



Medicaid Comprehensive Waiver Framework



Purposes of the Comprehensive Waiver

- ❑ Structural consolidation and reform of NJ's Medicaid program
- ❑ Administrative flexibility and redesign – across departments and divisions
- ❑ Opportunities for savings and increased federal matching dollars
- ❑ Streamlined and expedited decision-making between NJ and CMS



Policy Objectives Achieved Through Comprehensive Waiver

- Budget predictability
- Reduce reliance on institutional care; increased use of home and community-based services
- Promote primary and preventive care
- Incentivize individual responsibility for healthy behavior
- Integrate and coordinate patient centered care
- Improve health outcomes
- Enhance performance based contracting with HMOs and providers
- Focus on individuals with special needs, including those with mental illness and developmental disabilities
- Administrative simplification



FY12 Medicaid Budget Savings

- \$240 million already scored for separate Medicaid cost saving initiatives
- Proposed budget also includes \$300 million savings target from comprehensive waiver
- Comprehensive waiver will achieve both immediate and longer term savings



Key Elements of Comprehensive Waiver: Eligibility and Enrollment

- Will not terminate anyone from program, but we propose to:
 - Close NJ FamilyCare to new parents.
 - Eliminate prior quarter coverage for new enrollees –excluding those eligible for nursing home placement.
 - Enhance premium assistance programs to maximize third party coverage to ensure Medicaid remains payer of last resort.



Key Elements of Comprehensive Waiver: Benefits and Rates of Payment

- Promote Primary and Preventive Care
 - Implement Medical Home Model and Pilot Accountable Care Organizations for High-Utilizers
 - Increase or impose cost-sharing (premiums/targeted copays)

- Prudent Purchasing
 - Maximize Medicaid-eligible services and placements; where necessary ensure reciprocal payment relationships with out of state providers
 - Pilot payment reform models consistent with the Affordable Care Act
 - Streamline and competitively bid HMO contracts (promotes competition and efficiency and prevents rate creep)



Key Elements of Comprehensive Waiver: Managing the Program

- Manage/Integrate Behavioral Health Services
 - Manage/Integrate Behavioral Health for adults through HMO and Administrative Service Organization, depending on level of acuity.
 - Manage/Integrate Behavioral Health for children not currently covered by the Children's Behavioral Health System.

- Individuals with Intellectual and Developmental Disabilities
 - Expand Home and Community Based Services and Supports for people with developmental disabilities consistent with the Affordable Care Act.

- Manage Long Term Care Services
 - Expand home and community-based services and draw additional federal matching funds



Federal Match and Other Revenue Opportunities

- Federal Match Opportunities
 - Division of Developmental Disabilities out of state placements
 - Dual diagnosis (adult mental health screenings and crisis intervention)
- Program Integrity
 - Recovery Audit Contractor specific to managed care
 - Strengthen HMO contract language to place more responsibilities on HMOs for reporting fraud and abuse