

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0497-01
Bill No.: SB 230
Subject: Medicaid; Health Care; Social Services Department; Health Department; Mental Health Department
Type: Original
Date: February 4, 2015

Bill Summary: This proposal modifies provisions relating to the MO HealthNet program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
Total Estimated Net Effect on General Revenue	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will prepare an updated fiscal note and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight assumes this proposal will have an Unknown, greater than \$100,000 annual cost to the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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GENERAL REVENUE FUND

Costs - Various State Agencies

Implementation of MO HealthNet Program changes	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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**ESTIMATED NET EFFECT ON THE
GENERAL REVENUE FUND**

<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

NOTIFICATION TO SPENDDOWN PARTICIPANTS (Section 208.151.7)

Under this proposal the Department of Social Services shall notify any potential exchange-eligible participant who may be eligible for services due to spenddown that the participant may qualify for more cost-effective private insurance and federal premium tax credits available through the purchase of a health insurance plan in a health care exchange and the benefits that would be potentially covered under the insurance.

LICENSED PROFESSIONAL COUNSELORS (Section 208.152.12)

This proposal provides that Licensed professional counselors (LPCs) and provisional LPCs may provide MO HealthNet behavioral health services to adults age twenty-one and older in a federally qualified health center setting.

ASSESSMENTS FOR DRUG AND ALCOHOL TREATMENT AND JUVENILE COURT SERVICES (Section 208.186)

Assessments for drug and alcohol treatment shall be made to MO HealthNet participants when drugs or alcohol were contributing factors to any crimes or to any child abuse and neglect allegations. Recommendations of the treatment provider may be used by the court in sentencing or rendering a disposition.

HEALTH CARE ACCESS IN LOW-INCOME PUBLIC SCHOOLS (Section 208.661)

The Department shall develop incentive programs, submit state plan amendments, and apply for necessary waivers to permit rural health clinics, federally-qualified health centers, or other primary care practices to co-locate on the property of public elementary and secondary schools with 75% or more students who are eligible for free or reduced-price lunch. The proposal details the prohibitions on such clinics as well as the parental consent required.

TELEHEALTH (Section 208.670)

This proposal requires the Department of Social Services to promulgate rules regarding MO HealthNet telehealth to allow for out-of-state health care providers and hospitalists to use telehealth services to address access to care.

FISCAL DESCRIPTION (continued)

JOINT COMMITTEE ON MO HEALTHNET (Section 208.952)

This proposal amends the Joint Committee on MO HealthNet to have as its purpose of study the efficacy of the program as well as the resources needed to continue and improve the MO HealthNet program over time. The committee shall receive and obtain information from the departments of Social Services, Mental Health, Health and Senior Services and Elementary and Secondary Education as applicable, regarding the projected budget of the entire MO HealthNet program including projected MO HealthNet enrollment growth, categorized by population and geographic area.

The committee shall meet at least twice a year. The committee is authorized to hire an employee or enter into employment contracts. The compensation of such personnel and the expenses of the committee shall be paid from the joint contingent fund or jointly from the senate and house contingent funds until an appropriation can be made. The committee may also hire or contract for an executive director to conduct investigations to fulfill the duties of the committee.

HEALTH CARE HOMES (208.997)

By July 1, 2018, the MO HealthNet Division shall implement the Health Care Homes Program as a provider-directed care coordination program for MO HealthNet participants who shall be transitioned from the fee-for-service program to a coordinated care organization. The program must provide payment to primary care clinics for care coordination for individuals deemed medically frail. Clinics must meet certain specified criteria, including the capacity to develop care plans; a dedicated care coordinator; an adequate number of clients, evaluation mechanisms, and quality improvement processes to qualify for reimbursement; and the capability to maintain and use a disease registry.

CURRENT MANAGED CARE POPULATION EXTENDED STATEWIDE (208.998)

The Department of Social Services shall seek a state plan amendment to extend the current MO HealthNet managed care program statewide no earlier than January 1, 2016, and no later than July 1, 2016, for all eligibility groups currently enrolled in a managed care plan as of January 1, 2015. Such eligibility groups shall receive covered services through health plans offered by managed care entities which are authorized by the Department.

The health plans must resemble commercially available health plans while complying with federal Medicaid Program requirements as authorized by federal law or through a federal waiver. The plans must include cost sharing for out-patient services to the maximum extent allowed by federal law and may include other co-payments and provide incentives that encourage and reward the prudent use of the health benefit provided. In addition, the plans must encourage access to care through provider rates that include pay-for-performance and are comparable to commercial rates.

FISCAL DESCRIPTION (continued)

The managed care health plans shall also require all MO HealthNet managed care plans to provide coverage for ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance abuse treatment, including behavioral health treatment; prescription drugs; habilitative services and devices; laboratory services; preventive and wellness care, and chronic disease management; pediatric services, including oral and vision care; case management; and preventive services and any other services required by federal law.

The health plans shall also provide a high-deductible health plan option. Such high deductible health plan must include coverage for benefits as specified by Department rule after meeting a \$1,000 deductible; an account, funded by the Department, of at least \$1,000 per adult to pay the medical costs for the initial deductible; preventive care, as defined by Department rule, that is not subject to the deductible and does not require a payment of money from the account.

The managed care health plans shall also offer all participants with chronic conditions, as specified by the Department, an option to be included in an incentive program for MO HealthNet participants who obtain specified primary care and preventive services and who participate or refrain from specified activities to improve the participant's overall health.

A MO HealthNet participant is eligible to participate in only one of either the high deductible health plan or the incentive program for chronic conditions.

URGENT CARE CLINICS (208.999)

Subject to appropriations, the Department of Social Services shall develop incentive programs to encourage the construction and operation of urgent care clinics that operate outside normal business hours and are located in or adjoined to emergency room facilities that receive a high proportion of patients who are participating in MO HealthNet to the extent that the incentives are eligible for federal matching funds.

MANAGED CARE DATA AND NETWORK ADEQUACY REQUIREMENTS (208.1500)

This proposal requires managed care organizations to provide to the Department of Social Services, and the Department to publicly report, certain information regarding medical loss ratios, total payments to the managed care organization in any form, provider compensation rates, service utilization information, data regarding complaints, grievances and appeals, quality measurements and consumer satisfaction.

FISCAL DESCRIPTION (continued)

CURRENT FEE-FOR-SERVICE POPULATION MOVED TO ACCOUNTABLE CARE ORGANIZATIONS (208.1503)

Beginning July 1, 2019, participants in the MO HealthNet fee-for-service program as of January 1, 2015, shall begin enrollment in regionally-based or statewide coordinated care organizations except for those participants transitioning to the MO HealthNet managed care program, those residing in skilled nursing facilities, and those with developmental disabilities receiving state plan services or home- and community-based services through a waiver administered by the Department of Mental Health. A "Coordinated care organization" or "CCO" shall mean an organization of health care providers, including health care homes, that agrees to be accountable for the quality, cost, and overall care of a defined group of MO HealthNet participants. The regional CCOs shall be reimbursed through a global payment methodology developed by the department. Participants under a CCO shall be placed in a health care home.

The Department shall also advance the development of systems of care for medically complex children who are recipients of MO HealthNet benefits by accepting cost-effective regional proposals from and contracting with appropriate pediatric care networks, pediatric centers for excellence, and medical homes for children to provide MO HealthNet benefits when the Department determines it is cost effective to do so. Such entities shall be treated as coordinated care organizations.

The proposal requires the Departments of Social Services, Health and Senior Services and Mental Health and the Division of Budget and Planning to jointly conduct a study on the feasibility, practical implications and risks of integrating all of the aged, blind and disabled population, including Medicare and Medicaid dual eligibles, skilled nursing facility, health home, home-and community-based waiver and Department of Mental Health waiver populations into the coordinated care organization model established under this proposal.

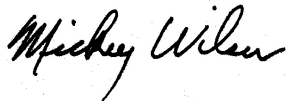
PRIVATE INSURANCE PREMIUM SUBSIDY (208.1506)

Beginning July 1, 2016, any MO HealthNet participant who elects to receive medical coverage through a private health insurance plan instead of through the MO HealthNet program shall be eligible for a private insurance premium subsidy to assist the participant in paying the costs of such private insurance if it is determined to be cost effective by the Department. The subsidy shall be provided on a sliding scale based on income, with a graduated reduction in subsidy over a period of time not to exceed two years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION



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February 4, 2015

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