"Received-through Policy:" Maximizing Federal Funding

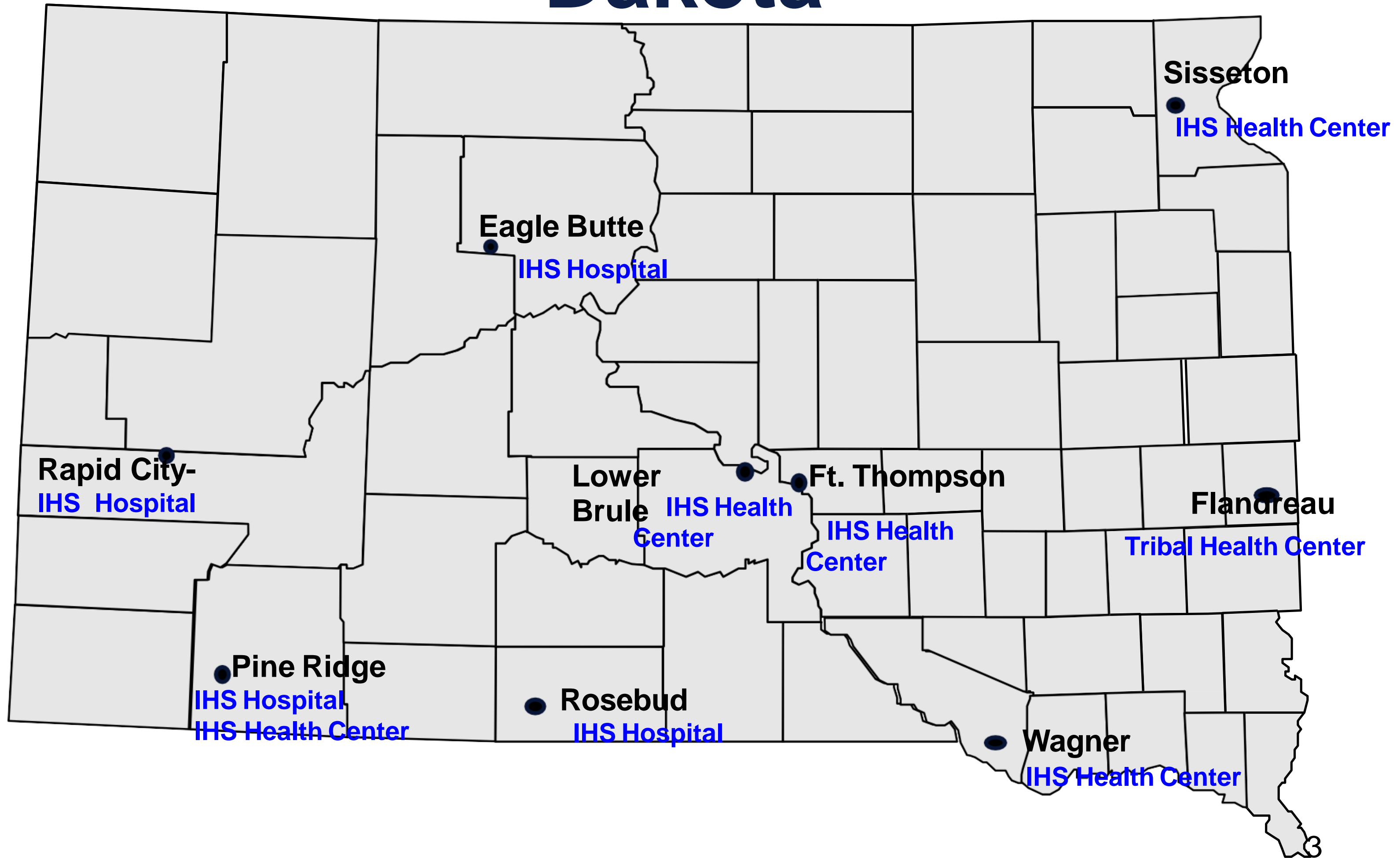
IHS and 100% FMAP

- People can be eligible for IHS **and** also Medicaid eligible.
  - When an American Indian is Medicaid eligible and gets services through an IHS Facility, IHS bills Medicaid, and the federal government pays 100%.
  - When an American Indian is Medicaid eligible and gets services outside IHS, the non-IHS provider bills Medicaid and the federal government pays about 55%, and the state pays the balance.

100% Federal

55% Federal 45% State

Primary IHS Facilities in South Dakota



Federal Policy Change

- February 2016: Health and Human Services changed national **Medicaid funding policy** to cover more services for IHS eligibles with 100% federal funds.
  - More services now considered eligible through IHS.
  - Participation by individuals and providers must be voluntary.
  - Services outside IHS must be provided via written care coordination agreement.
  - IHS must maintain responsibility for the patient’s care.
  - Provider must share medical records with IHS.

Federal Policy Implementation

- **Providers:**
  - Sign care coordination agreements with IHS;
  - Share medical records with IHS.
- **IHS:**
  - Sign care coordination agreements with providers;
  - Maintain responsibility for patient care;
  - Accept medical records.
- **State:**
  - Track care coordination agreement status and ensure appropriate billing.

Federal Policy Implementation

- With savings, will accomplish the following in SFY19:
  - Address service gaps in Medicaid program
  - Share savings with participating providers
  - Increase rates for Medicaid providers

Federal Policy Implementation

- Start with Administrative and Referred Care
  - Target six largest providers: three Systems, three Dialysis providers and some administrative services (transportation, prescription drugs).
  - Use savings to support provider participation and reinvest in health care.

Federal Policy Implementation

- Shared Savings payments will be calculated on an annual basis to give providers the opportunity to maximize shared savings payment.
- Savings are shared at equal percentages between I.H.S. and the provider.
- Payment to providers in the form of an annual payment.
- Payment calculated at the health system or organization level to maximize opportunity.

Federal Policy Implementation

State Savings Amount	$0 - $500,000	$500,001 - $1,000,000	>$1,000,000
% Shared	5%	10%	15%

- Example: Regional Health (using FY17 actuals/FY18 FMAP)
- $1,122,026 general fund savings for a 12 month period
- $1,122,026 x 15% =

$168,304 gen funds
$ 205,704 fed funds
$ 374,008 total funds (Regional)

$168,304 gen funds (IHS)

Federal Policy Implementation

Increase rates for Medicaid providers - $2.7m general in SFY19

- Community-based providers to 90% of costs
- Complete Governor's three year plan
- Increases for assisted living, in-home services, emergency transportation, group care, outpatient psychiatric services

- http://boardsandcommissions.sd.gov/
- Health Care Solutions Coalition, South Dakota
- Community-Based Providers Shared Savings Workgroup