



MRT News

WORKING TOGETHER TO BUILD A MORE AFFORDABLE, COST-EFFECTIVE MEDICAID PROGRAM

Welcome to the premier issue of the MRT News. This quarterly publication will highlight specific MRT initiatives that are currently being implemented and will discuss how working collaboratively on these programs will ultimately enhance the lives of Medicaid members throughout New York State.

THE CREATION OF THE MEDICAID REDESIGN TEAM

In January 2011, the Medicaid Redesign Team was tasked by Governor Cuomo to find ways to reduce costs and increase quality and efficiency in the Medicaid program for the 2011-12 Fiscal Year. As part of its work, the Team sought ideas from the public at large, as well as experts in health care delivery and insurance, the health care workforce, economics, business, consumer rights and other relevant areas.

New York Medicaid spends more than \$53 billion annually to provide health care to more than 4.7 million people in need. Medicaid is the largest health insurance program in New York State. The costs are borne by state, county and federal taxpayers.

In Phase 1, the MRT developed a package of reform proposals that achieved the Governor's Medicaid budget target, introduced significant structural reforms that will bend the Medicaid cost curve, and achieved the savings without any cuts to eligibility.

In Phase 2, the MRT was directed to create a coordinated plan to ensure that the program can function within a multi-year spending limit and improve program quality. Work groups focusing on specific issues were created to develop recommendations for the MRT.

The efforts of the MRT will result in a multi-year road map that will lead toward a more efficient program and system that is affordable and will achieve better health outcomes for New Yorkers.

Governor Cuomo Announces Medicaid Spending Finishes Year \$14 Million under Global Medicaid Cap; MRT Initiatives Will Save the State Medicaid Program \$17.1 Billion over the Next Five Years

Governor Andrew M. Cuomo recently announced that New York Medicaid spending finished the 2011-12 fiscal year \$14 million under the Medicaid Global Spending Cap without reducing benefits, while providing health insurance coverage to an additional 140,000 low income New Yorkers.

The Governor also announced that the initiatives proposed by the Medicaid Redesign Team (MRT) and adopted by the Legislature last year will lead to major savings for state and federal taxpayers. The MRT initiatives will save a total of \$34.3 billion over the next five years- divided between the state and federal government. Personal care spending is on the decline with per-recipient spending reduced to 2006 levels, and spending on home care has been reduced by \$300 million since 2010. Without the MRT initiatives, state spending would have grown by \$2.3 billion in the 2011-12 fiscal year.

"Finishing the fiscal year \$14 million under the global spending cap demonstrates the effectiveness of the Medicaid Redesign Team's work over the past year. The MRT brought together industry professionals, health care experts, and the public to find ways to cut costs and improve care," Governor Cuomo said. "We have made major steps toward redesigning the state's Medicaid program to ensure that it provides top quality service to New Yorkers while protecting the taxpayer dollar. I commend the Co-Chairs of the Redesign Team, Michael Dowling and Dennis Rivera, as well as Medicaid Director Jason Helgeson and the other members of the Redesign Team for their hard work."

Initiatives taken by New York State and the provider community that helped achieve these savings include:

- ✓ Implementation of 78 Medicaid Redesign Team (MRT) recommendations and other saving initiatives passed by the Legislature in 2011 that saved the state \$2.3 billion (and the federal government a comparable amount).
- ✓ The health care industries working collectively to improve efficiencies of the New York State health care system, including:
 - Shifting (less severe patients) from the hospital and emergency room to more appropriate ambulatory/primary care settings;
 - Controlling home care and personal care spending that was previously climbing at double-digit growth rates prior to the MRT;
 - Shifting Medicaid recipients from costly fee-for-service into Medicaid Managed Care where services are better coordinated and financial incentives are more rational; and,
 - Voluntary repayment of more than \$50 million to the State for outstanding liabilities owed by providers.

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Governor Cuomo Announces that New York Submits Federal Waiver to Invest \$10 Billion

On August 6, 2012, Governor Andrew M. Cuomo announced that New York submitted an application for a waiver from the federal government that will allow the state to invest up to \$10 billion in savings generated by the Medicaid Redesign Team (MRT) reforms to implement an action plan to transform the state's health care system.



The Medicaid 1115 waiver amendment will enable New York to fully implement the MRT action plan, facilitate innovation, and lower health care costs over the long term. The waiver application submitted today by New York State requests that the federal government allow the state to reinvest over a five-year period up to \$10 billion of the \$17.1 billion in federal savings generated by MRT reforms.

"The reforms put in place by the Medicaid Redesign Team have already resulted in major savings for taxpayers and better quality of care for New Yorkers," Governor Cuomo said. "This waiver amendment will allow New York State to fully implement the groundbreaking MRT action plan to permanently restructure our health care system and continue to make New York a national model."

The initiatives proposed by the MRT - and adopted by the Legislature last year - have led to major savings for state and federal taxpayers. MRT initiatives are projected to save \$34.3 billion over the next five years - divided between the State and federal government. If not for these MRT initiatives, state spending would have grown by \$2.3 billion in the 2011-12 fiscal year alone.

The waiver amendment's broad objectives are consistent with the Centers for Medicare and Medicaid Services' (CMS) Triple Aim: better health, better care, and lower costs. New York will use federal dollars generated through MRT savings to reinvest in the state's health care system.

As part of the waiver amendment application process and in accordance with requirements outlined by the CMS, New York initiated an extensive public engagement effort. Citizens and stakeholders participated in public forums, topic-specific webinars, and Medicaid member focus groups. The process also included a survey tool, which enabled the public and stakeholders to submit ideas and comments which informed the waiver amendment application.

More information and a copy of the Medicaid waiver amendment application and is available at: http://www.health.ny.gov/health_care/medicaid/redesign/.

On the following pages we showcase three important MRT initiatives that are currently being implemented and discuss how the success of these programs are leading toward a more efficient program and system that is affordable and will ultimately achieve better health outcomes for New Yorkers.



IMPLEMENTATION SPOTLIGHTS: MRT REFORM IN ACTION

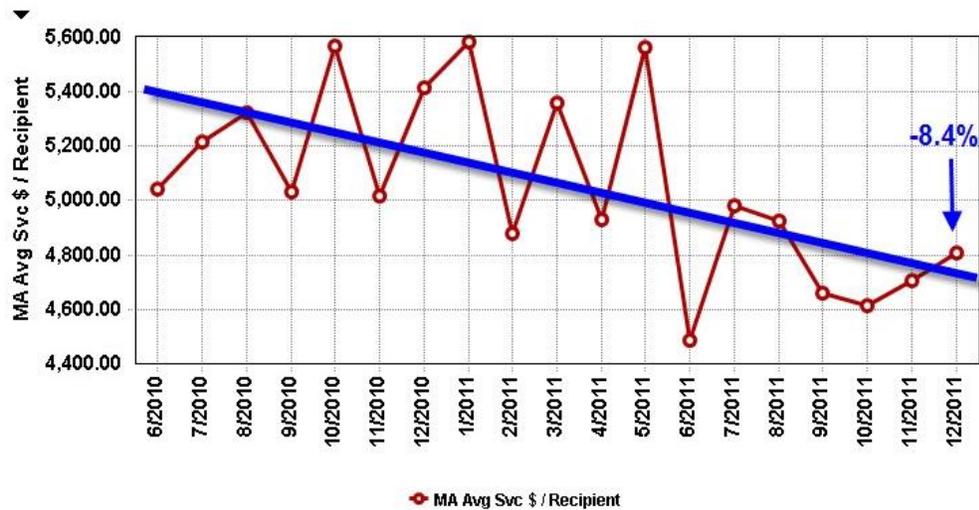
DECREASE THE INCIDENCE AND IMPROVE TREATMENT OF PRESSURE ULCERS

MRT Initiative #191:

MRT #191 is a patient safety, quality improvement project, led by the Division of Nursing Home and ICF Surveillance within the Office of Health Systems Management of the New York State Department of Health (NYSDOH) and is designed to improve skin care and communication across the healthcare continuum to reduce the incidence and prevalence of pressure ulcers. The MRT #191 project is part of the statewide coalition, Gold STAMP (Success Through Assessment, Management and Prevention), which was developed in 2008 to provide evidence-based training to healthcare professionals on skin assessment, communication strategies and care practices related to pressure ulcer prevention and treatment.

As a result of the Gold STAMP success, MRT #191 was formed to expand efforts by building regional-level collaboration among healthcare partners. Results demonstrate that on average, Medicaid expenditures for patients with pressure ulcers have dropped by 8.4 percent since 2010, and rates of pressure ulcers in nursing homes, hospitals and home health agencies have also declined (see following charts).

Average Medicaid Expense for Pressure Ulcers Drops 8.4 percent



Source: Salient Medicaid Data Version 6.4. Includes claims through Cycle 1814

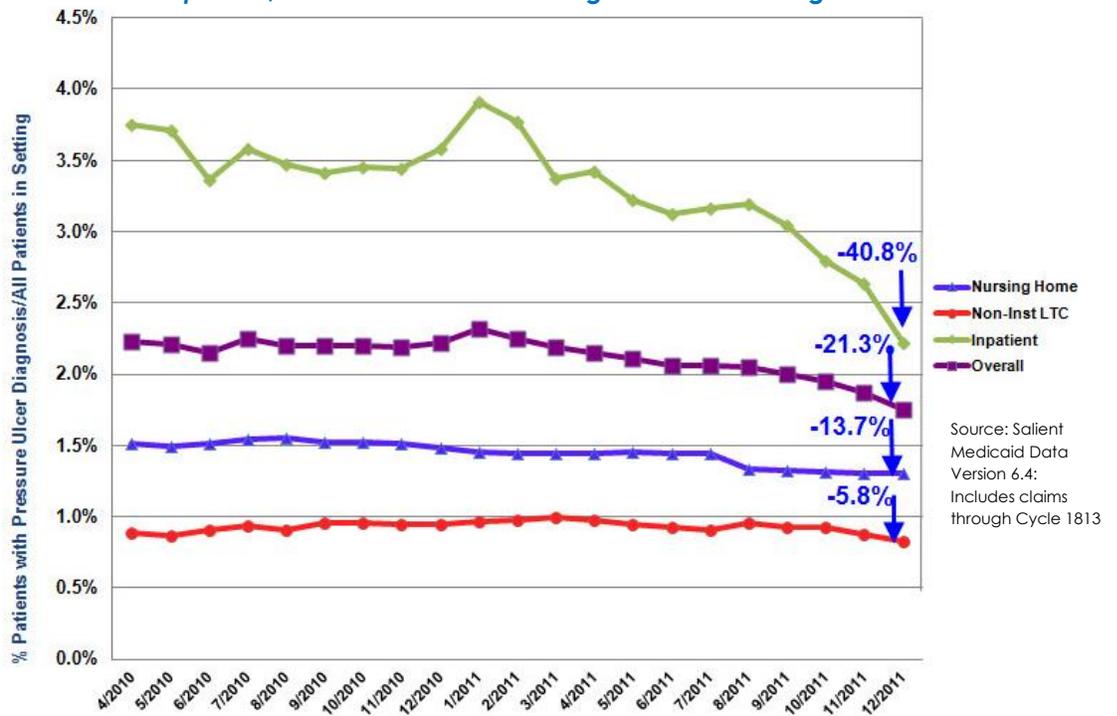
As of December 2011, MRT #191 has facilitated monthly meetings of four regional collaboratives in Niagara Falls, Kingston, Rochester and Binghamton regions. Collaboratives in the North Country and New York City area were created in May 2012. As part of the commitment to the project, each regional collaborative is comprised of at least one Nursing Home, one Hospital and one Home Health Agency representing the healthcare continuum. Clinical experts provide information and tools such as the Braden Scale, a standardized communication tool and other effective methods of reducing facility-acquired pressure ulcers to participants.

The use of these tools will result in increased efficiency and accuracy in the prevention and treatment of pressure ulcers and an overall quality of care for residents and patients. In addition to group meetings, collaborative members are given access to comprehensive resources including training webinars and a symposium featuring best practices in skin care presented by leading experts.



IMPLEMENTATION SPOTLIGHTS: MRT REFORM IN ACTION

Prevalence of Pressure Ulcers Drops in Nursing Homes, Inpatient, and Non-Institutional Long Term Care Settings



With the ongoing success and value of Gold STAMP recognized among healthcare providers across New York State, the MRT #191 workgroup is eager to continue sharing resources to further improve the prevention and treatment of pressure ulcers.



IMPLEMENTATION SPOTLIGHTS: MRT REFORM IN ACTION

MRT Initiative
#29:

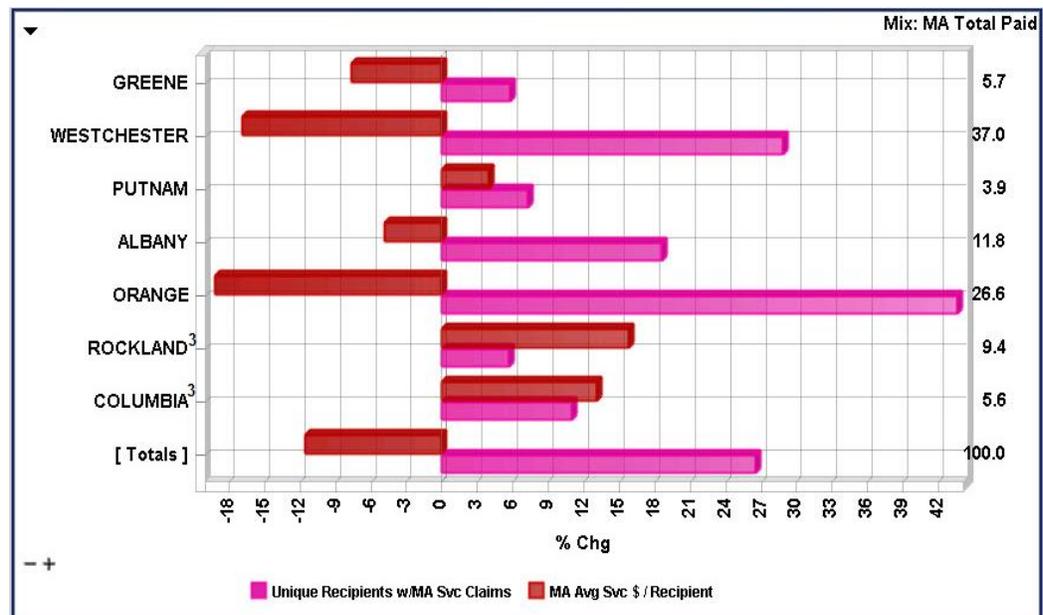
MEDICAID TRANSPORTATION MANAGEMENT INITIATIVE-HUDSON VALLEY

In May 2011, the New York State Department of Health (NYSDOH) awarded a contract to Medical Answering Services (MAS), a Syracuse-based non-emergency medical transportation management company, to implement the first phase of the Medicaid Redesign Team's Medicaid Transportation Management Initiative. The company was contracted to manage the non-emergency medical transportation needs of approximately 400,000 Medicaid enrollees in 13 counties: Albany, Columbia, Fulton, Greene, Orange, Montgomery, Putnam, Rockland, Sullivan, Ulster, Warren, Washington, and Westchester.

The Transportation Management Initiative-Hudson Valley represented the Department's first step in working collaboratively with local districts to create an efficient regional model of Medicaid transportation management. This model has successfully consolidated local administrative functions, provided more consistent management expertise and Medicaid policy oversight, and improved resource coordination – resulting in a more seamless, cost-efficient, and quality-oriented delivery of transportation services to Medicaid enrollees. It has also become an important tool in relieving local districts of the burdensome tasks associated with administering a major service of the Medicaid program.

As a result of the Hudson Valley initiative's success, the Department opted to expand the number of counties involved, primarily at the request of local districts. Since January 2012, the following counties have been added to the initiative, under contract with MAS: Broome, Cayuga, Dutchess, Oneida, Onondaga, Rensselaer, Schenectady, and Schoharie. Delaware, Essex, and Saratoga counties are also expected to be managed in 2012.

Medical Answering Services has already achieved significant savings through a number of innovative actions such as, developing coordinated group ride routes to major medical facilities that transport multiple enrollees together; implementing a more



1. Includes counties that started with Medical Answering Service (MAS) between July and September, 2011.
 2. Excludes counties that were under MAS management prior to MRT and those implementing online billing within several months of implementation.
 3. In Rockland and Columbia Counties, a taxi fee increase was implemented simultaneously with the implementation of transportation management.



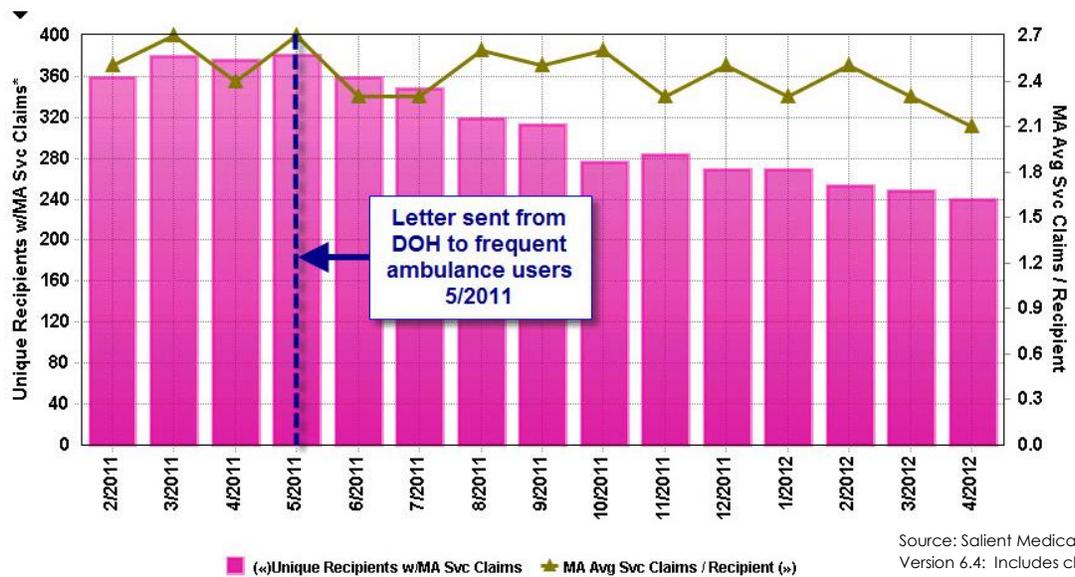
IMPLEMENTATION SPOTLIGHTS: MRT REFORM IN ACTION

consistent level of need including, evaluation criteria in assigning the most appropriate level of transport, such as reducing the use of costly ambulance service for hospital discharges; and analyzing trip and medical necessity data to more appropriately assign enrollees to less costly public transportation and personal vehicle mileage reimbursement. As the chart below illustrates, despite a 26 percent increase in recipients, the average Medicaid cost per recipient for transportation serves in MAS counties was reduced by 11.5 percent.

Building on the success of the Hudson Valley initiative, the Department has procured LogistiCare Solutions, a national transportation manager, to build a strong, cost-effective Medicaid transportation infrastructure in New York City. This project began with transportation management in Brooklyn on May 1, 2012 and will be phased in throughout the remaining four boroughs during the summer of 2012. All Managed Care enrollees throughout NYC will be included under Logisticare's transportation management effective January 1, 2013 – representing a total of 3.2 million Medicaid enrollees when fully implemented. When fully implemented, this will be the largest fee-for-service Medicaid transportation management project in the nation.

Other targeted initiatives include addressing the issue of “frequent flyer” 911 callers of ambulance services. As the chart below indicates, this effort to identify inappropriate emergency ambulance users resulted in an immediate reduction in this unnecessary and costly mode of transportation. The program will continue to achieve ongoing cost savings through carefully monitored compliance.

Sentinel Effect: Number of Frequent Emergency Ambulance Users Drop after Letter is distributed



Source: Salient Medicaid Data
Version 6.4: Includes claims through Cycle 1816



IMPLEMENTATION SPOTLIGHTS: MRT REFORM IN ACTION

MRT Initiative #11:

BUNDLE PHARMACY INTO MANAGED CARE

MRT #11 moved the pharmacy benefit for approximately 3.5 million Medicaid members from costly Medicaid fee-for-service (FFS) to Medicaid managed care and Family Health Plus (FHP) plans. The shift of this benefit aligns with the MRT's strategy to move the FFS populations into managed care or care management. This change leverages the managed care plans' systems and utilization management tools to steer volume to clinically effective low-cost medications, thus saving New York State \$50 million in SFY 11-12 and \$100 million in SFY 13-14.



The focus, both before and after transition, has been to ensure that our members continue to receive medically necessary medications. Since October 1, 2011, DOH has utilized post implementation processes that address member and provider issues and ensure appropriate oversight and issue identification, tracking and resolution. The DOH has also taken the following steps to provide patient protections and continued access to prescription drugs:

- o *A transition period of 90 days was established, allowing members to obtain medications through their managed care plans that had been previously covered by the Medicaid pharmacy fee-for-service program.*
- o *Plans were required to cover all categories of prescription drugs that were included in the Medicaid fee-for-service program and to submit transition plans and drug formularies to DOH for State pharmacist review and approval.*
- o *Plans were required to maintain both internal and external review processes for exceptions/denials.*
- o *A DOH staff pharmacist contact were paired with managed care plan contacts to allow for quick resolution of issues/concerns.*

Additionally, NYSDOH collaborated with the plans and stakeholders to implement a communication plan designed to ensure that members had access to the information they need through a variety of sources including but not limited to the web, targeted mailings, advocacy organizations and the providers that they were already seeing.

Outlined below is an overview of the communication activities that have taken place:

Regular calls with the managed care plans:

- ✓ *Pre-implementation – weekly*
- ✓ *Immediately following implementation (with call centers) – daily*
- ✓ *Post-implementation – weekly, then bi-weekly*
- ✓ *Ongoing/Bi-weekly stakeholder calls open to any interested stakeholder*
- ✓ *Medicaid Update articles*
- ✓ *FAQs posted on the DOH MRT web site*
- ✓ *Member letters from DOH and its plans*
- ✓ *E-mail blasts to providers*

The managed care prescription drug carve-in, MRT #11, has been successfully implemented, and members continue to receive their medications efficiently. While some implementation issues have arisen, the post-implementation processes have captured and addressed these issues. The Department is committed to continuing to work with plans and stakeholders to address issues and concerns, and to ensure that members continue to receive medically necessary medications.