Funding for APCD's via CMS Medicaid Match

Examples from Two States

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CENTER FOR IMPROVING VALUE IN HEALTH CARE

Outline of Today's Presentation

- Overview of CMS Medicaid Match Opportunity
  - Origin and Purpose
  - Types of Match Rates/Programs
  - Recent CMS Guidance re: APCD's and Match
  - States that receive Medicaid Match
- Rhode Island's Approach
- Colorado's Approach
- Questions/Discussion

CMS Medicaid Match Overview

- Medicaid Federal Financial Participation ("FFP")
  - Administrative Match: Soc. Sec. Act Sec. 1903(a)(7) Expenditures for General Medicaid Administration, are matched at 50% by feds
  - Enhanced Match: Soc. Sec. Act Sec. 1903(a)(3) provides for FFP of 90% percent for the design, development, and implementation (DDI) of mechanized claims processing and 75 % for maintenance and operations (M&O) activities of such systems.
- FFP is acquired through Advanced Planning Documents (APDs)
  - New projects require Implementation APD (IAPD) which is more thorough
- All requests for Medicaid FFP must come directly from the single state Medicaid Agency.
- No federal funding sources can be used to match federal funds

Recent CMS Guidance – Paving the Way for APCDs

- December 2015 – CMS Rule Amendment (42 CFR Part 433) extended the type of work eligible for enhanced FFP to include modules to Medicaid's eligibility determination and enrollment systems (E&E) which are likely to provide more efficient, economical and effective administration
  - "We strongly support the reusability of existing or shared components so in the case that technology products exist that can be used for MMIS or E&E, we want to encourage that by allowing FFP for the development costs of integrating these existing or shared components"
  - "This rule supports an [Medicaid] enterprise perspective where individual processes, modules, sub-systems, and systems are interoperable and support a unified enterprise"
- August 2016 – CMS State Medicaid Director Letter provides clarification to December 2015 amendment and defines what is considered an eligible "module". (Link in Appendix)
- June 2016 - Jessica Kahn (Director, Data and Systems, CMS) Presentation to National Committee on Vital and Health Statistics stating that CMS matching funds exist for both building new APCDs, building interfaces between existing APCDs and Medicaid systems, and ongoing operations (for the Medicaid share. (Link in Appendix)

IAPD Application

- IAPD must be submitted 60 days before proposed project initiation
- CMS reviews within 60 days
- Open-ended application, no real "template"
- Includes at a minimum:
  - Transmittal Letter with Official Signature
  - Executive Summary
  - Functional Requirements
  - Alternative Approaches and Analyses
  - Cost Benefit Analysis
  - System Design
  - Project Management Plan
  - Resource Requirements
  - Schedule of Activities, Milestone, and Deliverables
  - Proposed Budget
  - Cost Allocation Plan
  - Security Planning
  - Training Plan

APCD's and the Medicaid FFP Landscape

- States Housing APCD in Agency that Gets Medicaid FFP

Oregon	Utah
Florida	New York
Rhode Island	New Hampshire
Colorado	

- % FFP Varies by State
  - RI receives 90/10 for all
  - Utah receives 50/50 for just Medicaid portion
- Cost Allocation Varies
- Rational Used Varies

RHODE ISLAND APCD

MEDICAID FFP FUNDING

Rhode Island – Background

- RI APCD began collecting data in 2014
- Historically funded through combination of federal dollars (Rate Review, Exchange Establishment Grants, SIM)
- Funding was set to run out mid-2017
- Sustainability options included cutting costs or FFP

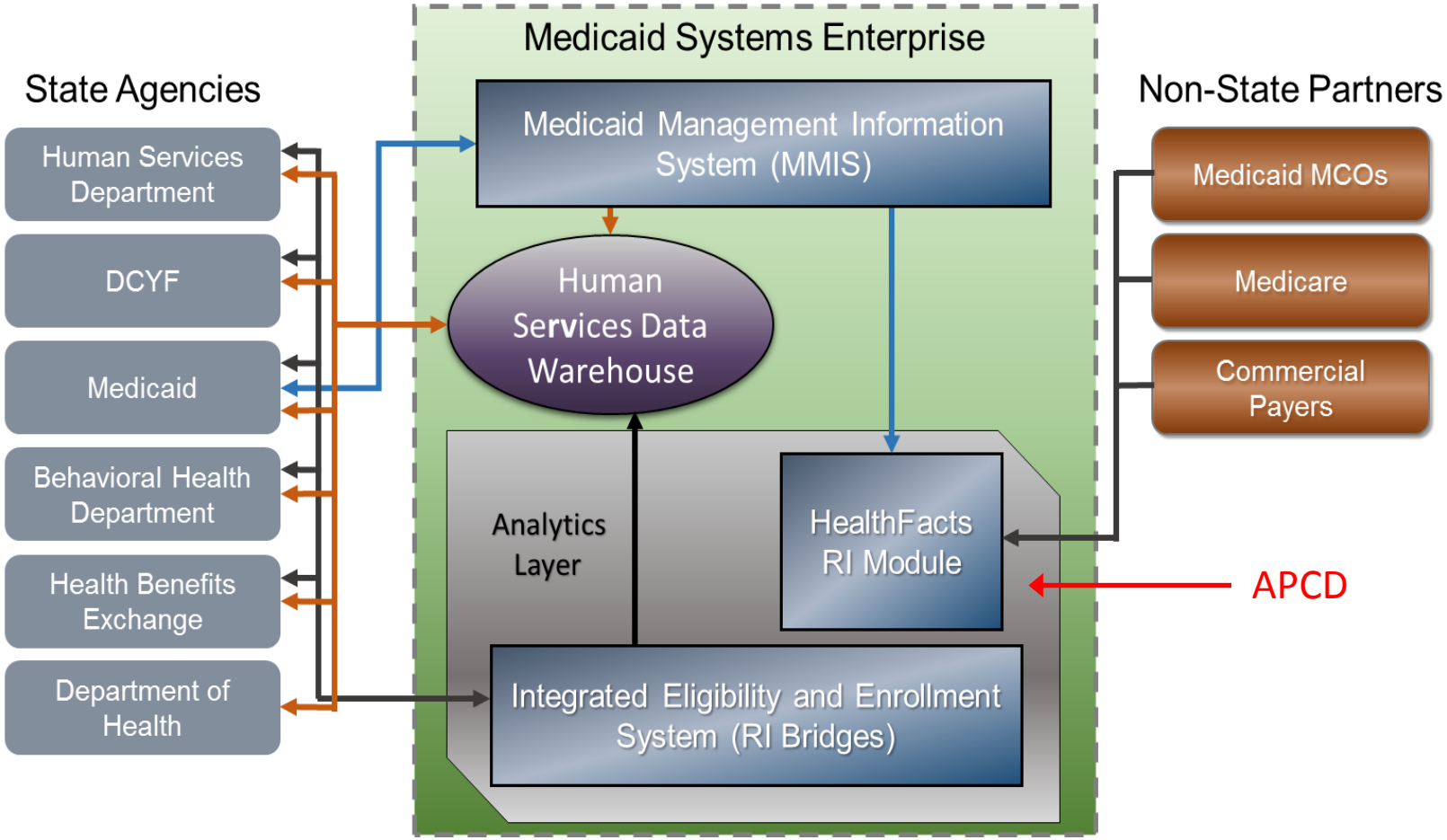
Rhode Island – Request and Rationale

- **Request:** Enhanced FFP to incorporate the entire RI APCD as a component of the Medicaid Enterprise system in order to support the expanded operational, reporting, and evaluation needs of Medicaid.

- **Business Case:** As an integrated module, the RI APCD component will allow Medicaid to produce essential reports and analyses in the most resource and cost effective way, to operate Medicaid more efficiently, to evaluate Medicaid, and to achieve Medicaid's health system transformation goals. Specifically, the RI APCD data will provide:
  - Comprehensive views of Medicaid beneficiaries over time, across both public and private payers;
  - Payment and utilization comparisons for provider benchmarking and rate restructuring purposes;
  - Data to evaluate and inform the State's healthcare reform efforts for Medicaid in relation to SIM initiatives;
  - Data to evaluate Section 1115 Medicaid Research and Demonstration; and
  - Access to an integrated dataset for Medicaid-Medicare dual eligibles.

- **In Brief - Without RI APCD data, the RI Medicaid Program lacks the data necessary to meet federal reporting requirements and evaluate program interventions.**

RI - Prospective Medicaid Enterprise



Rhode Island – FFP Request

- Enhanced FFP
  - 90/10 Yr. 1, 75/25 Yrs. 2-5
- Activities requested under enhanced FFP
  - Database conversation into Medicaid module
  - Building analytic capacity
  - Maintenance and operation
- Costs associated with the requested activities
  - State personnel
  - Contracted personnel (PMO)
  - Contracted personnel (data management vendor)
  - Hardware and software to store and analyze data
  - State data center overhead
- Proposed State Match Sources
  - $ "freed up" from federal portion of allocated state salaries
  - Data revenue
- Total FFP Requested: ~$7.5M (of total $9.2M budget)

Hurdles Encountered

- Asking for 90/10 Match for an Existing Database:
  - Federal dollars have already gone towards developing the RI APCD.
  - We are taking what we've already built and migrating it into the Medicaid Enterprise System so that it can be optimized and aligned with Medicaid goals and purposes.
  - This migration involves the creation of new systems and interfaces.

- Alternative Considerations and Cost Benefit Analysis: The RI APCD is the only data source that can provide data necessary to meet new Medicaid reporting requirements, therefore there are only two options:
  - Option 1: Leverage existing APCD and migrate it into the Medicaid Enterprise
  - Option 2: Build a new APCD from scratch

- Cost Allocation: Enhanced FFP requested for all costs associated with APCD, because the database will be created and maintained for Medicaid purposes only.
  - Use of the database by non EOHHS agencies will be limited to supporting Medicaid purposes (other state agencies also support Medicaid)
  - If outside entities, such as researchers or other state agencies, want to use the database, they will be charged

Lessons Learned

- Create a close working relationship with the state Medicaid office, or can forge one.
  - FFP request MUST come from State Medicaid agency
- Engage with your regional Medicaid officer
- Ensure that you have developed use cases for APCD data that are directly related to Medicaid operations, analyses, reporting
- Identify non-federal funding sources that can be used for state portion of costs
- Create relationship with Medicaid budget office to properly track spending and match. How will $ flow?

COLORADO APCD

MEDICAID FFP FUNDING

Colorado APCD Background

- The Center for Improving Value in Health Care is an independent 501(c)(3)
- Named the non-governmental administrator of the APCD in 2010, APCD began reporting in 2012
- Initial funding from local philanthropic organizations, ongoing funding through philanthropy, grants, SIM/TCPI, revenue from data licensing
  - No state funds for operations or general support
- Philanthropic funding scheduled to end December 2017, extended to June 2018 for CMS match.

Colorado – Request and Rationale

- **Request:** Administrative FFP to support the Medicaid portion of the APCD for increased Medicaid and public reporting, and expanded services.

- **Business Case:** Ongoing support for the APCD will ensure ongoing and enhanced reporting capabilities to support CO Medicaid. Specifically, the proposal includes:
  - Operating support for the 41% of the CO APCD budget attributable to Medicaid beneficiaries
  - Expansion of Medicaid reporting capabilities, including benchmarking analysis of trends, payer comparisons to assist in benchmarking, and other uses of data outside of Medicaid to support Medicaid operations.
  - Medicaid access to de-identified "data mart" to support program evaluation and outcomes.
  - A data education program to provide consumers with the tools necessary to make informed health care decisions.
  - Expanded public reporting to support consumer choice

Colorado – FFP Request

- Administrative FFP
  - 50/50 match for Medicaid associated costs related to operations and services from the CO APCD
- Activities Supported:
  - Medicaid associated operations
  - Expand and enhance reporting for Medicaid
  - Increase publicly available reports
  - Consumer-focused Data Academy program
  - De-identified data mart for approved Medicaid research
- Proposed State Match Sources
  - Year 1: Philanthropy grant to State for match funds
  - Year 2+: State allocation for matching funds
- Total Request: $2.05M per year

Hurdles Encountered

- Limited to 50/50 FFP Administrative Match:
  - No federal dollars used to build APCD
  - Not proposing additional built to integrate into Medicaid
  - No new systems, just services
- Calculation of Medicaid % must be approved by CMS before inclusion in CAP
  - Use used the % of fully insured lives from Medicaid in the APCD by year
  - CMS approval took 2-3 weeks
- Source of State Match Dollars after Year 1
  - Proposed inclusion as line item in State budget deemed inappropriate – need legislative action
  - Process is lengthy and time-consuming
- Unclear on mechanism of proposal to CMS
  - Initially told to use stand-alone CAP to facilitate CMS approval, then included in the overall state CAP, then told we needed a APD though the APCD is already up and functioning, not back to integrated CAP
  - This confusion cost lots of time

Colorado – Lessons Learned

- Cannot overestimate how much time this takes
  - Initial constant with Jessica Kahn was 4/2017
  - Initial proposal to CMS was 8/2017
  - Still awaiting final signatures – we thought we'd be done in 11/2017
- Ensure everyone is on the same page
  - All impacted areas of the State, Medicaid local, CMS regional, any funders, etc.
  - Establish universal priorities to avoid confusion during the process.
  - Be clear about any existing timelines or funding mandates from outside funders
- CMS will have lots of questions
  - Be prepared for the detail required
  - Collaborate with Medicaid, regional CMS offices, funders, etc.

QUESTIONS?

PRESENTATION CAN BE FOUND AT:

HTTPS://FREEDMANHEALTHCARE.COM/DATA-RESOURCES

Appendices

- Jessica Kahn, written testimony from NCVHS presentation: http://www.ncvhs.hhs.gov/wp-content/uploads/2016/05/Panel-2-Jessica-Kahn-CMS-Written-20160June17.pdf
- CMS State Medicaid Director Letter, August 2016, which provided clarification to the extended CMS Rule Amendment from 2015, and defines what is considered a claims processing "module". https://www.medicaid.gov/federal-policy-guidance/downloads/smd16010.pdf