Minnesota Prepaid Medical Assistance Project Plus (PMAP+)
§1115 Waiver No. 11-W-0039/5

Demonstration Year 22
Second Quarter Report
October 1, 2016 through December 31, 2016

Submitted to:

U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services

Submitted by:

Minnesota Department of Human Services
540 Cedar Street
St. Paul, Minnesota 55164-0983

State of Minnesota
Department of Human Services

Table of Contents

ATTACHMENTS

FORWARD

As required by the terms and conditions approving §1115(a) waiver No. 11 -W-00039/5, entitled "Minnesota Prepaid Medical Assistance Project Plus (PMAP+)," this document is submitted to the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services as the second quarter report for the period of October 1, 2016 through December 31, 2016. This document provides an update on the status of the implementation of the PMAP + Program.

Introduction

Background

The PMAP+ Section 1115 Waiver has been in place for 30 years, primarily as the federal authority for the MinnesotaCare program, which provided comprehensive health care coverage through Medicaid funding for people with incomes in excess of the standards in the Medical Assistance program. On January 1, 2015, MinnesotaCare was converted to a basic health plan, under section 1331 of the Affordable Care Act. As a basic health plan, MinnesotaCare is no longer funded through Medicaid. Instead, the state receives federal payments based on the premium tax credits and cost-sharing subsidies that would have been available through the health insurance exchange.

The PMAP+ waiver also provided the State with longstanding federal authority to enroll certain populations eligible for Medical Assistance into managed care who otherwise would have been exempt from managed care under the Social Security Act. In December of 2014, CMS notified the Department of Human Services (DHS) that it would need to transition this portion of its PMAP+ waiver authority to a section 1915(b) waiver. Therefore, on October 30, 2015, DHS submitted a request to transfer this authority to its Minnesota Senior Care Plus section 1915(b) waiver.

During this process, DHS determined that continued waiver authority was unnecessary for all of the groups historically included under the PMAP+ waiver. Because of the state's updated eligibility and enrollment processes for Medical Assistance, some of these populations are no longer mandatorily enrolled into managed care. Instead, they can enroll in managed care on a voluntary or an optional basis.

Therefore, the amendment to the MSC+ 1915(b) waiver only sought to continue federal waiver authority to require the following groups to enroll in managed care:

- American Indians, as defined in 25 U.S.C. 1603(c), who otherwise would not be mandatorily enrolled in managed care;

- Children under age 21 who are in state-subsidized foster care or other out-of-home placement; and

- Children under age 21 who are receiving foster care under Title IV-E.

CMS approved the amendment to the MSC+ waiver on December 22, 2015 with an effective date of January 1, 2016.

PMAP+ Waiver Renewal

The PMAP+ waiver continues to be necessary to continue certain elements of Minnesota's Medical Assistance program. On February 11, 2016, CMS approved DHS's request to renew the PMAP+ waiver for the period of January 1, 2016 through December 31, 2020.

The current waiver provides continued federal authority to:

- Cover children as "infants" under Medical Assistance who are 12 to 23 months old with income eligibility above 275 percent and at or below 283 percent of the federal poverty level (FPL) (referred to herein as "MA One Year Olds");
- Waive the federal requirement to redetermine the basis of Medical Assistance eligibility for caretaker adults with incomes at or below 133 percent of the FPL who live with children age 18 who are not full-time secondary school students;
- Provide Medical Assistance benefits to pregnant women during the period of presumptive eligibility; and
- Fund graduate medical education through the Medical Education Research Costs (MERC) trust fund.

Enrollment Information

Please refer to the table below for PMAP+ enrollment activity for the period October 2016 through December 2016.

Demonstration Populations (as hard coded in the CMS 64)	Enrollees at close of quarter December 31, 2016	Current Enrollees (as of data pull on February 7, 2017)	Disenrolled in Current Quarter (October 1, 2016 through December 31, 2016)
MA One-Year-Olds with incomes above 275% FPL and at or below 283% FPL	57	35	38
Medicaid Caretaker Adults with incomes at or below 133% FPL living with a child age 18	2,252	2,287	803

Pregnant Women in a Hospital Presumptive Eligibility Period		
Eligibility Month	**Eligibility Year**	**Unique Enrollees**
October	2016	42
November	2016	55
December	2016	67

Outreach and Marketing

Education and Enrollment

On October 1, 2013, DHS converted to a common streamlined application for Medical Assistance, MinnesotaCare and MNsure coverage. Medical Assistance and MinnesotaCare

applicants have the option of applying online through the MNsure Website or by mail with a paper application.

The MNsure Website provides information on Minnesota's health care programs. The site is designed to assist individuals with determining their eligibility status for insurance affordability programs in Minnesota. The site provides a description of coverage options through qualified health plans, Medical Assistance and MinnesotaCare. It also provides information about the application, enrollment and appeal processes for these coverage options.

In-person assisters and navigators are also available to assist individuals with the eligibility and enrollment process through the MNsure website. MNsure has a navigator grantee outreach program that does statewide activities to help individuals with enrollment.

Applicants and enrollees who receive Medical Assistance through fee for service can call the DHS Member Help Desk for assistance with questions about eligibility, information on coverage options, status of claims, spenddowns, prior authorizations, reporting changes that may affect program eligibility, and other health care program information.

PMAP Purchasing

Coverage for a large portion of enrollees in Medical Assistance is purchased on a prepaid capitated basis. The remaining recipients receive services from enrolled providers who are paid on a fee-for-service basis. Most of the fee-for-service recipients are individuals with disabilities. DHS contracts with MCOs in each of Minnesota's 87 counties.

PMAP Purchasing for American Indian Recipients

The Minnesota Legislature enacted a number of provisions, subsequently authorized by CMS, to address issues related to tribal sovereignty that prevent Indian Health Service (IHS) facilities from entering into contracts with MCOs, and other provisions that have posed obstacles to enrolling American Indian recipients who live on reservations into PMAP. The legislation allows American Indian beneficiaries who are enrolled in managed care to receive covered services under Medical Assistance through an IHS or other tribal provider (commonly referred to as "638s") whether or not these providers are in the MCO's network.

Contracts with MCOs include provisions designed to facilitate access to providers for American Indian recipients, including direct access to IHS and 638 providers. IHS and 638 providers may refer recipients to MCO-network specialists without requiring the recipient to first see a primary care provider. DHS has implemented the PMAP+ out-of-network purchasing model for American Indian recipients of Medical Assistance who are not residents of reservations.

Summary Data. The following is a summary of the number of people identified as American Indians who were enrolled in Medical Assistance during calendar year 2016.

Medical Assistance Enrollees who are American Indian Calendar Year 2016	
Families and Children	26,291
Disabled	4,813
Elderly	1,300
Adults with no Children	12,678
Total	45,082

Tribal Health Workgroup. The quarterly Tribal Health Workgroup was formed to address the need for a regular forum for formal consultation between tribes and state employees. The workgroup meets on a quarterly basis and is regularly attended by Tribal Health Directors, Tribal Human Services Directors, and representatives from the Indian Health Service, the Minnesota Department of Health and the Minnesota Department of Human Services. The work group met in Prior Lake, Minnesota on November 17, 2016. A copy of the agenda is at Attachment A.

Operational and Policy Developments

There were no significant program developments or operational issues for populations covered under this waiver during the quarter ending December 31, 2016.

Budget Neutrality Developments

Demonstration expenditures are reported quarterly using Form CMS-64, 64.9 and 64.10. Please see Attachment B for an updated budget neutrality spreadsheet.

Member Month Reporting

Member months for "MA One-Year-Olds" and "Medicaid Caretaker Adults" for the period October 1, 2016 through December 31, 2016 are provided in the table below.

Eligibility Group	Month 1	Month 2	Month 3	Total for Quarter Ending December 31, 2016
Population 1: MA One-Year-Olds with incomes above 275% FPL and at or below 283% FPL	48	56	57	161
Medicaid Caretaker Adults with incomes at or below 133% FPL living with a child age 18	2,109	2,188	2,252	6,549

Consumer Issues

County Advocates

Under Minnesota law, county advocates are required to assist managed care enrollees in each county. The advocates assist enrollees with resolving issues related to their MCO. When unable to resolve issues informally, the county advocates educate enrollees about their rights under the grievance system. County advocates provide assistance in filing grievances through both formal and informal processes, and are available to assist in the appeal or state fair hearing process. State ombudsmen and county advocates meet regularly to identify issues that arise and to cooperate in resolving problematic cases.

Grievance System

The grievance system is available to managed care enrollees who have problems accessing necessary care, billing issues or quality of care issues. Enrollees may file a grievance or an appeal with the MCO and may file a state fair hearing through DHS. A county advocate or a state managed care ombudsman may assist managed care enrollees with grievances, appeals, and state fair hearings. The provider or health plan must respond directly to county advocates and the state ombudsman regarding service delivery and must be accountable to the state regarding contracts with Medical Assistance funds.

Please refer to Attachment C for a summary of state fair hearings closed in the fourth quarter of calendar year 2016.

Post Award Public Forum on PMAP+ Waiver

DHS held a post award public forum on June 29, 2016 to provide the public with an opportunity to comment on the progress of the PMAP+ demonstration. An overview was provided in the fourth quarter report for PMAP+ demonstration year 21. The next public forum is planned for June 2017.

Quality Assurance and Monitoring

To ensure that the level of care provided by each MCO meets acceptable standards, the state monitors the quality of care provided by each MCO through an ongoing review of each MCO's quality improvement system, grievance procedures, service delivery plan, and summary of health utilization information.

Quality Strategy

In accordance with 42 C.F.R. §438.202(a), the state's quality strategy was developed to monitor and oversee the quality of PMAP and other publicly funded managed care programs in Minnesota.

This quality strategy assesses the quality and appropriateness of care and services provided by MCOs for all enrollees in managed care. It incorporates elements of current MCO contract requirements, state health maintenance organization (HMO) licensing requirements (Minnesota Statutes, Chapters 62D, 62M, 62Q), and federal Medicaid managed care regulations (42 C.F.R. §438). The combination of these requirements (contract and licensing) and standards (quality

assurance and performance improvement) are at the core of DHS's quality strategy. DHS assesses the quality and appropriateness of health care services, monitors and evaluates the MCO's compliance with managed care requirements and, when necessary, imposes corrective actions and appropriate sanctions if MCOs are not in compliance with these requirements and standards. The outcomes of these quality improvement activities are included in the Annual Technical Report (ATR).

MCO Internal Quality Improvement System

MCOs are required to have an internal quality improvement system that meets state and federal standards set forth in the contract between the MCO and DHS. These standards are consistent with those required under state HMO licensure requirements. The Minnesota Department of Health conducts triennial audits of the HMO licensing requirements.

External Review Process

Each year, as the state Medicaid agency, DHS must conduct an external quality review of managed care services. The purpose of the external quality review is to produce the Annual Technical Report (ATR) that includes:

1) Determination of compliance with federal and state requirements,

2) Validation of performance measures, and performance improvement projects, and

3) An assessment of the quality, access, and timeliness of health care services provided under managed care.

Where there is a finding that a requirement is not met, the MCO is expected to take corrective action to come into compliance with the requirement. The external quality review organization (EQRO) conducts an overall review of Minnesota's managed care system. The charge of the review organization is to identify areas of strength and weakness and to make recommendations for change. Where the technical report describes areas of weakness or makes recommendations, the MCO is expected to consider the information, determine how the issue applies to its situation and respond appropriately. The review organization follows up on the MCO's response to the areas identified in the past year's ATR. The technical report is published on the DHS website at Managed Care Reporting.

DHS also conducts annual surveys of enrollees who switch between MCOs during the calendar year. Survey results are summarized and sent to CMS in accordance with the physician incentive plan (PIP) regulation. The survey results are published annually and are available on the DHS website at Managed Care Reporting.

Consumer Satisfaction

DHS sponsors an annual satisfaction survey of public program managed care enrollees using the Consumer Assessment of Health Plans Survey (CAHPS®) instrument and methodology to assess and compare the satisfaction of enrollees with services and care provided by MCOs. DHS contracts with a certified CAHPS vendor to administer and analyze the survey. Survey results are published on the DHS website at Managed Care Reporting.

Update on Comprehensive Quality Strategy

Minnesota's Comprehensive Quality Strategy is an overarching comprehensive and dynamic continuous quality improvement strategy integrating all aspects of the quality improvement programs, processes and requirements across Minnesota's Medicaid program. Minnesota has incorporated into its Comprehensive Quality Strategy measures and processes related to the programs affected by this waiver. An initial draft of Minnesota's Comprehensive Quality Strategy was submitted to CMS in February 2015.

Demonstration Evaluation

The evaluation plan for the PMAP+ waiver period from January 1, 2015 through December 31, 2018 was initially submitted with Minnesota's PMAP+ waiver extension request in December of 2014. In May of 2016 the evaluation plan was revised to reflect the approved terms of our waiver with an end date of 2020 instead of the previous draft timeline which ended in 2018. In November 2016 the evaluation plan was updated to address CMS comments. DHS awaits CMS' feedback on whether it can move forward in implementing the revised plan in the summer of 2017.

State Contact

The state contact person for this waiver is Stacie Weeks. She can be reached by telephone at (651) 431-2151, or fax at (651) 431-7421, or email at stacie.weeks@state.mn.us.