

A young child with curly hair is eating a red apple. The child is looking directly at the camera with a slight smile. The background is white. The image is framed by a blue geometric design on the right side.

Department of Health Hospitals Agency 306 – Medical Vendor Payments

Louisiana Senate Finance Committee, October 26, 2015

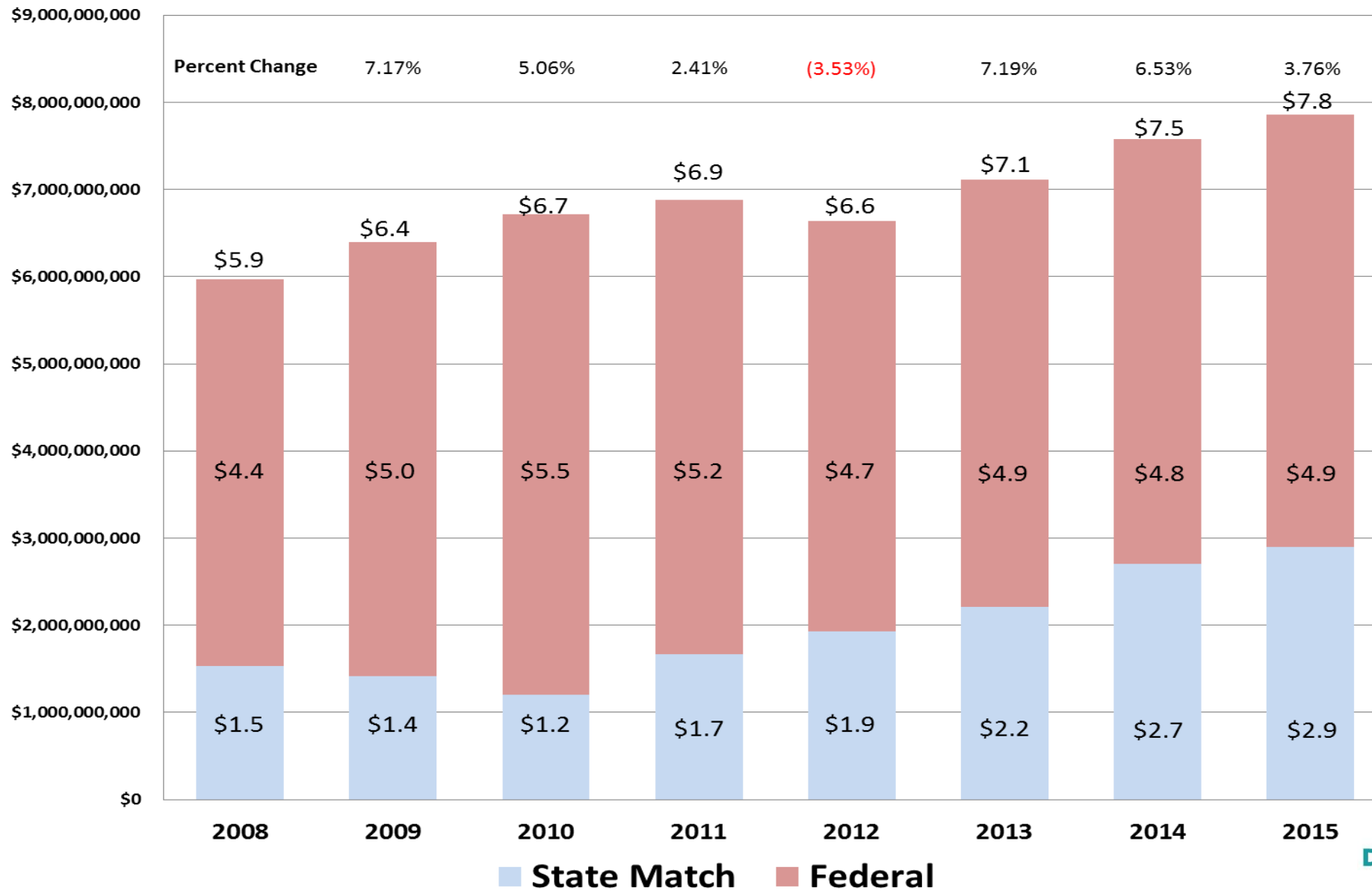
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Agenda

1. Long-Term Cost Drivers
2. Historic Provider Rate Reductions
3. Current Year Cost Drivers
4. Mandatory/Optional Programs and Populations
5. Questions



Agency 306 – Total Expenditures for Last 8 Years



Long-Term Cost Drivers in Agency 306 - MVP

Comparing SFY 2008 to SFY 2015

	SFY 2008	SFY 2015	Change	Percent Δ
FMAP Rate	72.47%	62.06%	-10.41%	-14.4%
Enrollment	1,056,016	1,385,957	329,941	31.2%
Part D Premiums	\$73.7	\$118.7	\$45.0	61.1%
Part A & B Prem	\$210.3	\$277.6	\$67.3	32.0%
Waivers	\$407.1	\$592.1	\$185.0	45.4%
Nursing Homes	\$692.3	\$943.3	\$251.0	36.3%
Supplemental Pmts (Hospitals, Physicians & Ambulances)	\$0.0	\$736.5	\$736.5	N/A
UCC/DSH LINCCA	\$0.0	\$116.1	\$116.1	N/A

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Provider Rate Reductions

Cumulative Reductions Since 2008

Adult Dentures	3.70%	(\$152,171)
Ambulatory Surgical Clinics	11.10%	(\$163,400)
Case Management Services	3.70%	(\$345,049)
Durable Medical Equipment	12.70%	(\$810,284)
EPSDT (Screening and Early Diagnosis)	5.70%	(\$10,002,359)
Early Steps	0.00%	(\$225,665)
Family Planning	5.70%	(\$539,687)
Federal Qualified Health Centers	3.40%	(\$7,534)
Hemodialysis Services	10.70%	(\$1,419,461)
Home Health Services	13.70%	(\$1,634,126)
Hospice Services	0.00%	(\$1,443,070)
Hospital - Inpatient Services	21.70%	(\$78,841,076)
Hospital - Outpatient Services	16.70%	(\$21,818,799)
ICF-DD Community Homes	9.50%	(\$9,156,912)
Laboratory and X-Ray Services	14.82%	(\$7,673,333)
LT-PCS	12.60%	(\$20,626,859)
Mental Health - Inpatient Services	5.80%	(\$958,395)
Mental Health Rehabilitations	4.92%	(\$2,659,054)
Nursing Homes	17.50%	(\$69,512,945)
PACE	5.09%	(\$668,117)
Pharmaceutical Products and Services	0.00%	(\$32,436,980)
Physician Services	3.40%	(\$29,496,635)
Transportation: Emergency-Ambulance	53.25%	(\$3,550,246)
Transportation: Non-Emergency-Ambulance	7.00%	(\$634,257)
Transportation: Non-Emergency-Non-Amb	10.30%	(\$330,876)
Waiver: Adult Day Health	0.00%	(\$273,992)
Waiver: Children's Choice	4.75%	(\$673,362)
Waiver: EDA/Community Choice	0.00%	(\$3,943,323)
Waiver: Family Planning	8.70%	(\$564,545)
Waiver: NOW DD-Community Services	0.00%	(\$22,267,055)
Waiver: Residential Options (ROW)	0.00%	(\$96,765)
Waiver: Supports	5.35%	(\$711,375)
Other Private Providers	3.70%	(\$318,866)
Totals		(\$323,956,573)

Current-Year Cost Drivers

- ▶ Bayou Health enrollment growth: in the last year family and children have increased by 76,130
 - 9.6% increase in this eligibility group
- ▶ Medicare Part B premiums are scheduled to increase from \$104.90 to \$159.30 on January 1, 2016
 - 52% increase in these premiums
- ▶ Utilization increases
 - Pharmacy program – average acquisition cost (ACC)
- ▶ Annualization of home- and community-based waivers

Mandatory Programs and Populations

Private and Public Programs: Mandatory Services for Mandatory Populations

<u>Category of Service</u>	<u>State \$</u>	<u>Other Match</u>	<u>Fed \$</u>	<u>Total \$</u>
Inpatient Hospital	\$153.1	\$92.3	\$576.5	\$821.9
Nursing Home	\$54.4	\$0.7	\$93.2	\$148.3
Physician	\$174.9	\$0.0	\$323.9	\$498.8
Outpatient Hospital	\$179.9	\$0.0	\$304.1	\$484.0
Lab & X-Ray	\$31.1	\$0.0	\$52.7	\$83.8
Rural Health Centers	\$19.9	\$0.0	\$33.6	\$53.5
Medical Transportation	\$22.0	\$0.0	\$37.3	\$59.3
Pharmacy (Children) including rebates	\$104.2	\$9.1	\$191.6	\$304.9
Home Health	\$8.9	\$0.0	\$15.1	\$24.0
Federally Qualified Health Center	\$22.5	\$0.0	\$38.1	\$60.6
Durable Medical Equipment	\$7.0	\$0.0	\$11.8	\$18.8
Family Planning	\$1.8	\$0.0	\$15.9	\$17.7
Adult Dental	\$1.0	\$0.0	\$1.6	\$2.6
Early Step Therapies	\$2.1	\$0.0	\$3.6	\$5.7
EPSDT	\$74.1	\$2.0	\$128.7	\$204.8
Case Management	\$1.9	\$0.0	\$3.2	\$5.1
Physical and Occupational Therapies	\$0.1	\$0.0	\$0.1	\$0.2
Specialized Behavioral Health	\$40.5	\$16.2	\$95.8	\$152.5
Applied Behavioral Analysis	\$7.4	\$0.0	\$12.6	\$20.0
Totals:	\$906.8	\$120.3	\$1,939.4	\$2,966.5

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Optional Programs

Private and Public Programs: Optional Services for Mandatory & Optional Populations

Category of Service	State \$	Other Match	Fed \$	Total \$
Pediatric Day Health Care	\$7.8	\$0.0	\$13.2	\$21.0
Hospice	\$21.8	\$0.0	\$36.9	\$58.7
Children's Choice Waiver	\$4.8	\$0.0	\$8.1	\$12.9
Adult Day HealthCare Waiver	\$3.9	\$0.0	\$6.7	\$10.6
Residential Options Waiver	\$0.5	\$0.0	\$0.9	\$1.4
PACE	\$4.8	\$0.0	\$8.2	\$13.0
Supports Waiver	\$5.5	\$0.0	\$8.8	\$14.3
LT-PCS	\$71.8	\$0.0	\$121.4	\$193.2
Community Choice Waiver	\$40.5	\$0.1	\$69.0	\$109.6
ICF/DD	\$72.2	\$25.9	\$166.0	\$264.1
NOW Waiver	\$158.1	\$0.1	\$267.5	\$425.7
Ambulatory Surgical Center	\$9.2	\$0.0	\$15.6	\$24.8
Hemodialysis	\$13.1	\$0.0	\$22.1	\$35.2
Inpatient Mental	\$31.1	\$0.0	\$52.6	\$83.7
Adult Pharmacy; including rebates	\$151.9	\$0.0	\$256.9	\$408.8
Totals:	\$597.0	\$26.1	\$1,053.9	\$1,677.0

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Optional Populations

Private and Public Programs: Optional Populations

Category of Service	State \$	Other Match	Fed \$	Total \$
Medically Needy Spenddown	\$16.9	\$0.0	\$28.6	\$45.5
Medically Needy LTC Spenddown	\$1.1	\$0.0	\$1.8	\$2.9
Medically Needy Regular	\$0.3	\$0.0	\$0.6	\$0.9
Provisional Medicaid	\$24.5	\$0.0	\$41.5	\$66.0
Medicaid Purchase Plan	\$6.2	\$0.0	\$10.6	\$16.8
Family Planning State Plan	\$1.4	\$0.0	\$12.8	\$14.2
LTC Special Income	\$236.8	\$92.4	\$556.8	\$886.0
Breast and Cervical Cancer	\$4.5	\$0.0	\$12.5	\$17.0
Totals:	\$291.7	\$92.4	\$665.2	\$1,049.3

Optional Supplemental Pmts to Hospitals, Ambulances & Physicians

Private and Public Programs: Supplemental Payments

Category of Service	State \$	Other Match	Fed \$	Total \$
High Medicaid UPL Pool	\$0.4	\$0.0	\$0.6	\$1.0
Lallie Kemp LINCCA	\$2.0	\$3.3	\$0.0	\$5.3
Rural Health Clinic Cost Reports	\$0.5	\$0.0	\$0.8	\$1.3
In Patient Major Teaching Hospital Payments	\$0.1	\$0.0	\$0.2	\$0.3
In-Patient Graduate Medical Education	\$4.6	\$0.0	\$7.5	\$12.1
Private Partner Upper Payment Limit	\$7.2	\$0.0	\$11.8	\$19.0
Private Partner LINCCA UPL Payments	\$1.9	\$0.0	\$3.1	\$5.0
Full Medicaid Pricing	\$104.8	\$79.3	\$365.7	\$549.8
Non-State Non-Rural UPL	\$0.0	\$12.3	\$20.3	\$32.6
Hospital Based Physician UPL	\$0.0	\$11.4	\$18.6	\$30.0
Ambulance UPL	\$0.0	\$10.9	\$18.0	\$28.9
LINCCA UPL Program	\$0.0	\$10.7	\$17.5	\$28.2
Totals:	\$121.5	\$127.9	\$464.1	\$713.5

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Mandatory Medicare Buy-In Programs

Medicare Buy-In Premiums

<u>Category of Service</u>	<u>State \$</u>	<u>Other Match</u>	<u>Fed \$</u>	<u>Total \$</u>
Medicare Part A & B Premiums	\$99.6	\$0.0	\$188.5	\$288.1
Part D Premiums	\$139.0	\$0.0	\$0.0	\$139.0
Optional State Supplemental Payments	\$0.4	\$0.0	\$0.0	\$0.4
Electronic Health Records	\$0.0	\$0.0	\$113.3	\$113.3
Totals:	\$239.0	\$0.0	\$301.8	\$540.8

Optional Uncompensated Care Programs

UCC/DSH Program

Category of Service	State \$	Other Match	Fed \$	Total \$
UCC DSH to OBH Free Standing Psych Units	\$21.0	\$0.0	\$35.0	\$56.0
OBH Public/Private Partnership UCC/DSH	\$5.6	\$0.0	\$9.1	\$14.7
High Medicaid DSH Pool	\$0.4	\$0.0	\$0.6	\$1.0
UCC DSH to Public Hospital	\$10.1	\$0.0	\$16.6	\$26.7
UCC DSH to Public/Private Partner Hospitals	\$268.3	\$14.0	\$464.7	\$747.0
UCC/DSH LINCCA Program	\$0.0	\$37.7	\$93.3	\$131.0
GNOCHC 1115 Waiver	\$0.0	\$8.0	\$13.2	\$21.2
Totals:	\$305.4	\$59.7	\$632.5	\$997.6

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Questions

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