Minnesota Department of **Human Services**

Health Care Reform Waiver
1/31/12 Hearing, Minnesota House of Representatives

Office of the Medicaid Director

Statute: Minn. Stat. (2011) § 256B.021, subd. 3

- 12 separate projects, to meet the following goals:
  - Increase independence
  - Increase community integration
  - Reduce reliance on institutional care
  - Achieve better health outcomes
  - Simplify administration of the program and access to the program
  - Create a more sustainable program
- Three primary vehicles for seeking federal authority
  - Section 1115 waiver revising NF level of care
  - Duals financial integration model application
  - Section 1115 waiver and State Plan Amendments for health care reform elements
- Budget Neutrality: The legislature required these proposals in the aggregate, to be cost neutral to the state budget.

Work Process

- The 12 projects are:
  - **Health care delivery demonstration** (HCDS)—testing alternative payment and service delivery models –total cost of care and risk/gain sharing arrangements.
  - **Promote personal responsibility and reward health outcomes**—incentives to encourage health behavior, prevent chronic disease, reward healthy outcomes. Focus on diabetes prevention, tobacco cessation, weight reduction, lowering cholesterol, lowering blood pressure.
  - **Encourage utilization of high quality, cost-effective care**—initiatives through cost-sharing and other means to encourage utilization of high-quality, low-cost providers.

- **Revise eligibility for adults without children**—impose limit on assets in MA (under 75% consistent with MinnesotaCare), and 180-day durational residency in MinnesotaCare. This will be submitted along with demonstration waiver this spring.

- **Empower and encourage housing, work and independence**—services and supports for individuals with health condition or disabling condition, to delay or prevent permanent disability, reduce need for intensive health and long term care services, help maintain or obtain employment.

- **Implement nursing facility level of care criteria**—this involves implementing criteria first adopted in 2009, and then revised in 2010 and 2011.

- **Improve integration of Medicare and Medicaid**—reducing fragmentation in delivery system to improve care for dual eligibles and to align fiscal incentives between primary, acute and long term care. May include: exception to Medicare payment adjustment for special needs plans; testing risk adjustment models; exemption from Medicare bidding process for integrated SNPs; modifying Medicare bid process for health home services; permission for risk-sharing and gain-sharing.

- **Redesign intensive residential treatment services**. Allowing individuals to remain in these settings after stabilization, to maintain mental health and avoid unnecessary hospital or other residential care. Could include a specialized payment rate.

- **Waive the IMD exclusion for AM-RTC**. To allow AMRTC to service as a statewide resource to provide diagnostics and treatment for people with complex conditions.

- **Seek exception to the IMD exclusion for individuals under age 21**. Seek Medicaid funding for children placed in residential settings.

- **Redesign home and community-based services**—realigns existing funding, services and supports for people with disabilities and elders to ensure community integration and more sustainable service system. Statute provides a range of potential changes, including providing less expensive alternatives to MA services, more flexible community supports, increased self-direction, etc.

- **Coordinate and streamline services for individuals with complex needs**—Changes include developing community provider capacity, better assessment and care coordination, service delivery models allowing access to a range of services, etc.