

PRESENTATION TO THE 2022 INTERIM BUDGET COMMITTEE

Health Resources Division

Medicaid and Health Services Branch

Department of Public Health and Human Services

THE FOLLOWING TOPICS ARE COVERED IN THIS REPORT:

- **Overview**
- **Summary of Major Functions**
- **Highlights and Accomplishments during the 2023 Biennium**
- **Efficiencies and Cost Savings**
- **Funding and FTE Information**

OVERVIEW

The Health Resources Division's (HRD) mission is to protect the health and safety of all Montanans. The Division carries out this mission by administering numerous programs including Medicaid, Healthy Montana Kids, Medicaid Expansion, and Big Sky Rx. HRD pays for eligible Montanans to receive a wide range of preventive, primary, and acute care services from private and public providers.

HRD works in close collaboration with Tribal Governments, Indian Health Service, and Urban Indian programs to support health care delivery in tribal communities with the goals of building greater health care capacity to serve Montana's American Indians, allowing for better access, and ensuring culturally appropriate care.

The Division has operated very lean with a 25-30 percent vacancy rate in the last biennium. Fully staffed, HRD has 44 dedicated FTE along with two Modified FTE who continually seek to implement best practices and innovative approaches to provide optimal services while saving taxpayer dollars. HRD currently has eleven vacancies. Turnover has been directly linked to the following factors:

- Senior partners who have worked for the division for 30 years are retiring,
- Staff is accepting positions in other agencies that are similar in nature but higher compensated,
- Employee burnout due to the pandemic; staff has chosen to leave state government and work in private sector positions.

HRD continues to perform duties and oversight of additional workload created to mitigate COVID-19 without an increase in resources to meet the demand of this workload. Recruitment of vacant positions has been challenging due to the current climate of vacancies across all State Agencies. Often, potential hires are offered higher compensation for similar positions in other divisions or agencies as well as the ability to telework 100 percent of the time.

SUMMARY OF MAJOR FUNCTIONS

HRD administers most of the standard Montana Medicaid benefit package that provides primary, specialty, pharmacy, ancillary, and hospital services to all Medicaid members. Most of the services in HRD are funded through Medicaid and cumulatively seek to increase access to timely, affordable, and effective health services.

MEDICAID HOSPITAL AND PHYSICIAN SERVICES

The Hospital and Physician Services Bureau provides healthcare in Montana through a network of 14 acute care facilities and 47 critical access hospitals (CAH's) across the state. Medicaid reimburses for outpatient services, emergency care, and inpatient hospitalizations. Providing these services in Montana is cost effective, supports Montana's healthcare system, and helps assure access to health services for all Montanans.

Rural Health Clinics and Federally Qualified Health Centers

Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHC) provide primary care and preventive services. There are currently 19 main FQHCs with 49 satellite locations and 57 Rural Health Clinics across Montana. These facilities are paid-for services provided to Medicaid members using the prospective payment system (PPS); a predetermined facility specific per-visit rate based on the providers' allowable costs and scope of service.

Medicaid Hospital Services

Hospital Services are provided in Montana through an in-state network of 14 Acute Care Prospective Payment System (PPS) Facilities and 47 Critical Access Hospitals across the state. Health Care Programs reimburse for inpatient services, outpatient services, and emergency care. Providing these services in Montana supports Montana's healthcare system and helps ensure access to health services for all Montanans.

The Montana Medicaid program covers inpatient hospital care outside of the state only in special circumstances. Out-of-state inpatient coverage is limited to services that are: 1) not available in Montana (i.e., transplants); 2) for people who live near the border and normally get their health care in Idaho, Wyoming, North Dakota, or South Dakota; or 3) for Montanans who have traveled outside the state and need emergency services.

Physician Services (including specialty services)

The physician program includes physicians, mid-level practitioners, podiatrists, labs, independent diagnostic treatment clinics, public health clinics, and family planning clinics. Medicaid reimbursement for these services includes, but is not limited to, office visits, lab tests, x-rays, surgeries, prenatal care, deliveries, and anesthesia. The Medicaid provider network includes 19,708 practitioners and clinics. Medicaid reimburses for services utilizing the nationally developed payment methodology, Resource Based Relative Value System (RBRVS), which is customized to Montana.

MEDICAID ALLIED HEALTH SERVICES

Pharmacy Program

The pharmacy program administers the prescription drug benefit for the Medicaid and CHIP/HMK programs. Over 260 pharmacies are enrolled and provide access to medications for members throughout Montana.

DPHHS partners with Mountain-Pacific Quality Health to develop drug coverage criteria through the Drug Use Review Board (DUR). The DUR Board is comprised of physicians, mid-level providers, and pharmacists from around Montana who develop drug coverage criteria to ensure prescribed medications are appropriate, medically necessary, and cost effective. Coverage determinations balance cost effective alternatives while allowing flexibility based on professional medical decisions.

Drug Rebates

All prescription drugs covered are required to be included in the federal drug rebate program. Drug rebates are invoiced and collected from pharmaceutical manufacturers each quarter reducing

the overall costs of the pharmacy program. In SFY 2022, drug rebates offset 57.3% of prescription drug costs.

Clinical Pharmacist Practitioners

The Clinical Pharmacist Practitioner program reimburses clinical pharmacist practitioners who provide collaborative practice drug therapy management for members who have at least one chronic condition requiring maintenance medication.

Dental and Denture Services

The Medicaid dental benefit provides services up to \$1,125* per year to adult Medicaid members (aged 21 and older) who are not enrolled as Aged, Blind, and Disabled. Members who are aged 20 and under, or are eligible under Aged, Blind and Disabled, have no dental benefit limit. Dental services are eligible for payment if the services are provided by dentists, denturists, dental hygienists, and oral surgeons.

*Diagnostic, preventative, dentures, and anesthesia services are not included in the treatment cap.

Durable Medical Equipment

Montana Medicaid and Healthy Montana Kids DME benefits include enteral and parental formula, prosthetics, orthotics, supplies, and equipment such as oxygen, wheelchairs, diabetic test strips, diapers, braces, and diabetic shoes.

Montana follows Medicare coverage criteria, limits, local coverage determinations, and national coverage determinations for those items covered by Medicare. Services and equipment not covered by Medicare such as diapers, pulse oximeters, and miscellaneous supplies may be reimbursable if the member has full Medicaid and meets the coverage criteria developed by DPHHS. Medicaid reimbursement rates follow Medicare DME reimbursement methods including higher payments for members residing in rural areas.

Transportation Services

Medicaid covers authorized ambulance transports with medical intervention by ground or air to the nearest appropriate facility. All ambulance transports require service authorization.

The non-emergency medical transportation program offers travel assistance benefits to Medicaid members. This program is designed to help members get to and from medical appointments. This benefit requires prior authorization.

School-Based Services

Medicaid covers health-related services to children (ages 3-20) in a school setting who qualify under the Individuals with Disabilities Education Act (IDEA) and have an Individual Education Plan (IEP). The health-related services needed must be written into the IEP.

Therapy Services

Physical, occupational, and speech therapy services, when ordered by the member's medical practitioner, are covered Medicaid benefits.

Audiology Services and Hearing Aids

Medicaid covers hearing aid evaluations and basic audio assessments provided by audiologists to members with hearing disorders when ordered by the member's medical practitioner. Hearing aids are a covered benefit with prior authorization.

Vision Services

The Montana Medicaid vision benefit covers vision exams and eyeglasses every 2 years for members aged 21 and over. Members aged 20 and under can receive vision exams and eyeglasses every year. Medicaid eyeglasses are provided by the state contracted supplier, Classic Optical. Optometric and eyeglass services are rendered by optometrists, ophthalmologists, and opticians.

Home Infusion Therapy Services

The Home Infusion Therapy Program covers pharmaceutical products and clinical support services provided to members who are living in their homes, a nursing facility, or any setting other than a hospital.

MEDICAID OPERATIONS RESEARCH

The Operations Research Section (ORS) within HRD provides analytics and support to the entirety of the HRD team. More specifically, ORS is responsible for meeting the federal reporting requirements, maintaining the various payment methods including RBRVS, APR DRG, Fee Schedules, etc., and all other analytic requests for the division.

MEDICAID MEMBER SERVICES

Member Health Services administers Montana Medicaid primary care programs with the goal of improving health outcomes and reducing inappropriate emergency department visits. In addition, Member Services also manages the Healthy Montana Kids program.

Comprehensive Primary Care Plus (CPC+)

Montana Medicaid (along with Blue Cross Blue Shield, Pacific Source, and Allegiance Life and Health) was chosen as one of 14 regions nationally to participate in the CPC+ Program in coordination with Medicare. CPC+, the largest-ever initiative of its kind, was a five-year, multi-payer initiative to improve primary care, promote health equity, reduce overall health care costs, and improve population health. The Montana Medicaid CPC+ program is based on a national advanced primary care medical home model that aims to strengthen primary care through a regionally based multi-payer payment reform and care delivery transformation. Currently, 48 practices participate in Montana Medicaid's CPC+ Program throughout the state alongside approximately 84,500 Medicaid members, including Medicaid expansion members.

Patient Centered Medical Home (PCMH)

The PCMH model is designed to improve health care by transforming how primary care is standardized and delivered. The 23 PCMH sites cover 49,500 Medicaid members. The PCMH program models the CPC+ program for practices that did not qualify for the CPC+ program and have received PCMH recognition from the National Committee for Quality Assurance (NCQA).

Because PCMH was modeled after the CPC+ program, both programs are centered on the following core principles:

- Comprehensive health care directed by the patient's personal provider
- Team-based, ongoing patient-centered care
- Care coordination across the health system using information technology
- Enhanced access through expanded hours, new communication methods, or alternative visits
- Quality and safety through evidence-based medicine, quality improvement, and performance measurement
- Value-based payment that recognizes alternative visits, care coordination, health information technology, enhanced communication, and risk-based population stratification

Passport to Health

Passport to Health is the primary care case management program in which about 70 percent of all Montana Medicaid members are enrolled. A member chooses, or is assigned, a primary care provider who delivers all medical services or furnishes referrals for other medically necessary care. Care management offered under the waiver enhances care while reducing costs by minimizing ineffective or inappropriate medical care. The waiver is operated in all 56 counties.

Team Care

Team Care is a program which reduces inappropriate or excessive utilization of healthcare services including overutilization of hospital emergency rooms. Members are identified for Team Care through claim reviews, provider referrals, and Drug Utilization Review Board referrals. Individuals are enrolled in Team Care for at least twelve months and are assigned to one pharmacy and one medical provider. Approximately 140 Medicaid and HMK Plus members are currently enrolled in the Team Care program.

Healthy Montana Kids

The Healthy Montana Kids (HMK) program was created in 2008. HMK provides health care coverage to Montana children with family incomes at or below 261 percent of the FPL. Medical coverage is provided through a contract with Blue Cross Blue Shield of Montana.

Coverage includes physician visits, well-child checkups, routine physicals, hospital inpatient and outpatient services, emergency visits, hearing and vision screenings, dental services, prescription drugs, and behavioral health services.

PERINATAL BEHAVIORAL HEALTH PROGRAM

In September 2018, DPHHS, in partnership with the Montana Healthcare Foundation, was awarded a five-year Maternal Depression and Related Behavioral Disorders (MDRBD) HRSA grant to implement the Montana Meadowlark Initiative, which was previously known as the Perinatal Behavioral Health Initiative. This initiative implements an integrated behavioral health model into obstetric practices throughout Montana. The model aims to improve access to timely care, build

health system capacity, and improve health outcomes for Montana's pregnant and postpartum mothers experiencing behavioral health issues, and their children. The project focuses on supporting providers in rural and underserved regions in the state.

The other major component of the HRSA MDRBD grant is a statewide psychiatric teleconsultation line for communities, PRISM for Moms, used in two ways:

- To provide psychiatric consultation to obstetric/behavioral health teams when needed in regions that have not yet established a local integrated care team; and
- To provide monthly provider trainings on areas pertinent to the local providers.

BIG SKY RX PROGRAM

Seniors in Montana can get help with the cost of prescription drugs through the Big Sky Rx program. Each year, over 9,700 seniors use this program to help pay their Medicare Part D premium. Individuals who are enrolled in Medicare Part D and have a family income at or below 200% of the FPL can receive monthly premium assistance.

INDIAN HEALTH SERVICE

As part of the HRD's commitment to improving and protecting the health, well-being, and self-reliance of all Montanans, the Indian Health Service and Tribal Programs Section was established. Staff in this section work with Tribal Self-Determination Programs, the Indian Health Service, and Urban Indian Organizations to address the health disparities that are experienced in the American Indian population across Montana. This section specializes in Medicaid policies, regulations, consultations, and administering Medicaid services, prevention programs, and any assigned special projects that seek to address health care for the American Indian populations.

Urban Indian Organizations

There are five Urban Indian Organizations in Montana, located in Billings, Butte, Great Falls, Helena, and Missoula. These facilities provide a variety of health care services to American Indian populations living in urban communities. Depending on the location, services can vary and often include primary health care, behavioral health, and vaccinations.

Tribal Health Improvement Program (T-HIP)

To improve health outcomes DPHHS, in partnership with Tribal Governments and the Centers for Medicare & Medicaid Services (CMS), created an opportunity for Tribal Health programs to build and operate a health promotion program. The unique program has a focused effort on prevention, increasing access to healthcare, and developing and implementing culturally based activities that are relevant to tribal members and their communities. This structured program is designed to enhance communication with Medicaid members with chronic illnesses who face a higher risk of disease and addresses the high health disparities across tribal communities in the Medicaid and general population.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2023 BIENNIUM

WAIVER APPROVALS

- The 1915(b) waiver received a 2-year extension approval from CMS to continue the Passport to Health and Team Care Primary Care Case Management programs, as well as the Tribal Health Improvement program.
- The HELP Waiver amendment to remove continuous eligibility was approved.
- The Waiver for Additional Services and Populations (WASP) amendment to remove continuous eligibility was approved.
- The WASP's new Evaluation Design to evaluate the effectiveness of the waiver was submitted and approved.

PERINATAL BEHAVIORAL HEALTH PROGRAM

- PRISM for Moms was launched in five Meadowlark sites in February 2021 and made available statewide in May 2021. The teleconsultation line has provided approximately 100 consultations to support providers treating pregnant and postpartum women.
- A success story from Montana's HRSA funded PRISM for Moms psychiatric teleconsultation line was used during a federal committee meeting requesting reauthorization of HRSA funds:

“One example of the impact of the program is the story of a pregnant, Native American woman from a Montana reservation who went to a satellite site of a large hospital system to seek prenatal care. Her midwife noticed that the patient presented with symptoms of psychosis and was not receiving medication or therapy. The patient lived in a part of the reservation that does not have cell service or internet, so the only time the patient could seek telehealth services was when she was at the satellite clinic. The midwife called the Montana Screening and Treatment for Maternal Depression program, which is called PRISM for Moms, in order for the patient to be seen by the perinatal psychiatrist. The psychiatrist was able to see the patient that day and made medication recommendations. The psychiatrist also talked with the midwife about options to get the patient to see a mental health provider regularly. If this midwife did not have access to Montana's teleconsultation line, she likely would have referred the patient to a prescribing provider in Billings (the largest city in the state), a two-hour drive from the reservation.”
- Montana was awarded additional funding to support data tracking and evaluation activities in the HRSA grant.

URBAN INDIAN ORGANIZATIONS

- The Montana Department of Health and Human Services worked with the Montana Urban Indian Health Organizations to draft and submit a Disaster Relief State Plan Amendment (SPA). The Disaster Relief SPA was submitted to help address the acute health disparities experienced by American Indian/Alaska Natives living in Urban areas that was exacerbated by the Public Health Emergency. The Disaster Relief SPA applies an incremental increase to the current Urban Indian Organizations (UIO) Prospective Payment System (PPS) rates through the duration of the PHE.
- Created a Tribal Health Section to work with Tribes and Indian Urban Organizations on complex tribal billing and policy changes. This section not only serves as the experts for the Health Resources Division but also helps other divisions of DPHHS understand Medicaid in Tribal communities.

EFFICIENCIES AND COST SAVINGS

HEALTHY MONTANA KIDS/CHIP

The Healthy Montana Kids (HMK) program removed the Extended Mental Health prior approval requirement. This reduced the administrative burden on Department resources and aligned with the current Medicaid process, it is also one less hurdle for HMK participants attempting to receive needed outpatient behavioral health services.

PLAN FIRST WAIVER

The Plan First Waiver application system was fully integrated into the CHIMES system on January 1, 2021, for more efficient application processing and reduced administrative burden on Department resources.

NURSE ADVICE LINE

HRD ended the Nurse Advice Line contract and services on April 1, 2022, due to decreased utilization and the current contractor exiting the nurse advice line marketplace. This will be an estimated annual cost reduction of \$85,500. Montana Healthcare Program members were notified of this change and instructed to pose any questions or concerns regarding their health to their primary care provider or to contact 911 for emergencies.

BIG SKY RX

HRD developed an online application to replace the paper process. This has helped to eliminate administrative burden on the program.

FUNDING AND FTE INFORMATION

| Health Resources | FY 2022 Budget | FY 2023 Budget |
|---------------------|------------------------|------------------------|
| FTE | 41.62 | 41.62 |
| Personal Services | \$3,320,439 | \$3,467,840 |
| Operating Expenses | \$15,777,810 | \$16,166,055 |
| Benefits and Claims | \$1,502,795,365 | \$1,476,467,911 |
| Transfers | \$2,044,964 | \$0 |
| Debt Services | \$5,679 | \$2,874 |
| TOTAL COSTS | \$1,523,944,257 | \$1,496,104,680 |
| | FY 2022 Budget | FY 2023 Budget |
| General Fund | \$180,089,420 | \$208,259,993 |
| State Special | \$137,159,417 | \$128,930,318 |
| Federal Funds | \$1,206,695,420 | \$1,158,914,369 |
| TOTAL FUNDS | \$1,523,944,257 | \$1,496,104,680 |

