 4 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is

THE STEPHEN GROUP

					approved.
	5	Develop draft episode 5 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	6	Develop draft episode 6 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	7	Develop draft episode 7 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	8	Develop draft episode 8 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	9	Develop draft episode 9 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will

THE STEPHEN GROUP

					not be paid until deliverable is approved.
	10	Develop draft episode 10 design including rationale for trigger selection, episode window, inclusions, and exclusions	\$ 470,000	August - December 2015	If these are completed on a rolling basis, could the timeline be 2 per month? TSG assumes McKinsey will not be paid until deliverable is approved.
	11	Update episode 1 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	12	Update episode 2 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with

THE STEPHEN GROUP

					non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	13	Update episode 3 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	14	Update episode 4 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price

THE STEPHEN GROUP

					associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	15	Update episode 5 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	16	Update episode 6 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the

THE STEPHEN GROUP

					deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	17	Update episode 7 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	18	Update episode 8 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will

THE STEPHEN GROUP

					decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	19	Update episode 9 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?

THE STEPHEN GROUP

	20	Update episode 10 design based on input from DHS, local clinical advisors, and/or public workgroups for all episodes approved for final design	\$ 60,000	September - December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down. Also, can the date for each episode be any more precise?
	21	Code sheets for episode 1, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	22	Code sheets for episode 2, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	23	Code sheets for episode 3, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	24	Code sheets for episode 4, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	25	Code sheets for episode 5, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	26	Code sheets for episode 6, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	27	Code sheets for episode 7, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	28	Code sheets for episode 8, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	29	Code sheets for episode 9, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	30	Code sheets for episode 10, including triggers, inclusions and exclusions, and risk adjustments for all episodes approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	31	Detailed Business Requirements for Episode 1, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	32	Detailed Business Requirements for Episode 2, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	33	Detailed Business Requirements for Episode 3, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	34	Detailed Business Requirements for Episode 4, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	35	Detailed Business Requirements for Episode 5, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	36	Detailed Business Requirements for Episode 6, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	37	Detailed Business Requirements for Episode 7, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	38	Detailed Business Requirements for Episode 8, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
	39	Detailed Business Requirements for Episode 9, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.

THE STEPHEN GROUP

	40	Detailed Business Requirements for Episode 10, if approved for final design	\$ 60,000	December 2015	What happens if less than 10 episodes are approved for final design? TSG assumes the total price paid to McKinsey will decrease by the deliverable price associated with non-approved items. Or ARDHS can redirect the money to other deliverables. It is assumed the price for a different episode will not go up if the total episodes goes down.
DD					
	41	Compendium of analytics relating to finalizing payment model	\$ 425,000	September 2015	
	42	Compendium of analytics relating to launch or reporting efforts	\$ 400,000	December 2015	
PCMH					
	43	Q4 DBR section-by-section comments and QA feedback delivered to DHS	\$ 600,000	August 2015	
	44	Tools, training, and input to mid-point DHS review to enable and confirm transition decision	\$ 575,000	October 2015	
	45	Q1 DBR final review and acceptance criteria delivered to DHS	\$ 600,000	November 2015	
Organizational Effectiveness					
	46	Content for DHS August off-site on org effectiveness, including draft of priority areas for DHS	\$ 200,000	September 2015	Wording is confusing. It appears this deliverable is input to an August meeting yet it isn't due until September. It is not clear how an internal DHS organizational

THE STEPHEN GROUP

					effectiveness strategy relates to the Payment Improvement work.
	47	Final Human Capital strategy and plan to execute	\$ 200,000	November 2015	It isn't clear what the additional work will accomplish this year. This project is a continuation of a multi-year effort. What's required this year in this area?
LTSS/BH/DD efficiency					This entire area could be separately bid out to ensure DHS is getting a competitive rate for this work. This area is contingent on the work at the legislative and gubernatorial level to ensure this is the direction the State wants to go.
	48	Analysis to support DHS decision on whether to proceed with an RFP	\$ 750,000	July 2015	What analysis is McKinsey doing? Aren't these decisions being made at a higher level?
	49	Draft of selected sections of RFP and related fact base	\$ 1,500,000	September 2015	TSG presumes this deliverable will be eliminated, and the price reduced, if DHS decides not to proceed with an RFP. DHS has the option to redirect money from one deliverable to a different

THE STEPHEN GROUP

					deliverable.
	50	Support to DHS in planning for management of bidder interviews and bid evaluation	\$ 750,000	October 2015	TSG presumes this deliverable will be eliminated, and the price reduced, if DHS decides not to proceed with an RFP. DHS has the option to redirect money from one deliverable to a different deliverable.
	51	Review of MCO performance management best practices from other states	\$ 750,000	November 2015	TSG presumes this deliverable will be eliminated, and the price reduced, if DHS decides not to proceed with an RFP. DHS has the option to redirect money from one deliverable to a different deliverable. There is also significant overlap between the TSG recommendations for contract management in general and the McKinsey work on this particular contract.
	52	Overview of objectives for contract management capability, major capabilities required, and high-level plan to address gaps	\$ 650,000	December 2015	TSG presumes this deliverable will be eliminated, and the price reduced, if DHS decides not to proceed with an RFP.

THE STEPHEN GROUP

					DHS has the option to redirect money from one deliverable to a different deliverable. There is also significant overlap between the TSG recommendations for contract management in general and the McKinsey work on this particular contract.
Strategy, program management, and evaluation					
	53	As determined by DHS needs during the year	\$ 1,500,000	TBD	This area is too vague. If McKinsey and DHS are unclear about what will be delivered for this money, this deliverable should be eliminated and the price reduced.
Total			\$ 15,400,000		

THE STEPHEN GROUP

Total Value of Top 25 DHS Contracts Reviewed by TSG

	<u>Contractor Name</u>	<u>Contract</u>	<u>Total Value</u>	<u>\$ 2016</u>
1	HP Enterprise Services, LLC	MMIS Core	\$ 203,000,000	\$ 27,708,092
2	HP Enterprise Services, LLC	MMIS Fiscal Agent	\$ 200,000,000	\$ 57,106,070
3	Palco	Self Directed Service Budget Counseling Support	\$ 55,477,760	\$ 9,235,460
4	Magellan	MMIS Pharmacy	\$ 43,325,000	\$ 7,497,588
5	Arkansas Foundation for Medical Care	To develop, review, implement & update criteria for utilization for PA's and extensions of benefits	\$ 39,240,137	\$ 6,524,687
6	UAMS Dept of Obstetrics & Gynecology	Center for Distance Health - Formally (ANGELS) & (SAVE)	\$ 31,372,304	\$ 31,372,304

THE STEPHEN GROUP

7	Value Options Inc.	Mental Health Determination - Outpatient	\$ 30,614,849	\$ 4,765,594
8	General Dynamics Information Technology Inc (GDIT)	Analytical Episode	\$ 30,000,000	\$ 4,330,000
9	Health Management Systems, Inc.	Third Party Liability & Recovery Services (TPL)	\$ 29,171,660	\$ 4,707,380
10	Palco	Self Directed Service Budget Financial Management Services	\$ 24,112,200	\$ 2,454,600
11	Cognosante, LLC	MMIS PMO	\$ 18,134,893	\$ 5,395,727
12	AFMC	Medicaid Beneficiary Relations and Non- Emergency Transportation (NET) Administration	\$ 16,200,925	\$ 4,023,577
13	McKinsey and Company Washington	AR Health Care Payment Improvement Initiative	\$ 15,400,000	\$ 15,400,000
14	ValueOptions Inc.	Mental Health Determination - Inpatient	\$ 14,898,576	\$ 2,724,788
15	Optum	MMIS Decision Support System (DSS)	\$ 13,690,718	\$ 13,690,718

THE STEPHEN GROUP

16	AFMC	Medicaid Quality Improvement	\$ 12,000,000	\$ 2,729,382
17	Office Of Health Technology - OHIT	PCMH Model	\$ 11,191,221	\$ 5,595,611
18	AFMC	AR Innovative Performance Program (AIPP) for Long Term Care facilities	\$ 10,469,618	\$ 1,545,508
19	AFMC	Medicaid Provider Representative	\$ 10,139,885	\$ 2,064,512
20	Cognosante, LLC	DHS IT Project Management Office	\$ 9,642,211	\$ 9,642,211
21	Datapath	Private Option Health Care Independence Accounts	\$ 8,200,000	\$ 8,200,000
22	AFMC	Retrospective Reviews of physical, speech, and occupational therapies and PA's for personal care for under age 21	\$ 8,062,908	\$ 1,151,844
23	Pine Bluff Psy. Associates	DDS Procurement of Independent Assessors School Age Assessments	\$ 6,281,550	\$ 930,600
24	AR Dept of Health	Medicaid Outreach & Education ConnectCare and provide information in the Primary Care Case Management (PCCM) program & support ARKids 1st info line	\$ 6,000,000	\$ 2,862,302
25	Health Services Advisory Group, Inc.	Medicaid Data Mining and Program Evaluation	\$ 5,606,984	\$ 896,764

SFY 2015 Newly Eligible Premium and Cost Sharing Payments and Total Recoupments from Carriers

SFY 2015 Newly Eligible Premium & Cost Sharing Payments							
SFY 2015					Net Totals		
Month	PO Premium Payment	PO Premium Recoupment	PS Cost Sharing Payment	PS Premium Recoupment	PO Premium Payment	PS Cost Sharing Payment	Total Recoupment From Carriers
July	52,091,184.63	0.00	19,962,782.86	0.00	52,091,184.63	19,962,782.86	
August	56,154,032.15	(1,460,474.60)	21,545,980.34	(609,189.88)	54,693,557.55	20,936,790.46	
September	58,197,543.07	0.00	22,335,424.97	0.00	58,197,543.07	22,335,424.97	
October	60,458,127.61	(359,582.03)	23,195,253.72	(129,451.97)	60,098,545.58	23,065,801.75	
November	64,374,376.68	(134,041.99)	24,479,654.62	(50,611.18)	64,240,334.69	24,429,043.44	
December	65,028,650.52	(1,513,726.19)	24,755,151.61	(498,814.06)	63,514,924.33	24,256,337.55	
January	68,503,807.95	(146,234.86)	25,508,151.10	(45,714.97)	68,357,573.09	25,462,436.13	
February	70,489,194.23	(268,390.63)	26,248,599.58	(99,976.36)	70,220,803.60	26,148,623.22	
March	72,250,018.41	(1,730,583.95)	26,896,652.57	(667,834.16)	70,519,434.46	26,228,818.41	
April	82,026,788.12	(9,686,442.34)	30,549,069.67	(3,662,625.02)	72,340,345.78	26,886,444.65	
May	77,779,352.57	0.00	29,021,788.79	0.00	77,779,352.57	29,021,788.79	
June	76,553,986.59	(1,704,545.57)	28,495,528.33	(657,785.92)	74,849,441.02	27,837,742.41	
Total	803,907,062.53	(17,004,022.16)	302,994,038.16	(6,422,003.52)	786,903,040.37	296,572,034.64	(23,426,025.68)

Patient Centered Medical Homes (PCMH) in place in states in 2014

Location	Patient Centered Medical Homes (PCMH)	Location	Patient Centered Medical Homes (PCMH)
28 States with PCMHs in Place in FY 2014;			
United States		7 States with Plans to Implement PCMHs in FY 2015	
Alabama	In Place in FY 2014	Montana	Plan to Implement in FY 2015
Alaska	In Place in FY 2014	Nebraska	In Place in FY 2014
Arizona	Plan to Implement in FY 2015	Nevada	No Plans to Implement
Arkansas	In Place in FY 2014	New Hampshire	No Plans to Implement
California	No Plans to Implement	New Jersey	In Place in FY 2014
Colorado	In Place in FY 2014	New Mexico	In Place in FY 2014
Connecticut	In Place in FY 2014	New York	In Place in FY 2014
Delaware	Plan to Implement in FY 2015	North Carolina	In Place in FY 2014
District of Columbia	No Plans to Implement	North Dakota	No Plans to Implement
Florida	No Plans to Implement	Ohio	No Plans to Implement
Georgia	Plan to Implement in FY 2015	Oklahoma	In Place in FY 2014
Hawaii	In Place in FY 2014	Oregon	In Place in FY 2014
Idaho	In Place in FY 2014	Pennsylvania	In Place in FY 2014
Illinois	Plan to Implement in FY 2015	Rhode Island	In Place in FY 2014
Indiana	No Plans to Implement	South Carolina	In Place in FY 2014
Iowa	No Plans to Implement	South Dakota	No Plans to Implement
Kansas	No Plans to Implement	Tennessee	In Place in FY 2014
Kentucky	No Plans to Implement	Texas	In Place in FY 2014
Louisiana	In Place in FY 2014	Utah	No Plans to Implement
Maine	In Place in FY 2014	Vermont	In Place in FY 2014
Maryland	In Place in FY 2014	Virginia	In Place in FY 2014
Massachusetts	In Place in FY 2014	Washington	No Plans to Implement
Michigan	In Place in FY 2014	West Virginia	No Plans to Implement
Minnesota	In Place in FY 2014	Wisconsin	In Place in FY 2014
Mississippi	Plan to Implement in FY 2015	Wyoming	Plan to Implement in FY 2015
Missouri	No Plans to Implement		

The Henry J. Kaiser Family Foundation, <http://kff.org/medicaid/state-indicator/patient-centered-medical-homes-pcmh-and-accountable-care-organizations-aco/#map>, 2015.

Human Development Center Expenditures FY 11 to FY 15 tied to Census

HDC	FY 11 Expenditures	6/30/11 Census	FY 12 Expenditures	6/30/12 Census	FY 13 Expenditures	6/30/13 Census	FY 14 Expenditures
Conway	\$ 61,248,451	479	\$ 62,543,783	482	\$ 61,175,606	483	\$ 62,656,729
Arkadelphia	\$ 12,579,619	128	\$ 14,585,271	126	\$ 14,495,989	122	\$ 14,731,403
Jonesboro	\$ 10,401,648	113	\$ 11,658,527	111	\$ 12,405,612	113	\$ 12,679,736
Booneville	\$ 14,350,006	144	\$ 15,502,315	135	\$ 15,088,664	133	\$ 15,562,983
Warren	\$ 9,918,536	102	\$ 12,501,899	97	\$ 12,498,123	92	\$ 12,715,846
Total Expenditures/ Census	\$ 108,498,260	966	\$ 116,791,795	951	\$ 115,663,994	943	\$ 118,346,697
* Alexander HDC was decertified at the end of FY11.							
**FY15 Expenditures are not yet available due to the 45 day rule which allows expenditures that meet the criteria to be posted to FY15 until around August 1 that time.							