



Senate Bill 2012

House Appropriations Committee
Representative Vigesaa, Chairman

Medicaid and Long-Term Care | Krista Fremming, Interim Director,
Medical Services | March 2, 2023

NORTH
Dakota
Be Legendary.

Health & Human Services

HHS Goal: Help ND become the healthiest state in the nation

We'll focus on three actions to accomplish this:

Invest in the
FOUNDATIONS
of well-being



Economic
Health



Behavioral
Health



Physical
Health

Ensure everyone has the
opportunity to realize
their **POTENTIAL**



Strong, Stable
Families



Services Closer
to Home



Early Childhood
Experiences

Efficiency
Through
Redesign

High-
Performing
Team

Give everyone the
OPPORTUNITY to
decide to:



Be Healthy



Be Active



Find & Prevent
Disease Early

Presentation roadmap

- Who we serve
- Differences between fee-for-service Medicaid and Medicaid Expansion
- Improving the lives of North Dakotans:
 - 2021-2023 Accomplishments
 - Current and future challenges
- 2023-2025 budget requirements

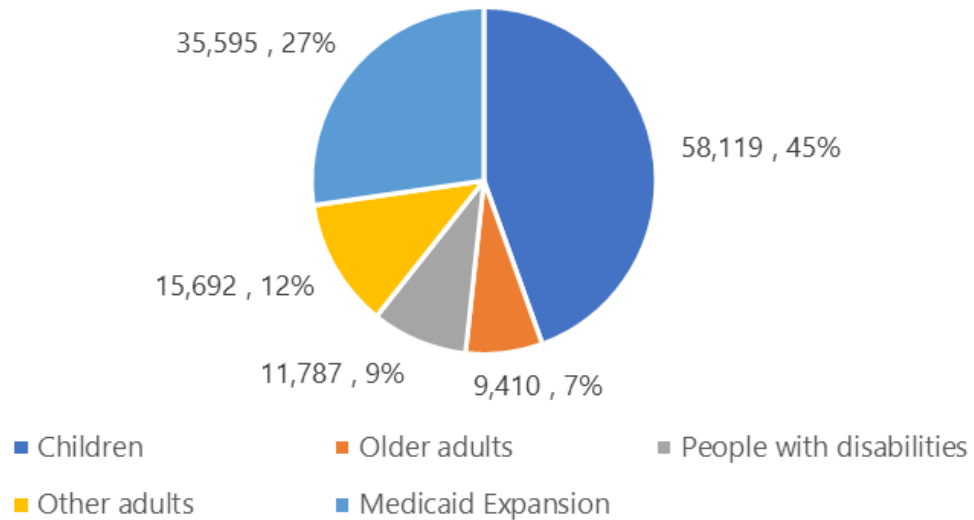


Who we serve

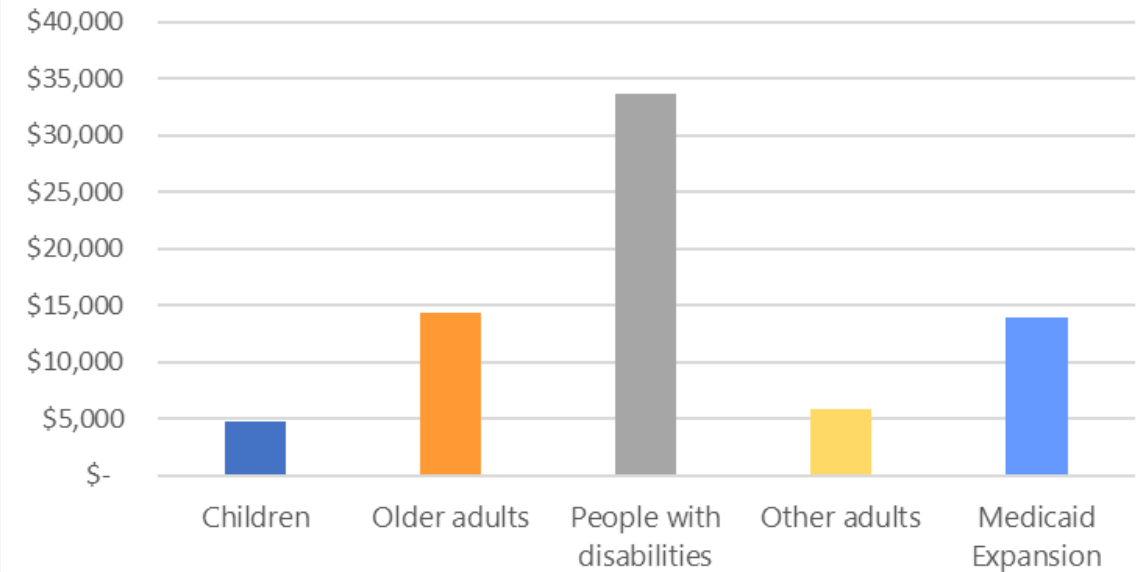
Medicaid members are our friends, family and neighbors. Medicaid provides health care coverage for low-income families, children, pregnant women, people with disabilities, older adults and other low-income adults.

Who is covered by ND Medicaid?

Who is covered by ND Medicaid?



Annual Per Capita Expenditures





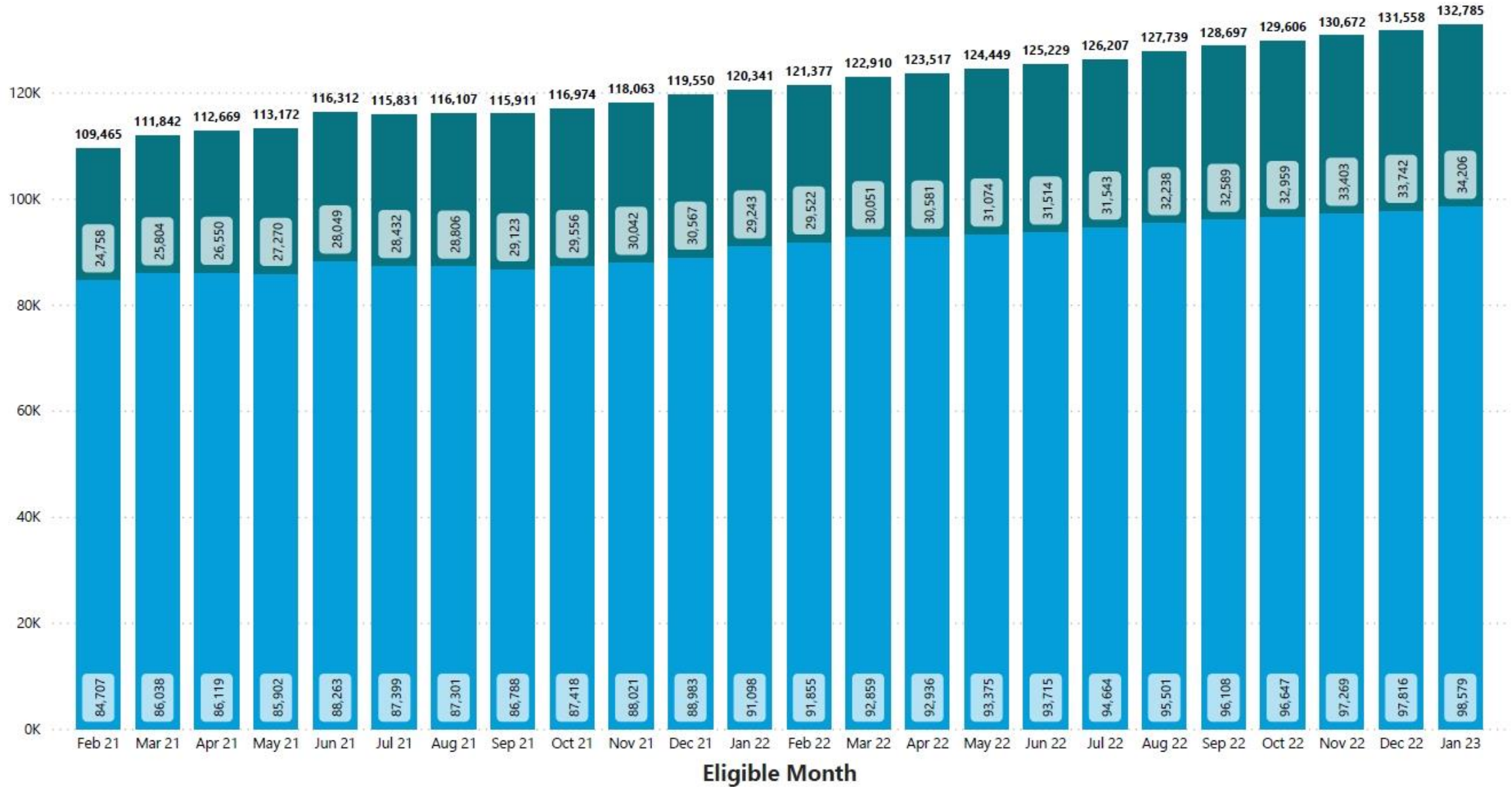
Faces of Medicaid

Faces of Medicaid was born out of a need to help North Dakotans understand who the ND Medicaid program serves and its life-changing impact.

- [Cuwe's Story](#)
- [Raya's Story](#)
- [Colin's Story](#)
- [Sandy's Story](#)

Medicaid Eligibles (previous 24 months)

● Traditional Medicaid ● Medicaid Expansion



How we pay – differences between Traditional Medicaid and Medicaid Expansion

Traditional Medicaid (fee for service)

State pays providers directly for each covered service received by a Medicaid member.

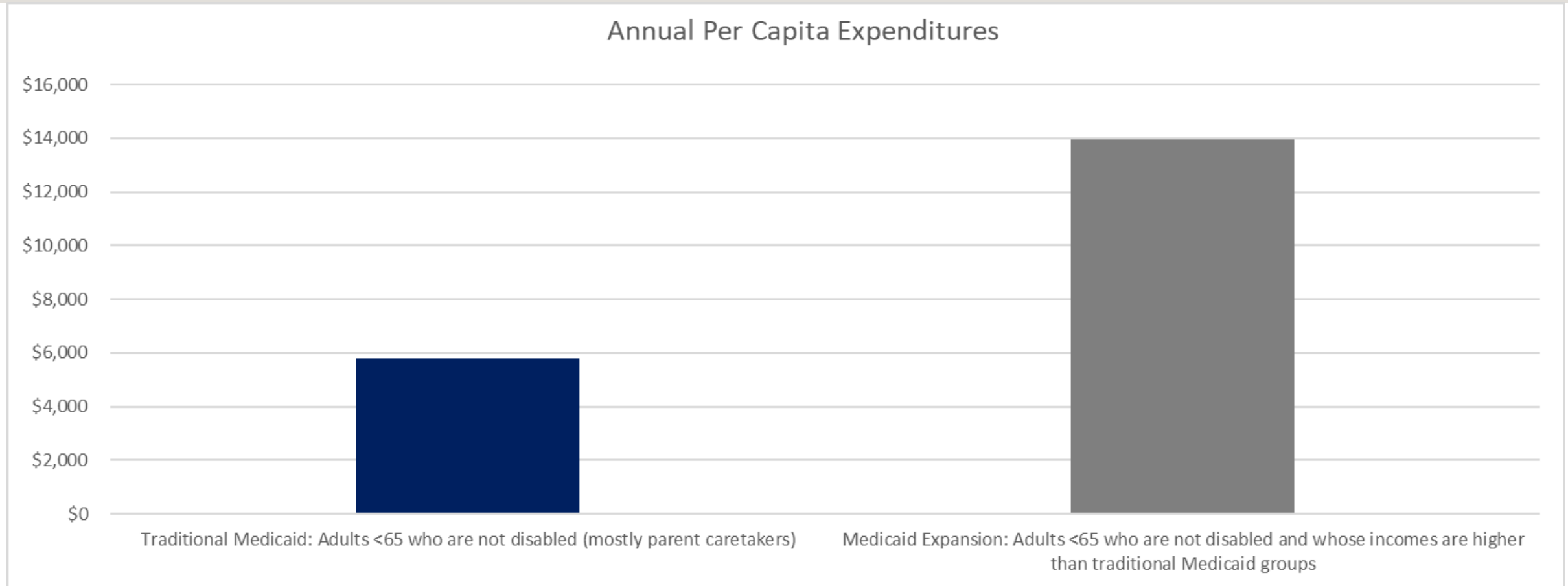
Only pay for services received by members.

Medicaid Expansion

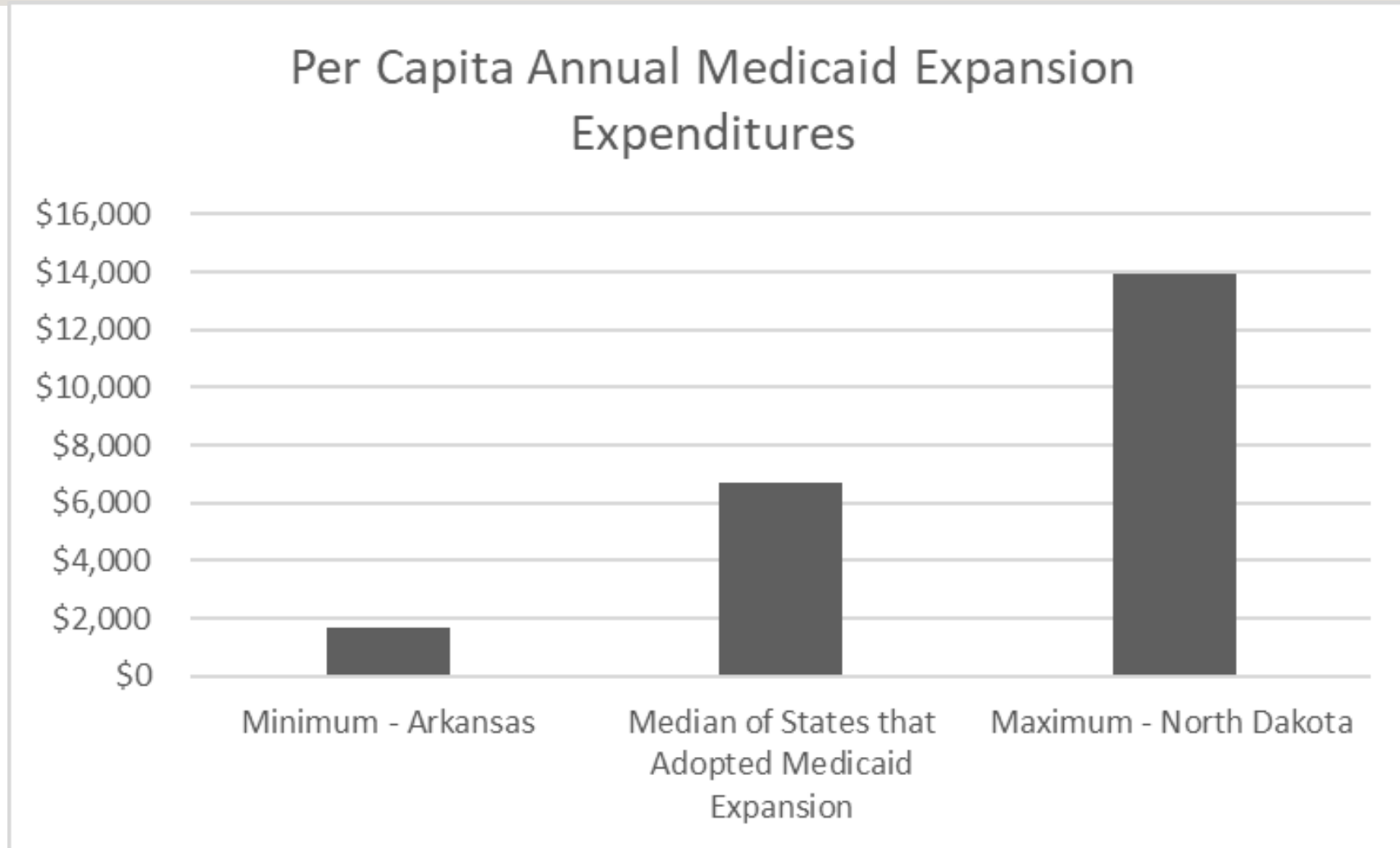
State pays a monthly fee (called a premium or capitation payment) to the managed care organization (MCO).

Monthly fee is paid to MCO regardless of member use of services.

Per Capita Expenditures – Comparison Between Traditional Medicaid and Medicaid Expansion



Per Capita Expenditures for Medicaid Expansion – Across States



21-23 Accomplishments



Design of value-based purchasing programs for Prospective Payment System (PPS) hospital systems and nursing facilities



Medicaid Expansion – new managed care organization (Blue Cross Blue Shield of ND); includes value-based payment program



Big steps towards modernization of the Medicaid Management Information System (MMIS)




Extension of postpartum Medicaid coverage for new mothers

Current and Future Challenges

- Medicaid continuous coverage requirement since March 2020; ends March 31, 2023.
- No state has ever had to redetermine eligibility for this many members in a single year.
- Federal government rulemaking will impact Medicaid – eligibility and managed care rule updates expected in 2023.
- Finding ways to effectively control cost growth.

Why Value-Based Purchasing?

 Accountability

 Providers focus on keeping members healthy and eliminating unnecessary procedures

 Maximize benefits to members

 Rewards based on health outcomes and healthier members

 Stable, predictable revenue for providers

Value-Based Purchasing Concepts

Improve the quality and value of health care services provided

Provide comprehensive care coordination across the entire delivery system

Improve health outcomes by rewarding high-quality, evidence-based health care

Create a combination of incentives to encourage better health care decision making by tying compensation to certain performance measures

Alternative Payment Model Framework

The Health Care Payment Learning and Action Network, a public-private network which was created to drive aligned payment reform, is taking steps to move payment models towards shared accountability and downside risk for providers.



Increasing financial flexibility and accountability for providers

Value-Based Purchasing in Traditional Medicaid – Progress and Next Steps

- Progress on model development for Prospective Payment System (PPS) health systems:
 - Puts a portion of hospital payments at risk for performance on a set of quality measures.
 - If PPS systems fail to hit the targets, up to 4% of Medicaid revenue for a subset of services and population would be returned to the state. Systems are given an opportunity to earn back funds through performance on measures in comparison to their peers.
 - To support systems in being successful, the Department is working to provide regular access to data analytics that highlight gaps in care and performance on measures.

Value-Based Purchasing – Progress and Next Steps

2023

- Measurement Year 1
- Initial Measures: Pay for Reporting

2025

- Measurement Year 3
- Initial Measures: Pay for Performance
- Expanded Measures: Pay for Reporting

2024

- Measurement Year 2
- Pay for Reporting Baseline

2026

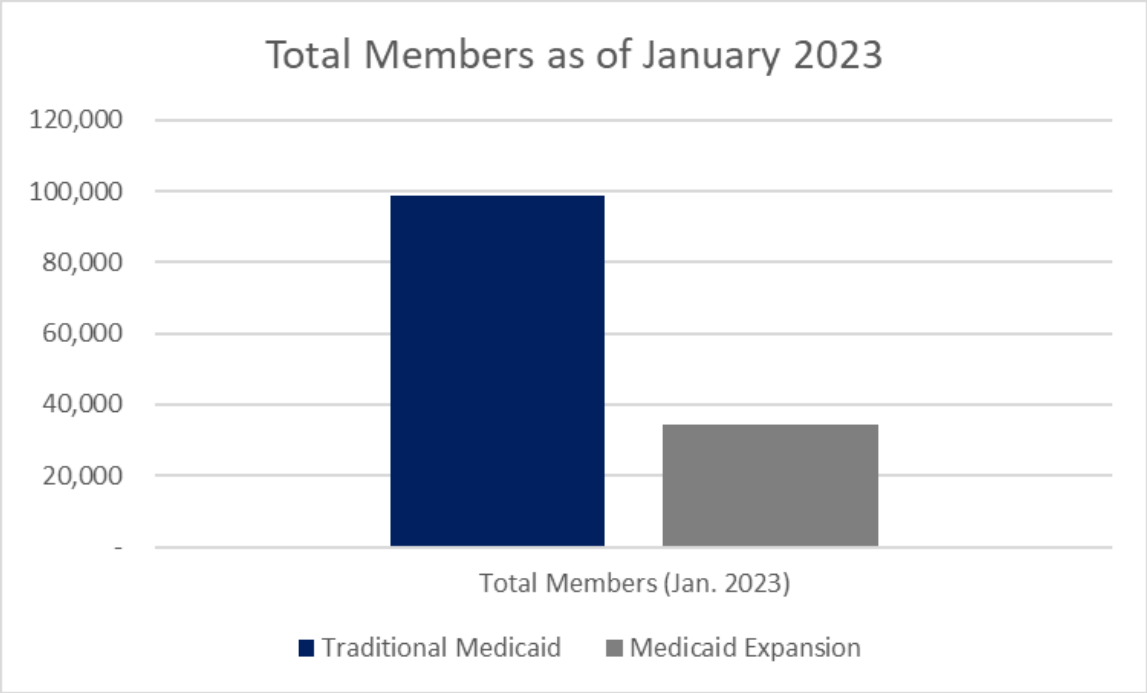
- Initial Measures: Pay for Performance
- Expanded Measures: Pay for Performance

Overview of budget changes – Medical

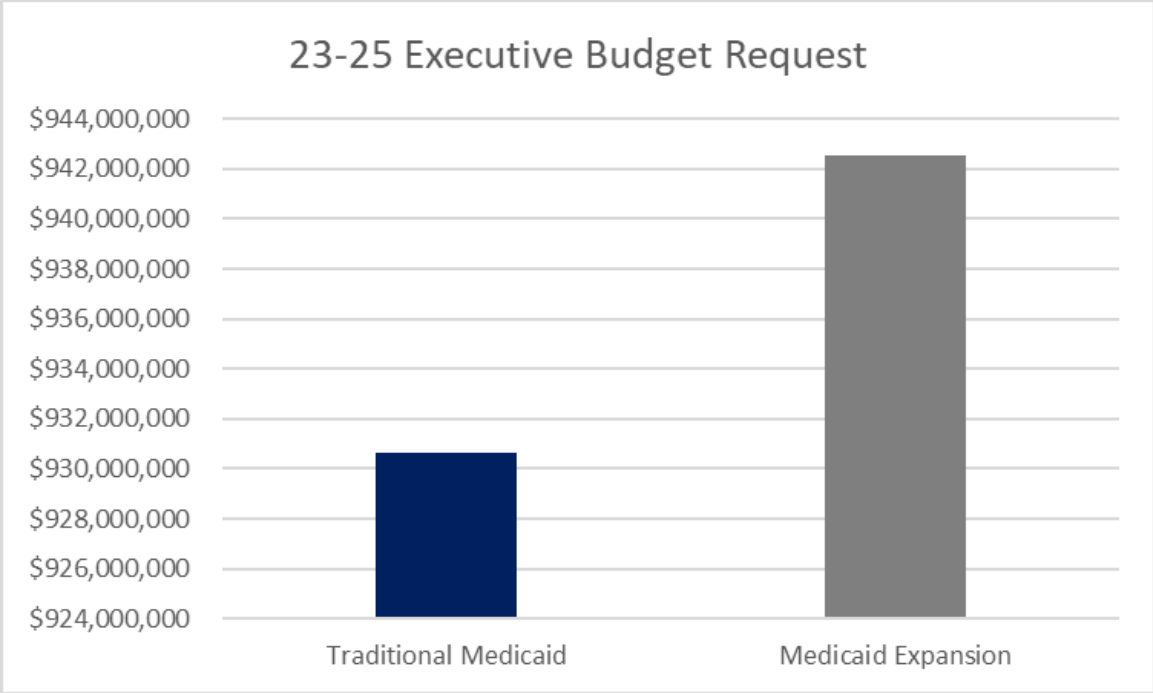
Description	2021 - 2023 Budget Base	Increase/ (Decrease)	2023 - 2025 Executive Budget
Salaries and Benefits	\$ 17,007,365	\$ 4,412,642	\$ 21,420,007
Operating	57,421,939	16,998,496	74,420,435
IT Services	14,331	-	14,331
Capital Asset Expense	-	-	-
Capital Assets	-	-	-
Grants	1,511,767,760	362,528,325	1,874,296,085
Total	\$ 1,586,211,395	\$ 383,939,463	\$ 1,970,150,858
General Fund	\$ 390,333,440	\$ 104,825,433	\$ 495,158,873
Federal Funds	1,104,070,486	311,547,367	1,415,617,853
Other Funds	91,807,469	(32,433,337)	59,374,132
Total Funds	\$ 1,586,211,395	\$ 383,939,463	\$ 1,970,150,858
Full Time Equivalent (FTE)	90.50	3.00	93.50

Overview of budget changes – Medical

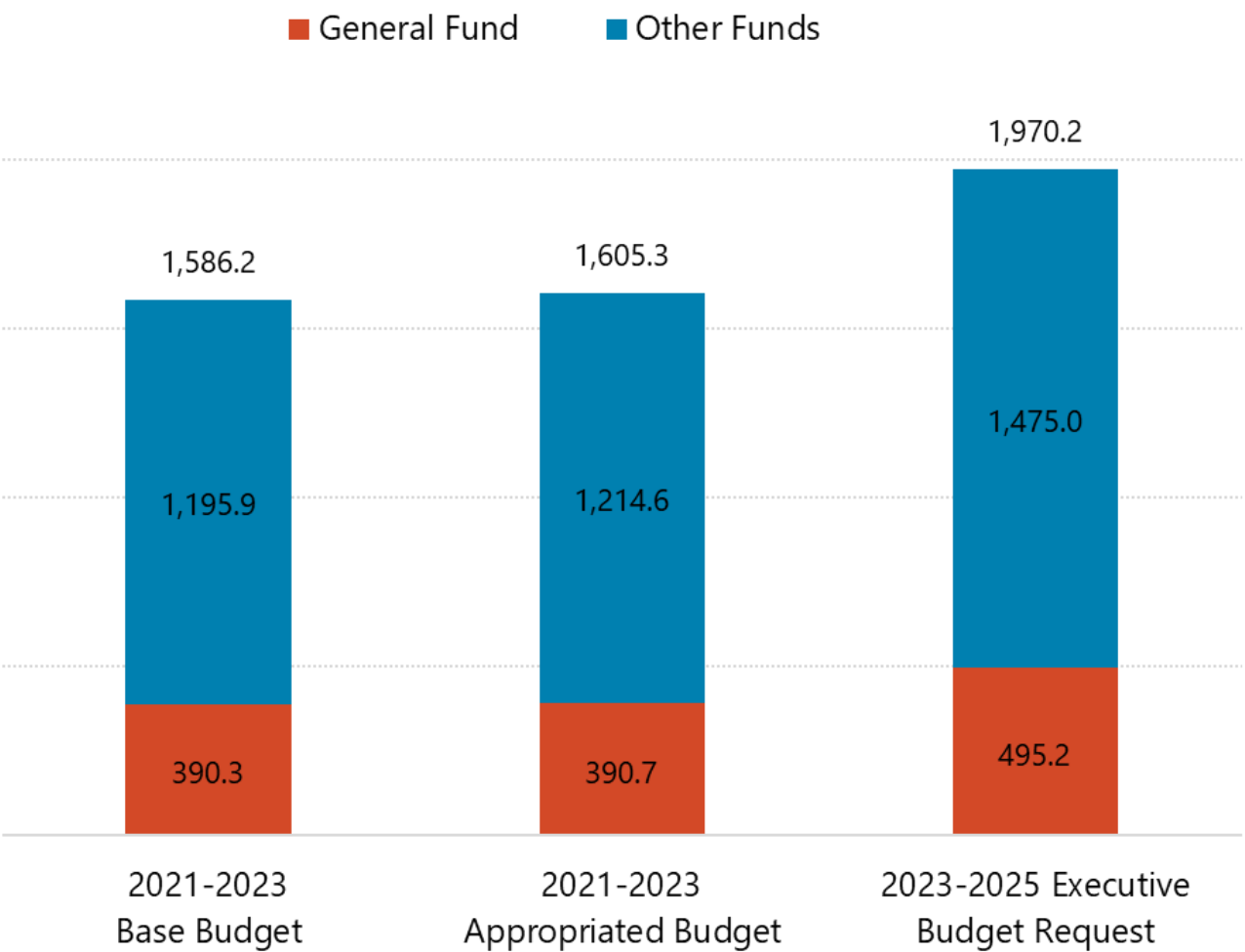
Total Members as of January 2023



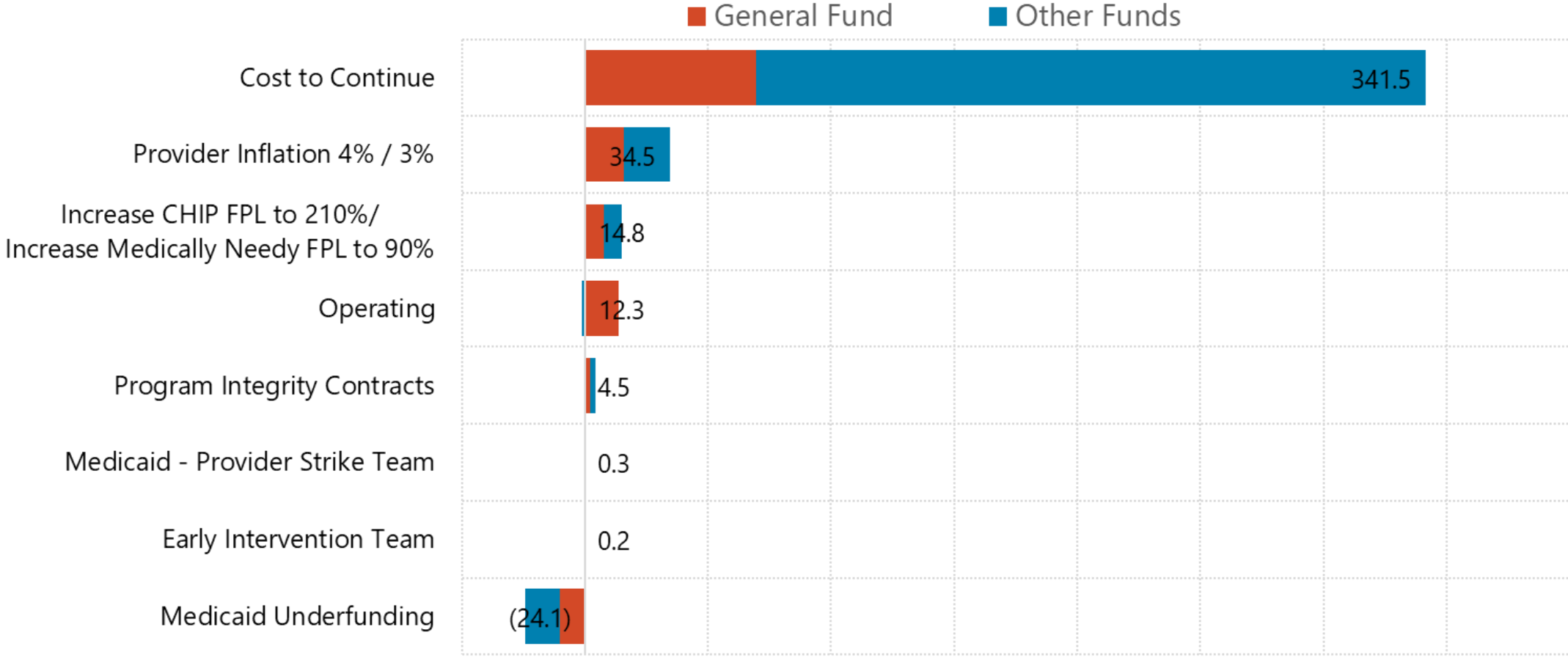
23-25 Executive Budget Request



Overview of Medical budget changes (in millions)



Overview of Medical budget changes (in millions)



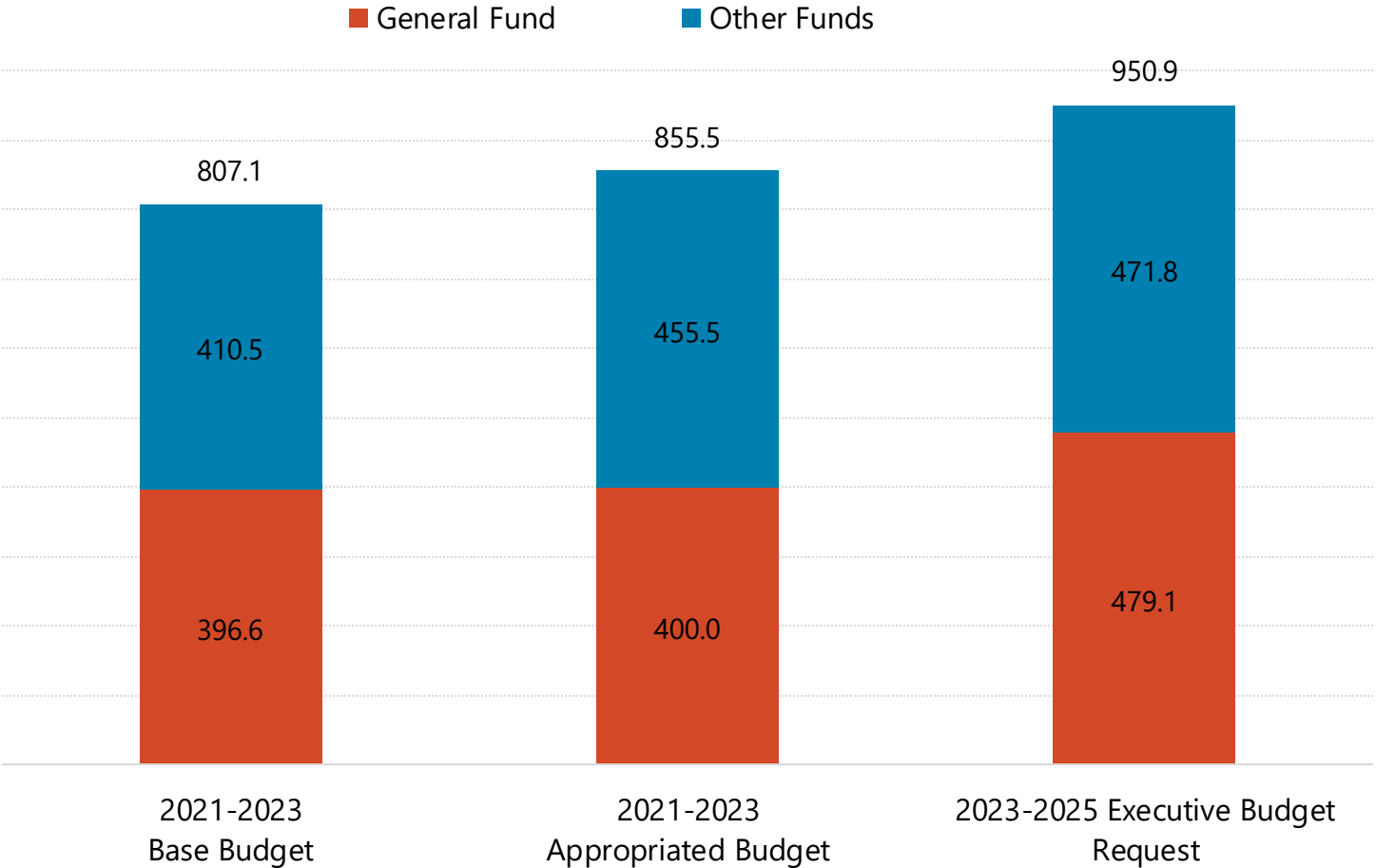
Overview of budget changes – LTC

Description	2021 - 2023 Budget Base		Increase/ (Decrease)		2023 - 2025 Executive Budget	
Salaries and Benefits	\$	-	\$	-	\$	-
Operating		-		-		-
IT Services		-		-		-
Capital Asset Expense		-		-		-
Capital Assets		-		-		-
Grants		807,135,162		143,807,148		950,942,310
Total	\$	807,135,162	\$	143,807,148	\$	950,942,310

General Fund	\$	396,629,520	\$	82,489,970	\$	479,119,490
Federal Funds		409,193,642		62,317,178		471,510,820
Other Funds		1,312,000		(1,000,000)		312,000
Total Funds	\$	807,135,162	\$	143,807,148	\$	950,942,310

Full Time Equivalent (FTE)		-		-		-
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Overview of LTC budget changes (in millions)



Overview of LTC budget changes (in millions)

