

**Department of Social Services**  
**MO HealthNet Division**  
**Fiscal Year 2018 Budget Request**  
**Book 5 of 6**

**Jennifer Tidball, Acting Director**

**Printed with Governor's Recommendation**





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Governor's  
Recommendation  
Summary

**DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY**

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.400		<b>MO HealthNet Administration</b>										
	1	Core	234.11	3,367,040	8,837,584	2,439,430	14,644,054	224.11	3,367,040	8,837,584	2,439,430	14,644,054
		NDI - Ambulance UPL						2.00	0	50,119	50,119	100,238
		NDI - MMIS Replacement						7.00	236,407	236,407	0	472,814
		NDI - Federal Overtime Change	0.00	353	191	0	544	0.00	0	0	0	0
		<b>Total</b>	<b>234.11</b>	<b>3,367,393</b>	<b>8,837,775</b>	<b>2,439,430</b>	<b>14,644,598</b>	<b>233.11</b>	<b>3,603,447</b>	<b>9,124,110</b>	<b>2,489,549</b>	<b>15,217,106</b>
11.405		<b>Clinical Services Program Management</b>										
	1	Core	0.00	461,917	12,214,032	2,485,506	15,161,455	0.00	461,917	12,214,032	2,485,506	15,161,455
		<b>Total</b>	<b>0.00</b>	<b>461,917</b>	<b>12,214,032</b>	<b>2,485,506</b>	<b>15,161,455</b>	<b>0.00</b>	<b>461,917</b>	<b>12,214,032</b>	<b>2,485,506</b>	<b>15,161,455</b>
11.410		<b>Women &amp; Minority Health Care Outreach</b>										
	1	Core	0.00	529,796	568,625	0	1,098,421	0.00	529,796	568,625	0	1,098,421
		<b>Total</b>	<b>0.00</b>	<b>529,796</b>	<b>568,625</b>	<b>0</b>	<b>1,098,421</b>	<b>0.00</b>	<b>529,796</b>	<b>568,625</b>	<b>0</b>	<b>1,098,421</b>
11.415		<b>TPL Contracts</b>										
	1	Core	0.00	0	3,000,000	3,000,000	6,000,000	0.00	0	3,000,000	3,000,000	6,000,000
		<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>
11.420		<b>Information Systems</b>										
	1	Core	0.00	11,386,283	67,900,350	2,021,687	81,308,320	0.00	11,386,283	52,512,954	2,021,687	65,920,924
		NDI - MMIS Replacement						0.00	4,440,332	15,387,396	0	19,827,728
		NDI - Contract Extensions	0.00	390,866	1,151,340	0	1,542,206	0.00	390,866	1,151,340	0	1,542,206
		<b>Total</b>	<b>0.00</b>	<b>11,777,149</b>	<b>69,051,690</b>	<b>2,021,687</b>	<b>82,850,526</b>	<b>0.00</b>	<b>16,217,481</b>	<b>69,051,690</b>	<b>2,021,687</b>	<b>87,290,858</b>
11.425		<b>Electronic Health Records Incentives</b>										
	1	Core	0.00	0	40,000,000	0	40,000,000	0.00	0	35,000,000	0	35,000,000
		<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>40,000,000</b>	<b>0</b>	<b>40,000,000</b>	<b>0.00</b>	<b>0</b>	<b>35,000,000</b>	<b>0</b>	<b>35,000,000</b>
11.430		<b>Money Follows the Person</b>										
		Core	0.00	0	532,549	0	532,549	0.00	0	532,549	0	532,549
		<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>532,549</b>	<b>0</b>	<b>532,549</b>	<b>0.00</b>	<b>0</b>	<b>532,549</b>	<b>0</b>	<b>532,549</b>

**DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY**

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.435		<b>Pharmacy</b>										
	1	Core	0.00	72,728,094	836,928,140	319,477,458	1,229,133,692	0.00	65,850,544	836,928,140	319,477,458	1,222,256,142
		NDI - MHD Cost to continue	0.00	0	0	17,100,000	17,100,000	0.00	0	0	17,100,000	17,100,000
		NDI - MHD GR Pickup	0.00	66,877,823	0	0	66,877,823	0.00	66,877,823	0	0	66,877,823
		NDI - Pharmacy PMPM-Speciality	0.00	46,361,631	79,716,992	0	126,078,623	0.00	27,754,818	49,902,760	0	77,657,578
		NDI - Pharmacy PMPM-Non - Spec	0.00	2,123,239	3,650,826	0	5,774,065	0.00	0	0	0	0
		NDI - FMAP Adjustment						0.00	0	6,877,550	0	6,877,550
		NDI - Asset Limit Increase	0.00	1,746,417	16,071,992	7,600,696	25,419,105	0.00	1,010,934	9,392,835	4,213,155	14,616,924
		<b>Total</b>	0.00	189,837,204	936,367,950	344,178,154	1,470,383,308	0.00	161,494,119	903,101,285	340,790,613	1,405,386,017
11.435		<b>Pharmacy - Medicare Part D Clawback</b>										
	1	Core	0.00	198,071,188	0	0	198,071,188	0.00	198,071,188	0	0	198,071,188
		NDI - MHD Cost To Continue	0.00	3,787,205	0	0	3,787,205	0.00	3,765,429	0	0	3,765,429
		NDI - MHD GR Pickup	0.00	12,947,791	0	0	12,947,791	0.00	12,947,791	0	0	12,947,791
		NDI - Clawback Increase	0.00	19,115,216	0	0	19,115,216	0.00	17,357,352	0	0	17,357,352
		<b>Total</b>	0.00	233,921,400	0	0	233,921,400	0.00	232,141,760	0	0	232,141,760
11.435		<b>Missouri Rx Plan</b>										
	1	Core	0.00	18,602,844	0	4,655,326	23,258,170	0.00	18,102,844	0	4,655,326	22,758,170
		NDI - Asset Limit Increase	0.00	48,956	84,177	0	133,133	0.00	76,556	0	0	76,556
		NDI - Cost to Continue						0.00	0	0	1,100,000	1,100,000
		NDI - MO Rx GR Pickup	0.00	728,077	0	0	728,077	0.00	728,077	0	0	728,077
		<b>Total</b>	0.00	19,379,877	84,177	4,655,326	24,119,380	0.00	18,907,477	0	5,755,326	24,662,803
11.440		<b>Pharmacy FRA</b>										
	1	Core	0.00	0	0	108,308,926	108,308,926	0.00	0	0	108,308,926	108,308,926
		<b>Total</b>	0.00	0	0	108,308,926	108,308,926	0.00	0	0	108,308,926	108,308,926
11.445		<b>GR Pharmacy FRA Transfer</b>										
		Core	0.00	38,737,111	0	0	38,737,111	0.00	38,737,111	0	0	38,737,111
		<b>Total</b>	0.00	38,737,111	0	0	38,737,111	0.00	38,737,111	0	0	38,737,111
11.450		<b>Pharmacy FRA Transfer</b>										
		Core	0.00	0	0	38,737,111	38,737,111	0.00	0	0	38,737,111	38,737,111
		<b>Total</b>	0.00	0	0	38,737,111	38,737,111	0.00	0	0	38,737,111	38,737,111

**DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY**

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.455		<b>Physician Related Prof</b>										
	1	Core	0.00	120,744,533	211,066,750	13,262,958	345,074,241	0.00	89,216,795	191,030,451	13,262,958	293,510,204
		NDI - MHD Cost to Continue	0.00	14,705,290	67,614,138	0	82,319,428	0.00	16,502,940	80,078,367	0	96,581,307
		NDI - MHD GR Pickup	0.00	5,452,749	0	0	5,452,749	0.00	5,452,749	0	0	5,452,749
		NDI - Asset Limit Increase	0.00	4,156,759	7,884,795	428,862	12,470,416	0.00	2,321,851	4,608,052	241,046	7,170,949
		NDI - FMAP Adjustment	0.00					0.00	0	15,551,011	0	15,551,011
		NDI - Primary Care HH rate Inc	0.00	4,180	7,188	0	11,368	0.00	5,188	9,471	0	14,659
		<b>Total</b>	<b>0.00</b>	<b>145,063,511</b>	<b>286,572,871</b>	<b>13,691,820</b>	<b>445,328,202</b>	<b>0.00</b>	<b>113,499,523</b>	<b>291,277,352</b>	<b>13,504,004</b>	<b>418,280,879</b>
11.460		<b>Dental</b>										
	1	Core	0.00	565,221	2,680,332	919,935	4,165,488	0.00	361,173	2,323,165	919,935	3,604,273
		NDI - MHD Cost to Continue	0.00	1,963,292	2,580,721	0	4,544,013	0.00	1,263,321	1,827,159	0	3,090,480
		NDI - FMAP Adjustment	0.00					0.00	2,563	0	0	2,563
		NDI - Asset Limit Increase	0.00	45,868	78,867	0	124,735	0.00	25,635	46,092	0	71,727
		<b>Total</b>	<b>0.00</b>	<b>2,574,381</b>	<b>5,339,920</b>	<b>919,935</b>	<b>8,834,236</b>	<b>0.00</b>	<b>1,652,692</b>	<b>4,196,416</b>	<b>919,935</b>	<b>6,769,043</b>
11.465		<b>Premium Payments</b>										
	1	Core	0.00	78,237,045	160,146,148	0	238,383,193	0.00	78,237,045	159,730,213	0	237,967,258
		NDI - MHD GR Pickup	0.00	3,062,038	0	0	3,062,038	0.00	3,062,038	0	0	3,062,038
		NDI - MediCare Premium Inc	0.00	15,261,680	28,008,484	0	43,270,164	0.00	5,923,867	11,140,574	0	17,064,441
		NDI - FMAP Adjustment	0.00					0.00	415,935	0	0	415,935
		NDI - Asset Limit Increase	0.00	1,729,499	2,973,806	0	4,703,305	0.00	966,615	1,737,959	0	2,704,574
		<b>Total</b>	<b>0.00</b>	<b>98,290,262</b>	<b>191,128,438</b>	<b>0</b>	<b>289,418,700</b>	<b>0.00</b>	<b>88,605,500</b>	<b>172,608,746</b>	<b>0</b>	<b>261,214,246</b>
11.470		<b>Nursing Facilities</b>										
	1	Core	0.00	159,835,552	386,128,287	65,527,432	611,491,271	0.00	129,817,455	328,821,450	56,684,561	515,323,466
		NDI - FMAP Adjustment	0.00					0.00	0	6,280,436	0	6,280,436
		NDI - MHD Cost to Continue	0.00	597,992	1,365,631	0	1,963,623	0.00	770,272	2,144,693	0	2,914,965
		<b>Total</b>	<b>0.00</b>	<b>160,433,544</b>	<b>387,493,918</b>	<b>65,527,432</b>	<b>613,454,894</b>	<b>0.00</b>	<b>130,587,727</b>	<b>337,246,579</b>	<b>56,684,561</b>	<b>524,518,867</b>
11.470		<b>Home Health</b>										
	1	Core	0.00	2,552,515	4,634,502	159,305	7,346,322	0.00	2,403,507	4,523,466	159,305	7,086,278
		NDI - FMAP Adjustment	0.00					0.00	0	84,432	0	84,432
		NDI - Asset Limit Increase	0.00	60,545	104,104	0	164,649	0.00	33,838	60,841	0	94,679
		<b>Total</b>	<b>0.00</b>	<b>2,613,060</b>	<b>4,738,606</b>	<b>159,305</b>	<b>7,510,971</b>	<b>0.00</b>	<b>2,437,345</b>	<b>4,668,739</b>	<b>159,305</b>	<b>7,265,389</b>
11.475		<b>Long Term Support Payments</b>										
	1	Core	0.00	0	6,291,672	4,659,096	10,950,768	0.00	0	6,291,672	3,913,804	10,205,476
		NDI - FMAP Adjustment	0.00					0.00	0	745,292	0	745,292
		<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>6,291,672</b>	<b>4,659,096</b>	<b>10,950,768</b>	<b>0.00</b>	<b>0</b>	<b>7,036,964</b>	<b>3,913,804</b>	<b>10,950,768</b>

DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.480		<b>Rehab &amp; Specialty Services</b>										
	1	Core	0.00	79,308,015	154,057,481	25,249,629	258,615,125	0.00	77,628,739	150,729,322	25,249,629	253,607,690
		NDI - MHD Cost to continue	0.00	6,189,538	7,315,961	0	13,505,499	0.00	5,058,725	6,234,005	0	11,292,730
		NDI - MHD GR Pickup	0.00	3,127,157	0	0	3,127,157	0.00	3,127,157	0	0	3,127,157
		NDI - Hospice Rate Increase	0.00	119,922	206,042	0	325,964	0.00	116,553	209,411	0	325,964
		NDI - FMAP Adjustment	0.00					0.00	512,235	0	0	512,235
		NDI - Asset Limit Increase	0.00	845,529	2,389,341	544,058	3,778,928	0.00	470,846	1,396,385	305,792	2,173,023
		<b>Total</b>	0.00	89,590,161	163,968,825	25,793,687	279,352,673	0.00	86,914,255	158,569,123	25,555,421	271,038,799
11.480		<b>NEMT</b>										
	1	Core	0.00	14,701,263	29,907,769	0	44,609,032	0.00	12,219,667	29,515,273	0	41,734,940
		NDI - MHD Cost to continue	0.00	0	151,766	0	151,766	0.00	0	0	0	0
		NDI - NEMT Actuarial Increase	0.00	906,496	1,558,684	0	2,465,180	0.00	881,055	1,584,125	0	2,465,180
		NDI - FMAP Adjustment	0.00					0.00	0	2,283,234	0	2,283,234
		NDI - Asset Limit Increase	0.00	351,295	604,039	0	955,334	0.00	196,338	353,014	0	549,352
		<b>Total</b>	0.00	15,959,054	32,222,258	0	48,181,312	0.00	13,297,060	33,735,646	0	47,032,706
11.480		<b>Community Health Access Progrms</b>										
	1	Core	0.00	600,000	1,031,676	0	1,631,676	0.00	0	0	0	0
		<b>Total</b>	0.00	600,000	1,031,676	0	1,631,676	0.00	0	0	0	0
11.485		<b>Ground Emer Med Transport</b>										
		NDI - Ambulance UPL	0.00	92,969	159,856	0	252,825	0.00	0	53,084,513	30,875,733	83,960,246
		<b>Total</b>	#REF!	92,969	159,856	0	252,825	0.00	0	53,084,513	30,875,733	83,960,246
11.490		<b>Complex Rehab Technology Products</b>										
	1	Core	0.00	4,178,400	7,488,569	0	11,666,969	0.00	4,056,967	7,289,000	0	11,345,967
		NDI - FMAP Adjustment	0.00					0.00	0	5,368	0	5,368
		NDI - Asset Limit Increase	0.00	92,969	159,856	0	252,825	0.00	51,960	93,424	0	145,384
		<b>Total</b>	0.00	4,271,369	7,648,425	0	11,919,794	0.00	4,108,927	7,387,792	0	11,496,719
11.495		<b>Ambulance SRV Reim. Allow Transfer</b>										
		Core	0.00	19,522,756	0	0	19,522,756	0.00	19,522,756	0	0	19,522,756
		<b>Total</b>	0.00	19,522,756	0	0	19,522,756	0.00	19,522,756	0	0	19,522,756
11.500		<b>GR Ambulance SRV Reim. Allow Transfer</b>										
		Core	0.00	0	0	19,522,756	19,522,756	0.00	0	0	19,522,756	19,522,756
		<b>Total</b>	0.00	0	0	19,522,756	19,522,756	0.00	0	0	19,522,756	19,522,756

DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.505		<b>Managed Care</b>										
	1	Core	0.00	530,880,875	1,396,218,158	275,061,973	2,202,161,006	0.00	494,291,847	1,423,276,692	278,761,661	2,196,330,200
		NDI - MHD GR Pickup	0.00	18,299,340	0	0	18,299,340	0.00	18,299,340	0	0	18,299,340
		NDI - Managed Care Rates	0.00	6,976,674	11,996,115	0	18,972,789	0.00	7,292,142	13,111,166	0	20,403,308
		NDI - FMAP Adjustment						0.00	0	28,704,413	0	28,704,413
		NDI - Other Fund Offset						0.00	0	10,000,000	7,455,620	17,455,620
		NDI - Statewide Magd Care Transit	0.00	36,476,582	62,720,041	0	99,196,623	0.00	35,124,286	63,712,886	0	98,837,172
		<b>Total</b>	0.00	592,633,471	1,470,934,314	275,061,973	2,338,629,758	0.00	555,007,615	1,538,805,157	286,217,281	2,380,030,053
11.510		<b>Hospital Care</b>										
	1	Core	0.00	17,714,623	244,473,758	126,749,421	388,937,802	0.00	8,747,383	231,822,152	123,049,733	363,619,268
		NDI - MHD Cost to Continue	0.00	35,879,365	86,808,612	0	122,687,977	0.00	32,678,768	94,589,621	0	127,268,389
		NDI - MHD GR Pickup	0.00	1,525,425	0	0	1,525,425	0.00	1,525,425	0	0	1,525,425
		NDI - FMAP Adjustment						0.00	0	7,678,423	0	7,678,423
		NDI - Asset Limit Increase	0.00	88,726	17,445,205	10,057,017	27,590,948	0.00	17,806	10,195,371	5,652,636	15,865,813
		<b>Total</b>	0.00	55,208,139	348,727,575	136,806,438	540,742,152	0.00	42,969,382	344,285,567	128,702,369	515,957,318
11.515		<b>Physician Payments for Safety Net</b>										
	1	Core	0.00	0	8,000,000	0	8,000,000	0.00	0	8,000,000	0	8,000,000
		NDI - Physician Payments Safety Net						0.00	0	5,722,792	0	5,722,792
		<b>Total</b>	0.00	0	8,000,000	0	8,000,000	0.00	0	13,722,792	0	13,722,792
11.520		<b>FQHC Distribution</b>										
	1	Core	0.00	6,183,830	8,759,115	0	14,942,945	0.00	6,108,559	6,103,688	0	12,212,247
		NDI - MHD Cost to Cont						0.00	57,369	1,657	0	59,026
		NDI - Primary Care HH Rate Inc	0.00	58,486	100,564	0	159,050	0.00	19,155	34,971	0	54,126
		<b>Total</b>	0.00	6,242,316	8,859,679	0	15,101,995	0.00	6,185,083	6,140,316	0	12,325,399
11.525		<b>FRA Health Care Home</b>										
	1	Core	0.00	0	4,900,000	1,853,934	6,753,934	0.00	0	4,340,078	1,853,934	6,194,012
		NDI - FMAP Adjustment						0.00	0	0	559,922	559,922
		NDI - FRA Health Home Authority						0.00	0	833,804	463,743	1,297,547
		NDI - Primary Care HH Rate Inc	0.00	0	119,065	69,246	188,311	0.00	0	34,686	18,999	53,685
		<b>Total</b>	0.00	0	5,019,065	1,923,180	6,942,245	0.00	0	5,208,568	2,896,598	8,105,166
11.525		<b>Regional Care Coordination</b>										
	1	Core	0.00	200,000	1,800,000	0	2,000,000	0.00	0	0	0	0
		<b>Total</b>	0.00	200,000	1,800,000	0	2,000,000	0.00	0	0	0	0
11.530		<b>Federal Reimbursement Allowance</b>										
	1	Core	0.00	0	0	1,125,818,734	1,125,818,734	0.00	0	0	1,125,818,734	1,125,818,734
		<b>Total</b>	0.00	0	0	1,125,818,734	1,125,818,734	0.00	0	0	1,125,818,734	1,125,818,734



**DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY**

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.535		<b>IGT Transfer</b>										
	1	Core	0.00	0	0	96,885,215	96,885,215	0.00	0	0	96,885,215	96,885,215
		<i>Total</i>	0.00	0	0	96,885,215	96,885,215	0.00	0	0	96,885,215	96,885,215
11.540		<b>IGT Safety Net Hospitals</b>										
	1	Core	0.00	0	41,182,649	23,348,801	64,531,450	0.00	0	41,182,649	23,348,801	64,531,450
		<i>Total</i>	0.00	0	41,182,649	23,348,801	64,531,450	0.00	0	41,182,649	23,348,801	64,531,450
11.545		<b>IGT DMH Medicaid Programs</b>										
	1	Core	0.00	0	221,900,719	128,526,012	350,426,731	0.00	0	221,900,719	128,526,012	350,426,731
		NDI - MHD Transfer Authority	0.00	0	16,789,801	10,291,091	27,080,892	0.00	0	55,148,154	19,450,995	74,599,149
		<i>Total</i>	0.00	0	238,690,520	138,817,103	377,507,623	0.00	0	277,048,873	147,977,007	425,025,880
11.550		<b>Women's Health Services</b>										
	1	Core	0.00	10,790,923	0	0	10,790,923	0.00	6,790,923	0	0	6,790,923
		NDI - Pharmacy PMPM - Speciality	0.00	131,629	0	0	131,629	0.00	81,076	0	0	81,076
		NDI - Pharmacy PMPM-Non - Spec	0.00	6,028	0	0	6,028	0.00	0	0	0	0
		<i>Total</i>	0.00	10,928,580	0	0	10,928,580	0.00	6,871,999	0	0	6,871,999
11.555		<b>CHIP</b>										
		Core	0.00	14,504,145	70,529,429	7,719,204	92,752,778	0.00	14,504,145	69,670,585	7,719,204	91,893,934
		NDI - Pharmacy PMPM - Speciality	0.00	481,795	1,390,198	0	1,871,993	0.00	288,434	864,612	0	1,153,046
		NDI - Pharmacy PMPM-Non- Spec	0.00	22,065	63,667	0	85,732	0.00	0	0	0	0
		NDI - Mgd Care Rates	0.00	60,816	175,482	0	236,298	0.00	59,110	177,188	0	236,298
		NDI - FMAP Adjustment	0.00					0.00	858,844	0	0	858,844
		NDI - Statewide Mgd Care Transitik	0.00	136,309	393,313	0	529,622	0.00	136,309	393,313	0	529,622
		<i>Total</i>	0.00	15,205,130	72,552,089	7,719,204	95,476,423	0.00	15,846,842	71,105,698	7,719,204	94,671,744

**DEPARTMENT OF SOCIAL SERVICES  
FISCAL YEAR 2018 SAM SECTION SUMMARY**

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.560		<b>Show Me Babies</b>										
		Core	0.00	3,481,466	10,116,324	0	13,597,790	0.00	3,411,481	10,116,324	0	13,527,805
		NDI - Cost to Continue	0.00	1,425,084	4,037,410	0	5,462,494	0.00	2,883,419	8,228,174	0	11,111,593
		NDI - Mgd Care Rates	0.00	72,193	208,310	0	280,503	0.00	70,168	210,335	0	280,503
		NDI - FMAP Adjustment						0.00	0	69,985	0	69,985
		NDI - Statewide Mgd Care Transiti	0.00	28,441	82,068	0	110,509	0.00	28,441	82,068	0	110,509
		<b>Total</b>	0.00	5,007,184	14,444,112	0	19,451,296	0.00	6,393,509	18,706,886	0	25,100,395
11.565		<b>GR FRA Transfer</b>										
		Core	0.00	632,107,500	0	0	632,107,500	0.00	632,107,500	0	0	632,107,500
		NDI - FRA -Increase Authority	0.00	21,593,878	0	0	21,593,878	0.00	21,593,878	0	0	21,593,878
		<b>Total</b>	0.00	653,701,378	0	0	653,701,378	0.00	653,701,378	0	0	653,701,378
11.570		<b>FRA Transfer</b>										
		Core	0.00	0	0	632,107,500	632,107,500	0.00	0	0	632,107,500	632,107,500
		NDI - FRA -Increase Authority	0.00	0	0	21,593,878	21,593,878	0.00	0	0	21,593,878	21,593,878
		<b>Total</b>	0.00	0	0	653,701,378	653,701,378	0.00	0	0	653,701,378	653,701,378
11.575		<b>GR NFRA Transfer</b>										
		Core	0.00	210,950,510	0	0	210,950,510	0.00	210,950,510	0	0	210,950,510
		<b>Total</b>	0.00	210,950,510	0	0	210,950,510	0.00	210,950,510	0	0	210,950,510
11.580		<b>Nursing Facility Reimbursement Transfer</b>										
		Core	0.00	0	0	210,950,510	210,950,510	0.00	0	0	210,950,510	210,950,510
		<b>Total</b>	0.00	0	0	210,950,510	210,950,510	0.00	0	0	210,950,510	210,950,510
11.585		<b>Nursing Facility Quality Transfer</b>										
		Core	0.00	0	0	1,500,000	1,500,000	0.00	0	0	1,500,000	1,500,000
		<b>Total</b>	0.00	0	0	1,500,000	1,500,000	0.00	0	0	1,500,000	1,500,000
11.590		<b>Nursing Facility FRA</b>										
1		Core	0.00	0	0	351,448,765	351,448,765	0.00	0	0	351,448,765	351,448,765
		NDI - MHD Cost to Continue	0.00	0	0	7,094,330	7,094,330	0.00	0	0	7,630,857	7,630,857
		<b>Total</b>	0.00	0	0	358,543,095	358,543,095	0.00	0	0	359,079,622	359,079,622
11.595		<b>School District Medicaid Claiming</b>										
1		Core	0.00	242,525	34,653,770	0	34,896,295	0.00	242,525	34,653,770	0	34,896,295
		<b>Total</b>	0.00	242,525	34,653,770	0	34,896,295	0.00	242,525	34,653,770	0	34,896,295

**DEPARTMENT OF SOCIAL SERVICES**  
**FISCAL YEAR 2018 SAM SECTION SUMMARY**

H.B. Sec.	Rank	Decision Item Name	2018 DEPARTMENT REQUEST					2018 Governor's Recommendation				
			FTE	GR	FF	OF	Total	FTE	GR	FF	OF	Total
11.600		<b>Blind Pension Medical Benefits</b>										
	1	Core	0.00	25,668,198	0	0	25,668,198	0.00	25,668,198	0	0	25,668,198
		NDI - MHD Cost to Continue	0.00	1,101,721	0	0	1,101,721	0.00	548,684	0	0	548,684
		NDI - GR Pickup	0.00	1,004,600	0	0	1,004,600	0.00	1,004,600	0	0	1,004,600
		NDI - Pharmacy PMPM - Speciality	0.00	589,351	0	0	589,351	0.00	363,008	0	0	363,008
		NDI - Pharmacy PMPM-Non - Spec	0.00	26,991	0	0	26,991	0.00	0	0	0	0
		<b>Total</b>	<b>0.00</b>	<b>28,390,861</b>	<b>0</b>	<b>0</b>	<b>28,390,861</b>	<b>0.00</b>	<b>27,584,490</b>	<b>0</b>	<b>0</b>	<b>27,584,490</b>
11.605		<b>DMH Asset Limit</b>										
		NDI - DMH Asset Limit Increase	0.00	12,382,244	21,290,780	0	33,673,024	0.00	6,920,419	12,442,812	0	19,363,231
		<b>Total</b>	<b>0.00</b>	<b>12,382,244</b>	<b>21,290,780</b>	<b>0</b>	<b>33,673,024</b>	<b>0.00</b>	<b>6,920,419</b>	<b>12,442,812</b>	<b>0</b>	<b>19,363,231</b>
11.605		<b>DHSS Asset Limit</b>										
		NDI - DHSS Asset Limit Increase	0.00	6,397,143	10,999,634	0	17,396,777	0.00	3,575,354	6,428,435	0	10,003,789
		<b>Total</b>	<b>0.00</b>	<b>6,397,143</b>	<b>10,999,634</b>	<b>0</b>	<b>17,396,777</b>	<b>0.00</b>	<b>3,575,354</b>	<b>6,428,435</b>	<b>0</b>	<b>10,003,789</b>
<b>MHD Core Total</b>			234.11	1,375,536,291	3,975,948,388	2,592,693,532	7,944,178,211	224.11	1,251,476,021	3,880,914,553	2,583,105,369	7,715,495,943
<b>MHD NDI Total</b>			0.00	335,971,380	458,299,206	53,185,300	847,455,886	9.00	294,580,223	591,221,131	95,118,617	980,919,971
<b>MHD TransferTotal</b>			0.00	922,911,755	0	1,021,296,970	1,944,208,725	0.00	922,911,755	0	1,021,296,970	1,944,208,725
<b>Total MHD</b>			234.11	2,634,419,426	4,434,247,594	3,667,175,802	10,735,842,822	233.11	2,468,967,999	4,472,135,684	3,699,520,956	10,640,624,639





## NEW DECISION ITEM

RANK: 7 OF 26

Department: Social Services  
 Division: MO HealthNet  
 DI Name: MO HealthNet Cost to Continue

DI# 1886001

Budget Unit 90541C, 90543C, 90538C, 90544C, 90546C, 90549C, 90550C,  
 90561C, 90552C, 90559C, 88855C, 90567C, 90573C  
 HB Section: 11.435, 11.455, 11.460, 11.470, 11.480, 11.510, 11.520, 11.560,  
 11.590, 11.600

**1. AMOUNT OF REQUEST**

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	65,649,487	169,874,239	24,194,330	259,718,056	
TRF	0	0	0	0	
<b>Total</b>	<b>65,649,487</b>	<b>169,874,239</b>	<b>24,194,330</b>	<b>259,718,056</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Nursing Facility Reimbursement Allowance Fund (0196)  
 Pharmacy Rebates (0114)

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	63,528,927	193,103,676	25,830,857	282,463,460	
TRF	0	0	0	0	
<b>Total</b>	<b>63,528,927</b>	<b>193,103,676</b>	<b>25,830,857</b>	<b>282,463,460</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Nursing Facility Reimbursement Allowance Fund (0196)  
 Pharmacy Rebates (0114)  
 MORx Fund (0779)

\*The difference between the Governor recommended amount and the department request is due to more recent projections.

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input checked="" type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

Funds are requested for estimated costs in the FY 2017 supplemental budget. These amounts are based on FY 2017 Medicaid cost projections, considering actual costs through December 2016. Programs with costs estimated to exceed FY 2017 appropriated amounts include: Clawback, Physician, Dental, Nursing Facilities, Nursing Facilities Reimbursement Allowance, Rehab and Specialty, Hospital, Federally Qualified Health Centers (FQHC), Non-Emergency Medical Transportation (NEMT), Show-Me Healthy Babies, and Blind Pension Medical. Additionally, Pharmacy Rebates Fund and MORx Fund authority is added to allow utilization of fund balance in lieu of GR need.

**NEW DECISION ITEM**

**RANK: 7 OF 26**

**Department: Social Services**

**Division: MO HealthNet**

**DI Name: MO HealthNet Cost to Continue DI# 1886001**

**Budget Unit 90541C, 90543C, 90538C, 90544C, 90546C, 90549C, 90550C, 90561C, 90552C, 90559C, 88855C, 90567C, 90573C**

**HB Section: 11.435, 11.455, 11.460, 11.470, 11.480, 11.510, 11.520, 11.560, 11.590, 11.600**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The MHD performed detailed projections of funding for all core programs. Based on actual expenditures through December 2016 and historical trends, additional funding is needed in FY 2017. In FY 2018, a transfer of Residential Treatment Rehabilitation funds are reallocated to Rehab & Specialty Services to align funding where payments are actually made. The cost to continue funding for the Rehab portion of the Residential Treatment is requested (\$2.7 million). Additionally, General Revenue in Pharmacy is reallocated to Physician Related in lieu of the use of Pharmacy Rebates (0114). The below table outlines the need to continue the FY 2017 supplemental by program area:

Program	Department Request			
	GR	Federal	Other*	Total
Pharmacy			17,100,000	17,100,000
Clawback	3,787,205			3,787,205
MORx				0
Physician	14,705,290	67,614,138		82,319,428
Dental	1,963,292	2,580,721		4,544,013
Nursing Facilities	597,992	1,365,631		1,963,623
Nursing Facilities FRA			7,094,330	7,094,330
Rehab & Specialty Services	6,189,538	7,315,961		13,505,499
NEMT		151,766		151,766
Hospital	35,879,365	86,808,612		122,687,977
FQHC				
Show-Me Healthy Babies	1,425,084	4,037,410		5,462,494
Blind Medical	1,101,721			1,101,721
<b>Cost to Continue Total</b>	<b>65,649,487</b>	<b>169,874,239</b>	<b>24,194,330</b>	<b>259,718,056</b>

Governor's Recommendation			
GR	Federal	Other*	Total
		17,100,000	17,100,000
3,765,429			3,765,429
		1,100,000	1,100,000
16,502,940	80,078,367		96,581,307
1,263,321	1,827,159		3,090,480
770,272	2,144,693		2,914,965
		7,630,857	7,630,857
5,058,725	6,234,005		11,292,730
			0
32,678,768	94,589,621		127,268,389
57,369	1,657		59,026
2,883,419	8,228,174		11,111,593
548,684			548,684
<b>63,528,927</b>	<b>193,103,676</b>	<b>25,830,857</b>	<b>282,463,460</b>

**The difference between the Governor recommended amount and the department request is due to more recent projections.**

*\*Other Funds include Pharmacy Rebates Fund, Nursing Facility Reimbursement Allowance Fund, and MORx Fund.*

**NEW DECISION ITEM**  
**RANK:** 7 **OF** 26

**Department:** Social Services

**Division:** MO HealthNet

**DI Name:** MO HealthNet Cost to Continue

**DI#** 1886001

**Budget Unit** 90541C, 90543C, 90538C, 90544C, 90546C, 90549C, 90550C,  
90561C, 90552C, 90559C, 88855C, 90567C, 90573C

**HB Section:** 11.435, 11.455, 11.460, 11.470, 11.480, 11.510, 11.520, 11.560,  
11.590, 11.600

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
<b>Total PS</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	
<b>Total EE</b>	0		0		0		0		0	
Program Distributions	65,649,487		169,874,239		24,194,330		259,718,056			
<b>Total PSD</b>	<b>65,649,487</b>		<b>169,874,239</b>		<b>24,194,330</b>		<b>259,718,056</b>		<b>0</b>	
<b>Grand Total</b>	<b>65,649,487</b>	<b>0.0</b>	<b>169,874,239</b>	<b>0.0</b>	<b>24,194,330</b>	<b>0.0</b>	<b>259,718,056</b>	<b>0.0</b>	<b>0</b>	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
<b>Total PS</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	
<b>Total EE</b>	0		0		0		0		0	
Program Distributions	63,528,927		193,103,676		25,830,857		282,463,460			
<b>Total PSD</b>	<b>63,528,927</b>		<b>193,103,676</b>		<b>25,830,857</b>		<b>282,463,460</b>		<b>0</b>	
<b>Grand Total</b>	<b>63,528,927</b>	<b>0.0</b>	<b>193,103,676</b>	<b>0.0</b>	<b>25,830,857</b>	<b>0.0</b>	<b>282,463,460</b>	<b>0.0</b>	<b>0</b>	

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6b. Provide an efficiency measure.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6c. Provide the number of clients/individuals served, if applicable.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6d. Provide a customer satisfaction measure, if available.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	17,100,000	0.00	17,100,000	0.00
TOTAL - PD	0	0.00	0	0.00	17,100,000	0.00	17,100,000	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$17,100,000</b>	<b>0.00</b>	<b>\$17,100,000</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$17,100,000	0.00	\$17,100,000	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY-MED PART D-CLAWBACK								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,787,205	0.00	3,765,429	0.00
TOTAL - PD	0	0.00	0	0.00	3,787,205	0.00	3,765,429	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$3,787,205	0.00	\$3,765,429	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$3,787,205	0.00	\$3,765,429	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MISSOURI RX PLAN</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	1,100,000	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	1,100,000	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,100,000</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$1,100,000	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	82,319,428	0.00	96,581,307	0.00
TOTAL - PD	0	0.00	0	0.00	82,319,428	0.00	96,581,307	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$82,319,428	0.00	\$96,581,307	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$14,705,290	0.00	\$16,502,940	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$67,614,138	0.00	\$80,078,367	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DENTAL</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	4,544,013	0.00	3,090,480	0.00
TOTAL - PD	0	0.00	0	0.00	4,544,013	0.00	3,090,480	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$4,544,013</b>	<b>0.00</b>	<b>\$3,090,480</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,963,292	0.00	\$1,263,321	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$2,580,721	0.00	\$1,827,159	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITIES</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,963,623	0.00	2,914,965	0.00
TOTAL - PD	0	0.00	0	0.00	1,963,623	0.00	2,914,965	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,963,623</b>	<b>0.00</b>	<b>\$2,914,965</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$597,992	0.00	\$770,272	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,365,631	0.00	\$2,144,693	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	13,505,499	0.00	11,292,730	0.00
TOTAL - PD	0	0.00	0	0.00	13,505,499	0.00	11,292,730	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$13,505,499</b>	<b>0.00</b>	<b>\$11,292,730</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$6,189,538	0.00	\$5,058,725	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$7,315,961	0.00	\$6,234,005	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NON-EMERGENCY TRANSPORT								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	151,766	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	151,766	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$151,766	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$151,766	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	122,687,977	0.00	127,268,389	0.00
TOTAL - PD	0	0.00	0	0.00	122,687,977	0.00	127,268,389	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$122,687,977</b>	<b>0.00</b>	<b>\$127,268,389</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$35,879,365	0.00	\$32,678,768	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$86,808,612	0.00	\$94,589,621	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FQHC DISTRIBUTION								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	59,026	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	59,026	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$59,026	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$57,369	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$1,657	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>SHOW-ME BABIES</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	5,462,494	0.00	11,111,593	0.00
TOTAL - PD	0	0.00	0	0.00	5,462,494	0.00	11,111,593	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$5,462,494</b>	<b>0.00</b>	<b>\$11,111,593</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,425,084	0.00	\$2,883,419	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$4,037,410	0.00	\$8,228,174	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NURSING FACILITY FED REIMB AL</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	7,094,330	0.00	7,630,857	0.00
TOTAL - PD	0	0.00	0	0.00	7,094,330	0.00	7,630,857	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$7,094,330</b>	<b>0.00</b>	<b>\$7,630,857</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$7,094,330	0.00	\$7,630,857	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>BLIND PENSION MEDICAL BENEFITS</b>								
MHD Cost to Continue - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,101,721	0.00	548,684	0.00
TOTAL - PD	0	0.00	0	0.00	1,101,721	0.00	548,684	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,101,721</b>	<b>0.00</b>	<b>\$548,684</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,101,721	0.00	\$548,684	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM**  
**RANK: 9 OF 26**

**Department Social Services**  
**Division MO HealthNet**  
**DI Name MO HealthNet Program GR Pickup**

**DI# 1886003**

**Budget Unit 90541C, 90543C, 90538C, 90544C, 90547C, 90550C, 90551C, 90552C, 90573C**  
**HB Section: 11.435, 11.455, 11.465, 11.480, 11.505, 11.510, and 11.600**

**1. AMOUNT OF REQUEST**

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	113,025,000			113,025,000	
TRF					
<b>Total</b>	<b>113,025,000</b>	<b>0</b>	<b>0</b>	<b>113,025,000</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Est. Fringe</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	113,025,000			113,025,000	
TRF					
<b>Total</b>	<b>113,025,000</b>	<b>0</b>	<b>0</b>	<b>113,025,000</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Est. Fringe</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: N/A

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input checked="" type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

One-time federal earnings from Division of Youth Services (DYS) retroactive Medicaid claims and the enhanced CHIP Federal Medical Assistance Percentage (FMAP) were appropriated in the FY 2017 appropriation bill. A GR pick-up is needed in FY 2018 because these funds will no longer be available.

The FY 2017 appropriations bill includes \$55 million from DHS retroactive Medicaid claims; \$29 million federal CHIP earnings from FY 2016; and \$38.7 million federal CHIP earnings from FY 2017. This request includes GR pick-up for the \$55 million DHS claims, \$29 million federal CHIP earnings from FY 2016; and three quarters of the \$38.7 million CHIP earnings (\$29,025,000) that will not be available after September 30, 2017 unless there is Congressional action to continue CHIP funding.

**RANK: 9 OF 26**

**HB Section: 11.435, 11.455, 11.465, 11.480, 11.505, 11.510, and 11.600**



NEW DECISION ITEM  
RANK: 9 OF 26

Department Social Services  
Division MO HealthNet  
DI Name MO HealthNet Program GR Pickup      DI# 1886003

Budget Unit    90541C, 90543C, 90538C, 90544C, 90547C, 90550C, 90551C,  
90552C, 90573C  
HB Section: 11.435, 11.455, 11.465, 11.480, 11.505, 11.510, and 11.600

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	113,025,000						113,025,000			
Total PSD	113,025,000		0		0		113,025,000		0	
Total TRF	0		0		0		0		0	
Grand Total	113,025,000	0.0	0	0.0	0	0.0	113,025,000	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	113,025,000						113,025,000			
Total PSD	113,025,000		0		0		113,025,000		0	
Total TRF	0		0		0		0		0	
Grand Total	113,025,000	0.0	0	0.0	0	0.0	113,025,000	0.0	0	

NEW DECISION ITEM  
RANK: 9 OF 26

Department Social Services

Division MO HealthNet

DI Name MO HealthNet Program GR Pickup

DI# 1886003

Budget Unit 90541C, 90543C, 90538C, 90544C, 90547C, 90550C, 90551C,  
90552C, 90573C

HB Section: 11.435, 11.455, 11.465, 11.480, 11.505, 11.510, and 11.600

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6c. Provide the number of clients/individuals served, if applicable.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6b. Provide an efficiency measure.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6d. Provide a customer satisfaction measure, if available.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>MHD GR Pickup - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	66,877,823	0.00	66,877,823	0.00
TOTAL - PD	0	0.00	0	0.00	66,877,823	0.00	66,877,823	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$66,877,823</b>	<b>0.00</b>	<b>\$66,877,823</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$66,877,823	0.00	\$66,877,823	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY-MED PART D-CLAWBACK</b>								
<b>MHD GR Pickup - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	12,947,791	0.00	12,947,791	0.00
TOTAL - PD	0	0.00	0	0.00	12,947,791	0.00	12,947,791	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$12,947,791</b>	<b>0.00</b>	<b>\$12,947,791</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$12,947,791	0.00	\$12,947,791	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MISSOURI RX PLAN</b>								
<b>MHD GR Pickup - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	728,077	0.00	728,077	0.00
TOTAL - PD	0	0.00	0	0.00	728,077	0.00	728,077	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$728,077</b>	<b>0.00</b>	<b>\$728,077</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$728,077	0.00	\$728,077	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
MHD GR Pickup - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	5,452,749	0.00	5,452,749	0.00
TOTAL - PD	0	0.00	0	0.00	5,452,749	0.00	5,452,749	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$5,452,749	0.00	\$5,452,749	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$5,452,749	0.00	\$5,452,749	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
MHD GR Pickup - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,062,038	0.00	3,062,038	0.00
TOTAL - PD	0	0.00	0	0.00	3,062,038	0.00	3,062,038	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$3,062,038</b>	<b>0.00</b>	<b>\$3,062,038</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$3,062,038	0.00	\$3,062,038	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
<b>MHD GR Pickup - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,127,157	0.00	3,127,157	0.00
TOTAL - PD	0	0.00	0	0.00	3,127,157	0.00	3,127,157	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$3,127,157</b>	<b>0.00</b>	<b>\$3,127,157</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$3,127,157	0.00	\$3,127,157	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
MHD GR Pickup - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	18,299,340	0.00	18,299,340	0.00
TOTAL - PD	0	0.00	0	0.00	18,299,340	0.00	18,299,340	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$18,299,340</b>	<b>0.00</b>	<b>\$18,299,340</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$18,299,340	0.00	\$18,299,340	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
<b>MHD GR Pickup - 1886003</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,525,425	0.00	1,525,425	0.00
TOTAL - PD	0	0.00	0	0.00	1,525,425	0.00	1,525,425	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,525,425</b>	<b>0.00</b>	<b>\$1,525,425</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,525,425	0.00	\$1,525,425	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>BLIND PENSION MEDICAL BENEFITS</b>								
MHD GR Pickup - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,004,600	0.00	1,004,600	0.00
TOTAL - PD	0	0.00	0	0.00	1,004,600	0.00	1,004,600	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,004,600</b>	<b>0.00</b>	<b>\$1,004,600</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,004,600	0.00	\$1,004,600	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



## NEW DECISION ITEM

RANK: 10 OF 26

Department: Social Services

Budget Unit 90541C, 90554C, 90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty

DI# 1886006

HB Section 11.435, 11.550, 11.555, 11.600

**1. AMOUNT OF REQUEST**

	FY 2018 Budget Request				
	GR	Federal	Other	Total	E
PS					
EE					
PSD	47,564,406	81,107,190		128,671,596	
TRF					
Total	<b>47,564,406</b>	<b>81,107,190</b>		<b>128,671,596</b>	
FTE	0.00	0.00	0.00	0.00	

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

	FY 2018 Governor's Recommendation				
	GR	Federal	Other	Total	E
PS					
EE					
PSD	27,754,818	49,902,760		77,657,578	
TRF					
Total	<b>27,754,818</b>	<b>49,902,760</b>		<b>77,657,578</b>	
FTE	0.00	0.00	0.00	0.00	

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Inflation/Utilization	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

NDI SYNOPSIS: Funds are needed to address the anticipated increases in the pharmacy program due to new drugs, therapies, and inflation.

This decision item requests funding for the ongoing inflation of pharmaceuticals and the anticipated increase in pharmacy expenditures attributed to specialty drugs. Specialty drugs account for the majority of the projected increase in pharmacy expenditures.

State statute: Section 208.201, RSMo; Federal Law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

**NEW DECISION ITEM**  
**RANK: 10 OF 26**

**Department: Social Services**

**Budget Unit 90541C, 90554C, 90556C, 90573C**

**Division: MO HealthNet**

**DI Name: Pharmacy PMPM Increase-Specialty DI# 1886006**

**HB Section 11.435, 11.550, 11.555, 11.600**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

MHD utilized the Express Scripts (ESI) Trend Report as the basis for the decision item.

Specialty drugs account for the majority of the projected increase in pharmacy expenditures. Drugs are considered specialty drugs within MHD if they: 1) are used to treat complex, chronic conditions (e.g. cancer, MS, HIV, Hepatitis); 2) require special administration (e.g. intravenous), handling (e.g. refrigeration), or distribution (e.g. limited distribution channels); 3) require monitoring of therapy to determine effectiveness and/or monitor side effects; or 4) have per-member-per-month (PMPM) costs of \$600 or more. Specialty drugs are often the first effective treatment of a condition. Many specialty products face little market competition and target a small patient population, thus they have a high cost per unit. Most specialty products are complex "biologics" and not easily copied, making introduction of generics a long, slow process. They may also require detailed patient instructions and adherence monitoring from qualified healthcare providers. Additionally, there is generally pent up demand for a specialty drug, making the first few years of use very expensive.

According to ESI, the major contributors to the increase in specialty spend is brand inflation and accelerating development of expensive, highly targeted therapies. The top specialty drug therapy classes are Inflammatory Conditions, Multiple Sclerosis, Oncology, and Hepatitis C. These specialty therapy classes accounted for 56.3% of the total specialty drug spend in the commercial market. Highlights for these classes are:

- Inflammatory Conditions - such as rheumatoid arthritis, psoriasis, and Crohn's disease will increase due to increased utilization and unit cost.
- Multiple Sclerosis (MS) - brand inflation is expected to be the primary driver of the rising costs of treating MS in the next few years.
- Oncology - as more patients survive initial cancer treatment, maintenance therapies or treatments will increase, causing an increase in utilization. Also, as these drugs transition to being available in a self-administered form, the costs are expected to shift from medical (physician-administered) to pharmacy expenditures. Costs are also expected to increase due to new expensive, targeted drugs entering the market.
- Hepatitis C - in the next three years, further moderate increases in the PMPY trend for treatments are expected. More competition and more affordable pricing may increase utilization and alleviate costs.

Additional "blockbuster" drugs (i.e. \$1 billion dollars each in sales nationwide) not included in the categories above that have hit the market this year include:

- One new medication for Cystic Fibrosis (>\$20,000 per patient per month)
- Two new medications for lowering cholesterol (>\$14,000 per patient per year)
- Breakthrough treatment for Heart Failure (~\$4,500 per patient per year)
- Nineteen new oncology medication approvals in 2015 (. \$80,000 per prescription, ~\$150,000 per patient for full treatment)

ESI indicates that the specialty trend is forecasted to increase around 17% annually between CY 2016 and CY 2018. The commercial drug spend for specialty medications is 37.7% with the number expected to increase to 50% by CY 2018. The percent of specialty in the MHD expenditure has been 38.6% for FY14, 44.5% in FY15, 49.1% in FY16, but is expected to grow to 52.3% in FY18. The difference in the specialty rates between MHD and the commercial market is due to the MHD caseload mix. Based on the industry source, MHD assumes a specialty trend of 17.1% in FY17 and 17.0% in FY18.

**NEW DECISION ITEM**  
**RANK: 10 OF 26**

**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: Pharmacy PMPM Increase-Specialty DI# 1886006**

**Budget Unit 90541C, 90554C, 90556C, 90573C**  
**HB Section 11.435, 11.550, 11.555, 11.600**

**The Governor's Recommended budget assumes a 12.273% trend increase for specialty drugs. This is based on the specialty drug PMPM increases experienced by MHD in Fiscal Years 2014, 2015, and 2016.**

Department Request					Governor's Recommendation				
Specialty Drugs					Specialty Drugs				
FY17 Trend	17.100%				FY17 Trend	0.000%			
FY18 Trend	17.000%				FY18 Trend	12.273%			
	OAA	PTD	Others	Total		OAA	PTD	Others	Total
FY16 PMPM	\$312.09	\$646.62	\$59.12		FY16 PMPM	\$312.09	\$646.62	\$59.12	
Specialty Rate	52.30%	52.30%	52.30%		Specialty Rate	52.30%	52.30%	52.30%	
Subtotal	\$163.22	\$338.18	\$30.92		Subtotal	\$163.22	\$338.18	\$30.92	
FY17 PMPM Trend	17.1%	17.1%	17.1%		FY17 PMPM Trend	0.000%	0.000%	0.000%	
Increase in PMPM	\$27.91	\$57.83	\$5.29		Increase in PMPM	\$0.00	\$0.00	\$0.00	
FY17 Estimate	\$191.13	\$396.01	\$36.21		FY17 Estimate	\$163.22	\$338.18	\$30.92	
FY18 PMPM Trend	17.0%	17.0%	17.0%		FY18 PMPM Trend	12.273%	12.273%	12.273%	
FY18 Estimate	\$32.49	\$67.32	\$6.16		FY18 Estimate	\$20.03	\$41.50	\$3.79	
Members	9,563	86,340	746,678		Members	9,563	86,340	746,678	
Monthly Cost	\$310,710	\$5,812,387	\$4,599,536		Monthly Cost	\$191,552	\$3,583,097	\$2,829,910	
12 Months	12	12	12		12 Months	12	12	12	
<b>Yearly Cost</b>	<b>\$3,728,520</b>	<b>\$69,748,644</b>	<b>\$55,194,432</b>	<b>\$128,671,596</b>	<b>Yearly Cost</b>	<b>\$2,298,624</b>	<b>\$42,997,164</b>	<b>\$33,958,920</b>	<b>\$79,254,708</b>

Pharmacy expenditures by program:				
Department Request	FMAP	Total	GR	FF
Blind Pension Medical	0%	\$589,351	\$589,351	\$0
CHIP	74.263%	\$1,871,993	\$481,795	\$1,390,198
Women's Health	0%	\$131,629	\$131,629	\$0
Pharmacy	63.228%	\$126,078,623	\$46,361,631	\$79,716,992
		<b>\$128,671,596</b>	<b>\$47,564,406</b>	<b>\$81,107,190</b>

Governor's Recommendation				
Blind Pension Medical	0%	\$363,008	\$363,008	\$0
CHIP	74.985%	\$1,153,046	\$288,434	\$864,612
Women's Health	0%	\$81,076	\$81,076	\$0
Pharmacy	64.260%	\$77,657,578	\$27,754,818	\$49,902,760
		<b>\$79,254,708</b>	<b>\$28,487,336</b>	<b>\$50,767,372</b>

NEW DECISION ITEM  
RANK: 10 OF 26

Department: Social Services

Budget Unit 90541C, 90554C, 90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty DI# 1886006

HB Section 11.435, 11.550, 11.555, 11.600

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	47,564,406		81,107,190				128,671,596			
Total PSD	47,564,406		81,107,190		0		128,671,596		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	47,564,406	0.0	81,107,190	0.0	0	0.0	128,671,596	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	27,754,818		49,902,760				77,657,578			
Total PSD	27,754,818		49,902,760		0		77,657,578		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	27,754,818	0.0	49,902,760	0.0	0	0.0	77,657,578	0.0	0	



**NEW DECISION ITEM**  
**RANK: 10 OF 26**

**Department: Social Services**

**Budget Unit 90541C, 90554C, 90556C, 90573C**

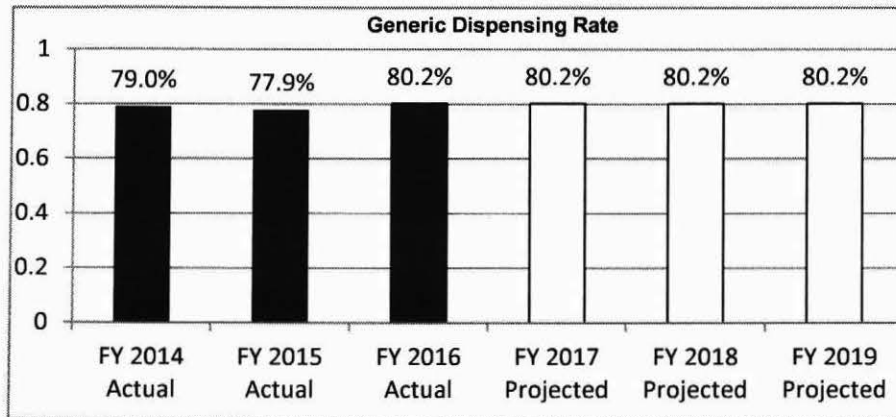
**Division: MO HealthNet**

**DI Name: Pharmacy PMPM Increase-Specialty     DI# 1886006**

**HB Section 11.435, 11.550, 11.555, 11.600**

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

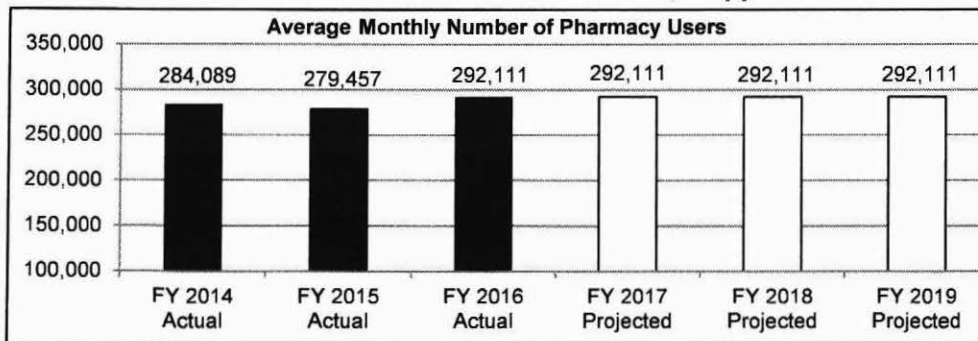


**6b. Provide an efficiency measure.**

N/A

The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.

**6c. Provide the number of clients/individuals served, if applicable.**



**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>Pharmacy PMPM-Specialty - 1886006</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	126,078,623	0.00	77,657,578	0.00
TOTAL - PD	0	0.00	0	0.00	126,078,623	0.00	77,657,578	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$126,078,623</b>	<b>0.00</b>	<b>\$77,657,578</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	\$0	0.00	\$0	0.00	\$46,361,631	0.00	\$27,754,818	0.00
<b>FEDERAL FUNDS</b>								
	\$0	0.00	\$0	0.00	\$79,716,992	0.00	\$49,902,760	0.00
<b>OTHER FUNDS</b>								
	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>WOMEN'S HEALTH SRVC</b>								
<b>Pharmacy PMPM-Specialty - 1886006</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	131,629	0.00	81,076	0.00
TOTAL - PD	0	0.00	0	0.00	131,629	0.00	81,076	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$131,629</b>	<b>0.00</b>	<b>\$81,076</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$131,629	0.00	\$81,076	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CHILDREN'S HEALTH INS PROGRAM</b>								
<b>Pharmacy PMPM-Specialty - 1886006</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,871,993	0.00	1,153,046	0.00
TOTAL - PD	0	0.00	0	0.00	1,871,993	0.00	1,153,046	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,871,993</b>	<b>0.00</b>	<b>\$1,153,046</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$481,795	0.00	\$288,434	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,390,198	0.00	\$864,612	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>BLIND PENSION MEDICAL BENEFITS</b>								
<b>Pharmacy PMPM-Specialty - 1886006</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	589,351	0.00	363,008	0.00
TOTAL - PD	0	0.00	0	0.00	589,351	0.00	363,008	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$589,351</b>	<b>0.00</b>	<b>\$363,008</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$589,351	0.00	\$363,008	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



## NEW DECISION ITEM

RANK: 11 OF 26

Department: Social Services

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non-Specialty

DI# 1886007

Budget Unit 90541C, 90554C, 90556C, 90573C

HB Section 11.435, 11.550, 11.555, 11.600

## 1. AMOUNT OF REQUEST

FY 2018 Budget Request				
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	2,178,323	3,714,493	0	5,892,816
TRF	0	0	0	0
<b>Total</b>	<b>2,178,323</b>	<b>3,714,493</b>	<b>0</b>	<b>5,892,816</b>

FTE 0.00 0.00 0.00 0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

FY 2018 Governor's Recommendation				
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	0	0	0	0
TRF	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FTE 0.00 0.00 0.00 0.00

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Inflation/Utilization	

## 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funds are needed to address the anticipated increases in the pharmacy program due to new drugs, therapies, and inflation.

This decision item requests funding for the ongoing inflation of pharmaceuticals and the anticipated increase in pharmacy expenditures attributed to non-specialty drugs. Non-specialty drugs are generally drugs that are not used to treat complex, chronic conditions; do not require special administration, handling, or distribution; do not require monitoring of therapy to determine effectiveness and/or side effects; or have per-member-per-month (PMPM) costs below \$600. Non-specialty drugs are expected to have modest increases over the next few years. Diabetes is a significant driver of increases in both utilization and cost.

State statute: Section 208.201, RSMo; Federal Law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

**NEW DECISION ITEM**

RANK: 11 OF 26

Department: Social Services

Budget Unit 90541C, 90554C, 90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non-Specialty

DI# 1886007 HB Section 11.435,11.550, 11.555, 11.600

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

MHD utilized the Express Scripts (ESI) Trend Report as the basis for the Department Request decision item. ESI indicates that the non-specialty trend is forecasted to increase 0.4% in CY16, 0.7% in CY17, and 1.3% in CY18. The commercial drug spend for specialty medications is 37.7% with the number expected to increase to 50% by CY 2018. The percent of specialty in the MHD expenditure has been 38.6% for FY14, 44.5% in FY15, 49.1% in FY16, but is expected to grow to 52.3% in FY18, making the percent of non-specialty 47.7%. The difference in the specialty rates between MHD and the commercial market is due to the MHD caseload mix. Based on the industry source, MHD assumes a non-specialty trend of 0.55% in FY17 and 1.00% in FY18.

**The Governor's Recommended budget assumes no increase for non-specialty drugs. This is based on the non-specialty drug PMPMs experienced by MHD in Fiscal Years 2014, 2015, and 2016.**

Department Request					Governor's Recommendation				
Non-Specialty Drugs					Non-Specialty Drugs				
FY17 Trend	0.550%				FY17 Trend	0.000%			
FY18 Trend	1.000%				FY18 Trend	0.000%			
	OAA	PTD	Others	Total		OAA	PTD	Others	Total
FY16 PMPM	\$312.09	\$646.62	\$59.12		FY16 PMPM	\$312.09	\$646.62	\$59.12	
Non-Specialty Rate	47.70%	47.70%	47.70%		Non-Specialty Rate	47.70%	47.70%	47.70%	
Subtotal	\$148.87	\$308.44	\$28.20		Subtotal	\$148.87	\$308.44	\$28.20	
FY17 PMPM Trend	0.55%	0.55%	0.55%		FY17 PMPM Trend	0.00%	0.00%	0.00%	
Increase in PMPM	\$0.82	\$1.70	\$0.16		Increase in PMPM	\$0.00	\$0.00	\$0.00	
FY17 Estimate	\$149.69	\$310.14	\$28.36		FY17 Estimate	\$148.87	\$308.44	\$28.20	
FY18 PMPM Trend	1.00%	1.00%	1.00%		FY18 PMPM Trend	0.00%	0.00%	0.00%	
FY18 Estimate	\$1.50	\$3.10	\$0.28		FY18 Estimate	\$0.00	\$0.00	\$0.00	
Members	9,563	86,340	746,678		Members	9,563	86,340	746,678	
Monthly Cost	\$14,345	\$267,653	\$209,070		Monthly Cost	\$0	\$0	\$0	
12 Months	12	12	12		12 Months	12	12	12	
Yearly Cost	\$172,140	\$3,211,836	\$2,508,840	\$5,892,816	Yearly Cost	\$0	\$0	\$0	\$0

Pharmacy expend by program:	Department Request				Governor's Recommendation			
	FMAPs	Total	GR	FF	FMAPs	Total	GR	FF
Blind Pension Medical	0%	\$26,991	\$26,991	\$0	0%	\$0	\$0	\$0
CHIP	74.263%	\$85,732	\$22,065	\$63,667	74.985%	\$0	\$0	\$0
Women's Health	0%	\$6,028	\$6,028	\$0	0%	\$0	\$0	\$0
Pharmacy	63.228%	\$5,774,065	\$2,123,239	\$3,650,826	64.260%	\$0	\$0	\$0
		<b>\$5,892,816</b>	<b>\$2,178,323</b>	<b>\$3,714,493</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**NEW DECISION ITEM**

RANK: 11 OF 26

Department: Social Services

Budget Unit 90541C, 90554C, 90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non-Specialty

DI# 1886007 HB Section 11.435,11.550, 11.555, 11.600

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	2,178,323		3,714,493				5,892,816			
Total PSD	2,178,323		3,714,493		0		5,892,816		0	
Total TRF	0		0		0		0		0	
Grand Total	2,178,323	0.0	3,714,493	0.0	0	0.0	5,892,816	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions							0			
Total PSD	0		0		0		0		0	
Total TRF	0		0		0		0		0	
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0	

**Department: Social Services**

**Division: MO HealthNet**

**DI Name: Pharmacy PMPM Increase-Non-Specialty**

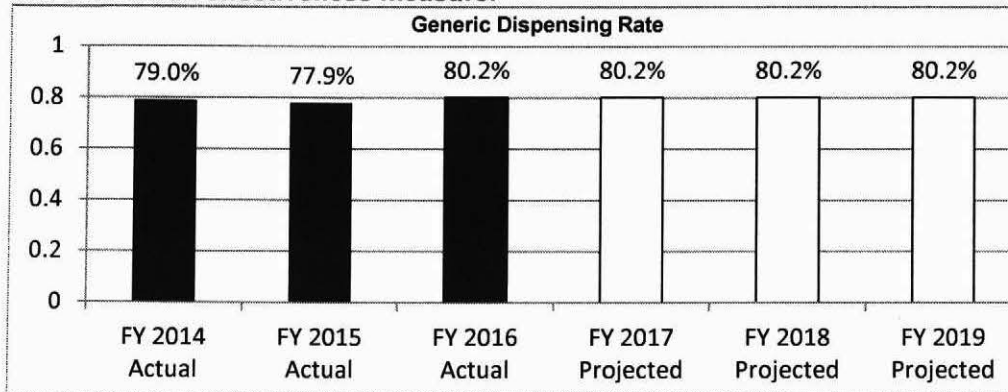
**DI# 1886007**

**Budget Unit 90541C, 90554C, 90556C, 90573C**

**HB Section 11.435,11.550, 11.555, 11.600**

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

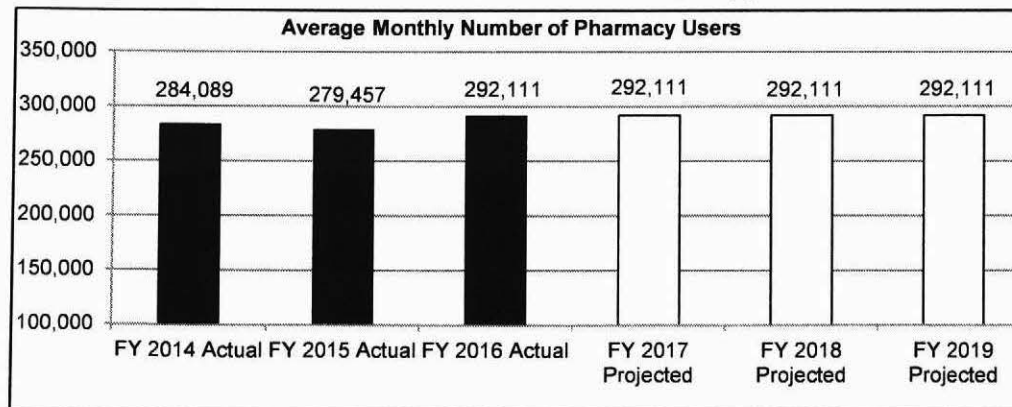


The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.

**6b. Provide an efficiency measure.**

N/A

**6c. Provide the number of clients/individuals served, if applicable.**



**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
Pharmacy PMPM-Non Specialty - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	5,774,065	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	5,774,065	0.00	0	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$5,774,065</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$2,123,239	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$3,650,826	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>WOMEN'S HEALTH SRVC</b>								
<b>Pharmacy PMPM-Non Specialty - 1886007</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	6,028	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	6,028	0.00	0	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$6,028</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	\$0	0.00	\$0	0.00	\$6,028	0.00		0.00
<b>FEDERAL FUNDS</b>								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00
<b>OTHER FUNDS</b>								
	\$0	0.00	\$0	0.00	\$0	0.00		0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
Pharmacy PMPM-Non Specialty - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	85,732	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	85,732	0.00	0	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$85,732	0.00	\$0	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$22,065	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$63,667	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>BLIND PENSION MEDICAL BENEFITS</b>								
<b>Pharmacy PMPM-Non Specialty - 1886007</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	26,991	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	26,991	0.00	0	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$26,991</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$26,991	0.00		0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00		0.00



## NEW DECISION ITEM

RANK: 12 OF 26

Department: Social Services

Division: MO HealthNet

DI Name: Statewide Managed Care FY 18 Rates

DI# 1886009

Budget Unit: 90551C, 90556C, 88855C

HB Section: 11.505, 11.555 and 11.560

**1. AMOUNT OF REQUEST****FY 2018 Budget Request**

	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	7,109,683	12,379,907	0	19,489,590	
TRF	0	0	0	0	
<b>Total</b>	<b>7,109,683</b>	<b>12,379,907</b>	<b>0</b>	<b>19,489,590</b>	

FTE

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

**FY 2018 Governor's Recommendation**

	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	7,421,420	13,498,689	0	20,920,109	
TRF	0	0	0	0	
<b>Total</b>	<b>7,421,420</b>	<b>13,498,689</b>	<b>0</b>	<b>20,920,109</b>	

FTE

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/>	New Legislation	<input type="checkbox"/>	New Program	<input type="checkbox"/>	Fund Switch
<input checked="" type="checkbox"/>	Federal Mandate	<input type="checkbox"/>	Program Expansion	<input type="checkbox"/>	Cost to Continue
<input type="checkbox"/>	GR Pick-Up	<input type="checkbox"/>	Space Request	<input type="checkbox"/>	Equipment Replacement
<input type="checkbox"/>	Pay Plan	<input checked="" type="checkbox"/>	Other: Increase		

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

NDI SYNOPSIS: Funding is needed to fund an increase for managed care medical, newborn delivery, and Neonatal Intensive Care Unit (NICU) services to ensure that managed care payments are actuarially sound. This trend is based on the FY18 rates that are set in the Statewide Managed Care RFP. The FY18 rates are based on actuarial standards which consider historical trends in utilization and inflation, budget and legislative changes, and federal requirements. The total request is offset by core reductions and reallocations from various FFS programs.

MO HealthNet needs to maintain capitation rates at a sufficient level to ensure continued health plan and provider participation. The Federal Authority is Social Security Act Section 1915(b) and 1115 Waiver. The Federal Regulation is 42 CFR 438-Managed Care, and the State Authority is 208.166 RSMo. Final rules and regulations published June 14, 2002, effective August 13, 2003, require that capitation payments made on behalf of managed care participants be actuarially sound. Further, the state must provide the actuarial certification of the capitation rates to the CMS. The CMS Regional Office must review and approve all contracts for managed care as a condition for federal financial participation. Rates in FY 18 are established in the Statewide Managed Care RFP.



NEW DECISION ITEM  
RANK: 12 OF 26

Department: Social Services

Division: MO HealthNet

DI Name: Statewide Managed Care FY 18 Rates DI# 1886009

Budget Unit : 90551C, 90556C, 88855C

HB Section 11.505, 11.555 and 11.560

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The chart below indicates the projected need for all medical services as well as the births of children and Neonatal Intensive Care Unit (NICU) care for newborns in need of specialized care. Pharmacy benefits were carved out of managed care beginning October 1, 2009; therefore, participants receive their pharmacy benefits through the fee-for-service program. The managed care trend factor is calculated by region and is based on the number of months in the contract period that fall in FY 2018. This trend is based on the FY18 rates that are set in the Statewide Managed Care RFP. The total request is offset by core reductions and reallocations from various FFS programs. No trend is applied to the managed care expansion region. Three efficiency adjustments were made in SFY 2011: Low-Acuity Non-Emergency (LANE), Potentially Preventable Hospital Admissions (PPA), and Risk Adjusted Efficiency (RAE). The total cost is estimated at \$48,927,215 as follows:

Program	Region	FY17	FY18	Difference	Participants	Contract Months in FY18	Total
Medical-Managed Care	Eastern	\$224.65	\$227.12	\$2.47	253,907	12	\$7,529,316
Medical-Managed Care	Central	\$234.62	\$237.67	\$3.05	101,741	12	\$3,723,788
Medical-Managed Care	Western	\$251.05	\$253.81	\$2.76	172,351	12	\$5,711,467
<i>subtotal Managed Care</i>							\$16,964,571
Medical TIXXI CHIP-Child	Eastern	\$195.58	\$196.56	\$0.98	6,479	12	\$76,033
Medical TIXXI CHIP-Child	Central	\$187.95	\$189.27	\$1.32	3,920	12	\$61,884
Medical TIXXI CHIP-Child	Western	\$232.89	\$234.52	\$1.63	5,029	12	\$98,381
<i>subtotal TIXXI CHIP Children</i>							\$236,298
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Eastern	\$224.65	\$227.12	\$2.47	410	12	\$12,150
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Central	\$234.62	\$237.67	\$3.05	164	12	\$6,009
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Western	\$251.05	\$253.81	\$2.76	278	12	\$9,216
Medical First Year following birth-Show Me Healthy Babies	Eastern	\$195.58	\$196.56	\$0.98	133	12	\$1,557
Medical First Year following birth-Show Me Healthy Babies	Central	\$187.95	\$189.27	\$1.32	80	12	\$1,268
Medical First Year following birth-Show Me Healthy Babies	Western	\$232.89	\$234.52	\$1.63	103	12	\$2,015
<i>subtotal SMHB</i>							\$32,215
<b>Total Need Medical Trend</b>							<b>\$17,233,084</b>

**NEW DECISION ITEM**  
**RANK: 12 OF 26**

**Department: Social Services**

**Budget Unit : 90551C, 90556C, 88855C**

**Division: MO HealthNet**

**DI Name: Statewide Managed Care FY 18 Rates**

**DI# 1886009**

**HB Section 11.505, 11.555 and 11.560**

Program	Region	FY17	FY18	Difference	Participants	Contract Months in FY18	Total
Deliveries-Managed Care, CHIP, SMHB	Eastern	\$5,758.72	\$5,954.52	\$195.80	797	12	\$1,872,598
Deliveries-Managed Care, CHIP, SMHB	Central	\$4,749.34	\$4,910.82	\$161.48	327	12	\$633,638
Deliveries-Managed Care, CHIP, SMHB	Western	\$4,623.99	\$4,790.45	\$166.46	485	12	\$968,818
<i>subtotal Managed Care, SMHB and CHIP Deliveries</i>							\$3,475,054

Total Need Deliveries Trend **\$3,475,054**

NICU-Managed Care, CHIP, SMHB	Eastern	\$223,060.84	\$223,730.02	\$669.18	16	12	\$128,483
NICU-Managed Care, CHIP, SMHB	Central	\$179,697.82	\$180,236.91	\$539.09	4	12	\$25,876
NICU-Managed Care, CHIP, SMHB	Western	\$177,814.68	\$178,348.12	\$533.44	9	12	\$57,612
<i>subtotal Managed Care, SMHB and CHIP Deliveries</i>							\$211,971

Total Need NICU Trend **\$211,971**

*Total Need Medical, Deliveries and NICU* **\$20,920,109**

Department Request			
	GR	Federal	Total
Managed Care	6,976,674	11,996,115	18,972,789
CHIP	60,816	175,482	236,298
SMHB	72,193	208,310	280,503
	<u>\$7,109,683</u>	<u>\$12,379,907</u>	<u>\$19,489,590</u>

Governor's Recommendation			
	GR	Federal	Total
Managed Care	7,292,142	13,111,166	20,403,308
CHIP	59,110	177,188	236,298
SMHB	70,168	210,335	280,503
	<u>\$7,421,420</u>	<u>\$13,498,689</u>	<u>\$20,920,109</u>

**The Governor's Recommendation is different than the Department Requested due to increased managed care caseload in FY17 and FMAP.**

NEW DECISION ITEM  
RANK: 12 OF 26

Department: Social Services

Division: MO HealthNet

DI Name: Statewide Managed Care FY 18 Rates DI# 1886009

Budget Unit : 90551C, 90556C, 88855C

HB Section 11.505, 11.555 and 11.560

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.										
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
Total PS	0	0	0	0	0.0	0	0.0	0	0.0	
Total EE	0		0	0		0		0		
Program Distributions	7,109,683		12,379,907				19,489,590			
Total PSD	7,109,683		12,379,907		0		19,489,590		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	7,109,683	0.0	12,379,907	0.0	0	0.0	19,489,590	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	7,421,420		13,498,689				20,920,109			
Total PSD	7,421,420		13,498,689		0		20,920,109		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	7,421,420	0.0	13,498,689	0.0	0	0.0	20,920,109	0.0	0	

**NEW DECISION ITEM**  
**RANK: 12 OF 26**

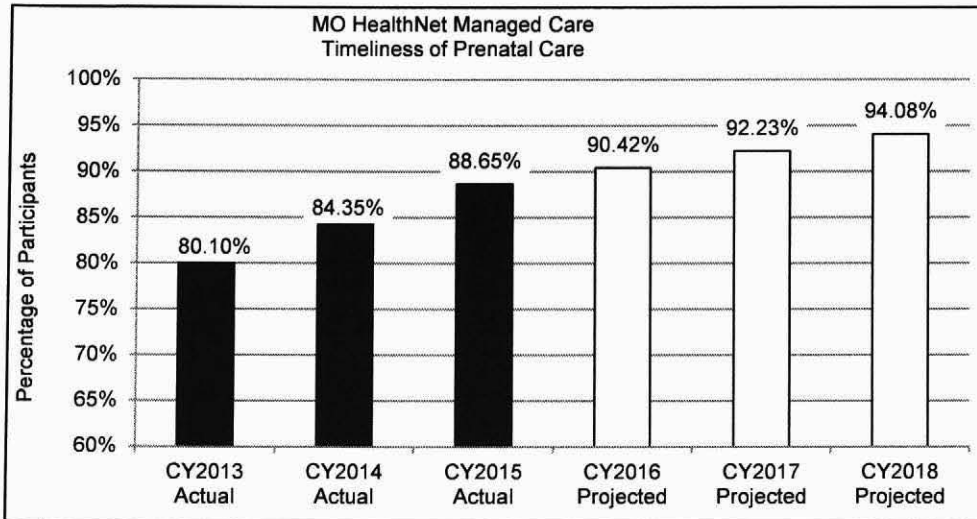
**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: Statewide Managed Care FY 18 Rates DI# 1886009**

**Budget Unit : 90551C, 90556C, 88855C**  
**HB Section 11.505, 11.555 and 11.560**

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

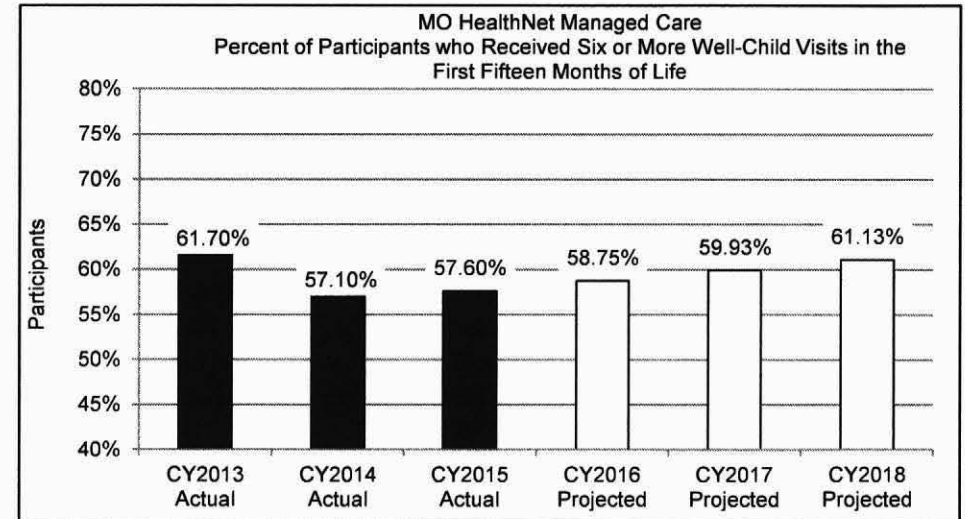
**6a. Provide an effectiveness measure.**

Prenatal care is important for monitoring the progress of pregnancy and to identify risk factors for the mother or baby before they become serious and lead to poor outcomes and more expensive health care costs. The diagnosis and treatment of chronic conditions also reduces more expensive health care costs that could result when conditions are left untreated.



**Effectiveness Measure 1:** Increase the percentage of women receiving prenatal care. The percentage of women who received prenatal care within the first trimester or within 42 days of enrollment in a health plan was 88.65% in 2015.

*\*CY 2015 data is the most recent data available*



**Effectiveness Measure 2:** Increase the percentage of participants who receive six or more well-child visits in the first fifteen months of life. The percentage of participants who received six or more well-child visits in their first fifteen months of life was 57.6% in 2015.

*\*CY 2015 data is the most recent data available*

# NEW DECISION ITEM

RANK: 12 OF 26

Department: Social Services

Budget Unit : 90551C, 90556C, 88855C

Division: MO HealthNet

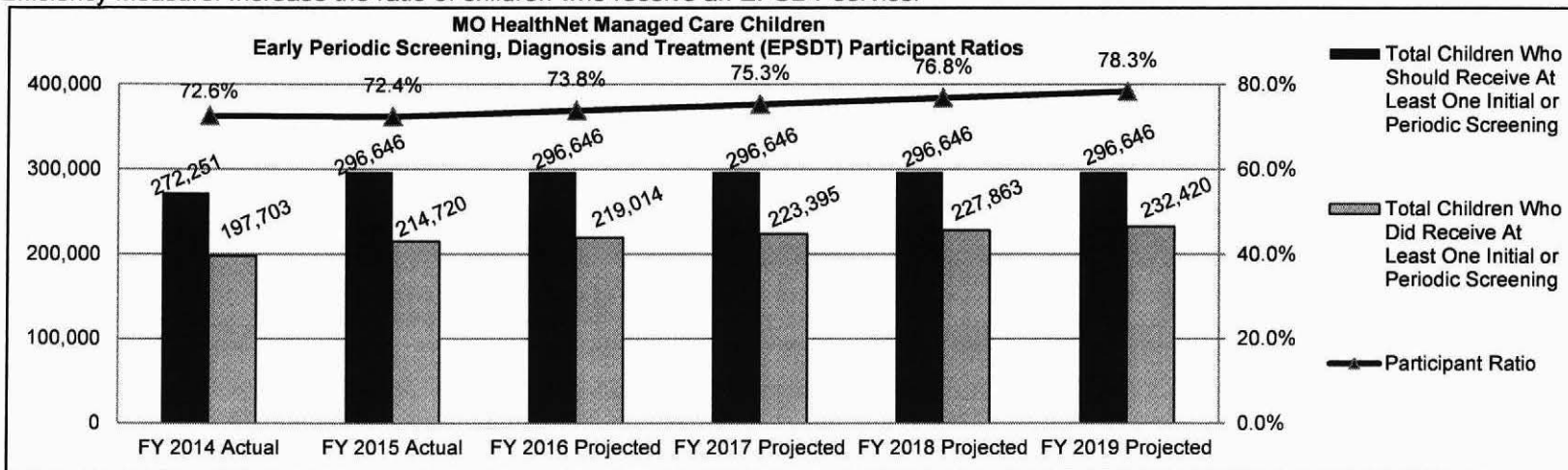
DI Name: Statewide Managed Care FY 18 Rates DI# 1886009

HB Section 11.505, 11.555 and 11.560

## 6b. Provide an efficiency measure.

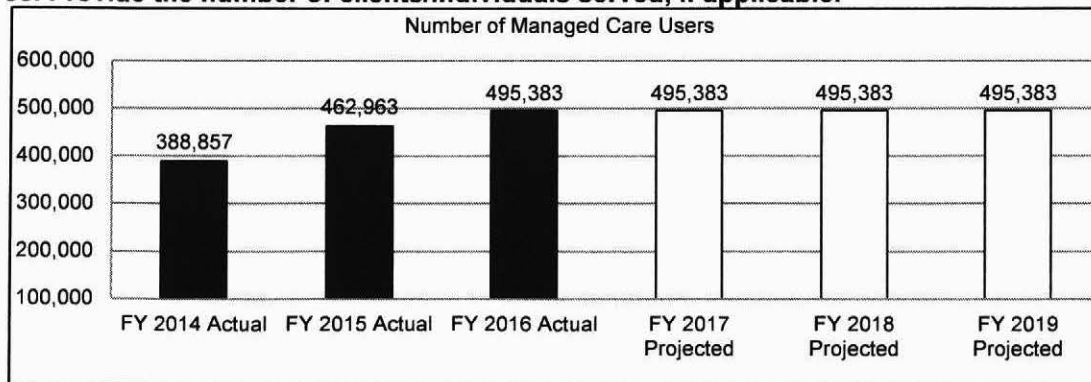
The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening. The chart below does not include CHIP children.

Efficiency Measure: Increase the ratio of children who receive an EPSDT service.



FY 15 data is the most recent data available (data only available in March the following fiscal year)

## 6c. Provide the number of clients/individuals served, if applicable.



Users include MO HealthNet (Title XIX) and CHIP (Title XXI) participants.

**NEW DECISION ITEM**  
**RANK: 12 OF 26**

**Department: Social Services**

**Budget Unit : 90551C, 90556C, 88855C**

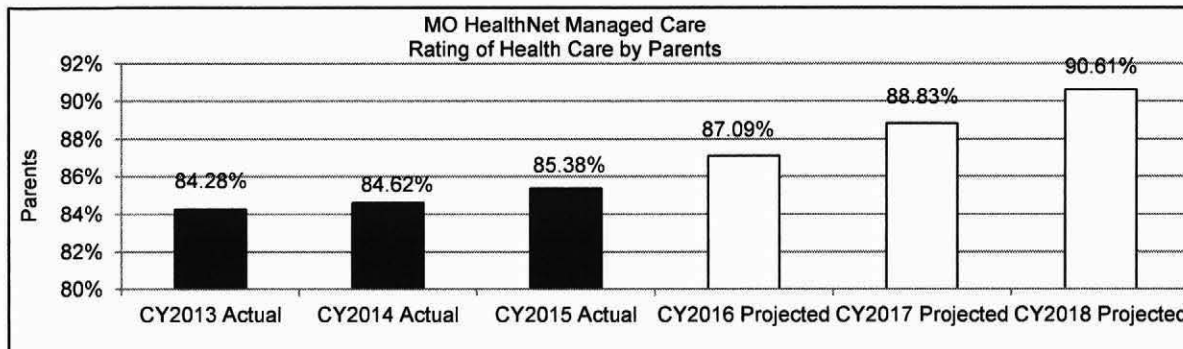
**Division: MO HealthNet**

**DI Name: Statewide Managed Care FY 18 Rates DI# 1886009**

**HB Section 11.505, 11.555 and 11.560**

**6d. Provide a customer satisfaction measure, if available.**

When parents were asked if they were satisfied with the health care their child received through their MO HealthNet Managed Care plan, over 85% responded that they were satisfied in 2015.



**Customer Satisfaction Measure:** Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.  
*CY 2015 data is the most recent data available*

**NEW DECISION ITEM**  
**RANK: 12 OF 26**

**Department: Social Services**

**Budget Unit : 90551C, 90556C, 88855C**

**Division: MO HealthNet**

**DI Name: Statewide Managed Care FY 18 Rates DI# 1886009**

**HB Section 11.505, 11.555 and 11.560**

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Participate in the Statewide Coalition, consisting of leaders from Missouri Hospital Association and the Family and Community Trust to provide outreach and enrollment.
- Continue to work with community groups, local medical providers, health care associations, schools, etc., regarding access to MO HealthNet coverage.
- Continue to work with MO HealthNet managed care health plans to provide outreach and education to communities regarding access to MO HealthNet coverage.

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
FY 2018 Managed Care Rates - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	18,972,789	0.00	20,403,308	0.00
TOTAL - PD	0	0.00	0	0.00	18,972,789	0.00	20,403,308	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$18,972,789</b>	<b>0.00</b>	<b>\$20,403,308</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$6,976,674	0.00	\$7,292,142	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$11,996,115	0.00	\$13,111,166	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
CHILDREN'S HEALTH INS PROGRAM								
FY 2018 Managed Care Rates - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	236,298	0.00	236,298	0.00
TOTAL - PD	0	0.00	0	0.00	236,298	0.00	236,298	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$236,298	0.00	\$236,298	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$60,816	0.00	\$59,110	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$175,482	0.00	\$177,188	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>SHOW-ME BABIES</b>								
<b>FY 2018 Managed Care Rates - 1886009</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	280,503	0.00	280,503	0.00
TOTAL - PD	0	0.00	0	0.00	280,503	0.00	280,503	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$280,503</b>	<b>0.00</b>	<b>\$280,503</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$72,193	0.00	\$70,168	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$208,310	0.00	\$210,335	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



## NEW DECISION ITEM

RANK: 15 OF 26

Department: Social Services  
 Division: MO HealthNet  
 DI Name: Statewide Managed Care Transition

DI# 1866011

Budget Unit : 90551C, 90556C, 88855C

HB Section: 11.505, 11.555, 11.560

**1. AMOUNT OF REQUEST**

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	36,641,332	63,195,422	0	99,836,754	
TRF	0	0	0	0	
<b>Total</b>	<b>36,641,332</b>	<b>63,195,422</b>	<b>0</b>	<b>99,836,754</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	35,289,036	64,188,267	0	99,477,303	
TRF	0	0	0	0	
<b>Total</b>	<b>35,289,036</b>	<b>64,188,267</b>	<b>0</b>	<b>99,477,303</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
--------------------	---	---	---	---

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Program Transition	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

NDI SYNOPSIS: Funding is needed to transition medical service payments associated with the transition of participants to Statewide Managed Care. MO HealthNet is expanding Managed Care coverage statewide in accordance with budget authority provided by the General Assembly. Funding is needed to pay a one month SFY17 Managed Care capitation payment for the extension regions which will be delayed in accordance with the requirements outlined in the Statewide Managed Care RFP to be paid in FY18. The transition funding also includes the remaining Fee-For-Service claims run-out from SFY17 which will be paid in SFY18. The total request is offset by a deferment associated with increasing the Managed Care withhold from 2.5% to 5% in the Statewide Managed Care RFP.

**NEW DECISION ITEM**  
**RANK: 15 OF 26**

**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: Statewide Managed Care Transition**

**Budget Unit : 90551C, 90556C, 88855C**

**DI# 1886011**

**HB Section: 11.505, 11.555, 11.560**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The chart below indicates the projected need for all medical services associated with the transition of participants in extension regions to Statewide Managed Care. This need includes a one month SFY17 Managed Care Capitation payment for the extended region which will be delayed in accordance with the requirements outlined in the Statewide Managed Care RFP to be paid in SFY18. This transition need also includes the remaining Fee-For-Service claims run-out from SFY17 which will be paid in SFY18. The total request is offset by a deferment associated with increasing the Managed Care withhold from 2.5% to 5% in the Statewide Managed Care RFP. The total need associated with the transition of medical service payment to Statewide Managed Care is estimated at \$99,477,303 as follows:

	<b>Show Me</b>				
<b>Statewide MC Transition</b>	<b>Managed Care</b>	<b>CHIP</b>	<b>Healthy Baby</b>	<b>FY18 Total</b>	
<i>Additional MC Payment from 1 month in FY17</i>	\$ 57,176,932	\$ 1,184,218	\$ 394,739	\$ 58,755,889	
<i>MHD Fee for Service Claims Run-out</i>	\$ 82,281,093			\$ 82,281,093	
<i>Withhold Deferment</i>	\$ (40,620,853)	\$ (654,595)	\$ (284,230)	\$(41,559,678)	
	\$ 98,837,172	\$ 529,622	\$ 110,509	\$ 99,477,304	

<b>Department Request</b>			
	GR	Federal	Total
Managed Care	36,476,582	62,720,041	99,196,623
CHIP	136,309	393,313	529,622
SMHB	28,441	82,068	110,509
	\$36,641,332	\$63,195,422	\$99,836,754

<b>Governor's Recommendation</b>			
	GR	Federal	Total
Managed Care	35,124,286	63,712,886	98,837,172
CHIP	136,309	393,313	529,622
SMHB	28,441	82,068	110,509
	\$35,289,036	\$64,188,267	\$99,477,303

**The Governor's Recommendation is different than the Department Requested due to increased managed care caseload in FY17 and FMAP.**

**NEW DECISION ITEM**

RANK: 15

OF 26

Department: Social Services

Budget Unit : 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Statewide Managed Care Transition

DI# 1886011

HB Section: 11.505, 11.555, 11.560

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
							0			
Total EE	0		0		0		0		0	
Program Distributions	36,641,332		63,195,422				99,836,754			
Total PSD	36,641,332		63,195,422		0		99,836,754		0	
Transfers							0			
Total TRF	0		0		0		0		0	
<b>Grand Total</b>	<b>36,641,332</b>	<b>0.0</b>	<b>63,195,422</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>99,836,754</b>	<b>0.0</b>	<b>0</b>	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
							0			
Total EE	0		0		0		0		0	
Program Distributions	35,289,036		64,188,267				99,477,303		99,477,303	
Total PSD	35,289,036		64,188,267		0		99,477,303		99,477,303	
Transfers							0			
Total TRF	0		0		0		0		0	
<b>Grand Total</b>	<b>35,289,036</b>	<b>0.0</b>	<b>64,188,267</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>99,477,303</b>	<b>0.0</b>	<b>99,477,303</b>	

NEW DECISION ITEM  
RANK: 15 OF 26

Department: Social Services

Budget Unit: 90551C, 90556C, 88855C

Division: MO HealthNet

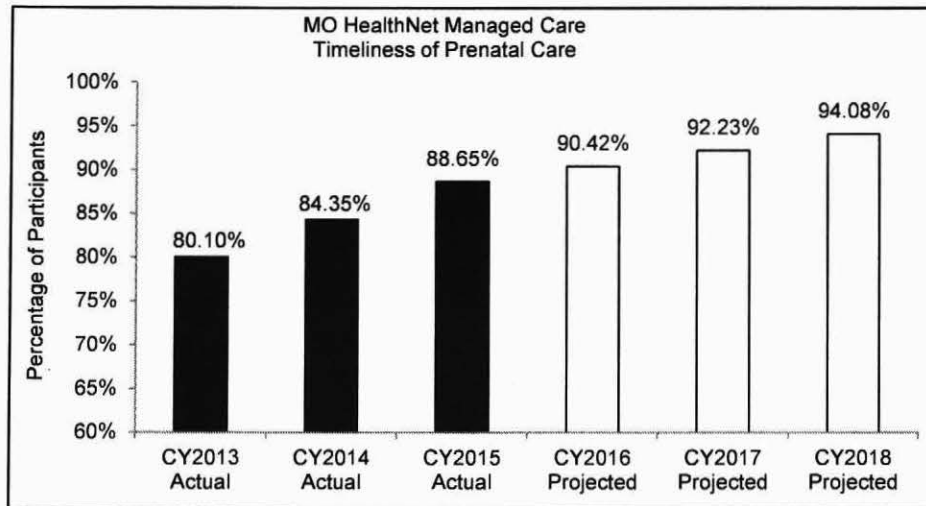
DI Name: Statewide Managed Care Transition DI# 1886011

HB Section: 11.505, 11.555, 11.560

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

Prenatal care is important for monitoring the progress of pregnancy and to identify risk factors for the mother or baby before they become serious and lead to poor outcomes and more expensive health care costs. The diagnosis and treatment of chronic conditions also reduces more expensive health care costs that could result when conditions are left untreated.



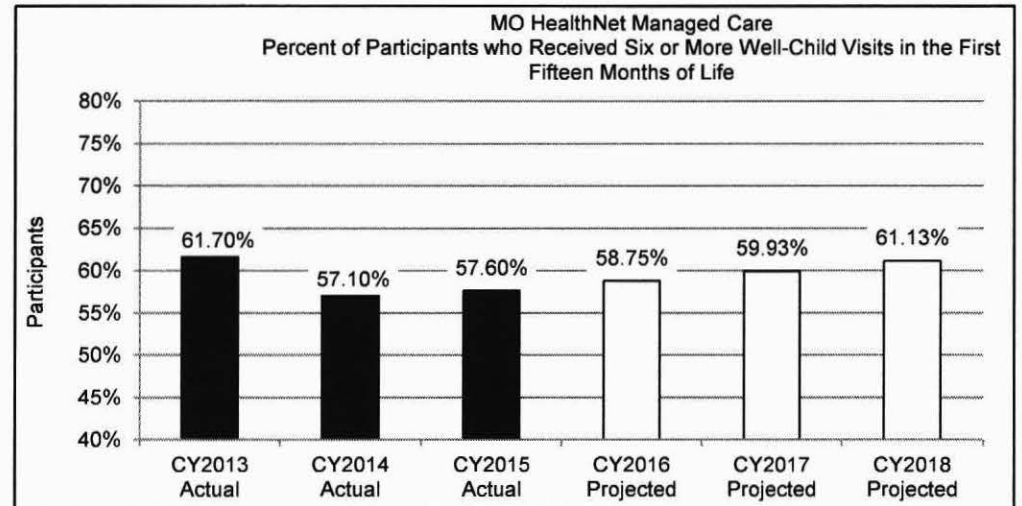
**Effectiveness Measure 1:** Increase the percentage of women receiving prenatal care. The percentage of women who received prenatal care within the first trimester or within 42 days of enrollment in a health plan was 88.65% in 2015.

*\*CY 2015 data is the most recent data available*

**6b. Provide an efficiency measure.**

The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening. The chart below does not include CHIP children.

**Efficiency Measure:** Increase the ratio of children who receive an EPSDT service.



**Effectiveness Measure 2:** Increase the percentage of participants who receive six or more well-child visits in the first fifteen months of life. The percentage of participants who received six or more well-child visits in their first fifteen months of life was 57.6% in 2015.

*\*CY 2015 data is the most recent data available*

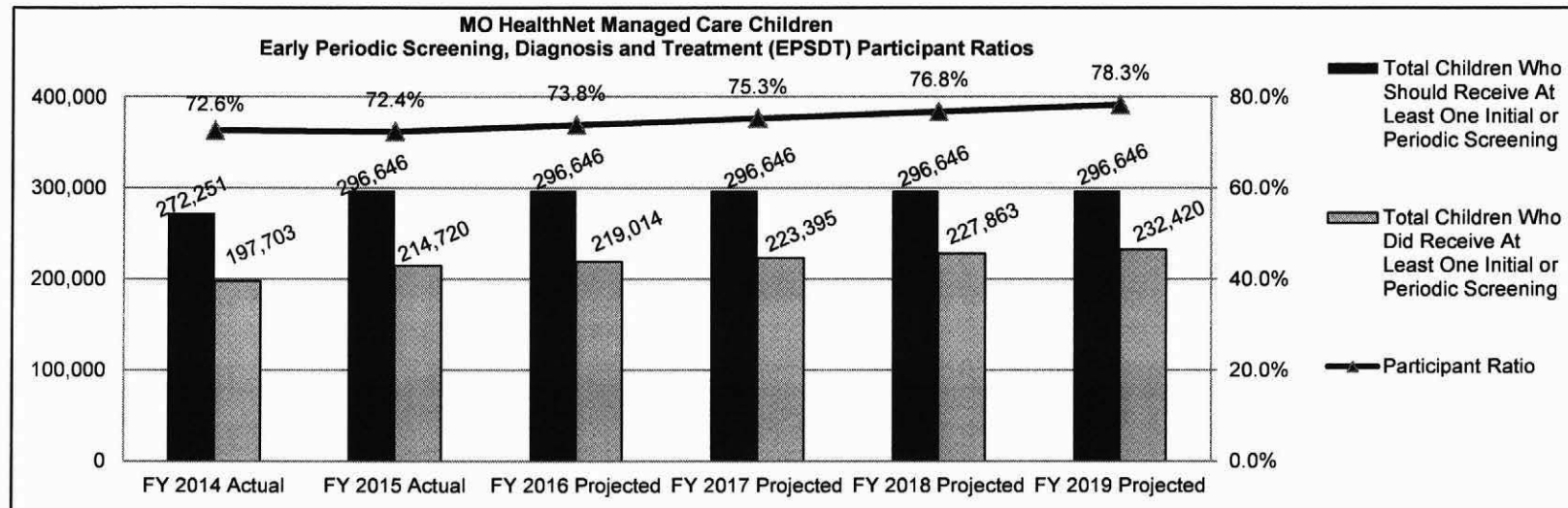
**Department: Social Services**

**Budget Unit: 90551C, 90556C, 88855C**

**Division: MO HealthNet**

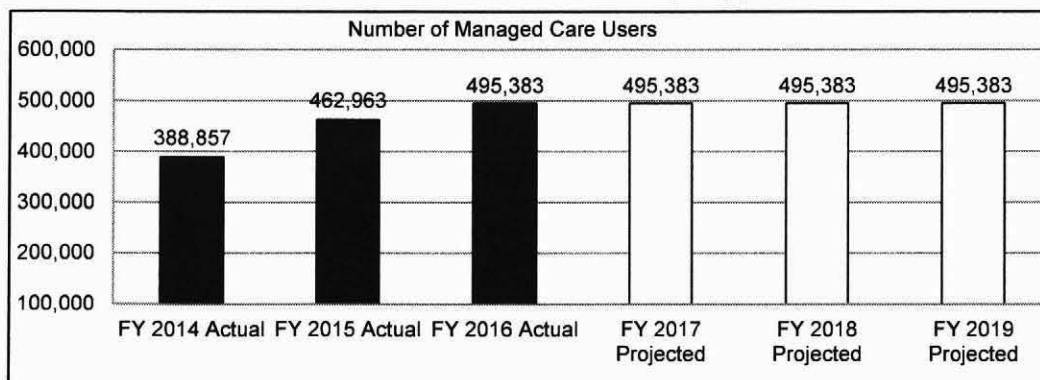
**DI Name: Statewide Managed Care Transition DI# 1886011**

**HB Section: 11.505, 11.555, 11.560**



*FY 15 data is the most recent data available (data only available in March the following fiscal year)*

**6c. Provide the number of clients/individuals served, if applicable.**



Users include MO HealthNet (Title XIX) and CHIP (Title XXI) participants.



**NEW DECISION ITEM**  
**RANK: 15 OF 26**

**Department: Social Services**

**Budget Unit: 90551C, 90556C, 88855C**

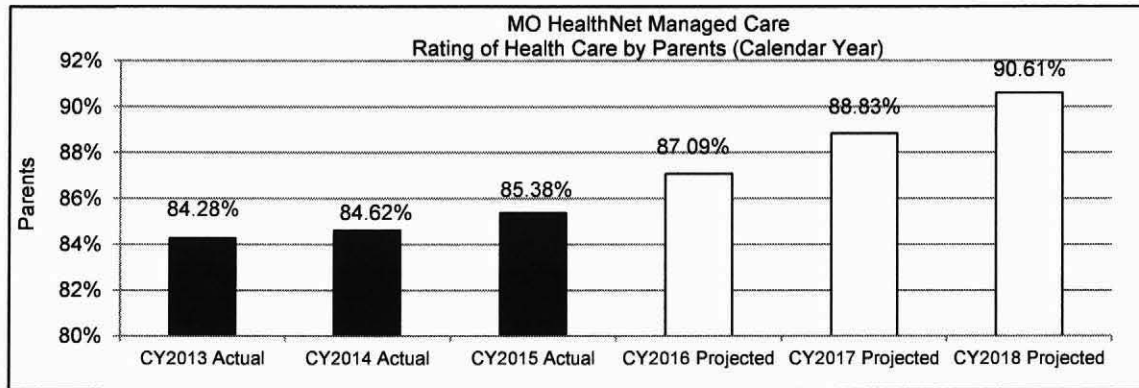
**Division: MO HealthNet**

**DI Name: Statewide Managed Care Transition DI# 1886011**

**HB Section: 11.505, 11.555, 11.560**

**6d. Provide a customer satisfaction measure, if available.**

When parents were asked if they were satisfied with the health care their child received through their MO HealthNet Managed Care plan, over 85% responded that they were satisfied in 2015.



**Customer Satisfaction Measure:** Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care. *CY 2015 data is the most recent data available*

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Participate in the Statewide Coalition, consisting of leaders from Missouri Hospital Association and the Family and Community Trust to provide outreach and enrollment.
- Continue to work with community groups, local medical providers, health care associations, schools, etc., regarding access to MO HealthNet coverage.
- Continue to work with MO HealthNet managed care health plans to provide outreach and education to communities regarding access to MO HealthNet coverage.

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
<b>Statewide Mgd Care Transition - 1886011</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	99,196,623	0.00	98,837,172	0.00
TOTAL - PD	0	0.00	0	0.00	99,196,623	0.00	98,837,172	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$99,196,623</b>	<b>0.00</b>	<b>\$98,837,172</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$36,476,582	0.00	\$35,124,286	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$62,720,041	0.00	\$63,712,886	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CHILDREN'S HEALTH INS PROGRAM</b>								
<b>Statewide Mgd Care Transition - 1886011</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	529,622	0.00	529,622	0.00
TOTAL - PD	0	0.00	0	0.00	529,622	0.00	529,622	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$529,622</b>	<b>0.00</b>	<b>\$529,622</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$136,309	0.00	\$136,309	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$393,313	0.00	\$393,313	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>SHOW-ME BABIES</b>								
<b>Statewide Mgd Care Transition - 1886011</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	110,509	0.00	110,509	0.00
TOTAL - PD	0	0.00	0	0.00	110,509	0.00	110,509	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$110,509</b>	<b>0.00</b>	<b>\$110,509</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$28,441	0.00	\$28,441	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$82,068	0.00	\$82,068	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM**  
**RANK: 18 OF 26**

**Department: Social Services**

**Budget Unit: 90544C, 90559C, 90574C**

**Division: MO HealthNet**

**DI Name: Primary Care Health Home Rate Increase**

**DI# 1886014**

**HB Section: 11.455, 11.520, 11.525**

**1. AMOUNT OF REQUEST**

FY 2018 Budget Request				
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	62,666	226,817	69,246	358,729
TRF	0	0	0	0
<b>Total</b>	<b>62,666</b>	<b>226,817</b>	<b>69,246</b>	<b>358,729</b>

**FTE**                      **0.00**                      **0.00**                      **0.00**                      **0.00**

**Est. Fringe**                      0                      0                      0                      0

*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

FY 2018 Governor's Recommendation				
	GR	Federal	Other	Total
PS	0	0	0	0
EE	0	0	0	0
PSD	24,343	79,128	18,999	122,470
TRF	0	0	0	0
<b>Total</b>	<b>24,343</b>	<b>79,128</b>	<b>18,999</b>	<b>122,470</b>

**FTE**                      **0.00**                      **0.00**                      **0.00**                      **0.00**

**Est. Fringe**                      0                      0                      0                      0

*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: Federal Reimbursement Allowance Fund (0142)

Other Funds: Federal Reimbursement Allowance Fund (0142)

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

☐ New Legislation  
☐ Federal Mandate  
☐ GR Pick-Up  
☐ Pay Plan

☐ New Program  
☐ Program Expansion  
☐ Space Request  
☒ Other: Rate Increase

☐ Fund Switch  
☐ Cost to Continue  
☐ Equipment Replacement

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

**NDI SYNOPSIS:** Funding is needed to increase Primary Care Health Homes according to the state plan amendment requirements.

MO HealthNet's Primary Care Health Home initiative strives to provide intensive care coordination and care management as well as address social determinants of health for a medically complex population. The state plan amendment for Primary Care Health Homes requires MO HealthNet to annually adjust the per member per month (PMPM) rate in January according to the Consumer Price Index. Since 2011, Primary Care Health Homes have received an annual 2% increase in January to cover increased costs of services provided to health home participants. This request estimates a 2% rate increase beginning January 2018 (4 service months).

**NEW DECISION ITEM**  
**RANK: 18 OF 26**

**Department: Social Services**

**Budget Unit 90544C, 90559C, 90574C**

**Division: MO HealthNet**

**DI Name: Primary Care Health Home Rate Increase**

**DI# 1886014**

**HB Section: 11.455, 11.520, 11.525**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The state plan amendment for Primary Care Health Homes requires MO HealthNet to annually adjust the per member per month (PMPM) rate in January according to the Consumer Price Index. Since 2011, Primary Care Health Homes have received an annual 2% increase in January to cover increased costs of services provided to health home participants. This request estimates a 2% rate increase beginning January 2018 (4 service months).

<b>Department Request</b>			
	GR	FF	Other
Physicians	\$4,180	\$7,188	\$0
Health Home FR	\$0	\$119,065	\$69,246
FQHC	\$58,486	\$100,564	\$0
<b>Total</b>	<b>\$62,666</b>	<b>\$226,817</b>	<b>\$69,246</b>

<b>Governor's Recommendation</b>			
	GR	FF	Other
Physicians	\$5,188	\$9,471	\$0
Health Home FR	\$0	\$34,686	\$18,999
FQHC	\$19,155	\$34,971	\$0
<b>Total</b>	<b>\$24,343</b>	<b>\$79,128</b>	<b>\$18,999</b>

**The difference between the Governor's Recommendation and Department Request is due to updated caseload and a change in FMAP.**

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	
<b>Total EE</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
Program Distributions	62,666		226,817		69,246		358,729			
<b>Total PSD</b>	<b>62,666</b>		<b>226,817</b>		<b>69,246</b>		<b>358,729</b>		<b>0</b>	
Transfers							0			
<b>Total TRF</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
<b>Grand Total</b>	<b>62,666</b>	<b>0.0</b>	<b>226,817</b>	<b>0.0</b>	<b>69,246</b>	<b>0.0</b>	<b>358,729</b>	<b>0.0</b>	<b>0</b>	

**NEW DECISION ITEM**  
**RANK: 18 OF 26**

**Department: Social Services**

**Budget Unit 90544C, 90559C, 90574C**

**Division: MO HealthNet**

**DI Name: Primary Care Health Home Rate Increase**

**DI# 1886014**

**HB Section: 11.455, 11.520, 11.525**

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	
<b>Total EE</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
Program Distributions	24,343		79,128		18,999		122,470			
<b>Total PSD</b>	<b>24,343</b>		<b>79,128</b>		<b>18,999</b>		<b>122,470</b>		<b>0</b>	
Transfers							0			
<b>Total TRF</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
<b>Grand Total</b>	<b>24,343</b>	<b>0.0</b>	<b>79,128</b>	<b>0.0</b>	<b>18,999</b>	<b>0.0</b>	<b>122,470</b>	<b>0.0</b>	<b>0</b>	

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

Number of Medical Organizations Participating in Primary Care Health Homes	37
Number of Medical Sites Participating in Primary Care Health Homes	155

**6c. Provide the number of clients/individuals served, if applicable.**

**Number of Primary Care Health Homes Participants**

April 2016 (service month)	Actual	18,354
April 2017 (service month)	Projected	23,477
April 2018 (service month)	Projected	23,477

**6b. Provide an efficiency measure.**

N/A

**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
Primary Care HH Rate Inc - 1886014								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	11,368	0.00	14,659	0.00
TOTAL - PD	0	0.00	0	0.00	11,368	0.00	14,659	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$11,368	0.00	\$14,659	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$4,180	0.00	\$5,188	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$7,188	0.00	\$9,471	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>FQHC DISTRIBUTION</b>								
<b>Primary Care HH Rate Inc - 1886014</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	159,050	0.00	54,126	0.00
TOTAL - PD	0	0.00	0	0.00	159,050	0.00	54,126	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$159,050</b>	<b>0.00</b>	<b>\$54,126</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$58,486	0.00	\$19,155	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$100,564	0.00	\$34,971	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>FRA HEALTH CARE HOME</b>								
<b>Primary Care HH Rate Inc - 1886014</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	188,311	0.00	53,685	0.00
TOTAL - PD	0	0.00	0	0.00	188,311	0.00	53,685	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$188,311</b>	<b>0.00</b>	<b>\$53,685</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
<b>FEDERAL FUNDS</b>								
	\$0	0.00	\$0	0.00	\$119,065	0.00	\$34,686	0.00
<b>OTHER FUNDS</b>								
	\$0	0.00	\$0	0.00	\$69,246	0.00	\$18,999	0.00



## NEW DECISION ITEM

RANK: 19 OF 26

Department: Social Services  
 Division: MO HealthNet  
 DI Name: HB 1565 Asset Limit Increase

DI# 1886012

Budget Unit 90552C, 90546C, 90541C, 90538C, 90544C, 90564C, 90550C,  
 90577C, 90561C, and 90547C  
 HB Section: 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.510,  
 11.605

## 1. AMOUNT OF REQUEST

FY 2018 Budget Request				
GR	Federal	Other	Total	E
PS	0	0	0	0
EE	0	0	0	0
PSD	27,945,950	80,086,596	18,630,633	126,663,179
TRF	0	0	0	0
<b>Total</b>	<b>27,945,950</b>	<b>80,086,596</b>	<b>18,630,633</b>	<b>126,663,179</b>

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Federal Reimbursement Allowance Fund (0142)  
 Pharmacy Reimbursement Allowance Fund (0144)  
 Pharmacy Rebates Fund (0114)  
 Ambulance Service Reimbursement Allowance Fund (0958)  
 Third Party Liability Fund (0120)

FY 2018 Governor's Recommendation				
GR	Federal	Other	Total	E
PS	0	0	0	0
EE	0	0	0	0
PSD	15,668,152	46,755,220	10,412,629	72,836,001
TRF	0	0	0	0
<b>Total</b>	<b>15,668,152</b>	<b>46,755,220</b>	<b>10,412,629</b>	<b>72,836,001</b>

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Federal Reimbursement Allowance Fund (0142)  
 Pharmacy Reimbursement Allowance Fund (0144)  
 Pharmacy Rebates Fund (0114)  
 Ambulance Service Reimbursement Allowance Fund (0958)  
 Third Party Liability Fund (0120)

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

## 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

This request funds services for additional individuals and couples who will become eligible for full Medicaid benefits as a result of HB 1565 (2016). This bill raises the MO HealthNet asset limits for MO HealthNet permanent and totally disabled claimants, MO HealthNet blind claimants, and MO HealthNet aged claimants from \$1,000 to \$2,000 for individuals and \$2,000 to \$4,000 for married couples in 2018. DSS estimates 4,904 new cases will become eligible for MO HealthNet benefits. In addition, 2,006 MO HealthNet recipients who currently receive limited medical benefits will receive full Medicaid benefits under this legislation.

The Governor's Recommendation assumes a gradual caseload increase.

NEW DECISION ITEM  
RANK: 19 OF 26

Department: Social Services  
Division: MO HealthNet  
DI Name: HB 1565 Asset Limit Increase

DI# 1886012

Budget Unit: 90552C, 90546C, 90541C, 90538C, 90544C, 90564C, 90550C,  
90577C, 90561C, and 90547C  
HB Section: 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.510,  
11.605

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The MO HealthNet Division (MHD) estimates a fiscal impact because of changes to the resource limits for blind, elderly, and disabled persons. Higher cost will result from one group of Medicaid eligibles who currently receive limited medical benefits but will receive full Medicaid benefits under this legislation. New eligibles are also expected to enter the Medicaid program because of the change in eligibility rules.

FSD estimated 6,910 new cases:

- 1) 4,904 new cases (901 rejections + 3 closing + 4,000 unknown population)
- 2) 864 QMB and 1,142 SLMB

An annual cost per person was calculated for persons with disabilities and seniors using FY 15 expenditures. Using the annual cost per person, a total cost of \$126,705,327 and \$7,532,828 was calculated for persons with disabilities and seniors respectively for a total cost of \$134,238,155. These figures include MO HealthNet costs for the Department of Mental Health (DMH) and Department of Health and Senior Services (DHSS) which will be requested in the DSS appropriations bill. With the 864 QMB and 1,142 SLMB eligibles receiving full benefits, the total cost is reduced by the current premium payments for these eligibles (\$4,103,112) for a total cost of \$72,836,001.

**The Department Request reflected the fiscal note submitted during the 2016 legislative session. The Governor's Recommendation is revised to reflect a gradual increase in caseload.**

	Department Request					Governor Recommended			
	GR	Fed	Other*	Total		GR	Fed	Other*	Total
Hospital	\$88,726	\$17,445,205	\$10,057,017	\$27,590,948		\$17,806	\$10,195,371	\$5,652,636	\$15,865,813
Dental	\$45,868	\$78,867		\$124,735		\$25,635	\$46,092		\$71,727
Pharmacy	\$1,746,417	\$16,071,992	\$7,600,696	\$25,419,105		\$1,010,934	\$9,392,835	\$4,213,155	\$14,616,924
MORx	\$48,956	\$84,177		\$133,133		\$76,556	\$0		\$76,556
Physician	\$4,156,759	\$7,884,795	\$428,862	\$12,470,416		\$2,321,851	\$4,608,052	\$241,046	\$7,170,949
Home Health	\$60,545	\$104,104		\$164,649		\$33,838	\$60,841		\$94,679
Rehab	\$845,529	\$2,389,341	\$544,058	\$3,778,928		\$470,846	\$1,396,385	\$305,792	\$2,173,023
Complex Rehab	\$92,969	\$159,856		\$252,825		\$51,960	\$93,424		\$145,384
NEMT	\$351,295	\$604,039		\$955,334		\$196,338	\$353,014		\$549,352
Premium	\$1,729,499	\$2,973,806		\$4,703,305		\$966,615	\$1,737,959		\$2,704,574
DHSS	\$6,397,143	\$10,999,634		\$17,396,777		\$3,575,354	\$6,428,435		\$10,003,789
DMH	\$12,382,244	\$21,290,780		\$33,673,024		\$6,920,419	\$12,442,812		\$19,363,231
<b>Total</b>	<b>\$27,945,950</b>	<b>\$80,086,596</b>	<b>\$18,630,633</b>	<b>\$126,663,179</b>		<b>\$15,668,152</b>	<b>\$46,755,220</b>	<b>\$10,412,629</b>	<b>\$72,836,001</b>

*\*Other funds include Federal Reimbursement Allowance Fund, Pharmacy Reimbursement Allowance Fund, Pharmacy Rebates Fund, Ambulance Reimbursement Allowance fund, and Third Party Liability Fund*

**NEW DECISION ITEM**

RANK: 19 OF 26

Department: Social Services

Division: MO HealthNet

DI Name: HB 1565 Asset Limit Increase

DI# 1886012

Budget Unit: 90552C, 90546C, 90541C, 90538C, 90544C, 90564C, 90550C,  
90577C, 90561C, and 90547C

HB Section: 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.510,  
11.605

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
							0	0.0		
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
							0			
Total EE	0		0		0		0		0	
Program Distributions	27,945,950		80,086,596		18,630,633		126,663,179			
Total PSD	27,945,950		80,086,596		18,630,633		126,663,179		0	
Grand Total	27,945,950	0.0	80,086,596	0.0	18,630,633	0.0	126,663,179	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
							0	0.0		
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
							0			
Total EE	0		0		0		0		0	
Program Distributions	15,668,152		46,755,220		10,412,629		72,836,001			
Total PSD	15,668,152		46,755,220		10,412,629		72,836,001		0	
Grand Total	15,668,152	0.0	46,755,220	0.0	10,412,629	0.0	72,836,001	0.0	0	

NEW DECISION ITEM  
RANK: 19 OF 26

Department: Social Services

Division: MO HealthNet

DI Name: HB 1565 Asset Limit Increase

DI# 1886012

Budget Unit: 90552C, 90546C, 90541C, 90538C, 90544C, 90564C, 90550C,  
90577C, 90561C, and 90547C

HB Section: 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.510,  
11.605

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6c. Provide the number of clients/individuals served, if applicable.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6b. Provide an efficiency measure.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**6d. Provide a customer satisfaction measure, if available.**

Since this decision item is a combined request for the increase in authority of several programs, measures are incorporated in the individual program descriptions.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	25,419,105	0.00	14,616,924	0.00
TOTAL - PD	0	0.00	0	0.00	25,419,105	0.00	14,616,924	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$25,419,105</b>	<b>0.00</b>	<b>\$14,616,924</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,746,417	0.00	\$1,010,934	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$16,071,992	0.00	\$9,392,835	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$7,600,696	0.00	\$4,213,155	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MISSOURI RX PLAN</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	133,133	0.00	76,556	0.00
TOTAL - PD	0	0.00	0	0.00	133,133	0.00	76,556	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$133,133</b>	<b>0.00</b>	<b>\$76,556</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$48,956	0.00	\$76,556	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$84,177	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
Asset Limit Increase - HB 1565 - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	12,470,416	0.00	7,170,949	0.00
TOTAL - PD	0	0.00	0	0.00	12,470,416	0.00	7,170,949	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$12,470,416	0.00	\$7,170,949	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$4,156,759	0.00	\$2,321,851	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$7,884,795	0.00	\$4,608,052	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$428,862	0.00	\$241,046	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DENTAL</b>								
Asset Limit Increase - HB 1565 - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	124,735	0.00	71,727	0.00
TOTAL - PD	0	0.00	0	0.00	124,735	0.00	71,727	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$124,735</b>	<b>0.00</b>	<b>\$71,727</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$45,868	0.00	\$25,635	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$78,867	0.00	\$46,092	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
Asset Limit Increase - HB 1565 - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	4,703,305	0.00	2,704,574	0.00
TOTAL - PD	0	0.00	0	0.00	4,703,305	0.00	2,704,574	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$4,703,305</b>	<b>0.00</b>	<b>\$2,704,574</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$1,729,499	0.00	\$966,615	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$2,973,806	0.00	\$1,737,959	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOME HEALTH</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	164,649	0.00	94,679	0.00
TOTAL - PD	0	0.00	0	0.00	164,649	0.00	94,679	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$164,649</b>	<b>0.00</b>	<b>\$94,679</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$60,545	0.00	\$33,838	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$104,104	0.00	\$60,841	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,778,928	0.00	2,173,023	0.00
TOTAL - PD	0	0.00	0	0.00	3,778,928	0.00	2,173,023	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$3,778,928</b>	<b>0.00</b>	<b>\$2,173,023</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$845,529	0.00	\$470,846	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$2,389,341	0.00	\$1,396,385	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$544,058	0.00	\$305,792	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>NON-EMERGENCY TRANSPORT</b>								
Asset Limit Increase - HB 1565 - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	955,334	0.00	549,352	0.00
TOTAL - PD	0	0.00	0	0.00	955,334	0.00	549,352	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$955,334</b>	<b>0.00</b>	<b>\$549,352</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$351,295	0.00	\$196,338	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$604,039	0.00	\$353,014	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>COMPLEX REHAB TECHNLOGY PRDUCTS</b>								
Asset Limit Increase - HB 1565 - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	252,825	0.00	145,384	0.00
TOTAL - PD	0	0.00	0	0.00	252,825	0.00	145,384	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$252,825	0.00	\$145,384	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$92,969	0.00	\$51,960	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$159,856	0.00	\$93,424	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>HOSPITAL CARE</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	27,590,948	0.00	15,865,813	0.00
TOTAL - PD	0	0.00	0	0.00	27,590,948	0.00	15,865,813	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$27,590,948</b>	<b>0.00</b>	<b>\$15,865,813</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$88,726	0.00	\$17,806	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$17,445,205	0.00	\$10,195,371	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$10,057,017	0.00	\$5,652,636	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DMH ASSET LIMIT</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	33,673,024	0.00	19,363,231	0.00
TOTAL - PD	0	0.00	0	0.00	33,673,024	0.00	19,363,231	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$33,673,024</b>	<b>0.00</b>	<b>\$19,363,231</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$12,382,244	0.00	\$6,920,419	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$21,290,780	0.00	\$12,442,812	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DHSS ASSET LIMIT</b>								
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	17,396,777	0.00	10,003,789	0.00
TOTAL - PD	0	0.00	0	0.00	17,396,777	0.00	10,003,789	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$17,396,777</b>	<b>0.00</b>	<b>\$10,003,789</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$6,397,143	0.00	\$3,575,354	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$10,999,634	0.00	\$6,428,435	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



**NEW DECISION ITEM**  
**RANK: 999**

<b>Department: Social Services</b>	<b>Budget Unit</b> <u>Various</u>
<b>Division: MO HealthNet</b>	
<b>DI Name: FMAP Adjustment</b>	<b>DI#: 1886025</b>
	<b>HB Section</b> <u>Various</u>

**1. AMOUNT OF REQUEST**

FY 2018 Budget Request					FY 2018 Governor's Recommendation						
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS	0	0	0	0		PS	0	0	0	0	
EE	0	0	0	0		EE	0	0	0	0	
PSD	0	0	0	0		PSD	1,789,577	68,280,144	559,922	70,629,643	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	0	0	0	0		Total	1,789,577	68,280,144	559,922	70,629,643	
FTE	0.00	0.00	0.00	0.00		FTE	0.00	0.00	0.00	0.00	

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: N/A

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: Federal Reimbursement Allowance Fund (0142)

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="checked" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input checked="checked" type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Funding to address the change in the Federal Medical Assistance Percentage (FMAP). This changes the regular rate from 63.228% blended to 64.260% blended and enhanced rate from 74.263% blended to 74.985% blended.*

This funding is requested to compensate for the change in the Federal Medical Assistance Percentage (FMAP). Each year the Centers for Medicare and Medicaid Services (CMS) revises the percentage of Medicaid costs that the federal government will reimburse to each state. Effective October 1, 2017, the blended FMAP rate will increase from 63.228% to 64.260%. The enhanced FMAP rate for the CHIP children and the Women with Breast or Cervical Cancer program will increase from 74.263% to 74.985%. As a result, the MO HealthNet Division seeks to continue program core funding at current levels by compensating for this change in federal funding levels. The increased costs of this decision item have an equal offset in the affected program cores as core reductions. The Federal Authority is Social Security Act 1905(b).

**NEW DECISION ITEM**  
**RANK: 999**

**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: FMAP Adjustment**      **DI#: 1886025**

**Budget Unit**   Various

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Since the federal fiscal year (FFY) doesn't begin until the second quarter of the state fiscal year (SFY), a SFY blended rate is applied to the SFY core funding. This blended rate is derived by adding the old FFY rate (63.21%) for three months (July thru September) and the new FFY rate (64.61%) for nine months (October thru June) and dividing by 12 months, resulting in a SFY blended rate of 64.260%. This same procedure is applied to the enhanced federal match for the CHIP program and the women with Breast or Cervical Cancer program. The enhanced old FFY rate of 74.25% for three months (July thru September) and the new FFY rate of 74.23% for nine months (October thru June) results in an enhanced SFY blended rate of 74.985%. In order to continue current core funding, these blended rates are applied to the SFY17 core funding resulting in a revised mix of funding sources while maintaining the same total. Based on the review of all program cores and the change in FMAP, the below increases are needed to maintain total funding at the correct level.

**Governor's Recommendations:** Governor's Recommendations include the updated FMAP percentage that the federal government will use.

HB	Program	FMAP NDI				Corresponding Core Reductions			
		GR	Federal	Other	Total	GR	Federal	Other	Total
11.435	Pharmacy		\$6,877,550		<b>\$6,877,550</b>	(\$6,877,550)			<b>(\$6,877,550)</b>
11.455	Physician		\$15,551,011		<b>\$15,551,011</b>	(\$15,551,011)			<b>(\$15,551,011)</b>
11.460	Dental	\$2,563			<b>\$2,563</b>		(\$2,563)		<b>(\$2,563)</b>
11.465	Premium Payments	\$415,935			<b>\$415,935</b>		(\$415,935)		<b>(\$415,935)</b>
11.470	Home Health		\$84,432		<b>\$84,432</b>	(\$84,432)			<b>(\$84,432)</b>
11.470	Nursing Facility		\$6,280,436		<b>\$6,280,436</b>	(\$6,280,436)			<b>(\$6,280,436)</b>
11.475	Public Passthrough		\$745,292		<b>\$745,292</b>			(\$745,292)	<b>(\$745,292)</b>
11.480	Rehab & Specialty	\$512,235			<b>\$512,235</b>		(\$512,235)		<b>(\$512,235)</b>
11.480	NEMT		\$2,283,234		<b>\$2,283,234</b>	(\$2,283,234)			<b>(\$2,283,234)</b>
11.490	Complex Rehab Tech		\$5,368		<b>\$5,368</b>	(\$5,368)			<b>(\$5,368)</b>
11.505	Managed Care		\$28,704,413		<b>\$28,704,413</b>	(\$28,704,413)			<b>(\$28,704,413)</b>
11.510	Hospital		\$7,678,423		<b>\$7,678,423</b>	(\$7,678,423)			<b>(\$7,678,423)</b>
11.520	FQHC				<b>\$0</b>		(\$2,526,002)		<b>(\$2,526,002)</b>
11.525	Health Home FRA			\$559,922	<b>\$559,922</b>		(\$559,922)		<b>(\$559,922)</b>
11.555	CHIP	\$858,844			<b>\$858,844</b>		(\$858,844)		<b>(\$858,844)</b>
11.560	Show-Me Healthy Babies		\$69,985		<b>\$69,985</b>	(\$69,985)			<b>(\$69,985)</b>
		<b>\$1,789,577</b>	<b>\$68,280,144</b>	<b>\$559,922</b>	<b>\$70,629,643</b>	<b>(\$67,534,852)</b>	<b>(\$4,875,501)</b>	<b>(\$745,292)</b>	<b>(\$73,155,645)</b>

## NEW DECISION ITEM

RANK: 999

Department: Social Services

Budget Unit Various

Division: MO HealthNet

DI Name: FMAP Adjustment

DI#: 1886025

## 5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions							0			
Total PSD	0		0		0		0		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
Total EE	0		0		0		0		0	
Program Distributions	1,789,577		68,280,144		559,922		70,629,643			
Total PSD	1,789,577		68,280,144		559,922		70,629,643		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	1,789,577	0.0	68,280,144	0.0	559,922	0.0	70,629,643	0.0	0	



**NEW DECISION ITEM****RANK:** 999**Department:** Social Services**Budget Unit** Various**Division:** MO HealthNet**DI Name:** FMAP Adjustment**DI#:** 1886025**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional****6a. Provide an effectiveness measure.**

Year	Regular FFP Rates		Enhanced FFP Rates (CHIP Program)	
	FFY	SFY	FFY	SFY
2010	64.510%	64.180%	75.160%	74.930%
2011	63.290%	63.595%	74.300%	74.515%
2012	63.450%	63.410%	74.420%	74.390%
2013	61.370%	61.890%	72.960%	73.325%
2014	62.030%	61.865%	73.420%	73.305%
2015	63.450%	63.095%	74.420%	74.170%
2016	63.280%	63.323%	74.300%	74.330%
2017	63.210%	63.228%	74.250%	74.263%
2018	64.610%	64.260%	75.230%	74.985%

Since the FMAP adjustments represent a funding source rather than a particular program, measures for the FMAP adjustments are incorporated into the specific MO HealthNet program sections.

**6b. Provide an efficiency measure.**

N/A

**6c. Provide the number of clients/individuals served, if applicable.**

N/A

**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

- Maintain flow of federal financial participation in the healthcare arena. (Beyond DSS)
- The MO HealthNet Division performs detailed projections for all program cores. These projections include adjusting the federal participation level to the percentage in effect for SFY18.

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	6,877,550	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	6,877,550	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$6,877,550	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$6,877,550	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	15,551,011	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	15,551,011	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$15,551,011	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$15,551,011	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DENTAL								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	2,563	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	2,563	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$2,563	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$2,563	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	415,935	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	415,935	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$415,935</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$415,935	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NURSING FACILITIES								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	6,280,436	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	6,280,436	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$6,280,436	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$6,280,436	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOME HEALTH								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	84,432	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	84,432	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$84,432	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$84,432	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
LONG TERM SUPPORT PAYMENTS								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	745,292	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	745,292	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$745,292	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$745,292	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>REHAB AND SPECIALTY SERVICES</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	512,235	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	512,235	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$512,235</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$512,235	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
NON-EMERGENCY TRANSPORT								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	2,283,234	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	2,283,234	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$2,283,234	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$2,283,234	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>COMPLEX REHAB TECHNOLGY PRDUCES</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	5,368	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	5,368	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$5,368</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$5,368	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MANAGED CARE</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	28,704,413	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	28,704,413	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$28,704,413</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$28,704,413	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
HOSPITAL CARE								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	7,678,423	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	7,678,423	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$7,678,423	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$7,678,423	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
FRA HEALTH CARE HOME								
FMAP Adjustment - 1886025								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	559,922	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	559,922	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$559,922	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$559,922	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CHILDREN'S HEALTH INS PROGRAM</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	858,844	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	858,844	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$858,844</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$858,844	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>SHOW-ME BABIES</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	69,985	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	69,985	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$69,985</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$69,985	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00





**NEW DECISION ITEM**  
**RANK: 999**

**Department: Social Services**

**Division: MO HealthNet**

**DI Name: MMIS Replacement**

**DI# 1886031**

**Budget Unit: 90512C & 90522C**

**HB Section: 11.400 & 11.420**

**1. AMOUNT OF REQUEST**

	FY 2018 Budget Request				
	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	0	0	0	0	
TRF	0	0	0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: N/A

	FY 2018 Governor's Recommendation				
	GR	Federal	Other	Total	E
PS	217,724	217,724	0	435,448	
EE	4,459,015	15,406,079	0	19,865,094	
PSD	0	0	0	0	
TRF	0	0	0	0	
<b>Total</b>	<b>4,676,739</b>	<b>15,623,803</b>	<b>0</b>	<b>20,300,542</b>	
<b>FTE</b>	<b>3.50</b>	<b>3.50</b>	<b>0.00</b>	<b>7.00</b>	

<b>Est. Fringe</b>	95,517	95,517	0	191,033
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: N/A

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input checked="" type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

This NDI is needed to fund MMIS system changes necessary for Medicaid reform; additional contracted pharmacy call center staff; additional state staffing which will be designated to work on the procurement and system implementations; federal match rate changes on current contracts; and decreasing reliance on MMIS payments made from the MO HealthNet program lines. This NDI is also needed so providers can be paid timely, new legislative priorities can be implemented, deadlines can be met for on-going projects, enhancements and Medicaid reforms.

**NEW DECISION ITEM**

**RANK:** 999

**Department:** Social Services  
**Division:** MO HealthNet  
**DI Name:** MMIS Replacement **DI#** 1886031

**Budget Unit:** 90512C & 90522C

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

This NDI is needed to fund MMIS system changes necessary for Medicaid reform; additional contracted pharmacy call center staff; additional state staffing which will be designated to work on the procurement and system implementations; federal match rate changes on current contracts; and decreasing reliance on MMIS payments made from the MO HealthNet program lines.

Guidance from CMS requires MMIS system changes, including the replacement of the legacy MMIS system in order to receive MMIS enhanced funding.

The additional pharmacy call center staff will support CMS changes related to claims processing and maintenance of service level and provide complex reviews which are necessary in order to implement recent and upcoming changes within the MO HealthNet Pharmacy program (i.e. prior authorization of cecostly new prescriptions, monitoring Hepatitis C therapy request, and implementing opiate restrictions).

The additional state staffing will be dedicated to the procurement and system implementation for the new MMIS. This staff will allow current staff to continue their duties without interrupting ongoing operations. This staff will work to ensure procurement and implementation is completed in a timely manner and mitigate the risk of an unsuccessful implementation which could result in the loss of enhanced federal funding for MMIS.

	FTE	GR	FED	Total
Staff	7.00	217,724	217,724	435,448
E&E Staffing Costs		18,683	18,683	37,366
Supporting Medicaid Reform/Pharmacy Support		556,444	2,810,748	3,367,192
Federal Match Rate Changes		2,880,411	9,566,217	12,446,628
Consolidating MMIS Budget from Program Appropriations		1,003,477	3,010,431	4,013,908
Total	7.00	4,676,739	15,623,803	20,300,542

**NEW DECISION ITEM**

**RANK:** 999

**Department:** Social Services  
**Division:** MO HealthNet  
**DI Name:** MMIS Replacement **DI#** 1886031

**Budget Unit:** 90512C & 90522C

5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.										
Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
Total PS	0	0.0	0	0.0	0	0	0	0.0	0	0
Total EE	0		0		0		0		0	
Total PSD	0		0		0		0		0	
Grand Total	0	0.0	0	0.0	0	0.0	0	0.0	0	
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
Social Services Manager Band I	20,592	0.5	20,592	0.5			41,184	1.0		
Management Analysis Specialist II	64,170	1.5	64,170	1.5			128,340	3.0		
Special Assistant Professional	36,264	0.0	36,264	0.0			72,528	0.0		
Miscellaneous Professional	96,698	1.5	96,698	1.5			193,396	3.0		
Total PS	217,724	3.5	217,724	3.5	0	0.0	435,448	7.0	0	
190	1,028		1,027				2,055			195
400	4,440,332		15,387,396				19,827,728			
480	1,847		1,848				3,695			3,695
580	15,808		15,808				31,616			31,616
Total EE	4,459,015		15,406,079		0		19,865,094			35,506
Total PSD	0		0		0		0			0
Grand Total	4,676,739	3.5	15,623,803	3.5	0	0.0	20,300,542	7.0	35,506	

**NEW DECISION ITEM**

**RANK:** 999

**Department:** Social Services

**Budget Unit:** 90512C & 90522C

**Division:** MO HealthNet

**DI Name:** MMIS Replacement

**DI#** 1886031

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**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional**

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**6a. Provide an effectiveness measure.**

See Clinical Services Program Management and Information Systems for program measures.

**6b. Provide an efficiency measure.**

See Clinical Services Program Management and Information Systems for program measures.

**6c. Provide the number of clients/individuals served, if applicable.**

See Clinical Services Program Management and Information Systems for program measures.

**6d. Provide a customer satisfaction measure, if available.**

See Clinical Services Program Management and Information Systems for program measures.

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**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

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N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO HEALTHNET ADMIN</b>								
<b>MMIS - Replacement - 1886031</b>								
MANAGEMENT ANALYSIS SPEC II	0	0.00	0	0.00	0	0.00	128,340	3.00
SOCIAL SERVICES MGR, BAND 1	0	0.00	0	0.00	0	0.00	41,184	1.00
MISCELLANEOUS PROFESSIONAL	0	0.00	0	0.00	0	0.00	193,396	3.00
SPECIAL ASST PROFESSIONAL	0	0.00	0	0.00	0	0.00	72,528	0.00
<b>TOTAL - PS</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>435,448</b>	<b>7.00</b>
SUPPLIES	0	0.00	0	0.00	0	0.00	2,055	0.00
COMPUTER EQUIPMENT	0	0.00	0	0.00	0	0.00	3,695	0.00
OFFICE EQUIPMENT	0	0.00	0	0.00	0	0.00	31,616	0.00
<b>TOTAL - EE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>37,366</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$472,814</b>	<b>7.00</b>
<b>GENERAL REVENUE</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$236,407</b>	<b>3.50</b>
<b>FEDERAL FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$236,407</b>	<b>3.50</b>
<b>OTHER FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>INFORMATION SYSTEMS</b>								
MMIS - Replacement - 1886031								
PROFESSIONAL SERVICES	0	0.00	0	0.00	0	0.00	19,827,728	0.00
TOTAL - EE	0	0.00	0	0.00	0	0.00	19,827,728	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$19,827,728</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$4,440,332	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$15,387,396	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00





**NEW DECISION ITEM**  
**RANK: 999 OF \_\_\_\_\_**

**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: Ground Emergency Medical Transportation DI# 1886033**

**Budget Unit: 90512C & 90588C**  
**HB Section: 11.400 & 11.485**

**1. AMOUNT OF REQUEST**

	FY 2018 Budget Request				
	GR	Federal	Other	Total	E
PS	0	0	0	0	
EE	0	0	0	0	
PSD	0	0	0	0	
TRF	0	0	0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: N/A

	FY 2018 Governor's Recommendation				
	GR	Federal	Other	Total	E
PS	0	44,817	44,817	89,634	
EE	0	5,302	5,302	10,604	
PSD	0	53,084,513	30,875,733	83,960,246	
TRF	0	0	0	0	
<b>Total</b>	<b>0</b>	<b>53,134,632</b>	<b>30,925,852</b>	<b>84,060,484</b>	
<b>FTE</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	

<b>Est. Fringe</b>	0	22,543	22,543	45,086
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds: Ground Emergency Medical Transportation (0422)

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other: _____	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

*NDI SYNOPSIS: Senate Bill 607, passed in 2016, creates two new sections in Chapter 208, RSMo, which would authorize the MO HealthNet Division to implement and administer supplemental payments to providers of ground emergency medical transportation (GEMT) for allowable medical expenditures. Section 208.1030 specifies the provisions for providing supplemental reimbursement to providers under the fee-for-service program. Section 208.1032 specifies the provisions for providing supplemental reimbursement to providers pursuant to a contract or other arrangement with a MO HealthNet managed care plan. Similar to MHD experiences with other UPL initiatives, MHD will need funds to contract with a vender for the UPL Demonstration and to perform ongoing actuarial analyses. In addition, staff will be needed to obtain federal approval of the Upper Payment Limit (UPL) program, to contact eligible providers for data, and to serve as the liaison with contractors working to develop the calculations and payment methodologies.*

**NEW DECISION ITEM**  
**RANK: 999 OF**

**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: Ground Emergency Medical Transportation**

**Budget Unit: 90512C & 90588C**

**DI# 1886033**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The Missouri Association of Fire Chiefs collected data from a cross section of Missouri's public ambulance providers to create an estimate of financial impact to the state of Missouri for the Ground Emergency Medical Transportation (GEMT) program. The agencies that participated in the survey represent a combination of varying sizes and governance structures of public sector ambulance agencies. The estimated financial impact of payments made through the program is \$84.1 million dollars.

A Fiscal Administrative Manager Band 1 position and Management Analyst Specialist II are requested to begin implementing the program. Duties would include obtaining federal approval of the Upper Payment Limit (UPL) program, contacting eligible providers for data, and serving as the liaison with contractors working to develop the calculations and payment methodologies. MHD assumes the costs of these positions will be supported by collections from participating providers as specified in the bill. MHD estimates \$100,238 will be needed in the first year.

Similar to MHD experiences with other UPL initiatives, MHD will need funds to contract with a vender for the UPL demonstration and to perform ongoing actuarial analyses. The UPL demonstration assumes \$50,000 is needed in the first year to develop a calculation and \$50,000 is needed annually to ensure payments are actuarially sound. All contract costs are estimated at a 50/50 FMAP split.

	FTE	GR	Fed	Other*	Total
1) Two Additional Staff:	2.00				
Band 1 Manager			\$24,072	\$24,072	\$48,144
MAS II			\$20,745	\$20,745	\$41,490
Total PS	2.00		\$44,817	\$44,817	\$89,634
E & E			\$5,302	\$5,302	\$10,604
2) Contracts:					
a) UPL Demonstration			\$25,000	\$25,000	\$50,000
b) Annual Actuarial Study			\$25,000	\$25,000	\$50,000
3) Supplemental Payment:			\$53,034,513	\$30,825,733	\$83,860,246
<b>Total</b>	2.00		\$53,134,632	\$30,925,852	\$84,060,484

\*Other Fund is for IGT of the state share of payments.

**NEW DECISION ITEM**

**RANK: 999 OF**

**Department: Social Services**

**Budget Unit: 90512C & 90588C**

**Division: MO HealthNet**

**DI Name: Ground Emergency Medical Transportation DI# 1886033**

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
<b>Total PS</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	
<b>Total EE</b>	0		0		0		0		0	
<b>Total PSD</b>	0		0		0		0		0	
<b>Total TRF</b>	0		0		0		0		0	
<b>Grand Total</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	
Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
Fiscal & Administrative Manager I			24,072	0.5	24,072	0.5	48,144	1.0		
MAS II			20,745	0.5	20,745	0.5	41,490	1.0		
<b>Total PS</b>	0	0.0	44,817	1.0	44,817	1.0	89,634	2.0	0	
Supplies 190			411		411		822		78	
Computer Equipment 480			739		739		1,478		1,478	
Office Equipment 580			4,152		4,152		8,304		8,304	
<b>Total EE</b>	0		5,302		5,302		10,604		9,860	
Program Distributions 800			53,084,513		30,875,733		83,960,246			
<b>Total PSD</b>	0		53,084,513		30,875,733		83,960,246		0	
<b>Total TRF</b>	0		0		0		0		0	
<b>Grand Total</b>	0	0.0	53,134,632	1.0	30,925,852	1.0	84,060,484	2.0	9,860	

**NEW DECISION ITEM**  
**RANK:** 999 **OF**           

**Department:** Social Services

**Budget Unit:** 90512C & 90588C

**Division:** MO HealthNet

**DI Name:** Ground Emergency Medical Transportation **DI#** 1886033

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional**

**6a. Provide an effectiveness measure.**

N/A

**6b. Provide an efficiency measure.**

N/A

**6c. Provide the number of clients/individuals served, if applicable.**

N/A

**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO HEALTHNET ADMIN</b>								
<b>Ambulance UPL - 1886033</b>								
MANAGEMENT ANALYSIS SPEC II	0	0.00	0	0.00	0	0.00	41,490	1.00
FISCAL & ADMINISTRATIVE MGR B1	0	0.00	0	0.00	0	0.00	48,144	1.00
<b>TOTAL - PS</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>89,634</b>	<b>2.00</b>
SUPPLIES	0	0.00	0	0.00	0	0.00	822	0.00
COMPUTER EQUIPMENT	0	0.00	0	0.00	0	0.00	1,478	0.00
OFFICE EQUIPMENT	0	0.00	0	0.00	0	0.00	8,304	0.00
<b>TOTAL - EE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>10,604</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$100,238</b>	<b>2.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$50,119	1.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$50,119	1.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
GROUND EMER MED TRANSPORT								
Ambulance UPL - 1886033								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	0	0.00	83,960,246	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	83,960,246	0.00
GRAND TOTAL	\$0	0.00	\$0	0.00	\$0	0.00	\$83,960,246	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$53,084,513	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$30,875,733	0.00



# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: MO HealthNet Administration

Budget Unit: 90512C

HB Section: 11.400

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS	2,673,274	5,503,213	1,832,640	10,009,127	
EE	693,067	3,333,341	606,790	4,633,198	
PSD	699	1,030	0	1,729	
TRF					
<b>Total</b>	<b>3,367,040</b>	<b>8,837,584</b>	<b>2,439,430</b>	<b>14,644,054</b>	

FTE 64.53 124.97 44.61 234.11

<b>Est. Fringe</b>	1,381,575	2,764,675	950,881	5,097,132
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS	2,673,274	5,503,213	1,832,640	10,009,127	
EE	693,067	3,333,341	606,790	4,633,198	
PSD	699	1,030	0	1,729	
TRF					
<b>Total</b>	<b>3,367,040</b>	<b>8,837,584</b>	<b>2,439,430</b>	<b>14,644,054</b>	

FTE 64.53 114.97 44.61 224.11

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)  
Health Initiatives Fund (HIF) (0275)  
Nursing Facility Quality of Care Fund (NFQC) (0271)  
Third Party Liability Collections Fund (TPL) (0120)  
MO Rx Plan Fund (0779)  
Federal Reimbursement Allowance Fund (FRA) (0142)  
Ambulance Service Reimbursement Allowance Fund (0958)

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)  
Health Initiatives Fund (HIF) (0275)  
Nursing Facility Quality of Care Fund (NFQC) (0271)  
Third Party Liability Collections Fund (TPL) (0120)  
MO Rx Plan Fund (0779)  
Federal Reimbursement Allowance Fund (FRA) (0142)  
Ambulance Service Reimbursement Allowance Fund (0958)

## 2. CORE DESCRIPTION

The MO HealthNet Administration appropriation provides funding for the salaries and associated expense and equipment for the Central Office management and support staff. Funding from this appropriation is also used to support the ongoing expense and equipment costs. MO Heathnet Division staff assists participants as well as providers.

## 3. PROGRAM LISTING (list programs included in this core funding)

MO HealthNet Administration



# CORE DECISION ITEM

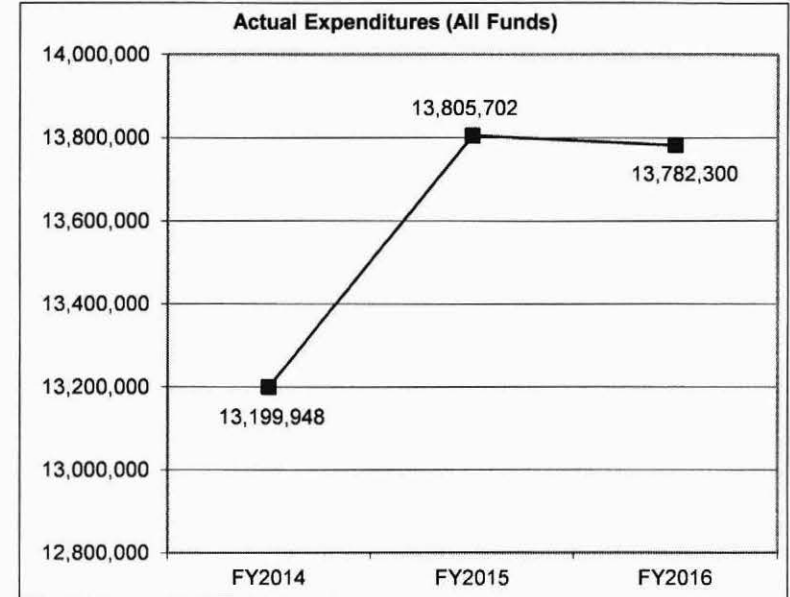
Department: Social Services  
Division: MO HealthNet  
Core: MO HealthNet Administration

Budget Unit: 90512C

HB Section: 11.400

## 4. FINANCIAL HISTORY

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Current Yr.
Appropriation (All Funds)	14,626,180	14,716,493	14,447,800	14,644,054
Less Reverted (All Funds)	(119,552)	(120,141)	(113,338)	N/A
Less Restricted (All Funds)	-	-	-	N/A
Budget Authority (All Funds)	14,506,628	14,596,352	14,334,462	N/A
Actual Expenditures (All Funds)	13,199,948	13,805,702	13,782,300	N/A
Unexpended (All Funds)	1,306,680	790,650	552,162	N/A
Unexpended, by Fund:				
General Revenue	1,939	0	0	N/A
Federal	734,123	206,849	436,386	N/A
Other	570,618	583,801	115,776	N/A



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

## NOTES:

# **CORE RECONCILIATION DETAIL**

## **DEPARTMENT OF SOCIAL SERVICES** **MO HEALTHNET ADMIN**

### **5. CORE RECONCILIATION DETAIL**

	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	PS	234.11	2,673,274	5,503,213	1,832,640	10,009,127	
	EE	0.00	693,067	3,333,341	606,790	4,633,198	
	PD	0.00	699	1,030	0	1,729	
	<b>Total</b>	<b>234.11</b>	<b>3,367,040</b>	<b>8,837,584</b>	<b>2,439,430</b>	<b>14,644,054</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PS	234.11	2,673,274	5,503,213	1,832,640	10,009,127	
	EE	0.00	693,067	3,333,341	606,790	4,633,198	
	PD	0.00	699	1,030	0	1,729	
	<b>Total</b>	<b>234.11</b>	<b>3,367,040</b>	<b>8,837,584</b>	<b>2,439,430</b>	<b>14,644,054</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>							
Core Reduction	1928 6378 PS	(10.00)	0	0	0	0	FY 18 core reduction
<b>NET GOVERNOR CHANGES</b>		<b>(10.00)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PS	224.11	2,673,274	5,503,213	1,832,640	10,009,127	
	EE	0.00	693,067	3,333,341	606,790	4,633,198	
	PD	0.00	699	1,030	0	1,729	
	<b>Total</b>	<b>224.11</b>	<b>3,367,040</b>	<b>8,837,584</b>	<b>2,439,430</b>	<b>14,644,054</b>	

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO HEALTHNET ADMIN</b>								
<b>CORE</b>								
PERSONAL SERVICES								
GENERAL REVENUE	2,542,259	56.21	2,673,274	64.53	2,673,274	64.53	2,673,274	64.53
DEPT OF SOC SERV FEDERAL & OTH	5,266,774	116.60	5,503,213	124.97	5,503,213	124.97	5,503,213	114.97
THIRD PARTY LIABILITY COLLECT	380,161	8.39	398,428	12.29	398,428	12.29	398,428	12.29
FEDERAL REIMBURSEMENT ALLOWANCE	91,042	1.99	97,661	2.00	97,661	2.00	97,661	2.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	26,602	0.50	26,602	0.50	26,602	0.50
NURSING FAC QUALITY OF CARE	80,835	1.80	86,032	2.45	86,032	2.45	86,032	2.45
HEALTH INITIATIVES	396,677	8.73	430,332	9.87	430,332	9.87	430,332	9.87
MISSOURI RX PLAN FUND	759,224	16.10	775,206	17.00	775,206	17.00	775,206	17.00
AMBULANCE SERVICE REIMB ALLOW	16,684	0.35	18,379	0.50	18,379	0.50	18,379	0.50
TOTAL - PS	9,533,656	210.17	10,009,127	234.11	10,009,127	234.11	10,009,127	224.11
EXPENSE & EQUIPMENT								
GENERAL REVENUE	672,954	0.00	693,067	0.00	693,067	0.00	693,067	0.00
DEPT OF SOC SERV FEDERAL & OTH	3,026,518	0.00	3,333,341	0.00	3,333,341	0.00	3,333,341	0.00
THIRD PARTY LIABILITY COLLECT	488,041	0.00	488,041	0.00	488,041	0.00	488,041	0.00
FEDERAL REIMBURSEMENT ALLOWANCE	7,708	0.00	7,708	0.00	7,708	0.00	7,708	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	356	0.00	356	0.00	356	0.00
NURSING FAC QUALITY OF CARE	10,281	0.00	10,281	0.00	10,281	0.00	10,281	0.00
HEALTH INITIATIVES	39,676	0.00	41,385	0.00	41,385	0.00	41,385	0.00
MISSOURI RX PLAN FUND	0	0.00	55,553	0.00	55,553	0.00	55,553	0.00
AMBULANCE SERVICE REIMB ALLOW	3,466	0.00	3,466	0.00	3,466	0.00	3,466	0.00
TOTAL - EE	4,248,644	0.00	4,633,198	0.00	4,633,198	0.00	4,633,198	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	699	0.00	699	0.00	699	0.00
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	1,030	0.00	1,030	0.00	1,030	0.00
TOTAL - PD	0	0.00	1,729	0.00	1,729	0.00	1,729	0.00
<b>TOTAL</b>	<b>13,782,300</b>	<b>210.17</b>	<b>14,644,054</b>	<b>234.11</b>	<b>14,644,054</b>	<b>234.11</b>	<b>14,644,054</b>	<b>224.11</b>
<b>Federal Overtime Change - 0000016</b>								
PERSONAL SERVICES								
GENERAL REVENUE	0	0.00	0	0.00	353	0.00	0	0.00

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## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>MO HEALTHNET ADMIN</b>									
<b>Federal Overtime Change - 0000016</b>									
PERSONAL SERVICES									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	191	0.00	0	0.00	
TOTAL - PS	0	0.00	0	0.00	544	0.00	0	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>544</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	
<b>MMIS - Replacement - 1886031</b>									
PERSONAL SERVICES									
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	217,724	3.50	
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	217,724	3.50	
TOTAL - PS	0	0.00	0	0.00	0	0.00	435,448	7.00	
EXPENSE & EQUIPMENT									
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	18,683	0.00	
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	18,683	0.00	
TOTAL - EE	0	0.00	0	0.00	0	0.00	37,366	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>472,814</b>	<b>7.00</b>	
<b>Ambulance UPL - 1886033</b>									
PERSONAL SERVICES									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	44,817	1.00	
GROUND EMERG MEDICAL TRANSPRT	0	0.00	0	0.00	0	0.00	44,817	1.00	
TOTAL - PS	0	0.00	0	0.00	0	0.00	89,634	2.00	
EXPENSE & EQUIPMENT									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	5,302	0.00	
GROUND EMERG MEDICAL TRANSPRT	0	0.00	0	0.00	0	0.00	5,302	0.00	
TOTAL - EE	0	0.00	0	0.00	0	0.00	10,604	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>100,238</b>	<b>2.00</b>	
<b>GRAND TOTAL</b>	<b>\$13,782,300</b>	<b>210.17</b>	<b>\$14,644,054</b>	<b>234.11</b>	<b>\$14,644,598</b>	<b>234.11</b>	<b>\$15,217,106</b>	<b>233.11</b>	

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# FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b> 90512C <b>BUDGET UNIT NAME:</b> MO HealthNet Admin <b>HOUSE BILL SECTION:</b> 11.400	<b>DEPARTMENT:</b> Social Services <b>DIVISION:</b> MO HealthNet
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**1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.**

Governor's Recommendation				
	<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>	
PS	\$ 10,534,209	25%	\$ 2,633,552	Not more than twenty-five percent (25%) flexibility is requested between divisions within the department, and not more than ten percent (10%) flexibility is allowed to reallocate personal service and expense and equipment between executive branch departments, providing that the total FTE for the state does not increase.
E&E	\$ 4,682,897	25%	\$ 1,170,724	
<b>TOTAL</b>	<b>\$ 15,217,106</b>		<b>\$ 3,804,277</b>	

**2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.**

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST - GOVERNOR'S REC ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	None	25% flexibility is being requested for FY18

**3. Please explain how flexibility was used in the prior and/or current years.**

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO HEALTHNET ADMIN</b>								
<b>CORE</b>								
OFFICE SUPPORT ASST (CLERICAL)	22,537	1.00	24,757	1.00	24,757	1.00	24,757	1.00
ADMIN OFFICE SUPPORT ASSISTANT	145,774	4.87	215,569	7.00	215,569	7.00	215,569	6.00
OFFICE SUPPORT ASSISTANT	23,160	1.00	80,287	3.00	80,287	3.00	80,287	2.00
SR OFFICE SUPPORT ASSISTANT	221,021	8.61	315,552	11.00	315,552	11.00	315,552	9.00
BUYER III	13,440	0.30	0	0.00	0	0.00	0	0.00
ACCOUNT CLERK II	75,262	2.95	134,021	5.00	134,021	5.00	134,021	5.00
AUDITOR II	120,599	3.21	153,179	4.00	153,179	4.00	153,179	4.00
AUDITOR I	102,989	3.00	167,509	5.00	167,509	5.00	167,509	4.00
SENIOR AUDITOR	234,781	5.60	297,819	7.00	297,819	7.00	297,819	7.00
ACCOUNTANT I	67,180	2.13	63,194	2.00	63,194	2.00	63,194	2.00
ACCOUNTANT III	168,979	4.00	174,502	4.00	174,502	4.00	174,502	4.00
ACCOUNTING CLERK	8,601	0.34	0	0.00	0	0.00	0	0.00
ACCOUNTING GENERALIST I	1,291	0.04	0	0.00	0	0.00	0	0.00
PERSONNEL OFFICER	35,508	0.83	42,976	1.00	42,976	1.00	42,976	1.00
EXECUTIVE II	0	0.00	36,920	1.00	36,920	1.00	36,920	1.00
MANAGEMENT ANALYSIS SPEC II	399,415	9.00	400,723	9.00	400,723	9.00	400,723	9.00
HEALTH PROGRAM REP III	0	0.00	1	0.00	1	0.00	1	0.00
ADMINISTRATIVE ANAL I	36,113	1.00	0	0.00	0	0.00	0	0.00
PHYSICIAN	119,975	1.00	122,295	1.00	122,295	1.00	122,295	1.00
REGISTERED NURSE SENIOR	1,940	0.04	0	0.00	0	0.00	0	0.00
REGISTERED NURSE - CLIN OPERS	338,629	5.99	253,811	4.00	253,811	4.00	253,811	4.00
FAMILY SUPPORT ELIGIBILITY SPC	237	0.00	0	0.00	0	0.00	0	0.00
PROGRAM DEVELOPMENT SPEC	660,266	15.99	588,554	14.00	588,554	14.00	588,554	14.00
MEDICAID PROGRAM RELATIONS REP	120,496	2.93	196,024	5.00	196,024	5.00	196,024	5.00
CORRESPONDENCE & INFO SPEC I	633,551	18.13	627,482	17.50	627,482	17.50	627,482	17.50
MEDICAID PHARMACEUTICAL TECH	225,358	6.87	231,290	7.00	231,290	7.00	231,290	7.00
MEDICAID CLERK	227,512	7.95	269,392	10.00	269,392	10.00	269,392	10.00
MEDICAID TECHNICIAN	738,373	22.62	974,684	28.66	974,684	28.66	974,684	26.66
MEDICAID SPEC	1,014,493	26.14	1,065,618	27.87	1,065,618	27.87	1,065,618	27.87
MEDICAID UNIT SPV	267,294	6.04	563,902	11.00	563,902	11.00	563,902	8.00
FISCAL & ADMINISTRATIVE MGR B1	291,823	5.72	307,053	6.00	307,053	6.00	307,053	6.00
FISCAL & ADMINISTRATIVE MGR B2	377,103	5.96	391,255	6.00	391,255	6.00	391,255	6.00

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO HEALTHNET ADMIN</b>								
<b>CORE</b>								
RESEARCH MANAGER B1	0	0.00	56,564	1.00	56,564	1.00	56,564	1.00
SOCIAL SERVICES MGR, BAND 1	200,414	3.99	102,087	2.00	102,087	2.00	102,087	2.00
SOCIAL SERVICES MNGR, BAND 2	570,116	10.24	734,265	13.00	734,265	13.00	734,265	13.00
DESIGNATED PRINCIPAL ASST DEPT	20,619	0.27	0	0.00	0	0.00	0	0.00
DIVISION DIRECTOR	205,537	1.00	209,452	1.00	209,452	1.00	209,452	1.00
DEPUTY DIVISION DIRECTOR	230,756	1.93	92,210	1.00	92,210	1.00	92,210	1.00
DESIGNATED PRINCIPAL ASST DIV	214,967	2.50	94,950	1.08	94,950	1.08	94,950	1.08
LEGAL COUNSEL	77,058	1.06	74,255	1.00	74,255	1.00	74,255	1.00
MISCELLANEOUS TECHNICAL	263	0.00	0	0.00	0	0.00	0	0.00
MISCELLANEOUS PROFESSIONAL	76,481	0.89	0	0.00	0	0.00	0	0.00
CONSULTING PHYSICIAN	76,692	0.46	0	0.00	0	0.00	0	0.00
SPECIAL ASST PROFESSIONAL	1,098,390	13.24	836,946	13.00	836,946	13.00	836,946	13.00
SPECIAL ASST OFFICE & CLERICAL	58,765	1.21	110,029	3.00	110,029	3.00	110,029	3.00
REGISTERED NURSE	9,898	0.12	0	0.00	0	0.00	0	0.00
<b>TOTAL - PS</b>	<b>9,533,656</b>	<b>210.17</b>	<b>10,009,127</b>	<b>234.11</b>	<b>10,009,127</b>	<b>234.11</b>	<b>10,009,127</b>	<b>224.11</b>
TRAVEL, IN-STATE	5,618	0.00	5,370	0.00	5,370	0.00	5,370	0.00
TRAVEL, OUT-OF-STATE	4,422	0.00	3,786	0.00	3,786	0.00	3,786	0.00
SUPPLIES	340,281	0.00	392,773	0.00	392,773	0.00	392,773	0.00
PROFESSIONAL DEVELOPMENT	50,955	0.00	45,576	0.00	45,576	0.00	45,576	0.00
COMMUNICATION SERV & SUPP	74,186	0.00	90,000	0.00	90,000	0.00	90,000	0.00
PROFESSIONAL SERVICES	3,752,348	0.00	4,054,243	0.00	4,054,243	0.00	4,054,243	0.00
M&R SERVICES	5,086	0.00	5,000	0.00	5,000	0.00	5,000	0.00
OFFICE EQUIPMENT	7,904	0.00	17,152	0.00	17,152	0.00	17,152	0.00
OTHER EQUIPMENT	6,481	0.00	2,462	0.00	2,462	0.00	2,462	0.00
PROPERTY & IMPROVEMENTS	0	0.00	6,241	0.00	6,241	0.00	6,241	0.00
BUILDING LEASE PAYMENTS	0	0.00	900	0.00	900	0.00	900	0.00
EQUIPMENT RENTALS & LEASES	0	0.00	2,449	0.00	2,449	0.00	2,449	0.00
MISCELLANEOUS EXPENSES	1,363	0.00	7,246	0.00	7,246	0.00	7,246	0.00
<b>TOTAL - EE</b>	<b>4,248,644</b>	<b>0.00</b>	<b>4,633,198</b>	<b>0.00</b>	<b>4,633,198</b>	<b>0.00</b>	<b>4,633,198</b>	<b>0.00</b>

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MO HEALTHNET ADMIN</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	0	0.00	1,729	0.00	1,729	0.00	1,729	0.00
TOTAL - PD	0	0.00	1,729	0.00	1,729	0.00	1,729	0.00
<b>GRAND TOTAL</b>	<b>\$13,782,300</b>	<b>210.17</b>	<b>\$14,644,054</b>	<b>234.11</b>	<b>\$14,644,054</b>	<b>234.11</b>	<b>\$14,644,054</b>	<b>224.11</b>
GENERAL REVENUE	\$3,215,213	56.21	\$3,367,040	64.53	\$3,367,040	64.53	\$3,367,040	64.53
FEDERAL FUNDS	\$8,293,292	116.60	\$8,837,584	124.97	\$8,837,584	124.97	\$8,837,584	114.97
OTHER FUNDS	\$2,273,795	37.36	\$2,439,430	44.61	\$2,439,430	44.61	\$2,439,430	44.61



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.400**

**Program Name: MO HealthNet Administration**

**Program is found in the following core budget(s): MO HealthNet Administration**

### 1. What does this program do?

#### **Program Statistics**

In order to efficiently operate the \$10.27 billion MO HealthNet program (also known as Missouri Medicaid), across four state departments, the MO HealthNet Division effectively utilizes its appropriated staff. The MO HealthNet Division staff account for less than 0.43% of total state employees while the MO HealthNet program comprises 37.7% of the total FY 2017 state operating budget of \$27.3 billion. The administrative portion of the budget (Personal Services and Expense and Equipment) comprises 0.2% of the division's total budget. As of June 2016, there were a total of 982,776 participants enrolled in MO HealthNet; of those, 495,383 participants in capitated managed care in the Eastern, Central and Western regions of the state and 487,393 MO HealthNet participants in the fee-for-service programs. MO HealthNet Division staff assist participants as well as providers.

#### **Program Goals**

The MO HealthNet Division seeks to aid participants and providers in their efforts to access MO HealthNet programs by utilizing administrative staffing, expense and equipment, and contractor resources efficiently and effectively.

#### **Program Objectives**

- To purchase and monitor health care services for low income and vulnerable citizens of the State of Missouri
- To assure quality health care through development of service delivery systems, standards setting and enforcement, and education of providers and participants
- To be fiscally accountable for maximum and appropriate utilization of resources

#### **Additional Details**

Administrative expenditures for the division consist of Personal Services and Expense and Equipment. These expenditures are driven by the operational demands of supporting the MO HealthNet program. The division operates both a fee-for-service program and a managed care program.

Approximately 83% of the division's Expense and Equipment expenditures comprise of payments to contractors for professional services including, but not limited to, actuarial services; contracts with health care professionals to conduct utilization claim reviews to determine medical necessity of services; and services of an external quality reviewer as required by federal law. The remaining 17% of administrative Expense and Equipment expenditures support MO HealthNet staff for such routine operational expenses as supplies, postage, and office equipment.

The Division's personal services are structured into five major sections: (1) Administration; (2) Finance; (3) Program Operations (including Managed Care); (4) Evidenced-Based Decision Support; and (5) Information Systems.

#### **Administration**

Establishes goals, objectives, policies, and procedures; provides overall guidance and direction; coordinates legislative guidance on MO HealthNet issues; and completes final review of the budget and State Plan Amendments.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.400**

**Program Name: MO HealthNet Administration**

**Program is found in the following core budget(s): MO HealthNet Administration**

### Finance

Financial Operations and Recoveries Unit - Manages the financial and recovery procedures of the division; creates internal expenditure reports; prepares adjustments to claims; receives and deposits payments; manages provider account receivables and IRS 1099 information; manages lock box, automatic withdrawals and cash deposits for Child Health Insurance Program (CHIP) and spenddown pay-in cases; administers a program to offset MO HealthNet expenditures when participants have third party coverage; liaison with Missouri Medicaid Audit and Compliance (MMAC); and provides audit support. Cost recovery operations are addressed in the Third Party Liability (TPL) Contract section and administration of Medicare Buy-In and HIPP programs are addressed in the Premium payment section.

Budget, Analysis and Rate Development Unit - Develops capitation rates with an actuary for the MO HealthNet Managed Care Program and NEMT; prepares federal budget neutrality reports; develops and tracks the division's annual budget request; prepares fiscal notes and program projections; prepares quarterly estimates and expenditure reports required by the Centers for Medicare and Medicaid Services (CMS); prepares legislative bill reviews; processes accounts payable for the division; and administers the pharmacy and ambulance tax.

Institutional Reimbursement - Calculates hospital inpatient and outpatient rates and Federally Qualified Health Center (FQHC) and Rural Health Clinic (RHC) reimbursements; sets nursing home reimbursement rates; and administers hospital, nursing facility, and Independent Care Facilities for individuals with Intellectual Disabilities (ICF/ID) provider taxes.

Key projects in FY2017 for MHD Finance will include managed care geographic expansion planning and implementation and planning for a new third party liability contract, effective July 2016.

### Program Operations

Managed Care - Oversee contract compliance of three health plans; development and operations of the Managed Care Program; support Managed Care enrollment; and work with providers and participants to increase access and improve health outcomes.

Clinical Services Program Management - Provides day-to-day oversight of MO HealthNet benefit programs; creates cost containment initiatives and clinical policy tools to enhance efforts to provide appropriate quality medical care to participants; operationalizes recommendations made by the Evidence-Based Decision Support Program Relations - Responsible for provider education, provider communications, participant services and premium collections. Oversees external call centers and resolves claim reimbursement inquiries.

Program Operations and Waivers - Develops, monitors and evaluates federal waiver programs; coordinates School District Administration Claiming (SDAC) to ensure comprehensive preventative health care program for MO HealthNet eligible children; monitors and evaluates the non-emergency transportation contracted vendor.

Pharmacy - Oversees outpatient prescription drug reimbursement for MO HealthNet participants; oversees contracts with outside vendors for pharmacy program activities; collects rebates from pharmaceutical manufacturers; provides program oversight for Missouri's Pharmacy Assistance Program known as MORx.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.400**

**Program Name: MO HealthNet Administration**

**Program is found in the following core budget(s): MO HealthNet Administration**

### Evidence-Based Decision Support

Evidence-Based Decision Support - Develops strategies to improve the health status of MO HealthNet participants; assesses quality of care provided under Managed Care and Fee-For-Service; develops and supports evidence-based clinical decisions; and manages the patient-centered medical home program. This section is led by the MO HealthNet medical director.

Key projects in FY2017 include, in part:

- Intensive Behavioral Therapy for Childhood and Adult Obesity - This evidence based program is being developed by the Division with input from clinical experts. The program will provide intensive behavioral therapy to address obesity in children and adults, with the goals of slowing the rate of obesity and ultimately returning the eligible population to a healthy weight. Evidence shows that these interventions can slow the rate of development of chronic diseases such as diabetes and the concomitant complication, providing cost-savings to MO HealthNet.
- Telehealth Program - The Division is working to revise and implement the telehealth policies pursuant to SB 579 (2016).
- Episodes of Care - The Division is evaluating other state models of episodes of care to develop a pilot model to reward providers who deliver cost effective care and who meet quality thresholds and to share costs when benchmarks are not met, initially focusing on a surgical, medical, obstetrics, and a mental health condition.

### Information Services

Information Systems – Manages the primary claims processing system known as the Medicaid Management Information System (MMIS). MO HealthNet also manages a clinical management services system for pharmacy and prior authorization. These systems process over 100 million claims and Managed Care encounters annually. The current contracts for these systems may be extended through June 30, 2017. The Division has evaluated the options for the future of these systems and determined that a replacement of the MMIS is the best option. The Division is currently developing requests for proposals to procure a replacement MMIS. The Division also has determined that a separate enterprise data warehouse would better serve the business intelligence and data analytics needs of the entire Medicaid program and is working towards procurement of a solution.

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

### **3. Are there federal matching requirements? If yes, please explain.**

General Medicaid administrative expenditures earn a 50% federal match. However, some positions earn 75% federal match such as our medical staff. Certain services through contracted vendors, earn 75% or 90% federal match.

### **4. Is this a federally mandated program? If yes, please explain.**

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the MO HealthNet State Plan.

## PROGRAM DESCRIPTION

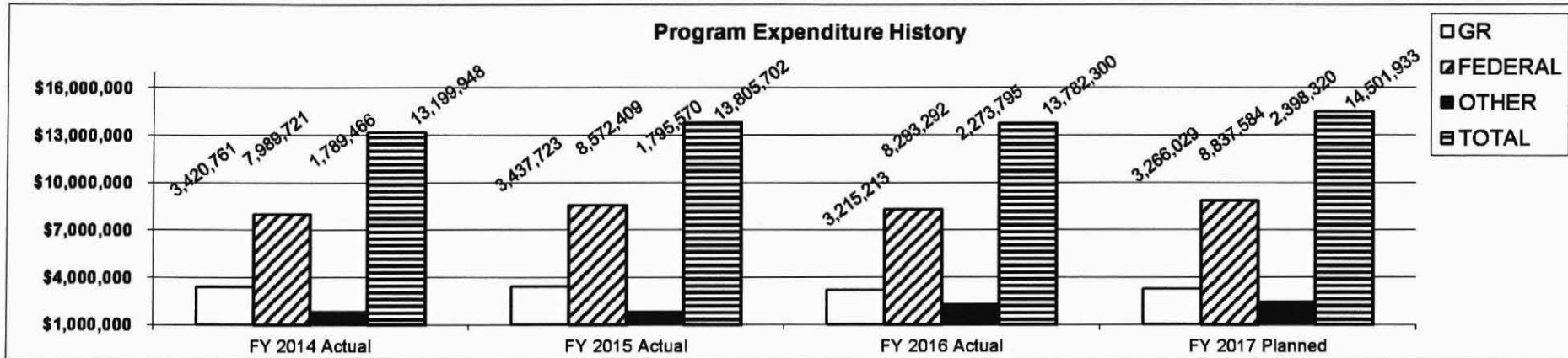
Department: Social Services

HB Section: 11.400

Program Name: MO HealthNet Administration

Program is found in the following core budget(s): MO HealthNet Administration

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 planned is net of reverted and reserved.

### 6. What are the sources of the "Other" funds?

Federal Reimbursement Allowance Fund (0142), Third Party Liability Collections Fund (0120), Nursing Facility Quality of Care Fund (0271), Health Initiatives Fund (0275), Pharmacy Reimbursement Allowance Fund (0144), Missouri Rx Plan Fund (0779), and Ambulance Service Reimbursement Allowance Fund (0958).

### 7a. Provide an effectiveness measure.

MO HealthNet Administration supports all division programs. Effectiveness measures can be found in the Program sections.

### 7b. Provide an efficiency measure.

MO HealthNet Administration supports all division programs. Efficiency measures can be found in the Program sections.

## PROGRAM DESCRIPTION

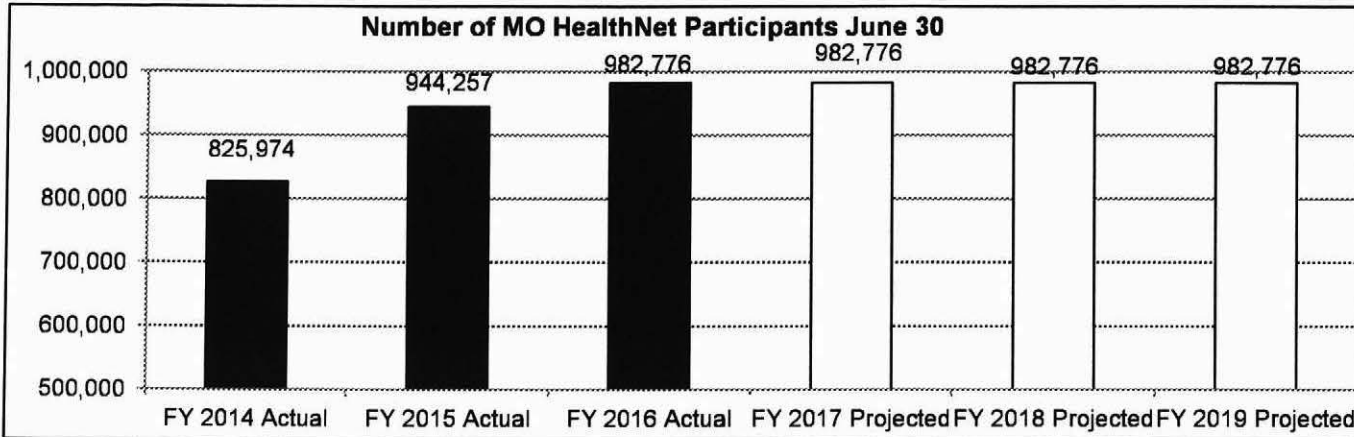
Department: Social Services

HB Section: 11.400

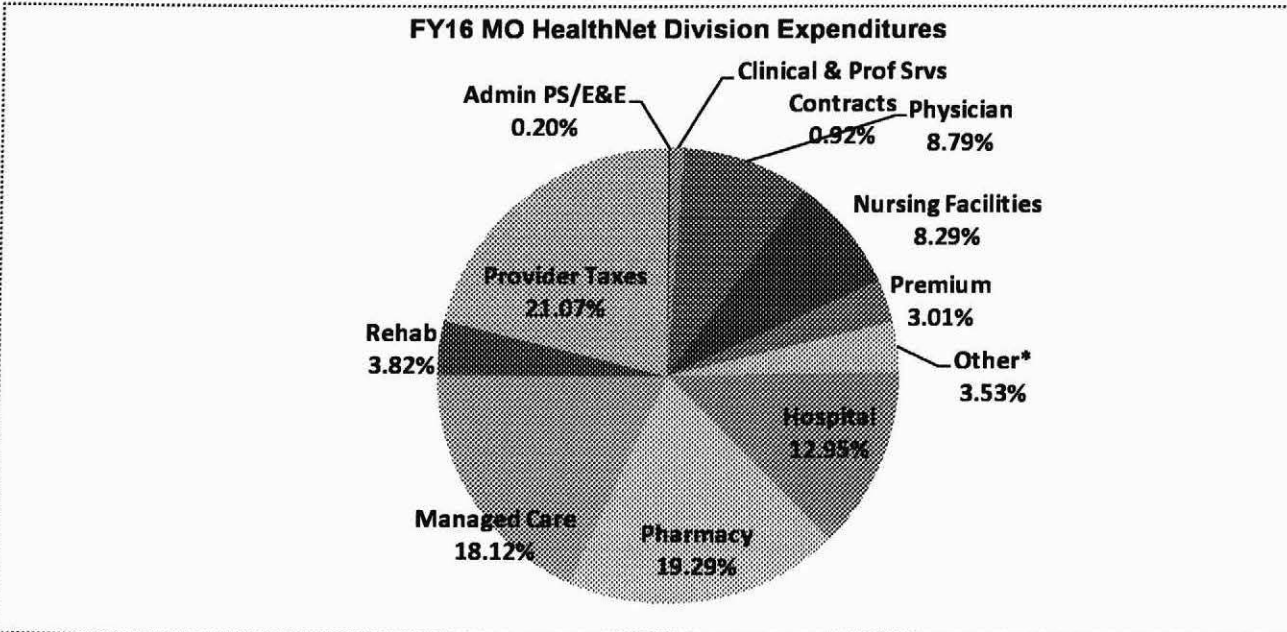
Program Name: MO HealthNet Administration

Program is found in the following core budget(s): MO HealthNet Administration

**7c. Provide the number of clients/individuals served, if applicable.**



**7d. Provide a customer satisfaction measure, if available.**



\*Other includes HI-TECH grants (PD only), Dental, Home Health, PACE, Long Term Support UPL, NEMT, FQHC Distribution, Health Care Home FRA, Women's Health, CHIP, Show-Me Healthy Babies, School District Claiming, and Blind Pension





# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Clinical Services Program Management

Budget Unit: 90516C  
HB Section: 11.405

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request						FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE	461,917	12,214,032	2,485,506	15,161,455		EE	461,917	12,214,032	2,485,506	15,161,455	
PSD						PSD					
TRF						TRF					
Total	461,917	12,214,032	2,485,506	15,161,455		Total	461,917	12,214,032	2,485,506	15,161,455	
FTE	0.00	0.00	0.00	0.00		FTE	0.00	0.00	0.00	0.00	

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Third Party Liability Collections (TPL) (0120)  
MO Rx Plan Fund (0779)

Other Funds: Third Party Liability Collections (TPL) (0120)  
MO Rx Plan Fund (0779)

## 2. CORE DESCRIPTION

This item funds contractor costs that support the pharmacy and clinical services programs. Funding is used for cost containment initiatives and clinical policy decision-making to enhance efforts to provide appropriate and quality medical care to participants. MO HealthNet Division seeks to aid participants and providers in their efforts to access the MO HealthNet program by utilizing contractor resources effectively.

## 3. PROGRAM LISTING (list programs included in this core funding)

Clinical Services Program Management  
Missouri Rx Program

# CORE DECISION ITEM

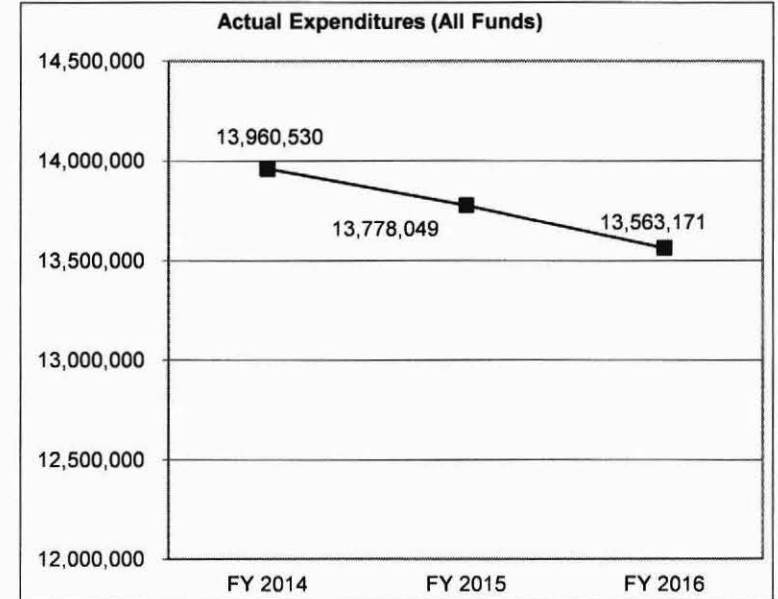
Department: Social Services  
Division: MO HealthNet  
Core: Clinical Services Program Management

Budget Unit: 90516C

HB Section: 11.405

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Current Yr.
Appropriation (All Funds)	17,775,692	17,775,692	15,161,455	15,161,455
Less Reverted (All Funds)	(14,285)	(14,285)	(13,858)	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	17,761,407	17,761,407	15,147,597	N/A
Actual Expenditures (All Funds)	13,960,530	13,778,049	13,563,171	N/A
Unexpended (All Funds)	3,800,877	3,983,358	1,584,426	N/A
Unexpended, by Fund:				
General Revenue				
Federal	135,205	368,390	615,509	N/A
Other	3,665,672	3,614,968	968,917	N/A
			(1)	



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### NOTES:

(1) In FY 16, there was an agency reserve of \$616,120 in the MO Rx Fund (0779) and a Federal Fund reserve of \$42,711.



## CORE RECONCILIATION DETAIL

### DEPARTMENT OF SOCIAL SERVICES CLINICAL SRVC MGMT

#### 5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>							
	EE	0.00	461,917	12,214,032	2,485,506	15,161,455	
	<b>Total</b>	<b>0.00</b>	<b>461,917</b>	<b>12,214,032</b>	<b>2,485,506</b>	<b>15,161,455</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	EE	0.00	461,917	12,214,032	2,485,506	15,161,455	
	<b>Total</b>	<b>0.00</b>	<b>461,917</b>	<b>12,214,032</b>	<b>2,485,506</b>	<b>15,161,455</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	EE	0.00	461,917	12,214,032	2,485,506	15,161,455	
	<b>Total</b>	<b>0.00</b>	<b>461,917</b>	<b>12,214,032</b>	<b>2,485,506</b>	<b>15,161,455</b>	

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CLINICAL SRVC MGMT</b>								
<b>CORE</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	448,059	0.00	461,917	0.00	461,917	0.00	461,917	0.00
DEPT OF SOC SERV FEDERAL & OTH	11,598,523	0.00	12,214,032	0.00	12,214,032	0.00	12,214,032	0.00
THIRD PARTY LIABILITY COLLECT	900,146	0.00	924,911	0.00	924,911	0.00	924,911	0.00
MISSOURI RX PLAN FUND	616,443	0.00	1,560,595	0.00	1,560,595	0.00	1,560,595	0.00
TOTAL - EE	13,563,171	0.00	15,161,455	0.00	15,161,455	0.00	15,161,455	0.00
<b>TOTAL</b>	<b>13,563,171</b>	<b>0.00</b>	<b>15,161,455</b>	<b>0.00</b>	<b>15,161,455</b>	<b>0.00</b>	<b>15,161,455</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$13,563,171</b>	<b>0.00</b>	<b>\$15,161,455</b>	<b>0.00</b>	<b>\$15,161,455</b>	<b>0.00</b>	<b>\$15,161,455</b>	<b>0.00</b>

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>CLINICAL SRVC MGMT</b>								
<b>CORE</b>								
TRAVEL, IN-STATE	17,182	0.00	10,859	0.00	10,859	0.00	10,859	0.00
TRAVEL, OUT-OF-STATE	320	0.00	0	0.00	0	0.00	0	0.00
SUPPLIES	322,604	0.00	422,601	0.00	422,601	0.00	422,601	0.00
PROFESSIONAL DEVELOPMENT	590	0.00	1,000	0.00	1,000	0.00	1,000	0.00
COMMUNICATION SERV & SUPP	83,465	0.00	91,996	0.00	91,996	0.00	91,996	0.00
PROFESSIONAL SERVICES	13,113,361	0.00	14,581,936	0.00	14,581,936	0.00	14,581,936	0.00
M&R SERVICES	18,431	0.00	33,131	0.00	33,131	0.00	33,131	0.00
OFFICE EQUIPMENT	3,037	0.00	4,500	0.00	4,500	0.00	4,500	0.00
OTHER EQUIPMENT	1,950	0.00	7,000	0.00	7,000	0.00	7,000	0.00
PROPERTY & IMPROVEMENTS	45	0.00	250	0.00	250	0.00	250	0.00
BUILDING LEASE PAYMENTS	865	0.00	1,402	0.00	1,402	0.00	1,402	0.00
MISCELLANEOUS EXPENSES	1,321	0.00	6,780	0.00	6,780	0.00	6,780	0.00
<b>TOTAL - EE</b>	<b>13,563,171</b>	<b>0.00</b>	<b>15,161,455</b>	<b>0.00</b>	<b>15,161,455</b>	<b>0.00</b>	<b>15,161,455</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$13,563,171</b>	<b>0.00</b>	<b>\$15,161,455</b>	<b>0.00</b>	<b>\$15,161,455</b>	<b>0.00</b>	<b>\$15,161,455</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>								
	<b>\$448,059</b>	<b>0.00</b>	<b>\$461,917</b>	<b>0.00</b>	<b>\$461,917</b>	<b>0.00</b>	<b>\$461,917</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>								
	<b>\$11,598,523</b>	<b>0.00</b>	<b>\$12,214,032</b>	<b>0.00</b>	<b>\$12,214,032</b>	<b>0.00</b>	<b>\$12,214,032</b>	<b>0.00</b>
<b>OTHER FUNDS</b>								
	<b>\$1,516,589</b>	<b>0.00</b>	<b>\$2,485,506</b>	<b>0.00</b>	<b>\$2,485,506</b>	<b>0.00</b>	<b>\$2,485,506</b>	<b>0.00</b>

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.405**

**Program Name: Clinical Services Program Management**

**Program is found in the following core budget(s): Clinical Services Program Management**

### 1. What does this program do?

Funding for Clinical Management Services Program (CMSP) supports contractor costs for pharmacy and clinical services. One of the major contracts funded through this section is with Xerox (formerly ACS-Heritage) where MHD operates an innovative management of electronic web-based clinical editing process for its point-of-sale pharmacy and medical claims, medical and drug prior authorization, pre-certification, and Drug Utilization Review (DUR) processes. The current CMSP claim processing system allows each claim to be referenced against the participant's claims history including pharmacy, medical, and procedural data (ICD-9/10 and CPT codes), providing real time data to participating MO HealthNet providers. For patients that meet approval criteria, the claim will be paid automatically. In instances when a phone call is necessary, the hotline call center is available seven days a week, which allows providers prompt access to a paid claim for the requested product or service. In addition to receiving messages regarding the outcome of the processing of claims and the amount to be reimbursed, pharmacy providers receive prospective drug use review alert messages at the time prescriptions are dispensed.

CyberAccess<sup>SM</sup> is a web-based tool that allows healthcare providers to electronically request drug and medical prior authorizations for their MO HealthNet patients, review historical claims data, view and/or enter clinical data in a patient's Electronic Health Record (EHR), select appropriate preferred medications and prescribe electronically, and electronically request inpatient certifications. The continued funding for CyberAccess is critical to continue supporting the pharmacy and medical cost containment initiatives and electronic health records. Early Periodic Screening, Diagnosis, and Treatment (EPSDT) forms and patient specific lab results are currently available through the platform. Linkages to other health record systems yielding interoperability between systems are under development (Health Information Network). A companion participant web portal tool, Direct Inform, has been developed and deployed to pilot providers.

*Information about other contracts funded under this section can be found below in Additional Details.*

### Program Statistics

More than 20,000 prescribers and other health care providers located at 9,200 provider sites use the CyberAccess<sup>SM</sup> tool to access electronic health records for MO HealthNet patients. MHD has also implemented a connection between the statewide HIN and CyberAccess<sup>SM</sup>. This connection allows CyberAccess<sup>SM</sup> to respond with Medicaid claims data to queries received from participating providers through the HIN. The data will be used by physicians to improve the quality of care for Medicaid participants. By the spring of 2016, there were over 60,000 instances monthly where Missouri Health Connection provides information from MHD to physicians to improve the coordination of care and the quality of treatment received by patients. Furthermore, 78% of all inpatient certification requests are entered through CyberAccess<sup>SM</sup> and processed using Milliman clinical utilization criteria. Of those entered via the web tool, 90% of initial requests and 39% of combined initial and continued stay requests are approved transparently using the Milliman benchmark.

### Program Goals

To design activities oriented to the health and continuum of care needed by MO HealthNet participants.

### Program Objectives

Develop policies, benefits, and coverage decisions using best practices and evidence-based clinical guidelines.

### Reimbursement Methodology

Contractors are paid based on negotiated rates outlined in each contract.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.405**

**Program Name: Clinical Services Program Management**

**Program is found in the following core budget(s): Clinical Services Program Management**

### **Additional Details**

#### Pharmacy

Through the Pharmacy Program, the Division is able to maintain current cost containment initiatives and implement new cost containment initiatives. Major initiatives include:

- Maintenance and Updates to Fiscal and Clinical Edits
- Quarterly Updates to the Missouri Maximum Allowable Cost (MACs)
- Prospective and Retrospective Drug Use (DUR)
- Routine/Adhoc Drug Information Research
- Pharmacy Help Desk Staffing
- Enrollment and Administration of Case Management
- Preferred Drug List (PDL) and Supplemental Rebates
- *See the Pharmacy tab for more details on these initiatives.*

#### Clinical

Major Clinical Services initiatives include:

- Smart Prior Authorization (PA) for Durable Medical Equipment (DME), Optical, Psychology and Medical Services
- Home and Community Based Services (HCBS) prior authorizations
- Psychology and Medical Help Desk Staffing
- Inpatient Hospital Pre-certification
- Radiology Benefit Management (RBM) Program
- Medical Evidence-Based Guidelines - Oregon HealthCare Contract

The MO HealthNet Division (MHD), in conjunction with Xerox (formerly ACS-Heritage) and HealthHelp operate a quality-based Radiology Benefit Management Program (RBM). The RBM is an expansion of the existing pre-certification process used for MRIs and CTs of the brain, head, chest and spine. The RBM works to determine clinical appropriateness of the usage of high-tech radiology services, and provides guidelines for application and use based on expert information and evidence-based data. Pre-certification requests are handled using industry-recognized clinical guidelines. These guidelines are used to ensure the appropriate scope, complexity and clinical need of the tests that will be performed to assist in managing costs.

The MHD and Department of Health and Senior Services (DHSS), Division of Senior and Disability Services (DSDS) have implemented a single integrated web-based instrument for entering, tracking and approving Home and Community Based Services (HCBS) requests and follow-up data. The electronic tool (a component of CyberAccess) allows consistent service authorization and delivery to clients with varying needs. The tool is based on a real-time interface with Medicaid claims data to allow automated and transparent processing of requests for services. All HCBS clients are assessed for services using the same tool, employing a rules-based engine to establish a customized service plan based on their specific need.

<b>2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)</b>
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State statute: RSMo. 208.201; Federal law: Social Security Act Section 1902(a)(4); Federal Regulations: 42 CFR, Part 432

## PROGRAM DESCRIPTION

**Department:** Social Services

**HB Section:** 11.405

**Program Name:** Clinical Services Program Management

**Program is found in the following core budget(s):** Clinical Services Program Management

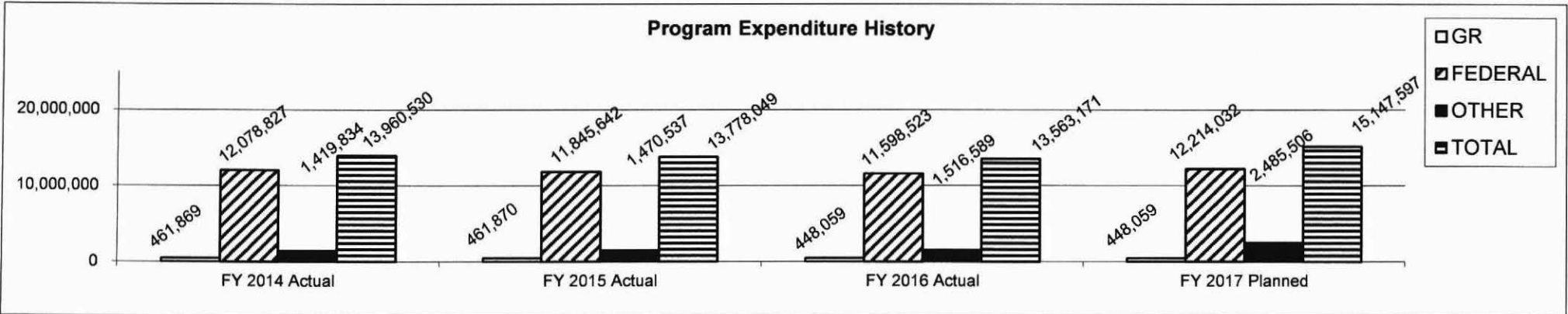
### 3. Are there federal matching requirements? If yes, please explain.

Generally, MO HealthNet administrative expenditures earn a 50% federal match. The Clinical Management Services for Pharmacy and Prior Authorization is matched at 75%.

### 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902 (a) (4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 planned is net of reverted.

### 6. What are the sources of the "Other" funds?

Third Party Liability Fund (0120) and Missouri Rx Plan Fund (0779)

## PROGRAM DESCRIPTION

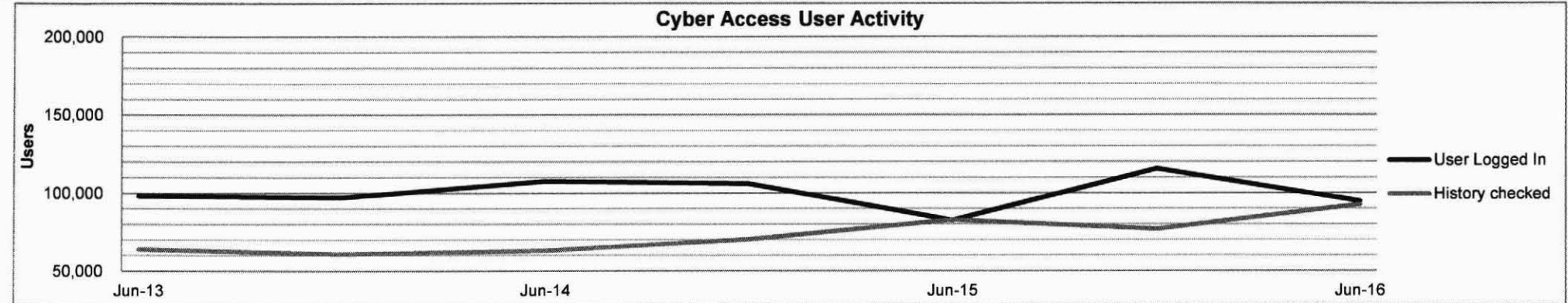
Department: Social Services

HB Section: 11.405

Program Name: Clinical Services Program Management

Program is found in the following core budget(s): Clinical Services Program Management

### 7a. Provide an effectiveness measure.



### 7b. Provide an efficiency measure.

N/A

### 7c. Provide the number of clients/individuals served, if applicable.

#### Number of Pharmacy Claims

SFY	Projected	Actual
2014	12.9 mil	12.5 mil
2015	12.5 mil	12.3 mil
2016	13.2 mil	12.9 mil
2017	13.2 mil	
2018	13.2 mil	
2019	13.2 mil	

Source: MMIS Pharmacy Reimbursement Allowance Report

### 7d. Provide a customer satisfaction measure, if available.

N/A





# CORE DECISION ITEM

Department: Social Services  
 Division: MO HealthNet  
 Core: Women & Minority Health Care Outreach

Budget Unit 90513C  
 HB Section: 11.410

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS					
EE	529,796	568,625		1,098,421	
PSD					
TRF					
<b>Total</b>	<b>529,796</b>	<b>568,625</b>		<b>1,098,421</b>	
<b>FTE</b>				<b>0.00</b>	

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS					
EE	529,796	568,625		1,098,421	
PSD					
TRF					
<b>Total</b>	<b>529,796</b>	<b>568,625</b>		<b>1,098,421</b>	
<b>FTE</b>				<b>0.00</b>	

<b>Est. Fringe</b>	0	0	0	0
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>				

Other Funds N/A

## 2. CORE DESCRIPTION

This core request is for funding of the Women and Minority Health Care Outreach program. This program establishes and implements outreach programs in medically underserved areas to increase participation of minorities and women in MO HealthNet programs.

## 3. PROGRAM LISTING (list programs included in this core funding)

Women and Minority Health Care Outreach Program

# **CORE DECISION ITEM**

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Women & Minority Health Care Outreach**

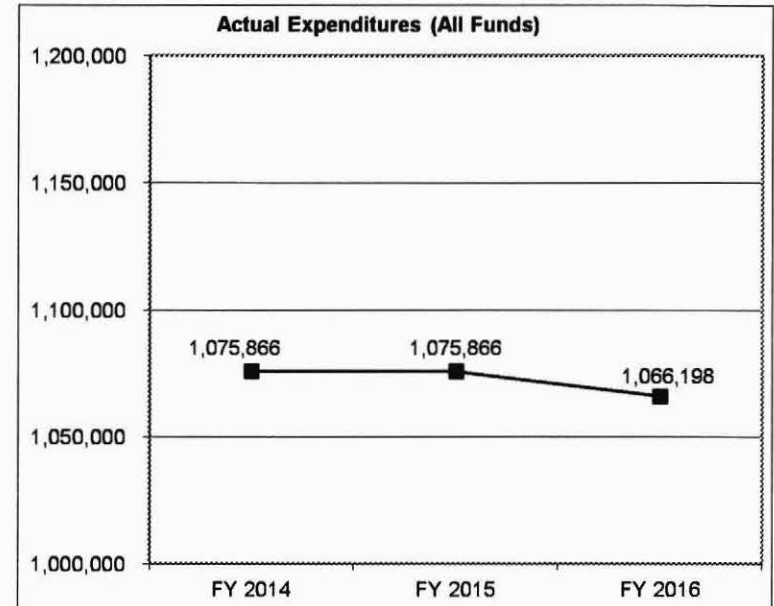
**Budget Unit: 90513C**

**HB Section: 11.410**

## **4. FINANCIAL HISTORY**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Current Yr.</b>
Appropriation (All Funds)	1,114,750	1,114,750	1,098,421	1,098,421
Less Reverted (All Funds)	(16,384)	(16,384)	(15,894)	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	1,098,366	1,098,366	1,082,527	N/A
Actual Expenditures (All Funds)	1,075,866	1,075,866	1,066,198	N/A
Unexpended (All Funds)	22,500	22,500	16,329	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	22,500	22,500	16,329	N/A
Other	0	0	0	N/A

(1)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### **NOTES:**

(1) There was a 6% GR reduction of \$16,329

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES  
WOMEN & MINORITY OUTREACH**

**5. CORE RECONCILIATION DETAIL**

	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	EE	0.00	529,796	568,625	0	1,098,421	
	<b>Total</b>	<b>0.00</b>	<b>529,796</b>	<b>568,625</b>	<b>0</b>	<b>1,098,421</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	EE	0.00	529,796	568,625	0	1,098,421	
	<b>Total</b>	<b>0.00</b>	<b>529,796</b>	<b>568,625</b>	<b>0</b>	<b>1,098,421</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	EE	0.00	529,796	568,625	0	1,098,421	
	<b>Total</b>	<b>0.00</b>	<b>529,796</b>	<b>568,625</b>	<b>0</b>	<b>1,098,421</b>	

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>WOMEN &amp; MINORITY OUTREACH</b>								
<b>CORE</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	513,902	0.00	529,796	0.00	529,796	0.00	529,796	0.00
DEPT OF SOC SERV FEDERAL & OTH	552,296	0.00	568,625	0.00	568,625	0.00	568,625	0.00
TOTAL - EE	1,066,198	0.00	1,098,421	0.00	1,098,421	0.00	1,098,421	0.00
<b>TOTAL</b>	<b>1,066,198</b>	<b>0.00</b>	<b>1,098,421</b>	<b>0.00</b>	<b>1,098,421</b>	<b>0.00</b>	<b>1,098,421</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$1,066,198</b>	<b>0.00</b>	<b>\$1,098,421</b>	<b>0.00</b>	<b>\$1,098,421</b>	<b>0.00</b>	<b>\$1,098,421</b>	<b>0.00</b>

## FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b> 90513C <b>BUDGET UNIT NAME:</b> Women & Minority Outreach <b>HOUSE BILL SECTION:</b> 11.410	<b>DEPARTMENT:</b> Social Services <b>DIVISION:</b> MO HealthNet
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**1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.**

### Governor's Recommendation

<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>
\$ 1,098,421	10%	\$ 109,842

Not more than ten percent (10%) flexibility is requested between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.550, 11.555, and 11.600

**2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.**

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST - GOVERNOR'S REC ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY18

**3. Please explain how flexibility was used in the prior and/or current years.**

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>WOMEN &amp; MINORITY OUTREACH</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	1,066,198	0.00	1,098,421	0.00	1,098,421	0.00	1,098,421	0.00
TOTAL - EE	1,066,198	0.00	1,098,421	0.00	1,098,421	0.00	1,098,421	0.00
<b>GRAND TOTAL</b>	<b>\$1,066,198</b>	<b>0.00</b>	<b>\$1,098,421</b>	<b>0.00</b>	<b>\$1,098,421</b>	<b>0.00</b>	<b>\$1,098,421</b>	<b>0.00</b>
GENERAL REVENUE	\$513,902	0.00	\$529,796	0.00	\$529,796	0.00	\$529,796	0.00
FEDERAL FUNDS	\$552,296	0.00	\$568,625	0.00	\$568,625	0.00	\$568,625	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.410**

**Program Name: Women and Minority Health Care Outreach**

**Program is found in the following core budget(s): Women and Minority Health Care Outreach**

### 1. What does this program do?

#### **Program Statistics**

In FY16, staff at the 12 Community Health Centers (CHCs)—also known as Federally Qualified Health Centers (FQHCs)—assisted with and submitted 11,968 MO HealthNet applications. 153,754 Medicaid users obtained preventive and primary health services at one of the 12 CHCs in FY16.

#### **Program Goals**

To reduce disparities in morbidity and mortality (premature deaths) among the medically underserved populations.

#### **Program Objectives**

This program establishes and implements outreach programs in medically underserved areas by increasing participation of minorities and women in MO HealthNet programs.

#### **Reimbursement Methodology**

The Department of Social Services has contracted with the Missouri Primary Care Association (MPCA) to act as a fiscal intermediary for the distribution of the Minority and Women's Health Outreach funding, ensuring accurate and timely payments to the subcontractors and to act as a central data collection point for evaluation of program impact, outcomes, and performance. The MPCA is reimbursed for allowable costs related to establishing and implementing outreach programs not to exceed the appropriation cap. The MPCA is recognized as Missouri's single primary care association by the federal Health Resource Service Administration. The goal of the MPCA is, in part, to partner in the development, maintenance and improvement of access to health care services, and to reduce disparities in health status between majority and minority populations.

#### **Rate History**

This program does not utilize a rate reimbursement methodology.

#### **Additional Details**

This program was initiated in the fall of 1999 with five sites and expanded to the current twelve Community Health Centers (CHCs) in the St Louis, Kansas City, mid-Missouri, southwest Missouri, and Bootheel regions. The outreach program builds on the strengths of the twelve CHCs that are trusted, accessible sources of care for high-risk populations, monitors health outcomes on the measures of early prenatal care, controlled hypertension, controlled diabetes and very low birthweight.

The CHCs provide outreach and education throughout their neighborhoods, including at schools, head starts, daycares, food pantries, churches, hospitals, area businesses, senior centers, county health departments, community events, health fairs and through TV and radio advertising.

As part of the outreach program, workers identify potentially eligible participants and help them enroll in the MO HealthNet program.

In mid-Missouri, a school-based mobile RV program is being utilized to bring dentists to school children, providing dental screenings and services in the Stover and Versailles school districts.

In southwest Missouri, an Emergency Room (ER) diversion program has been implemented, offering free dental care for patients who presented to the ER, including follow up for insurance coverage and establishment of a medical or dental home.

## PROGRAM DESCRIPTION

**Department:** Social Services

**HB Section:** 11.410

**Program Name:** Women and Minority Health Care Outreach

**Program is found in the following core budget(s):** Women and Minority Health Care Outreach

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.152, 208.201; Federal law: Social Security Act Section 1903(a); Federal Regulations: 42 CFR, Part 433.15

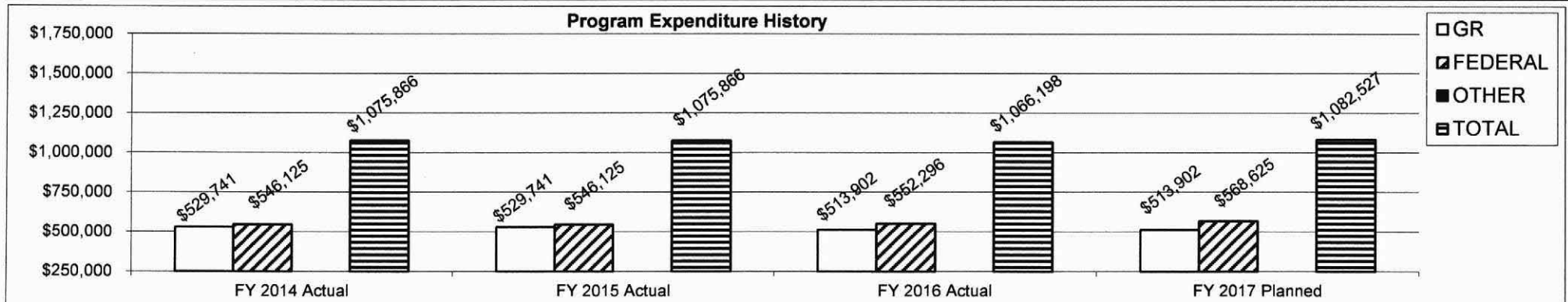
**3. Are there federal matching requirements? If yes, please explain.**

General Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding

**4. Is this a federally mandated program? If yes, please explain.**

No.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



FY 2017 Planned is a net of reverted.

**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**

N/A



## PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.410

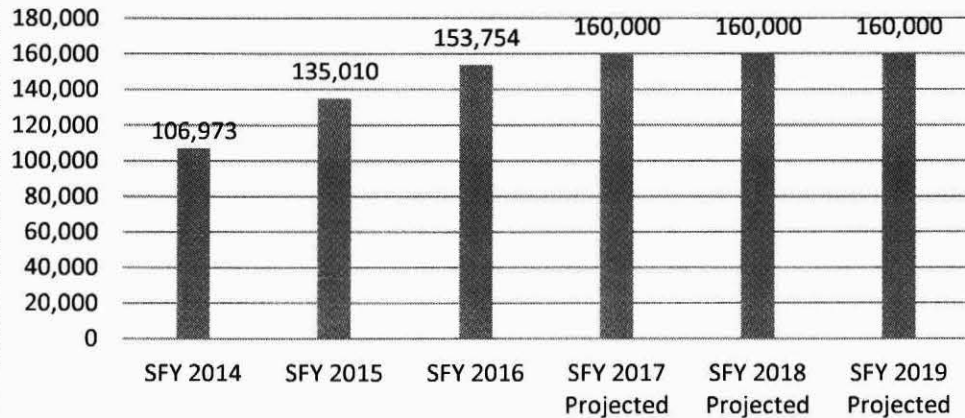
Program Name: Women and Minority Health Care Outreach

Program is found in the following core budget(s): Women and Minority Health Care Outreach

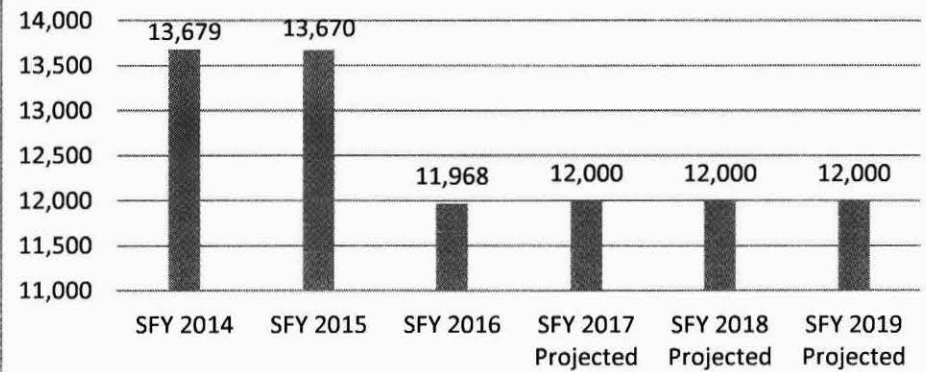
### 7b. Provide an efficiency measure.

FQHCs and Regional Health Centers (RHCs) in underserved areas provide greater access to health care services for women and minorities and serve as outreach centers to assist individuals in applying for MO HealthNet services.

**Number of Users of FQHCs and RHCs  
Primary Care**



**Number of Users Receiving Assistance  
from FQHCs & RHCs in Applying for  
Medicaid**



### 7c. Provide the number of clients/individuals served, if applicable.

N/A

### 7d. Provide a customer satisfaction measure, if available.

N/A



# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Third Party Liability (TPL) Contracts

Budget Unit: 90515C  
HB Section: 11.415

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request						FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE		3,000,000	3,000,000	6,000,000		EE		3,000,000	3,000,000	6,000,000	
PSD						PSD					
TRF						TRF					
Total		3,000,000	3,000,000	6,000,000		Total		3,000,000	3,000,000	6,000,000	
FTE				0.00		FTE				0.00	

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Third Party Liability Collections Fund (TPL) (0120)

Other Funds: Third Party Liability Collections Fund (TPL) (0120)

## 2. CORE DESCRIPTION

This item funds contracted third party liability (TPL) recovery activities. TPL functions are performed by agency staff in the MO HealthNet Division TPL Unit and by a contractor. This core appropriation represents expense and equipment funding which is used to make payments to the contractor who works with the agency on TPL recovery activities.

## 3. PROGRAM LISTING (list programs included in this core funding)

Third Party Liability Contracts

# CORE DECISION ITEM

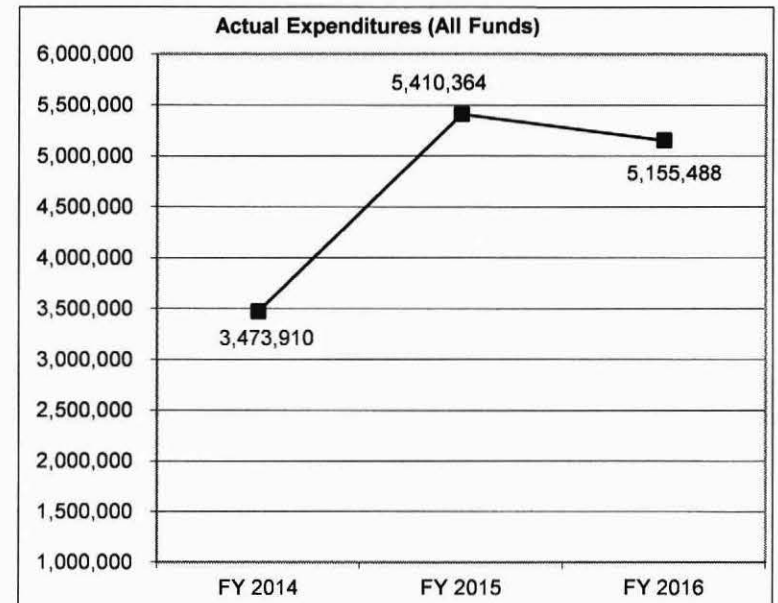
Department: Social Services  
Division: MO HealthNet  
Core: Third Party Liability (TPL) Contracts

Budget Unit: 90515C

HB Section: 11.415

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Current Yr.
Appropriation (All Funds)	6,000,000	6,000,000	6,000,000	6,000,000
Less Reverted (All Funds)	0	0	0	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	6,000,000	6,000,000	6,000,000	N/A
Actual Expenditures (All Funds)	3,473,910	5,410,364	5,155,488	N/A
Unexpended (All Funds)	2,526,090	589,636	844,512	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	1,263,045	294,818	422,256	N/A
Other	1,263,045	294,818	422,256	N/A



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### NOTES:

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES**

**TPL CONTRACTS**

**5. CORE RECONCILIATION DETAIL**

	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	EE	0.00	0	3,000,000	3,000,000	6,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	EE	0.00	0	3,000,000	3,000,000	6,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	EE	0.00	0	3,000,000	3,000,000	6,000,000	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>6,000,000</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>TPL CONTRACTS</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
DEPT OF SOC SERV FEDERAL & OTH	2,577,744	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00	
THIRD PARTY LIABILITY COLLECT	2,577,744	0.00	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00	
TOTAL - EE	5,155,488	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00	
<b>TOTAL</b>	<b>5,155,488</b>	<b>0.00</b>	<b>6,000,000</b>	<b>0.00</b>	<b>6,000,000</b>	<b>0.00</b>	<b>6,000,000</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$5,155,488</b>	<b>0.00</b>	<b>\$6,000,000</b>	<b>0.00</b>	<b>\$6,000,000</b>	<b>0.00</b>	<b>\$6,000,000</b>	<b>0.00</b>	

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
TPL CONTRACTS								
CORE								
PROFESSIONAL SERVICES	5,155,488	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00
TOTAL - EE	5,155,488	0.00	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00
GRAND TOTAL	\$5,155,488	0.00	\$6,000,000	0.00	\$6,000,000	0.00	\$6,000,000	0.00
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$2,577,744	0.00	\$3,000,000	0.00	\$3,000,000	0.00	\$3,000,000	0.00
OTHER FUNDS	\$2,577,744	0.00	\$3,000,000	0.00	\$3,000,000	0.00	\$3,000,000	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.415**

**Program Name: Third Party Liability (TPL) Contracts**

**Program is found in the following core budget(s): Third Party Liability (TPL) Contracts**

### 1. What does this program do?

#### Program Description

Some MO HealthNet beneficiaries have one or more additional sources of coverage for health care services. Third Party Liability (TPL) refers to the legal obligation of third parties (e.g., certain individuals, entities, insurers, or programs) to pay part or all of the expenditures for medical assistance furnished under the MO HealthNet program. By federal law, all other available third party resources must meet their legal obligation to pay claims before the MO HealthNet program pays for the care of a participant. Missouri is required to take all reasonable measures to ascertain the legal liability of third parties to pay for care and services that are available under the Medicaid state plan.

TPL functions are performed by both agency staff in the MO HealthNet Division TPL Unit and by a TPL contractor. While this appropriation only funds the TPL contractor, both contractor and state staff responsibilities are discussed below (Personal Service and Expense and Equipment which fund the MO HealthNet TPL Unit are appropriated under MO HealthNet Administration). Even though some responsibilities are shared, the TPL Unit and the contractor each perform specific cost saving and recovery activities. The contractor focuses on bulk billings to insurance carriers and other third parties and data matches to identify potential third parties. The following list itemizes the activities performed by the contractor:

- Health insurance billing and follow-up;
- Data matches and associated billing (Tricare, MCHCP, and other insurance carriers such as BCBS, United Healthcare and Aetna);
- Provide TPL information for state files;
- Post accounts receivable data to state A/R system; and
- Maintain insurance billing files.

*See Additional Details for more information about the primary TPL programs and functions of the state staff within the TPL Unit.*

#### Program Statistics

The TPL program is responsible for cost recovery and cost avoidance of MO HealthNet expenditures. The TPL program accounted for more than \$243 million in savings to the MO HealthNet program in FY 16 by cost avoiding claims and recovering MO HealthNet funds.

#### Program Goals

The goal of the TPL program is to utilize a combination of contractor and state staff resources to identify potentially liable third party sources so MO HealthNet is able to avoid paying costs for services provided or recover costs already incurred.

#### Program Objectives

To recover funds:

- From third-party sources when liability at the time of service had not yet been determined;
- When the third-party source was not known at the time of MO HealthNet payment; and
- For services that are federally mandated to be paid and then pursued.

#### Reimbursement Methodology

The TPL contracts appropriation allows for payment to the contractor who works with the agency on TPL recovery and cost avoidance activities. The contractor is paid for its recovery services through a contingency contract rate for cash recoveries of 10% for the first \$10 million recovered and then 8% for any recoveries over \$10 million, which resets annually. There is also a per member per month (PMPM) rate of \$0.165 for cost avoidance services. Health plans in the MO HealthNet Managed Care program are responsible for the TPL activities related to plan enrollees.



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.415**

**Program Name: Third Party Liability (TPL) Contracts**

**Program is found in the following core budget(s): Third Party Liability (TPL) Contracts**

### **Additional Details**

The MO HealthNet TPL Unit concentrates on asserting liens on settlements of trauma-related incidents (which include personal injury, product liability, wrongful death, malpractice, workers' compensation, and traffic accidents). The TPL Unit also files claims for recovery of MO HealthNet expenditures in estate cases; Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) cases; on the personal funds accounts of deceased nursing home residents; and on any excess funds from irrevocable burial plans. For cost avoidance, the TPL Unit operates the Health Insurance Premium Payment (HIPP) program and maintains the TPL data base where participant insurance information is stored. The following list itemizes the activities performed by the TPL Unit:

- Liens, updates and follow-up on trauma cases;
- Identify and follow-up on all estate cases;
- Identify, file and follow-up on TEFRA liens;
- Identify and follow-up on personal funds cases;
- Recover any excess funds from irrevocable burial plans;
- Operate the Health Insurance Premium Payment (HIPP) program;
- Post recoveries to accounts receivable systems;
- Maintain state TPL databases;
- Verify leads through the Medicaid Management Information Systems (MMIS) contract; and
- Contract oversight.

### Primary TPL Programs

*HIPP Program* - The Health Insurance Premium Payment program (HIPP) identifies and pays for employer-sponsored insurance policies for MO HealthNet participants to maximize MO HealthNet monies by shifting medical costs to private insurers and exhausting all third party resources before utilizing MO HealthNet.

*Trauma Settlement Recovery* – This program identifies potentially liable third parties and asserts liens on litigation settlements to ensure maximum recovery of MO HealthNet expenditures. Each identification is researched to determine if pursuit is cost effective or even possible.

*Personal Funds Recovery* – This program identifies personal funds account balances of deceased MO HealthNet participants who lived in nursing facilities and recovers MO HealthNet expenditures made on behalf of those participants. Nursing facilities are required to pay MO HealthNet within sixty (60) days from the date of death (Section 198.090(7), RSMo).

*Burial Plans Recovery* - This program recovers MO HealthNet expenditures from any excess funds from irrevocable burial plans. Burial lots and irrevocable burial contracts are exempt from consideration in determining MO HealthNet eligibility (Section 208.010, RSMo). The law also provides that if there are excess funds from irrevocable burial plans, the state should recover the excess up to the amount of public assistance benefits provided to the participant.

*Estate Recovery* - In this program, expenditures are recovered through identification and filing of claims on estates of deceased MO HealthNet participants. Data matches are coordinated with the Department of Health and Senior Services' Vital Statistics, Family Support Division's county office staff and cooperation of other public and private groups. When cases are established, TPL staff verify expenditure documentation and assemble data for evidence. The TPL staff appear in court to testify on behalf of the state and to explain MO HealthNet policies and procedures.

*TEFRA Liens* - The Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 authorizes the MO HealthNet program to file a lien as a claim against the real property of certain MO HealthNet participants. The TEFRA lien is for the debt due to the state for medical assistance paid or to be paid on behalf of MO HealthNet.

## PROGRAM DESCRIPTION

**Department:** Social Services

**HB Section:** 11.415

**Program Name:** Third Party Liability (TPL) Contracts

**Program is found in the following core budget(s):** Third Party Liability (TPL) Contracts

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State: RSMo. 198.090, 208.010, 208.153, 208.215, 473.398, 473.399 and 13 CSR 70-4.120. Federal law: Social Security Act, Section 1902, 1903, 1906, 1912, 1917; Federal regulation: 42 CFR 433 Subpart D.

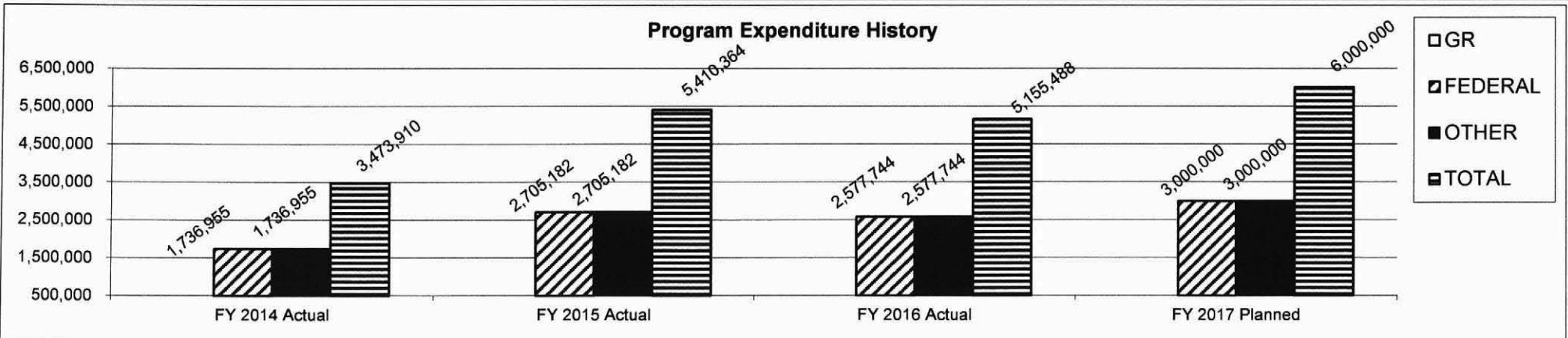
**3. Are there federal matching requirements? If yes, please explain.**

General Medicaid administrative expenditures earn a 50% federal match. For every dollar spent, DSS can earn \$0.50 in federal funding.

**4. Is this a federally mandated program? If yes, please explain.**

Yes, if cost effective. In order to not pursue a TPL claim, the agency must obtain a waiver from CMS by proving that a cost recovery effort is not cost effective.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

Third Party Liability Collections Fund (0120)

## PROGRAM DESCRIPTION

Department: Social Services

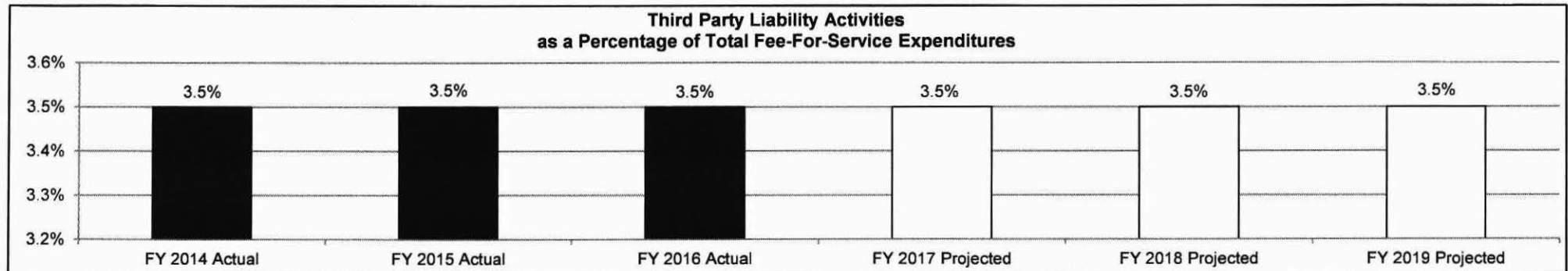
HB Section: 11.415

Program Name: Third Party Liability (TPL) Contracts

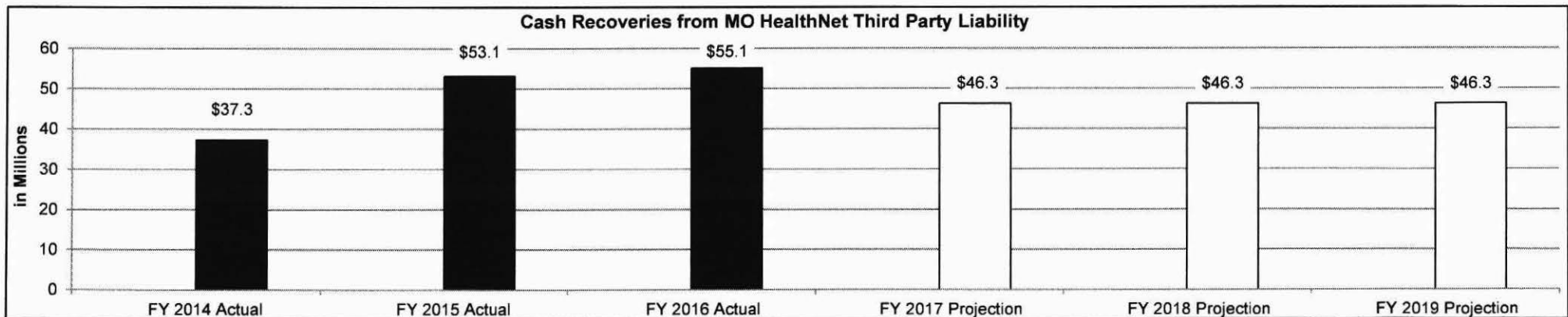
Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

### 7a. Provide an effectiveness measure.

Third Party Liability (TPL) activities within the MO HealthNet Program ensure that liable third-party resources are being utilized as a primary source of payment in lieu of General Revenue. In state fiscal year 2016, TPL activities, including cost avoidance and cash recovery activities, saved 3.5% of total fee-for-service expenditures.



### 7b. Provide an efficiency measure.



NOTE: Cash recoveries decreased in FY14 due to changes in how the contractor was posting accounts receivables. FY15 recoveries appear significantly higher than the prior year because there was increased focus on closing accounts receivables posted in FY14 and additional outstanding checks.

## PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.415

Program Name: Third Party Liability (TPL) Contracts

Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

### Cash Recoveries by Contractor

SFY	Projected	Actual
2014	\$34.0 mil	\$15.2 mil
2015	\$25.0 mil	\$32.3 mil
2016	\$25.0 mil	\$30.2 mil
2017	\$25.0 mil	
2018	\$25.0 mil	
2019	\$25.0 mil	

### Cash Recoveries by MHD Staff

SFY	Projected	Actual
2014	\$22.0 mil	\$22.1 mil
2015	\$21.3 mil	\$20.8 mil
2016	\$16.5 mil	\$24.9 mil
2017	\$16.5 mil	
2018	\$16.5 mil	
2019	\$16.5 mil	

MHD is enhancing efforts to obtain timely health insurance carrier information on a proactive basis for MO HealthNet participants to ensure that third party resources are utilized as a primary source of payment in lieu of taxpayer dollars. MHD contracts with a vendor to perform health insurance recoveries and cost avoidance activities. As MHD shifts its focus to cost avoidance, the trend for health insurance cash recoveries will even out or eventually reflect a decrease.

Several developments over the last few years have impacted the collection of cash recoveries. Medicare providers are performing on-line adjustments rather than submitting reimbursement by check. Cash recoveries for the Estate Program have decreased due to the expanded definition of "estate" not being in statute; a court decision regarding spousal recovery; and the elimination of recovering Medicare Part B premiums on or after the date of January 1, 2010. Trauma and casualty tort recoveries have decreased as a result of the Ahlborn class action decision in 2006.

**7c. Provide the number of clients/individuals served, if applicable.**

N/A

**7d. Provide a customer satisfaction measure, if available.**

N/A



# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Information Systems

Budget Unit 90522C

HB Section: 11.420

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request						FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE	11,386,283	67,900,350	2,021,687	81,308,320		EE	11,386,283	52,512,954	2,021,687	65,920,924	
PSD						PSD					
TRF						TRF					
<b>Total</b>	<b>11,386,283</b>	<b>67,900,350</b>	<b>2,021,687</b>	<b>81,308,320</b>		<b>Total</b>	<b>11,386,283</b>	<b>52,512,954</b>	<b>2,021,687</b>	<b>65,920,924</b>	
FTE				0.00		FTE				0.00	

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds Uncompensated Care Fund (0108)  
Health Initiatives Fund (0275)

Other Funds Uncompensated Care Fund (0108)  
Health Initiatives Fund (0275)

## 2. CORE DESCRIPTION

This core request is for the continued funding of MO HealthNet's Information Systems (IS). Core funding is used to pay for the Medicaid Management Information Systems (MMIS) contract. The MMIS contractor processes fee-for-service (FFS) claims, managed care encounter data and provides enrollment broker services. Managed care encounter data is processed through the system similar to FFS claims. The data is used by the Managed Care Unit for contract administration and rate setting purposes.

## 3. PROGRAM LISTING (list programs included in this core funding)

Information Systems

# **CORE DECISION ITEM**

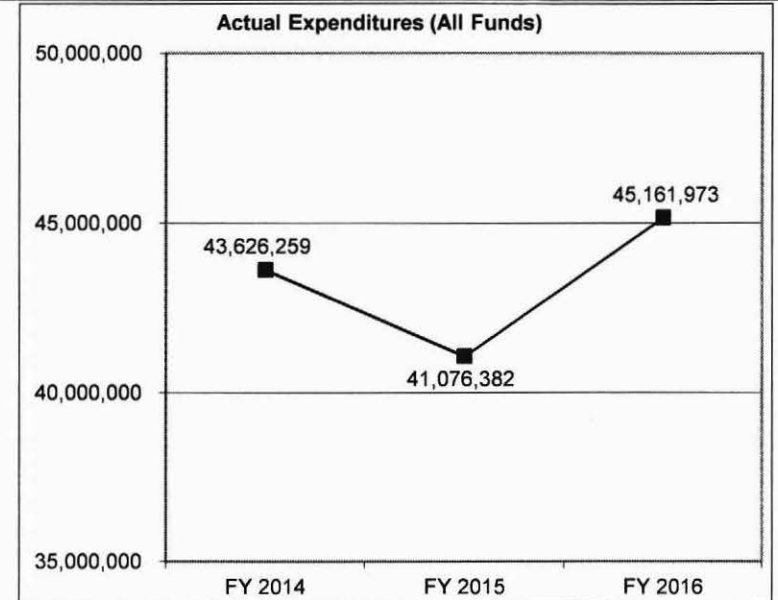
**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Information Systems**

**Budget Unit: 90522C**

**HB Section: 11.420**

## **4. FINANCIAL HISTORY**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Current Yr.</b>
Appropriation (All Funds)	46,435,977	51,435,977	64,808,320	81,308,320
Less Reverted (All Funds)	(192,919)	(219,169)	(269,339)	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	46,243,058	51,216,808	64,538,981	N/A
Actual Expenditures (All Funds)	43,626,259	41,076,382	45,161,973	N/A
Unexpended (All Funds)	2,616,799	10,140,426	19,377,008	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	2,582,618	10,140,426	19,377,008	N/A
Other	34,181	0	0	N/A



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

## **NOTES:**

## CORE RECONCILIATION DETAIL

### DEPARTMENT OF SOCIAL SERVICES INFORMATION SYSTEMS

#### 5. CORE RECONCILIATION DETAIL

				Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>										
			EE		0.00	10,538,940	57,080,170	0	67,619,110	
			PD		0.00	847,343	10,820,180	2,021,687	13,689,210	
			<b>Total</b>		<b>0.00</b>	<b>11,386,283</b>	<b>67,900,350</b>	<b>2,021,687</b>	<b>81,308,320</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>										
Core Reallocation	436	8477	EE		0.00	0	0	430,000	430,000	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	8257	EE		0.00	0	0	1,591,687	1,591,687	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	1439	EE		0.00	0	10,820,180	0	10,820,180	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	1438	EE		0.00	847,343	0	0	847,343	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	1439	PD		0.00	0	(10,820,180)	0	(10,820,180)	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	8257	PD		0.00	0	0	(1,591,687)	(1,591,687)	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	1438	PD		0.00	(847,343)	0	0	(847,343)	Core reallocations will more closely align with planned expenditures
Core Reallocation	436	8477	PD		0.00	0	0	(430,000)	(430,000)	Core reallocations will more closely align with planned expenditures
<b>NET DEPARTMENT CHANGES</b>					<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>DEPARTMENT CORE REQUEST</b>										
			EE		0.00	11,386,283	67,900,350	2,021,687	81,308,320	



**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES  
INFORMATION SYSTEMS**

**5. CORE RECONCILIATION DETAIL**

		<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>DEPARTMENT CORE REQUEST</b>								
	PD		0.00	0	0	0	0	
	<b>Total</b>		<b>0.00</b>	<b>11,386,283</b>	<b>67,900,350</b>	<b>2,021,687</b>	<b>81,308,320</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>								
Core Reduction	1945 1439	EE	0.00	0	(15,387,396)	0	(15,387,396)	FY 18 core reduction
<b>NET GOVERNOR CHANGES</b>			<b>0.00</b>	<b>0</b>	<b>(15,387,396)</b>	<b>0</b>	<b>(15,387,396)</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
	EE		0.00	11,386,283	52,512,954	2,021,687	65,920,924	
	PD		0.00	0	0	0	0	
	<b>Total</b>		<b>0.00</b>	<b>11,386,283</b>	<b>52,512,954</b>	<b>2,021,687</b>	<b>65,920,924</b>	

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>INFORMATION SYSTEMS</b>								
<b>CORE</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	7,164,695	0.00	10,538,940	0.00	11,386,283	0.00	11,386,283	0.00
DEPT OF SOC SERV FEDERAL & OTH	36,023,342	0.00	57,080,170	0.00	67,900,350	0.00	52,512,954	0.00
UNCOMPENSATED CARE FUND	430,000	0.00	0	0.00	430,000	0.00	430,000	0.00
HEALTH INITIATIVES	1,543,936	0.00	0	0.00	1,591,687	0.00	1,591,687	0.00
TOTAL - EE	45,161,973	0.00	67,619,110	0.00	81,308,320	0.00	65,920,924	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	847,343	0.00	0	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	10,820,180	0.00	0	0.00	0	0.00
UNCOMPENSATED CARE FUND	0	0.00	430,000	0.00	0	0.00	0	0.00
HEALTH INITIATIVES	0	0.00	1,591,687	0.00	0	0.00	0	0.00
TOTAL - PD	0	0.00	13,689,210	0.00	0	0.00	0	0.00
<b>TOTAL</b>	<b>45,161,973</b>	<b>0.00</b>	<b>81,308,320</b>	<b>0.00</b>	<b>81,308,320</b>	<b>0.00</b>	<b>65,920,924</b>	<b>0.00</b>
<b>MMIS - Contract Extensions - 1886018</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	0	0.00	0	0.00	390,866	0.00	390,866	0.00
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	1,151,340	0.00	1,151,340	0.00
TOTAL - EE	0	0.00	0	0.00	1,542,206	0.00	1,542,206	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,542,206</b>	<b>0.00</b>	<b>1,542,206</b>	<b>0.00</b>
<b>MMIS - Replacement - 1886031</b>								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	4,440,332	0.00
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	0	0.00	15,387,396	0.00
TOTAL - EE	0	0.00	0	0.00	0	0.00	19,827,728	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>19,827,728</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$45,161,973</b>	<b>0.00</b>	<b>\$81,308,320</b>	<b>0.00</b>	<b>\$82,850,526</b>	<b>0.00</b>	<b>\$87,290,858</b>	<b>0.00</b>

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# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>INFORMATION SYSTEMS</b>								
<b>CORE</b>								
COMMUNICATION SERV & SUPP	0	0.00	898	0.00	898	0.00	898	0.00
PROFESSIONAL SERVICES	45,161,973	0.00	67,618,212	0.00	81,307,422	0.00	65,920,026	0.00
TOTAL - EE	45,161,973	0.00	67,619,110	0.00	81,308,320	0.00	65,920,924	0.00
PROGRAM DISTRIBUTIONS	0	0.00	13,689,210	0.00	0	0.00	0	0.00
TOTAL - PD	0	0.00	13,689,210	0.00	0	0.00	0	0.00
GRAND TOTAL	\$45,161,973	0.00	\$81,308,320	0.00	\$81,308,320	0.00	\$65,920,924	0.00
GENERAL REVENUE	\$7,164,695	0.00	\$11,386,283	0.00	\$11,386,283	0.00	\$11,386,283	0.00
FEDERAL FUNDS	\$36,023,342	0.00	\$67,900,350	0.00	\$67,900,350	0.00	\$52,512,954	0.00
OTHER FUNDS	\$1,973,936	0.00	\$2,021,687	0.00	\$2,021,687	0.00	\$2,021,687	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.420**

**Program Name: Information Systems**

**Program is found in the following core budget(s): Information Systems**

### 1. What does this program do?

#### Program Description

The Information Systems (IS) program area includes the contract for the Medicaid Management Information System (MMIS) which is the platform which supports the entire MO HealthNet program. The primary function of Information Systems (IS) is to provide the tools and data needed to support administrative and financial decisions and to process fee-for-service claims and MO HealthNet managed care encounter data. IS focuses on the gathering, maintenance, analysis, output, and security of information and data related to claims and a multitude of claims-related interfaces. It is also responsible for providing the software and hardware support needed to measure, analyze, assess and manipulate this information in the process of decision making, formulating and testing new systems.

#### Program Statistics

Funding for the MO HealthNet's Information Systems (IS) allows for the processing of MO HealthNet claims involving over 49,000 providers of 58 different types, such as hospitals, physicians, dentists, ambulance service providers, nursing homes, therapists, hospices, and managed care health plans. Increased electronic claims processing and system improvements improved average claims processing time dramatically over the last decade from 3.03 days in FY95 to .50 days in FY16.

#### Program Goals

- Automation of key business processes using a system designed based on the program policies and procedures.
- Timely and accurate processing of claims and payment to healthcare services providers for services provided to program participants.
- Timely and accurate processing of capitation payments to Managed Care health plans for services provided to program participants.
- Accurate reporting of program costs to CMS and maximization of federal financial participation.
- Providing reporting and analytics services and sharing of claims data to support administrative and program decision support, monitoring of program metrics, and improvements in program quality and care management.
- Program cost avoidance through the identification and application of third-party coverage for services provided to program participants.
- Maximize revenues from the drug rebate program.
- Support of services provided to program participants by healthcare service providers through the operation of call centers.

#### Program Objectives

- Implementation of modifications to the MMIS to support current federal and state program initiatives.
- Procurement and implementation of replacement MMIS subsystems and services in compliance with federal enhanced funding requirements.
- Continued operation of the MMIS and call centers with no disruption in services to program participants, healthcare service providers, or system users.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.420**

**Program Name: Information Systems**

**Program is found in the following core budget(s): Information Systems**

### **Reimbursement Methodology**

The state contracts with a private entity to operate the subsystems of the MMIS. The subsystems include claims processing, management and analysis reporting, surveillance and utilization, reference, provider claim data, participant encounter data, third party liability and financial. In order to maintain quality management of MO HealthNet claims, the MO HealthNet Division requires the fiscal agent to:

- Maintain and enhance a highly automated MO HealthNet claims processing and information retrieval system.
- Process MO HealthNet claims involving over 49,000 providers of 58 different types, such as hospitals, physicians, dentists, ambulance service providers, nursing homes, therapists, hospices, and managed care health plans.
- Perform manual tasks associated with processing MO HealthNet claims, and to retrieve and produce utilization and management information that is required by the Division and/or various agencies within the federal government. For example, semi-annual utilization reports are generated for the Program Integrity Unit to allow staff to detect and investigate over-utilization patterns and abuse. Third party liability (TPL) reports are produced that allow tracking of cost avoidance on claims and provide the capability to perform cost recovery functions.
- Provide capabilities and/or communications with the Department and the Division via on-line data links to facilitate transfers of data and monitoring of contract issues using menu driven reports and communications via electronic mail.
- Provide technical support to managed care health plans in the maintenance of data lines and the transfer of daily enrollment files and encounter data.

The state began contracting out the development, operation, and support of the MMIS in 1979. The current MMIS contract was awarded to Infocrossing, Inc (WIPRO). The MMIS is run on a mainframe computer system. There are approximately 35 programmers employed by the fiscal agent to maintain this system. The Interactive Voice Response (IVR) has the availability of approximately 70 incoming lines. The IVR hardware and software allows immediate access to eligibility, payment and claim status information.

The Imaging System document storage and retrieval along with a report repository. The fiscal agent supports a web application ([www.emomed.com](http://www.emomed.com)) that supports various provider functions such as claims data entry, send and receive files, electronic remittance advice along with real-time inquiries of claims, attachments, prior authorizations, eligibility and payment status.

### **Additional Details**

**Claims Processing:** Claims processing changes with the two programs, the fee-for-service program versus MO HealthNet managed care. Under the fee-for-service program, claims are processed for payment to the provider. Services under MO HealthNet managed care, which are covered by the capitation payment, do not generate a claim. Whomever provides the service is reimbursed by a health plan. The service still results in involvement by IS through the processing of encounter claims. An encounter claim is the same as a regular claim in terms of the information processed such as patient identification, diagnosis and the service(s) provided; however, it is not subject to payment. The federal government requires that encounter claims be submitted to the state agency. Encounter claims are transmitted by health plans to the fiscal agent where they are processed and the data is stored.

**Managed Care Impact:** MO HealthNet managed care increases the demand on Information Systems because of the need to interface with numerous different data processing systems. The MMIS system "talks" to the systems run by each of the three individual health plans that contract with the state for Managed Care. Success of the Managed Care program is dependent on data analysis. The agency needs encounter data from the health plans in order to set rates and see what services are being provided to agency clients, otherwise on-site audits of thousands of providers would be required.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.420**

**Program Name: Information Systems**

**Program is found in the following core budget(s): Information Systems**

**Enrollment Broker:** The enrollment broker is responsible for assisting MO HealthNet participants receiving health care benefits through a managed care arrangement in plan enrollment. Beginning September 1, 2014, the enrollment broker function transitioned to a new contract. The contractor is responsible for assisting 1) Missourians with the Medicaid application when the individual is applying online through the new eligibility and enrollment system; and 2) with managed care enrollment processes should the participant receive benefits through managed care. The intent is to streamline processes so that individuals can apply for Medicaid benefits, and if eligible, complete the managed care enrollment process at the same time. This ensures that Medicaid participants receive the appropriate level of care as expeditiously as possible. Once an individual is eligible for Medicaid benefits, only inquiries received on managed care enrollment will continue to be handled through the Contact Center; other questions, correspondence or communication will be handled through the current call center or by FSD offices.

### Emerging Issues

**MMIS Enhanced Funding and Procurement:** The state receives enhanced federal funding for the development and operation of the MMIS and related administrative services. CMS updated the rule related to the enhanced funding in December 2016 and continues to issue sub-regulatory guidance that is changing the conditions for receiving enhanced funding for investments in Information Technology. The guidance encourages the replacement of legacy MMIS systems such as Missouri's system with more modular and reusable solutions. MO HealthNet is working on several system procurement projects intended to replace MMIS subsystems with solutions utilizing modern technologies and complying with the CMS conditions. The procurement and replacement of MMIS systems requires a multi-year effort and a significant capital investment, but offers future cost savings through technology that is less expensive to operate and maintain and that is more flexible allowing for quicker implementation of program changes. As part of the MMIS procurement effort, MO HealthNet has issued a Request for Proposal (RFP) for a Business Intelligence Solution and Enterprise Data Warehouse (BIS/EDW) and MMAC has issued an RFP for a Program Integrity Solution.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.166 and 208.201; Federal law: Social Security Act Section 1902(a)(4), 1903(a)(3) and 1915(b); Federal Regulation 42 CFR 433(C) and 438; Children's Health Insurance Program State Plan Amendment.

### 3. Are there federal matching requirements? If yes, please explain.

Expenditures for MMIS operations have three different federal financial participation (FFP) rates. The majority of MMIS expenditures earn 75% FFP and require 25% state share. Functions earning 75% include MMIS base operations and call center operations. Approved system enhancements earn 90% FFP and require 10% state share. Enrollment broker services, postage and General Medicaid administrative expenditures earn 50% FFP and requires 50% state share.

### 4. Is this a federally mandated program? If yes, please explain.

Yes. Section 1902(a)(4) of the Social Security Act requires such methods of administration as necessary for the proper and efficient administration of the Medicaid State Plan.



## PROGRAM DESCRIPTION

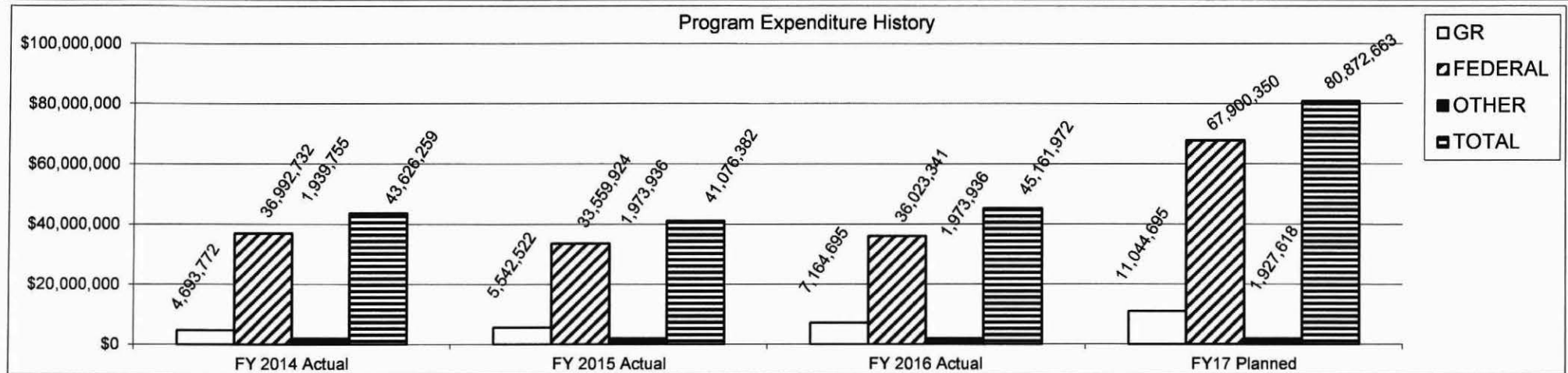
**Department:** Social Services

**HB Section:** 11.420

**Program Name:** Information Systems

**Program is found in the following core budget(s):** Information Systems

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 is net of reverted.

### 6. What are the sources of the "Other" funds?

Health Initiatives Fund (0275)

Uncompensated Care Fund (0108)

## PROGRAM DESCRIPTION

Department: Social Services

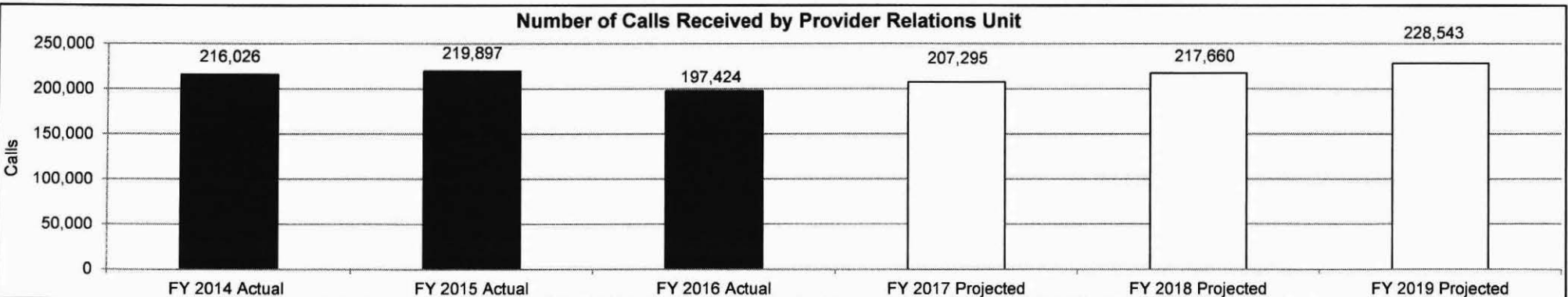
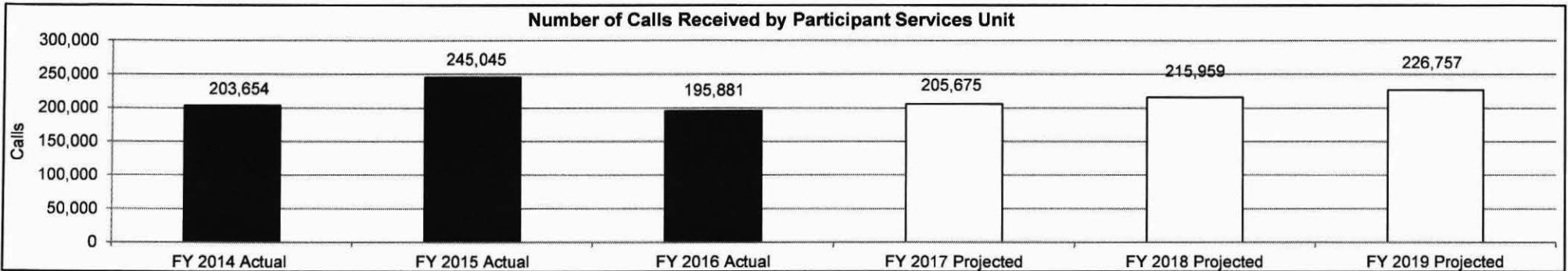
HB Section: 11.420

Program Name: Information Systems

Program is found in the following core budget(s): Information Systems

### 7a. Provide an effectiveness measure.

Effectiveness Measure: Provide support for participants and providers. Last year the Participant Services Unit received and responded to 195,881 calls from participants. The Provider Relations Unit received and responded to 197,424 calls in SFY 2016.





## PROGRAM DESCRIPTION

Department: Social Services

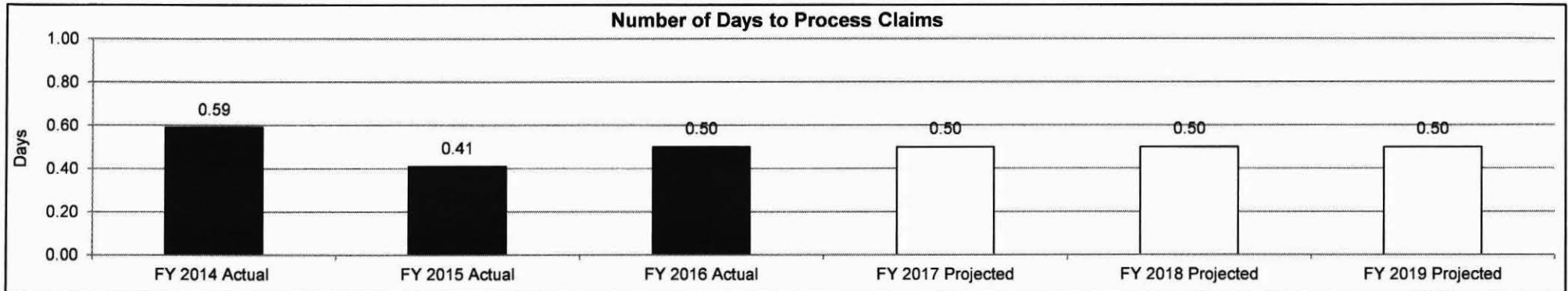
HB Section: 11.420

Program Name: Information Systems

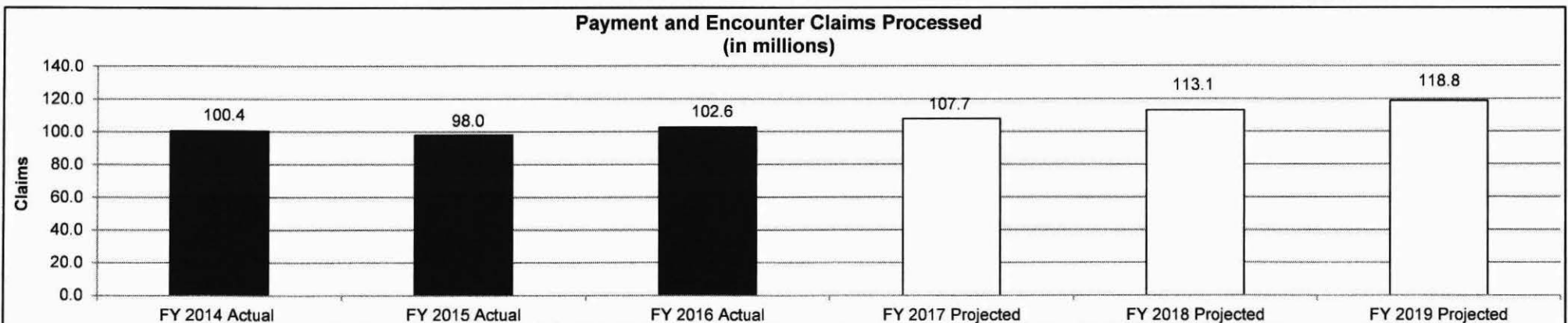
Program is found in the following core budget(s): Information Systems

### 7b. Provide an efficiency measure.

Efficiency Measure: Promptly process "clean" claims in less than one day. For the past three fiscal years, claims passing system edits have been processed in less than one day. Processed claims are paid twice a month. In SFY 2016, over 102.6 million claims were processed.



### 7c. Provide the number of clients/individuals served, if applicable.



### 7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM  
RANK: 20 OF 26

Department: Social Services  
Division: MO HealthNet  
DI Name: MMIS Contract Extensions

Budget Unit 90522C  
DI# 1886018 HB Section: 11.420

**1. AMOUNT OF REQUEST**

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS					
EE	390,866	1,151,340		1,542,206	
PSD					
TRF					
Total	390,866	1,151,340	0	1,542,206	
FTE				0.00	

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS					
EE	390,866	1,151,340		1,542,206	
PSD					
TRF					
Total	390,866	1,151,340	0	1,542,206	
FTE				0.00	

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: N/A

**2. THIS REQUEST CAN BE CATEGORIZED AS:**

<input type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input checked="" type="checkbox"/> Other: Contract Increase	

**3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.**

MO HealthNet currently contracts with Infocrossing and Xerox to provide development, operation, and support of the Medicaid Management Information System (MMIS) and to support the pharmacy and clinical services programs, respectively. This request is to fund an annual increase in FY18 as required under the contract.

**NEW DECISION ITEM**  
**RANK:** 20 **OF** 26

**Department: Social Services**

**Budget Unit 90522C**

**Division: MO HealthNet**

**DI Name: MMIS Contract Extensions**

**DI# 1886018**

**HB Section: 11.420**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Infocrossing provides development, operation, and support of the Medicaid Management Information System (MMIS) which is the platform that supports the entire MO HealthNet program by processing fee-for-service claims and MO HealthNet managed care encounter data, generating payments to providers, and performing financial reporting. Infocrossing also provides administrative support services including operation of the MO HealthNet call centers and mailroom, data entry, prior authorization services, printing of ID cards, Third Party Liability cost avoidance, and drug rebate invoicing. The below request represents approximately a 2.4% increase to the base contract.

Xerox administers an innovative electronic web-based clinical editing process for point-of-sale pharmacy and medical claims known as *CyberAccess*<sup>SM</sup>; medical and drug prior authorization, inpatient pre-certifications, and Drug Utilization Review (DUR) processes. *CyberAccess*<sup>SM</sup> also allows healthcare providers to review historical claims data; view and/or enter clinical data in a patient's Electronic Health Record (EHR); and select appropriate preferred medications and prescribe electronically. Xerox also provides a Home and Community Based Services web portal and administrative support services including professional review services. The below request represents approximately a 10% increase to the base contract.

	<b>GR</b>	<b>Fed</b>	<b>Total</b>
Infocrossing	255,854	746,317	1,002,171
Xerox	135,012	405,023	540,035
<b>Total</b>	<b>390,866</b>	<b>1,151,340</b>	<b>1,542,206</b>

NEW DECISION ITEM  
RANK: 20 OF 26

Department: Social Services

Budget Unit 90522C

Division: MO HealthNet

DI Name: MMIS Contract Extensions

DI# 1886018

HB Section: 11.420

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
							0	0.0		
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
400	390,866		1,151,340				1,542,206			
Total EE	390,866		1,151,340		0		1,542,206		0	
Program Distributions							0			
Total PSD	0		0		0		0		0	
Grand Total	390,866	0.0	1,151,340	0.0	0	0.0	1,542,206	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	E
							0	0.0		
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
400	390,866		1,151,340				1,542,206			
Total EE	390,866		1,151,340		0		1,542,206		0	
Program Distributions							0			
Total PSD	0		0		0		0		0	
Grand Total	390,866	0.0	1,151,340	0.0	0	0.0	1,542,206	0.0	0	

NEW DECISION ITEM  
RANK: 20 OF 26

Department: Social Services

Budget Unit 90522C

Division: MO HealthNet

DI Name: MMIS Contract Extensions

DI# 1886018

HB Section: 11.420

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**6a. Provide an effectiveness measure.**

See Clinical Services Program Management and Information Systems for program measures.

**6b. Provide an efficiency measure.**

See Clinical Services Program Management and Information Systems for program measures.

**6c. Provide the number of clients/individuals served, if applicable.**

See Clinical Services Program Management and Information Systems for program measures.

**6d. Provide a customer satisfaction measure, if available.**

See Clinical Services Program Management and Information Systems for program measures.

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>INFORMATION SYSTEMS</b>								
<b>MMIS - Contract Extensions - 1886018</b>								
PROFESSIONAL SERVICES	0	0.00	0	0.00	1,542,206	0.00	1,542,206	0.00
TOTAL - EE	0	0.00	0	0.00	1,542,206	0.00	1,542,206	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$1,542,206</b>	<b>0.00</b>	<b>\$1,542,206</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$390,866	0.00	\$390,866	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$1,151,340	0.00	\$1,151,340	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Electronic Health Records Incentives

Budget Unit: 90523C  
HB Section: 11.425

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request				
GR	Federal	Other	Total	E
PS				
EE	1,303,000		1,303,000	
PSD	38,697,000		38,697,000	
TRF				
<b>Total</b>	<b>40,000,000</b>		<b>40,000,000</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

FY 2018 Governor's Recommendation				
GR	Fed	Other	Total	E
PS				
EE	1,303,000		1,303,000	
PSD	33,697,000		33,697,000	
TRF				
<b>Total</b>	<b>35,000,000</b>		<b>35,000,000</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

## 2. CORE DESCRIPTION

This core request is for funding of the MO HealthNet Electronic Health Record (EHR) Incentive Program, which provides incentive payments to eligible professionals and eligible hospitals that adopt, implement, upgrade, and meaningfully use certified EHR technology.

## 3. PROGRAM LISTING (list programs included in this core funding)

Electronic Health Records Incentives



# CORE DECISION ITEM

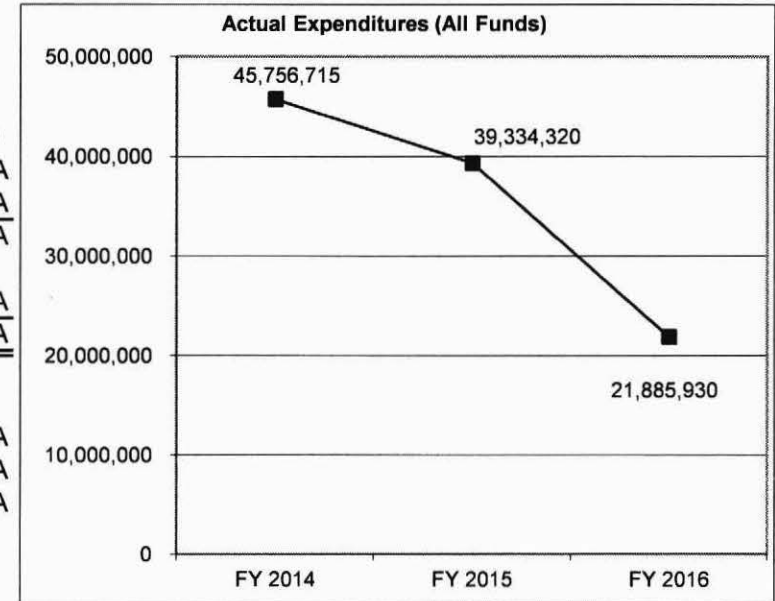
Department: Social Services  
Division: MO HealthNet  
Core: Electronic Health Records Incentives

Budget Unit: 90523C

HB Section: 11.425

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Current Yr.
Appropriation (All Funds)	100,000,000	85,000,000	60,000,000	40,000,000
Less Reverted (All Funds)	0	0	0	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	100,000,000	85,000,000	60,000,000	N/A
Actual Expenditures (All Funds)	45,756,715	39,334,320	21,885,930	N/A
Unexpended (All Funds)	54,243,285	45,665,680	38,114,070	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	54,243,285	45,665,680	38,114,070	N/A
Other	0	0	0	N/A
		(1)	(2)	(3)



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### NOTES:

(1) Core reduction of \$15M in FY15.

(2) Core reduction of \$15M in FY16.

(3) Core reduction of \$20M in FY17.

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES  
ELECTRONIC HLTH RECORDS INCNTV**

**5. CORE RECONCILIATION DETAIL**

				<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>										
				PD	0.00	0	40,000,000	0	40,000,000	
				<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>40,000,000</b>	<b>0</b>	<b>40,000,000</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>										
Core Reallocation	437	7962	EE		0.00	0	1,303,000	0	1,303,000	
Core Reallocation	437	7962	PD		0.00	0	(1,303,000)	0	(1,303,000)	
<b>NET DEPARTMENT CHANGES</b>					<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>DEPARTMENT CORE REQUEST</b>										
			EE		0.00	0	1,303,000	0	1,303,000	
			PD		0.00	0	38,697,000	0	38,697,000	
			<b>Total</b>		<b>0.00</b>	<b>0</b>	<b>40,000,000</b>	<b>0</b>	<b>40,000,000</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>										
Core Reduction	1771	7962	PD		0.00	0	(5,000,000)	0	(5,000,000)	FY 18 core reduction
<b>NET GOVERNOR CHANGES</b>					<b>0.00</b>	<b>0</b>	<b>(5,000,000)</b>	<b>0</b>	<b>(5,000,000)</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>										
			EE		0.00	0	1,303,000	0	1,303,000	
			PD		0.00	0	33,697,000	0	33,697,000	
			<b>Total</b>		<b>0.00</b>	<b>0</b>	<b>35,000,000</b>	<b>0</b>	<b>35,000,000</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>ELECTRONIC HLTH RECORDS INCNTV</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
FEDERAL STIMULUS-DSS	1,274,583	0.00	0	0.00	1,303,000	0.00	1,303,000	0.00	
TOTAL - EE	1,274,583	0.00	0	0.00	1,303,000	0.00	1,303,000	0.00	
PROGRAM-SPECIFIC									
FEDERAL STIMULUS-DSS	20,611,352	0.00	40,000,000	0.00	38,697,000	0.00	33,697,000	0.00	
TOTAL - PD	20,611,352	0.00	40,000,000	0.00	38,697,000	0.00	33,697,000	0.00	
<b>TOTAL</b>	<b>21,885,935</b>	<b>0.00</b>	<b>40,000,000</b>	<b>0.00</b>	<b>40,000,000</b>	<b>0.00</b>	<b>35,000,000</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$21,885,935</b>	<b>0.00</b>	<b>\$40,000,000</b>	<b>0.00</b>	<b>\$40,000,000</b>	<b>0.00</b>	<b>\$35,000,000</b>	<b>0.00</b>	

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>ELECTRONIC HLTH RECORDS INCNTV</b>								
<b>CORE</b>								
TRAVEL, OUT-OF-STATE	1,821	0.00	0	0.00	2,000	0.00	2,000	0.00
PROFESSIONAL DEVELOPMENT	850	0.00	0	0.00	1,000	0.00	1,000	0.00
PROFESSIONAL SERVICES	1,271,912	0.00	0	0.00	1,300,000	0.00	1,300,000	0.00
TOTAL - EE	1,274,583	0.00	0	0.00	1,303,000	0.00	1,303,000	0.00
PROGRAM DISTRIBUTIONS	20,611,352	0.00	40,000,000	0.00	38,697,000	0.00	33,697,000	0.00
TOTAL - PD	20,611,352	0.00	40,000,000	0.00	38,697,000	0.00	33,697,000	0.00
<b>GRAND TOTAL</b>	<b>\$21,885,935</b>	<b>0.00</b>	<b>\$40,000,000</b>	<b>0.00</b>	<b>\$40,000,000</b>	<b>0.00</b>	<b>\$35,000,000</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$21,885,935	0.00	\$40,000,000	0.00	\$40,000,000	0.00	\$35,000,000	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department:** Social Services

**HB Section:** 11.425

**Program Name:** Electronic Health Records Incentive

**Program is found in the following core budget(s):** Electronic Health Records Incentive

### 1. What does this program do?

#### Program Statistics

In FY16, a total of 1,203 EHR incentive payments dispersed \$20.7 million to MO HealthNet providers - \$7.2 million to 40 eligible hospitals and \$13.5 million to 1,163 eligible professionals.

Half of all professionals and 83% of all hospitals in Missouri that participate in the program have met meaningful use requirements in at least one year.

During the first five years of the program, from FY12 through FY16, over \$238 million in incentive payments were made to 108 unique hospitals and 3,226 unique professionals.

#### Program Goals

The goals of the EHR incentive program are to:

- Encourage providers to adopt electronic health records with specific functionality and use that technology to meet meaningful use requirements;
- Demonstrate improved quality, safety and efficiency of healthcare;
- Improve care coordination, population health and public health; and
- Maintain the privacy and security of patient health information.

#### Program Objectives

Increase the number of eligible hospitals and eligible professionals that achieve meaningful use of EHR technology by demonstrating their capability to capture and share data, complete advanced clinical processes, and improve health outcomes.

Provide adequate payments for Electronic Health Records Incentives to all MO HealthNet providers that participate in the program with the funds appropriated.

#### Reimbursement Methodology

To qualify for Medicaid incentive payments during the first year, eligible professionals must meet volume thresholds for Medicaid patients and show that they have adopted, implemented, or upgraded to certified EHR technology. To receive additional payments in subsequent years, professionals are required to demonstrate meaningful use of certified EHR technology. Under the program, eligible professionals can receive up to \$63,750 in incentive payments over six years. For eligible hospitals, a total payment amount is calculated based on an established formula primarily driven by discharge volume; the total is disbursed in payments over three years with 50% paid in the first year, 35% in the second and 15% in the third. Amounts vary significantly by hospital, with the average first year payment has been \$763,850.

#### Rate History

This program does not utilize a rate reimbursement methodology.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.425**

**Program Name: Electronic Health Records Incentive**

**Program is found in the following core budget(s): Electronic Health Records Incentive**

### Additional Details

Missouri's Medicaid Electronic Health Records (EHR) Incentive program became operational on April 4, 2011. Eligible professionals (EPs) include physicians, dentists, certified nurse midwives, nurse practitioners, and physician assistants (specifically those practicing in rural health clinics or Federally-Qualified Health Centers led by a physician assistant). EPs must have at least a 30% patient volume attributable to Medicaid (20% for pediatricians). EPs can base their volume on either their *individual* Medicaid patient encounters or the *practice's* Medicaid patient encounters. Encounters include both fee-for-service and managed care for which Medicaid paid in whole or in part. Beginning in program year 2013, zero pay claims could also be counted, recognizing service to Medicaid-enrolled individuals regardless of liability. Eligible hospitals (EHs) include acute care hospitals, all stand-alone children's hospitals, cancer hospitals, and critical access hospitals. Except for children's hospitals, EHs must have at least 10% Medicaid patient volume.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Federal law: ARRA Section 4201; Federal Regulation: 42 CFR Parts 412, 413, 422, and 495

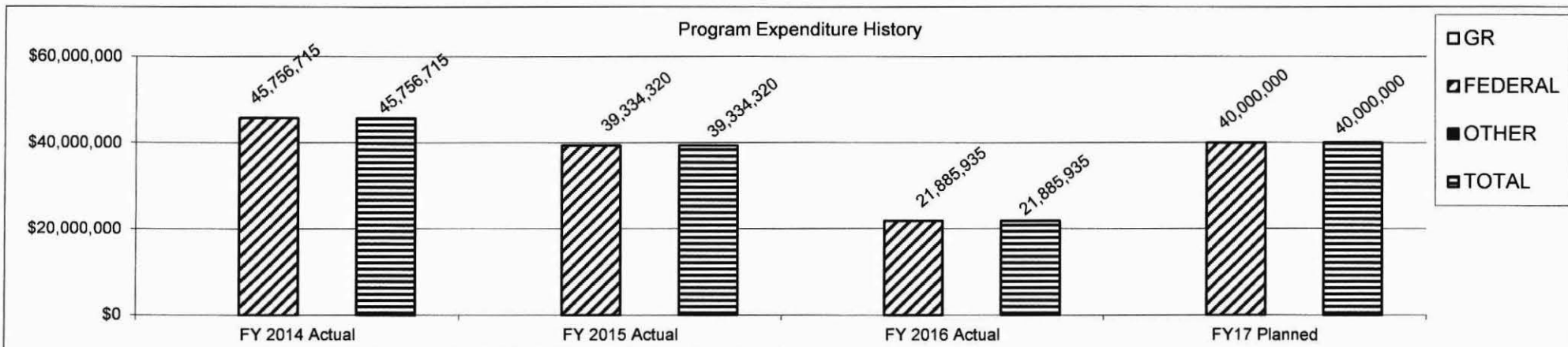
### 3. Are there federal matching requirements? If yes, please explain.

Expenditures for healthcare technology incentives are 100% federal funds. Administrative costs earn a 90% federal match.

### 4. Is this a federally mandated program? If yes, please explain.

No.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



## PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.425

Program Name: Electronic Health Records Incentive

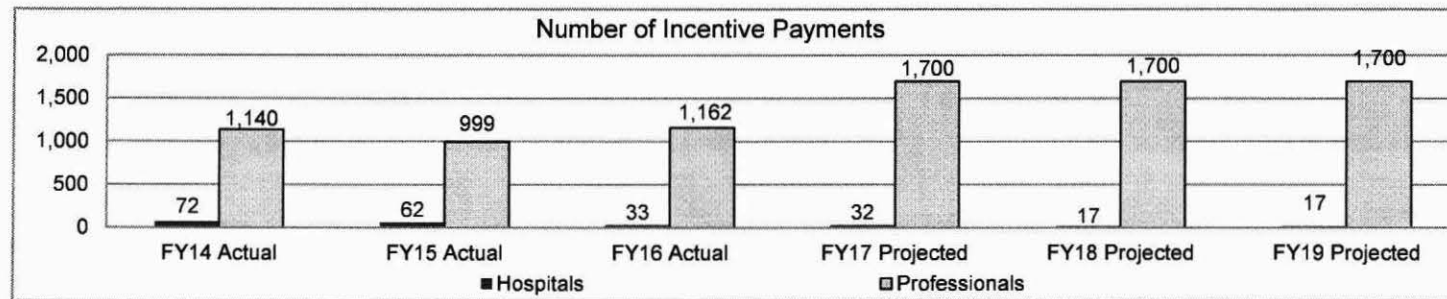
Program is found in the following core budget(s): Electronic Health Records Incentive

### 6. What are the sources of the "Other" funds?

N/A

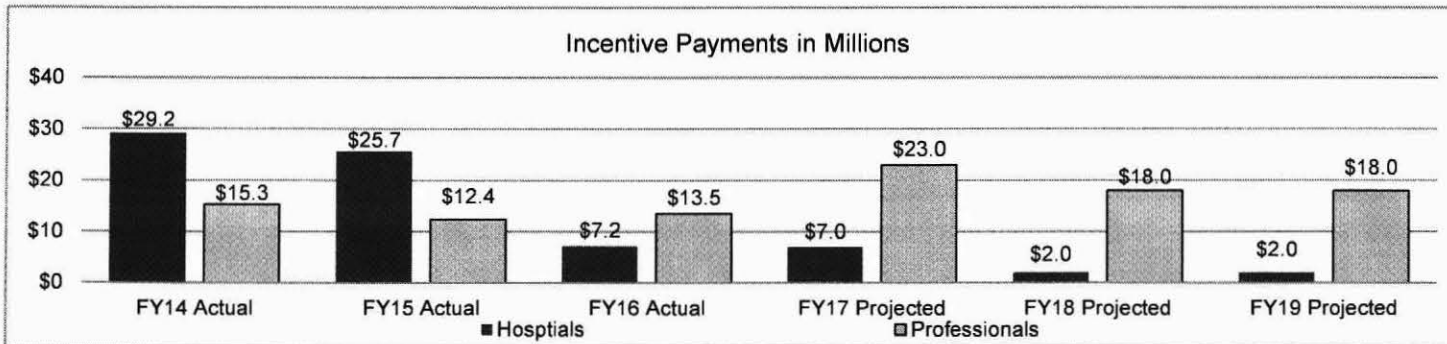
### 7a. Provide an effectiveness measure.

Increase the number of hospitals and eligible professionals demonstrating meaningful use of EHR technology.



### 7b. Provide an efficiency measure.

Provide adequate payments for Electronic Health Records Incentives to MO HealthNet providers with the funds appropriated.



### 7c. Provide the number of clients/individuals served, if applicable.

N/A

### 7d. Provide a customer satisfaction measure, if available.

N/A





# **CORE DECISION ITEM**

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Money Follows the Person**

**Budget Unit: 90524C**  
**HB Section: 11.430**

## **1. CORE FINANCIAL SUMMARY**

FY 2018 Budget Request						FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE		532,549		532,549		EE		532,549		532,549	
PSD						PSD					
TRF						TRF					
<b>Total</b>		<b>532,549</b>		<b>532,549</b>		<b>Total</b>		<b>532,549</b>		<b>532,549</b>	
<b>FTE</b>				<b>0.00</b>		<b>FTE</b>					

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other Funds: N/A

Other Funds: N/A

## **2. CORE DESCRIPTION**

This item funds administration of the Money Follows the Person Demonstration (MFP) program which transitions individuals who are elderly, disabled, or who have developmental disabilities from nursing facilities or state-owned habilitation centers to Home and Community Based Services.

## **3. PROGRAM LISTING (list programs included in this core funding)**

Money Follows the Person

# **CORE DECISION ITEM**

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Money Follows the Person**

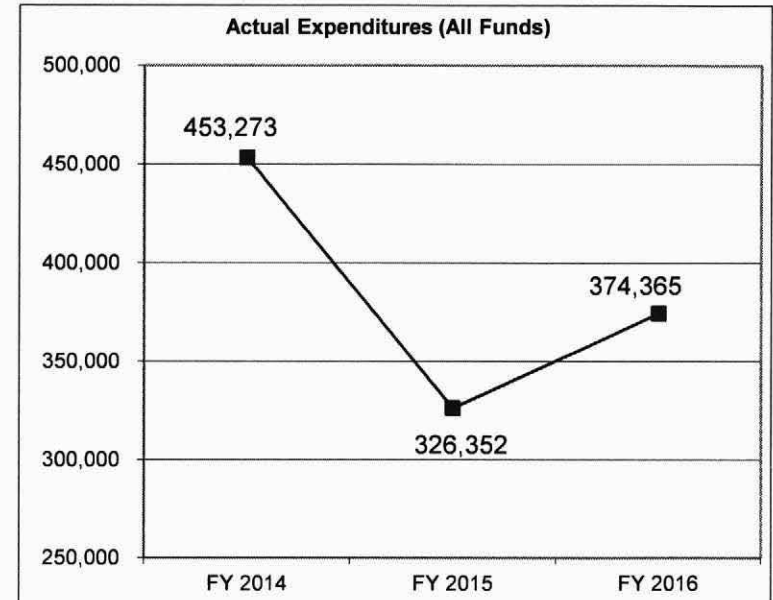
**Budget Unit: 90524C**

**HB Section: 11.430**

## **4. FINANCIAL HISTORY**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Current Yr.</b>
Appropriation (All Funds)	532,549	532,549	532,549	532,549
Less Reverted (All Funds)	0	0	0	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	532,549	532,549	532,549	N/A
Actual Expenditures (All Funds)	453,273	326,352	374,365	N/A
Unexpended (All Funds)	79,276	206,197	158,184	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	79,276	206,197	158,184	N/A
Other	0	0	0	N/A

**(1)**



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### **NOTES:**

**(1)** FY14 Section was transferred to MO HealthNet Division from Federal Grants and Donations.

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES**  
**MONEY FOLLOWS THE PERSON GRANT**

**5. CORE RECONCILIATION DETAIL**

				<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>										
				EE	0.00	0	453,277	0	453,277	
				PD	0.00	0	79,272	0	79,272	
				<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>532,549</b>	<b>0</b>	<b>532,549</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>										
Core Reallocation	438	8398		EE	0.00	0	79,272	0	79,272	
Core Reallocation	438	8398		PD	0.00	0	(79,272)	0	(79,272)	
<b>NET DEPARTMENT CHANGES</b>					<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>DEPARTMENT CORE REQUEST</b>										
				EE	0.00	0	532,549	0	532,549	
				PD	0.00	0	0	0	0	
				<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>532,549</b>	<b>0</b>	<b>532,549</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>										
				EE	0.00	0	532,549	0	532,549	
				PD	0.00	0	0	0	0	
				<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>532,549</b>	<b>0</b>	<b>532,549</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>MONEY FOLLOWS THE PERSON GRANT</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
DEPT OF SOC SERV FEDERAL & OTH	374,365	0.00	453,277	0.00	532,549	0.00	532,549	0.00	
TOTAL - EE	374,365	0.00	453,277	0.00	532,549	0.00	532,549	0.00	
PROGRAM-SPECIFIC									
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	79,272	0.00	0	0.00	0	0.00	
TOTAL - PD	0	0.00	79,272	0.00	0	0.00	0	0.00	
<b>TOTAL</b>	<b>374,365</b>	<b>0.00</b>	<b>532,549</b>	<b>0.00</b>	<b>532,549</b>	<b>0.00</b>	<b>532,549</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$374,365</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MONEY FOLLOWS THE PERSON GRANT</b>								
<b>CORE</b>								
TRAVEL, IN-STATE	1,116	0.00	2,086	0.00	2,086	0.00	2,086	0.00
TRAVEL, OUT-OF-STATE	1,513	0.00	0	0.00	0	0.00	0	0.00
SUPPLIES	810	0.00	175	0.00	175	0.00	175	0.00
PROFESSIONAL DEVELOPMENT	1,440	0.00	0	0.00	0	0.00	0	0.00
PROFESSIONAL SERVICES	368,653	0.00	450,716	0.00	529,988	0.00	529,988	0.00
BUILDING LEASE PAYMENTS	75	0.00	150	0.00	150	0.00	150	0.00
MISCELLANEOUS EXPENSES	758	0.00	150	0.00	150	0.00	150	0.00
<b>TOTAL - EE</b>	<b>374,365</b>	<b>0.00</b>	<b>453,277</b>	<b>0.00</b>	<b>532,549</b>	<b>0.00</b>	<b>532,549</b>	<b>0.00</b>
PROGRAM DISTRIBUTIONS	0	0.00	79,272	0.00	0	0.00	0	0.00
<b>TOTAL - PD</b>	<b>0</b>	<b>0.00</b>	<b>79,272</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$374,365</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>
<b>GENERAL REVENUE</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>
<b>FEDERAL FUNDS</b>	<b>\$374,365</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>	<b>\$532,549</b>	<b>0.00</b>
<b>OTHER FUNDS</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.430**

**Program Name: Money Follows The Person**

**Program is found in the following core budget(s): Money Follows the Person**

### 1. What does this program do?

#### Program Description

This item funds administration of the Money Follows the Person Demonstration (MFP) program which transitions eligible individuals who are elderly, disabled, or who have developmental disabilities from nursing facilities or state owned habilitation centers to Home and Community Based Services. In order to be eligible for the MFP program, an individual must meet the following criteria:

- Have been in a Skilled Nursing Facility (SNF) or Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/ID) be for at least 90 consecutive (non-Medicare Rehab) days;
- Be Medicaid eligible at the time of transition;
- Move into qualified housing; and
- Sign a participation agreement.

At the time of discharge from a nursing facility or state-owned habilitation center, the participant must be in a certified Medicaid bed.

#### Program Statistics

Since the first transition in October 2007 through June 30, 2016, the MFP program has successfully transitioned 1,350 individuals from institutional settings to the community. Federal grant awards are available to states for the fiscal year they receive the award, and four additional fiscal years after. Any unused grant funds awarded in FFY 2016 can be used through FFY 2020.

In the past, because the grant was only extended for a limited time, CMS required the state to submit a sustainability plan. Missouri submitted a plan to CMS with an indication the state would continue to transition individuals with disabilities and those who are aged from ICF/IDs and SNFs to community settings of their choice. It was also explained the state would research the use of current or new waiver services, state plan, or administrative dollars to maintain the current infrastructure. CMS approved the submitted plan in July 2015. For more information on sustainability planning, see additional details below.

#### Program Goals

To support Missouri citizens who have disabilities and those who are aging to transition from institutional to quality community settings that are consistent with their individual support needs and preferences. MFP proposes to assist in the transition of an additional 572 individuals by September 30, 2018.

#### Program Objectives

MFP provides initial funding and support to:

- Identify barriers that prevent individuals currently residing in state or private facilities from accessing needed long-term community support services;
- Improve the ability of the Missouri Medicaid program to continue the provision of Home and Community Based Services (HCBS) long term care services to those individuals choosing to transition to communities; and
- Ensure procedures are in place to provide continuous quality improvement in HCBS.

#### Reimbursement Methodology

This program provides payment for the administration of the Money Follows the Person program and is 100% funded through a federal grant. DSS contracts with the University of Missouri-Kansas City to provide administrative support for the program.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.430**

**Program Name: Money Follows The Person**

**Program is found in the following core budget(s): Money Follows the Person**

Once enrolled, participants reside in the MFP program for 365 community days after which they seamlessly transition to the regular HCBS programs. Eligible individuals who transition from institutionalized settings to HCBS are eligible for enhanced federal match (81.64% FMAP as of FFY 2016) for community services for the first year after transition. After one year, community services provided to MFP participants are earned at the standard FMAP rate. HCBS program dollars for MFP participants are appropriated from their respective budgets in DHSS and DMH.

The federal grant also provides up to \$2,400 for demonstration transition services to participants transitioning from a nursing facility as a one-time assistance for transition costs to set up a home in the community. The state portion for the transition services are paid out of the DHSS budget, while the enhanced federal match is paid through the MFP grant. As of January 1, 2016, the grant added a demonstration service of Assistive Technology (AT) for individuals who are elderly or have a physical disability. Up to \$5,000 for AT services are available to individuals who transition. The AT services cover assistive technology, environmental accessibility, and vehicle access modifications. Both the transition and AT demonstration services can be used any time within the 365 days. The state portion of the AT services are paid out of the DESE Missouri Assistive Technology budget, while the enhanced federal match is paid through the MFP grant.

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 6071 of the Federal Deficit Reduction Act of 2005; PL 109-171, and amended by the Affordable Care Act, Section 2403.

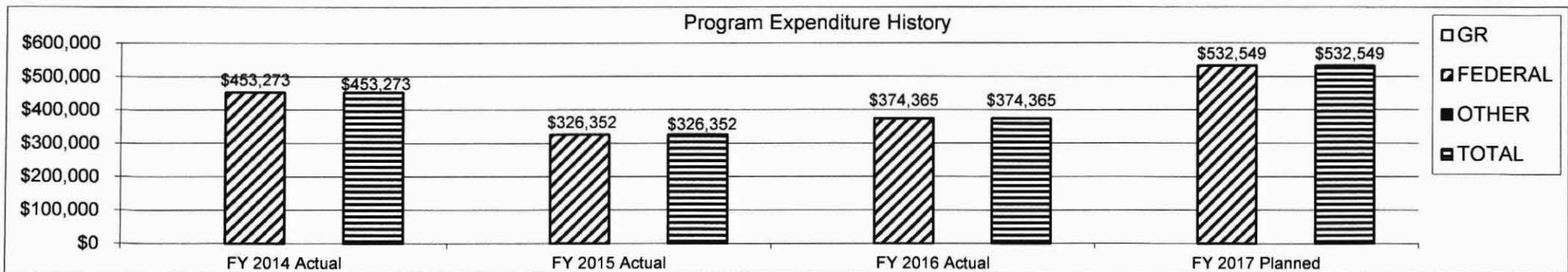
### 3. Are there federal matching requirements? If yes, please explain.

Money Follows the Person administrative expenditures earn 100% federal matching funds.

### 4. Is this a federally mandated program? If yes, please explain.

No.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



## PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.430

Program Name: Money Follows The Person

Program is found in the following core budget(s): Money Follows the Person

### 6. What are the sources of the "Other" funds?

N/A

### 7a. Provide an effectiveness measure.

N/A

### 7b. Provide an efficiency measure.

N/A

### 7c. Provide the number of clients/individuals served, if applicable.

#### Number of Transitions by Target Population

Calendar Year	Elderly	Developmental Disability	Physical Disability	Developmental Disability/ Mental Illness	Total
CY 2013 Actual	35	34	92	2	163
CY 2014 Actual	53	22	108	3	186
CY 2015 Actual	64	61	120	4	249
CY 2016 Actual	65	24	136	1	226
CY 2017 Projected	57	25	134	2	218
CY 2018 Projected	61	24	141	2	228

### 7d. Provide a customer satisfaction measure, if available.

N/A





# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request						FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE		207,578		207,578		EE		207,578		207,578	
PSD	72,728,094	836,720,562	319,477,458	1,228,926,114		PSD	65,850,544	836,720,562	319,477,458	1,222,048,564	
TRF						TRF					
<b>Total</b>	<b>72,728,094</b>	<b>836,928,140</b>	<b>319,477,458</b>	<b>1,229,133,692</b>		<b>Total</b>	<b>65,850,544</b>	<b>836,928,140</b>	<b>319,477,458</b>	<b>1,222,256,142</b>	
<b>FTE</b>				<b>0.00</b>		<b>FTE</b>				<b>0.00</b>	
<i>Est. Fringe</i>	0	0	0	0		<i>Est. Fringe</i>	0	0	0	0	
<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>						<i>Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.</i>					

Other Funds: Pharmacy Rebates Fund (0114)  
Third Party Liability Collections Fund (TPL) (0120)  
Pharmacy Reimbursement Allowance Fund (0144)  
Health Initiatives Fund (HIF) (0275)  
Premium Fund (0885)  
Life Sciences Research Trust Fund (0763)

Other Funds: Pharmacy Rebates Fund (0114)  
Third Party Liability Collections Fund (TPL) (0120)  
Pharmacy Reimbursement Allowance Fund (0144)  
Health Initiatives Fund (HIF) (0275)  
Premium Fund (0885)  
Life Sciences Research Trust Fund (0763)

## 2. CORE DESCRIPTION

This item funds the pharmacy program which is necessary to maintain pharmacy reimbursement at a sufficient level to ensure quality health care and provider participation. Funding provides pharmacy services for both managed care and fee-for-service populations. Beginning on October 1, 2009, pharmacy services were carved-out of the managed care capitation rates and the state began administering the pharmacy benefit for participants enrolled in managed care as well as participants enrolled in fee-for-service.

## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy

# CORE DECISION ITEM

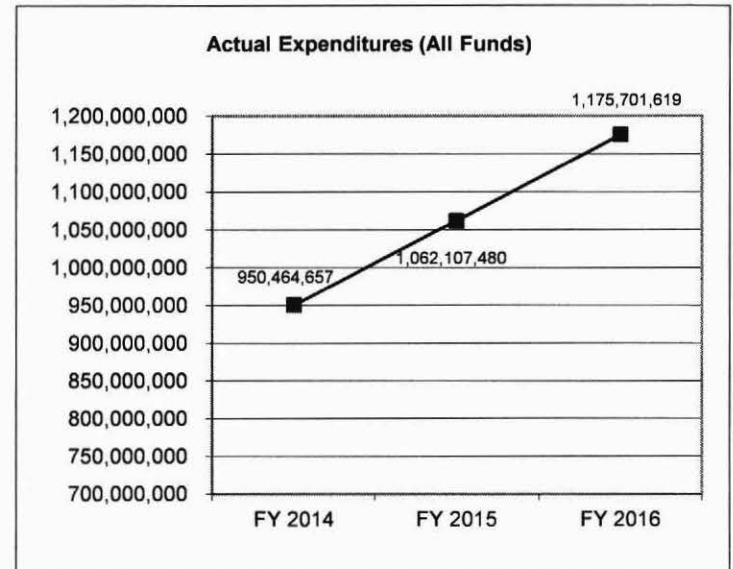
Department: Social Services  
Division: MO HealthNet  
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Current Yr.
Appropriation (All Funds)	972,497,804	1,141,350,373	1,330,027,082	1,443,238,938
Less Reverted (All Funds)	(29,079)	(29,079)	(29,079)	N/A
Budget Authority (All Funds)	971,321,959	1,141,321,294	1,329,998,003	N/A
Actual Expenditures (All Funds)	950,464,657	1,062,107,480	1,175,701,619	N/A
Unexpended (All Funds)	7,446,674	79,213,814	154,296,384	N/A
Unexpended, by Fund:				
General Revenue	0	0	315,714	N/A
Federal	0	0	93,953,604	N/A
Other	22,004,068	79,213,814	60,027,066	N/A
	(1)	(2)	(3)	



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### NOTES:

(1) FY14 Supplemental Budget of \$17,789,248 GR. Shortfall of \$8,885,235 of Life Sciences Research Trust Fund and \$29,079 of reverted HIF funds. Expenditures of \$10,547,736 paid from Hospital Care; \$33,430,023 paid from Managed Care; \$12,245,550 paid from Supplemental Pool; \$8,113,113 paid from Clawback. \$13,118,833 shortfall in Pharmacy FRA due to lower than projected revenue.

(2) FY15 Supplemental Budget of \$82,265,732 GR. Unexpended funds include \$53,597,284 shortfall in tobacco settlement funds to the Health Families Trust Fund, and the Life Sciences Research Trust Fund, \$10,000,000 shortfall in revenue to the Surplus Revenue Fund and \$15,616,530 shortfall in available revenue to the Pharmacy FRA fund. Expenditures of \$23,054,862 paid from Clawback; \$43,927,560 paid from Managed Care.

(3) FY16 Supplemental Budget of \$73,528,529 GR. Unexpended funds include \$33,718,140 shortfall in tobacco settlement funds to the Health Families Trust Fund, and the Life Sciences Research Trust Fund, \$15,400,000 shortfall in revenue to the Pharmacy Rebates Fund and \$1,945,023 shortfall in available revenue to the Pharmacy FRA fund.

## CORE DECISION ITEM

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Pharmacy**

**Budget Unit: 90541C**

**HB Section: 11.435**

### Cost Per Eligible - Per Member Per Month (PMPM)

	Pharmacy PMPM	Acute Care PMPM	Total PMPM	Pharmacy Percentage of Acute	Pharmacy Percentage of Total
PTD	\$386.21	\$1,102.14	\$1,988.02	35.04%	19.43%
Seniors	\$41.37	\$380.60	\$1,585.20	10.87%	2.61%
Custodial Parents	\$117.82	\$462.53	\$495.56	25.47%	23.78%
Children*	\$54.61	\$259.53	\$287.18	21.04%	19.02%
Pregnant Women	\$75.34	\$732.32	\$748.13	10.29%	10.07%

Source: Table 23 Medical Statistics for FY 16. (Paid Claims Data)

\* CHIP eligibles not included

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

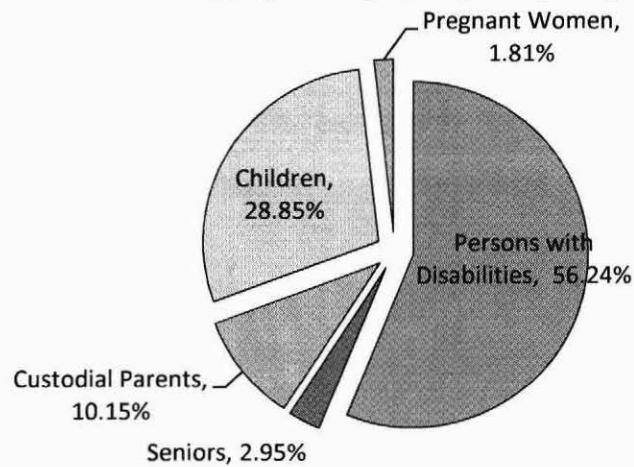
PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for pharmacy, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the pharmacy PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for pharmacy services. It provides a snapshot of what eligibility groups are receiving pharmacy services, as well as the populations impacted by program changes.

### Pharmacy Spending by Large Eligibility Group



Source: Table 23 Medical Statistics for FY 16. (Paid Claims Data)

## CORE RECONCILIATION DETAIL

### DEPARTMENT OF SOCIAL SERVICES PHARMACY

#### 5. CORE RECONCILIATION DETAIL

				Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>										
				EE	0.00	0	207,578	0	207,578	
				PD	0.00	120,721,992	1,004,320,720	317,988,648	1,443,031,360	
				<b>Total</b>	<b>0.00</b>	<b>120,721,992</b>	<b>1,004,528,298</b>	<b>317,988,648</b>	<b>1,443,238,938</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>										
Core Reduction	231	2526	PD		0.00	0	(66,877,823)	0	(66,877,823)	Core reduction of one-time federal funds
Core Reduction	439	2526	PD		0.00	0	(9,505,011)	0	(9,505,011)	SB 875 savings related to interchangeable biologic products.
Core Reduction	439	2525	PD		0.00	(5,527,903)	0	0	(5,527,903)	SB 875 savings related to interchangeable biologic products.
Core Reduction	847	2526	PD		0.00	0	(91,217,324)	0	(91,217,324)	Core reduction of anticipated lapse
Core Reduction	847	2525	PD		0.00	(25,365,995)	0	0	(25,365,995)	Core reduction of anticipated lapse
Core Reallocation	1087	2525	PD		0.00	(17,100,000)	0	0	(17,100,000)	Core reallocation to utilize Pharmacy Rebate Fund balance
Core Reallocation	1277	1394	PD		0.00	0	0	581,199	581,199	Reallocating Pharmacy FRA (0144) and Pharmacy Rebates (0114) funding from Managed Care for Pharmacy expenditures. Previously reallocated to Managed Care Expansion from CHIP.

# CORE RECONCILIATION DETAIL

## DEPARTMENT OF SOCIAL SERVICES PHARMACY

### 5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>DEPARTMENT CORE ADJUSTMENTS</b>								
Core Reallocation	1277 5586	PD	0.00	0	0	907,611	907,611	Reallocating Pharmacy FRA (0144) and Pharmacy Rebates (0114) funding from Managed Care for Pharmacy expenditures. Previously reallocated to Managed Care Expansion from CHIP.
<b>NET DEPARTMENT CHANGES</b>			<b>0.00</b>	<b>(47,993,898)</b>	<b>(167,600,158)</b>	<b>1,488,810</b>	<b>(214,105,246)</b>	
<b>DEPARTMENT CORE REQUEST</b>								
		EE	0.00	0	207,578	0	207,578	
		PD	0.00	72,728,094	836,720,562	319,477,458	1,228,926,114	
		<b>Total</b>	<b>0.00</b>	<b>72,728,094</b>	<b>836,928,140</b>	<b>319,477,458</b>	<b>1,229,133,692</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>								
Core Reduction	1383 2525	PD	0.00	(6,877,550)	0	0	(6,877,550)	FMAP adjustment
<b>NET GOVERNOR CHANGES</b>			<b>0.00</b>	<b>(6,877,550)</b>	<b>0</b>	<b>0</b>	<b>(6,877,550)</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>								
		EE	0.00	0	207,578	0	207,578	
		PD	0.00	65,850,544	836,720,562	319,477,458	1,222,048,564	
		<b>Total</b>	<b>0.00</b>	<b>65,850,544</b>	<b>836,928,140</b>	<b>319,477,458</b>	<b>1,222,256,142</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>PHARMACY</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	744,008	0.00	0	0.00	0	0.00	0	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	207,578	0.00	207,578	0.00	207,578	0.00	
TOTAL - EE	744,008	0.00	207,578	0.00	207,578	0.00	207,578	0.00	
PROGRAM-SPECIFIC									
GENERAL REVENUE	159,811,973	0.00	120,721,992	0.00	72,728,094	0.00	65,850,544	0.00	
TITLE XIX-FEDERAL AND OTHER	728,067,781	0.00	1,004,320,720	0.00	836,720,562	0.00	836,720,562	0.00	
PHARMACY REBATES	205,440,926	0.00	234,126,451	0.00	234,707,650	0.00	234,707,650	0.00	
THIRD PARTY LIABILITY COLLECT	4,217,574	0.00	4,217,574	0.00	4,217,574	0.00	4,217,574	0.00	
PHARMACY REIMBURSEMENT ALLOWAN	59,800,000	0.00	61,745,023	0.00	62,652,634	0.00	62,652,634	0.00	
HEALTH INITIATIVES	940,214	0.00	3,543,350	0.00	3,543,350	0.00	3,543,350	0.00	
LIFE SCIENCES RESEARCH TRUST	12,879,143	0.00	10,556,250	0.00	10,556,250	0.00	10,556,250	0.00	
PREMIUM	3,800,000	0.00	3,800,000	0.00	3,800,000	0.00	3,800,000	0.00	
TOTAL - PD	1,174,957,611	0.00	1,443,031,360	0.00	1,228,926,114	0.00	1,222,048,564	0.00	
<b>TOTAL</b>	<b>1,175,701,619</b>	<b>0.00</b>	<b>1,443,238,938</b>	<b>0.00</b>	<b>1,229,133,692</b>	<b>0.00</b>	<b>1,222,256,142</b>	<b>0.00</b>	
<b>MHD Cost to Continue - 1886001</b>									
PROGRAM-SPECIFIC									
PHARMACY REBATES	0	0.00	0	0.00	17,100,000	0.00	17,100,000	0.00	
TOTAL - PD	0	0.00	0	0.00	17,100,000	0.00	17,100,000	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>17,100,000</b>	<b>0.00</b>	<b>17,100,000</b>	<b>0.00</b>	
<b>MHD GR Pickup - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	66,877,823	0.00	66,877,823	0.00	
TOTAL - PD	0	0.00	0	0.00	66,877,823	0.00	66,877,823	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>66,877,823</b>	<b>0.00</b>	<b>66,877,823</b>	<b>0.00</b>	
<b>Pharmacy PMPM-Specialty - 1886006</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	46,361,631	0.00	27,754,818	0.00	

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## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>PHARMACY</b>									
<b>Pharmacy PMPM-Specialty - 1886006</b>									
PROGRAM-SPECIFIC									
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	79,716,992	0.00	49,902,760	0.00	
TOTAL - PD	0	0.00	0	0.00	126,078,623	0.00	77,657,578	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>126,078,623</b>	<b>0.00</b>	<b>77,657,578</b>	<b>0.00</b>	
<b>Pharmacy PMPM-Non Specialty - 1886007</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	2,123,239	0.00	0	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	3,650,826	0.00	0	0.00	
TOTAL - PD	0	0.00	0	0.00	5,774,065	0.00	0	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>5,774,065</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	
<b>Asset Limit Increase - HB 1565 - 1886012</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,746,417	0.00	1,010,934	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	16,071,992	0.00	9,392,835	0.00	
PHARMACY REBATES	0	0.00	0	0.00	3,731,142	0.00	2,038,262	0.00	
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	0	0.00	3,869,554	0.00	2,174,893	0.00	
TOTAL - PD	0	0.00	0	0.00	25,419,105	0.00	14,616,924	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>25,419,105</b>	<b>0.00</b>	<b>14,616,924</b>	<b>0.00</b>	
<b>FMAP Adjustment - 1886025</b>									
PROGRAM-SPECIFIC									
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	6,877,550	0.00	
TOTAL - PD	0	0.00	0	0.00	0	0.00	6,877,550	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>6,877,550</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$1,175,701,619</b>	<b>0.00</b>	<b>\$1,443,238,938</b>	<b>0.00</b>	<b>\$1,470,383,308</b>	<b>0.00</b>	<b>\$1,405,386,017</b>	<b>0.00</b>	



# FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b> 90541C <b>BUDGET UNIT NAME:</b> Pharmacy <b>HOUSE BILL SECTION:</b> 11.435	<b>DEPARTMENT:</b> Social Services <b>DIVISION:</b> MO HealthNet
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**1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.**

**Governor's Recommendation**

<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>	Not more than ten percent (10%) flexibility is requested between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.550, 11.555, and 11.600
\$ 1,405,386,017	10%	\$ 140,538,602	

**2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.**

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST - GOVERNOR'S REC ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY18

**3. Please explain how flexibility was used in the prior and/or current years.**

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY</b>								
<b>CORE</b>								
PROFESSIONAL SERVICES	744,008	0.00	207,578	0.00	207,578	0.00	207,578	0.00
TOTAL - EE	744,008	0.00	207,578	0.00	207,578	0.00	207,578	0.00
PROGRAM DISTRIBUTIONS	1,174,957,611	0.00	1,443,031,360	0.00	1,228,926,114	0.00	1,222,048,564	0.00
TOTAL - PD	1,174,957,611	0.00	1,443,031,360	0.00	1,228,926,114	0.00	1,222,048,564	0.00
<b>GRAND TOTAL</b>	<b>\$1,175,701,619</b>	<b>0.00</b>	<b>\$1,443,238,938</b>	<b>0.00</b>	<b>\$1,229,133,692</b>	<b>0.00</b>	<b>\$1,222,256,142</b>	<b>0.00</b>
GENERAL REVENUE	\$160,555,981	0.00	\$120,721,992	0.00	\$72,728,094	0.00	\$65,850,544	0.00
FEDERAL FUNDS	\$728,067,781	0.00	\$1,004,528,298	0.00	\$836,928,140	0.00	\$836,928,140	0.00
OTHER FUNDS	\$287,077,857	0.00	\$317,988,648	0.00	\$319,477,458	0.00	\$319,477,458	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

### 1. What does this program do?

#### Program Description

The MO HealthNet Pharmacy Program reimburses outpatient prescription drugs for managed care and fee-for-service eligibles. Effective January 1, 1991, the Omnibus Budget Reconciliation Act of 1990 (OBRA-90) pharmacy provisions significantly expanded the coverage to include reimbursements for all drug product of manufacturers who have entered into a rebate agreement with the Federal Department of Health and Human Services (HHS) and that are dispensed by qualified providers. States have the authority for certain exceptions and to exclude from coverage certain specified categories of drugs. In addition, OBRA-90 included provisions requiring both a prospective and retrospective drug use review program.

#### Program Statistics

In FY16, there were approximately 12.86 million paid pharmacy claims. Generic drugs made up 84% of these claims, while only comprising 31% of the pharmacy spend. This program represents 17.032% of the total FY 2016 MO HealthNet Division expenditures.

#### Program Goals

The goal of the MO HealthNet Pharmacy Program is to ensure that eligible participants have access to safe and effective prescription medications, balancing cost and quality considerations.

#### Program Objectives

The objectives of the pharmacy program include:

- Operation of the program consistent with provisions of federal and state laws and regulations;
- Development of program policy;
- Providing adequate reimbursement to providers;
- Optimization of state administrative and fiscal resources; and
- Ensuring that participants receive safe, high-quality, and effective drug therapy.

#### Reimbursement Methodology

The pharmacy services section provides funding for prescription drugs dispensed by qualified providers that are produced by manufacturers that have a rebate agreement between the manufacturer and the federal Department of Health and Human Services (HHS). Since January 1, 1991, the MO HealthNet program has provided reimbursement for all outpatient drugs (except for those which are specifically excluded) for which there is a manufacturer's rebate agreement. While over-the-counter products do not require a prescription for sale to the general public, a prescription for those selected types of over-the-counter products that qualify for MO HealthNet coverage is required in order for the product to be reimbursable.

In general terms, MO HealthNet drug reimbursement is made at the lower of:

- the Wholesale Acquisition Cost (WAC) plus 10%;
- the Federal Upper Limit (FUL);
- the Missouri Maximum Acquisition Cost (MAC);
- or the billed charge.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

The WAC is the manufacturer's published catalog or list price for a drug product to wholesalers, the FUL is the maximum reimbursement for a multi-source drug established at a federal level, and the MAC is the maximum reimbursement for a multi-source (generic) drug set at a state level.

MO HealthNet uses its electronic tools incorporating clinical and fiscal criteria derived from best practices and evidence-based medical information to adjudicate claims through clinical and fiscal edits, preferred drug list edits, and prior authorization (*see below for more information*). Pharmacies doing business in Missouri are also assessed a provider tax. Funds from this tax are used to provide enhanced dispensing fee payments and to support MO HealthNet pharmacy payments. *See the Pharmacy Reimbursement Allowance tab for more detail.*

As a result of a federal rule and regulation (CMS-2345-FC) (81 FR 5170), the reimbursement methodology for outpatient drugs will change on April 1, 2017. A state plan amendment has not yet been submitted to CMS.

### Rebate Program

The U.S. Congress created the Medicaid outpatient prescription drug rebate program when it enacted the Omnibus Budget Reconciliation Act of 1990 (OBRA '90). The goal of the program is to reduce the cost of outpatient prescription drugs by requiring drug manufacturers to pay a rebate directly to state Medicaid programs. The purpose of the program is to reduce the cost of prescription drugs without placing an undue burden on pharmacies. The intent of this rebate is to allow state and federal governments to receive price reductions similar to those received by other high volume purchasers of drugs.

OBRA '90 requires all drug manufacturers to enter into a drug rebate agreement with the Department of Health and Human Services before their product lines will be eligible for coverage by Medicaid. Currently, approximately 660 manufacturers have signed agreements with Centers for Medicare and Medicaid Services (CMS) and participate in the Drug Rebate Program. For MO HealthNet participants, approximately 500 manufacturers have products dispensed and are invoiced quarterly. Once the drug manufacturer has entered into the agreement, the state Medicaid programs are required to provide coverage of the manufacturers' drug products. However, the state has the option of excluding certain categories of the manufacturer's products or requiring prior authorization for reimbursement of products. Manufacturers are required to calculate and make rebate payments to the state Medicaid agency for the manufacturers' covered outpatient drugs reimbursed by the state during each quarter. Manufacturers are to be invoiced no later than 60 days after the end of each calendar quarter and are required to make payment for the calculated drug rebate directly to the state Medicaid program within 38 days of invoicing.

The Affordable Care Act of 2010 provided enhancements to the Federal Drug Rebate requirements. Rebates are as follows: 23.1% of Average Manufacturer Price (AMP) for single-source brand-name drugs, 13% of AMP for multi-source generic drugs, and 17% of AMP for single-source generic drugs. In addition, the manufacturer may be required to pay an additional rebate amount, based on a calculation related to the Consumer Price Index and price increases for a drug. Approximately 37% of the total rebates collected are used as a state share funding source rather than using General Revenue funds. The approximate 63% federal share of the rebates collected are returned to the federal government.

In addition to the Federal Drug Rebate Program, MO HealthNet may negotiate additional discounts in the form of Supplemental Drug Rebates. Drug manufacturers may contract to pay National Drug Code (NDC)-specific Supplemental Drug Rebates as a condition for placement on the state's Preferred Drug List (PDL). MO HealthNet invoices and collects these rebates from manufacturers, along with the federal rebates, and submits the federal portion of the rebates to CMS while retaining the state share.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

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### 340b Drug Repricing

340b covered entities are eligible to purchase discounted drugs through the Public Health Service Act's 340b Drug Discount program. Examples of 340b entities include federally qualified health centers, hemophilia treatment centers, disproportionate share hospitals, sole community hospitals, AIDS drug assistance programs, and family planning clinics. MHD is working collaboratively with stakeholders to encourage 340b participation by covered entities. By working with covered entities, savings from 340b pricing for MO HealthNet participants' prescriptions are shared with the Medicaid program.

### **Benefit Management and Cost Savings Tools**

#### Clinical Services Management Program (CSMP)

Through a contract with Xerox (formerly ACS-Heritage), MHD operates an innovative electronic web-based clinical editing process for its point-of-sale pharmacy and medical claims, medical and drug prior authorization, and Drug Utilization Review (DUR) processes. The current CSMP claim processing system allows each claim to be referenced against the participant's claims history including pharmacy, medical, and procedural data (ICD-9/10 and CPT codes), providing real time data to participating MO HealthNet providers. For patients that meet approval criteria, the claim will be paid automatically. In instances when a phone call is necessary, the hotline call center is available seven days a week, which allows providers prompt access to a paid claim for the requested product or service. In addition to receiving messages regarding the outcome of the processing of claims and the amount to be reimbursed, pharmacy providers receive prospective drug use review alert messages at the time prescriptions are dispensed.

The contract with Xerox (formerly ACS-Heritage) utilizes their CyberAccessSM tool to create integrated patient profiles containing prescription information, as well as patient diagnoses and procedure codes for a running 24 months of history. CyberAccessSM provides: daily updated participant claims history profiles, identifying all drugs, procedures, related diagnoses and ordering providers from claims paid by MHD for a rolling 36 month period; and 3 years of point of service (POS) pharmacy claims refreshed every 10 minutes.

#### Fiscal and Clinical Edits

This initiative optimizes the use of program funds and enhances patient care through improved use of pharmaceuticals. Since the implementation of the Omnibus Budget Reduction Act of 1990 (OBRA 90), education on the use of pharmaceuticals has been accomplished primarily through DUR. However, the prospective DUR alerts currently generated by the fiscal agent have been largely ignored by pharmacy providers as they are more general in nature and few are tied to claim reimbursement. Other third party payers have successfully utilized more extensive evidence based claims screening edits in an effort to control costs. These edits are applicable within the Medicaid program to achieve similar cost controls.

#### Point-of-Service Pharmacy

Claims are routed through Xerox's automated system to apply edits specifically designed to assure effective utilization of pharmaceuticals. The edits are founded on evidence-based clinical and nationally recognized expert consensus criteria. Claims will continue to be processed by Wipro for all other edits and final adjudication. After processing by Xerox and Wipro, the claim is sent back to the provider with a total processing time of approximately 10 seconds. Claims which are denied by the system edits will require an override from the existing help desk. Providers seeking an override must contact the help desk for approval, which will be granted if medically necessary.



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

### Preferred Drug List (PDL) Edits

The PDL utilizes information from various clinical sources, including the UMKC Drug Information Center, the Oregon Evidence-Based Drug Research Consortium, our clinical contractors, and our own clinical research team. Clinical information is paired with fiscal evaluation to develop a therapeutic class recommendation. The resulting PDL process incorporates clinical edits, including step therapies, into the prescription drug program. Clinical edits are designed to enhance patient care and optimize the use of program funds through therapeutically prudent use of pharmaceuticals. Point-of-sale (POS) pharmacy claims are routed through an automated computer system to apply edits specifically designed to ensure effective and appropriate drug utilization. The goal is to encourage cost effective therapy within the selected drug class.

### Prior Authorization

Any covered outpatient drug can be subject to prior authorization (PA). Effective August 1, 1992, a prior authorization (PA) process was implemented for certain specific drugs under the pharmacy program. In conjunction with MO HealthNet Advisory groups (see below), approval criteria are established with the minimum being approved FDA clinical indication. MO HealthNet may establish additional clinical and/or fiscal criteria for approval or denial.

Drug PA requests are received via telephone, fax or mail. All requests for drug PA must be initiated by a physician or authorized prescriber (advanced practice nurse) with prescribing authority for the drug category for which a PA is being requested. As specified in OBRA 90, drug PA programs must provide a response by telephone or other telecommunication device within 24 hours of receipt. All requests must include all required information. Requests received with insufficient information for review or received from someone other than a physician or authorized prescriber will not initiate a PA review nor the 24-hour response period. Drug PA requests received via telephone are keyed on-line and notification of approval will be given at the time of the call or by return fax or phone call. The MO HealthNet technicians who staff this hotline work through algorithms developed by the Drug Prior Authorization Committee with the assistance of UMKC-DIC School of Pharmacy. These algorithms are sets of questions used to make a determination to approve or deny the request. Making the prior authorization determination on-line allows the PA file to be updated immediately. For approvals, the requestor will be given an authorization period. Pharmacies may record this information for this purpose as well.

### Drug Utilization Review

This process is currently provided by Xerox and will be an extension of the current process with some enhancements. Under the new contract, this initiative will utilize the same database/computer system as the previously described components. This system uses a relational database capable of interfacing MO HealthNet paid claims history with flexible, high quality clinical evaluation criteria. The process is designed to identify high-risk drug use patterns among physicians, pharmacists, and beneficiaries, and to educate providers (prescribers and dispensers) in appropriate and cost-effective drug use. This process is capable of identifying providers prescribing and dispensing practices which deviate from defined standards, as well as generating provider profiles and ad hoc reports for specified provider and participant populations. The goal of the program is to maximize drug therapy and outcomes and optimize expenditures for health care.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

### Board and Committee Support and Oversight

The MO HealthNet Division operates both prospective and retrospective Drug Utilization Review (DUR) as required by federal and state law. The DUR program is focused on educating health care providers in the appropriate use of medications and informing them of potential drug therapy problems found in the review of drug and diagnostic information obtained from MO HealthNet claims history. The DUR Board is central to all DUR program activities, and its duties and membership requirements are specified in state and federal law. DUR Board members are appointed by the Governor with advice and consent of the Senate, and its 13 members include six physicians, six pharmacists, and one quality assurance nurse. In an ongoing process, the DUR Board reviews and makes changes to the clinical therapeutic criteria used to generate prospective and retrospective DUR interventions. The DUR Board also advises the Division on other issues related to appropriate drug therapy and produces a quarterly newsletter for providers on selected drug topics. In addition to the Board, a Regional DUR Committee, comprised of physicians and pharmacists, evaluates individual participants' retrospective drug regimens and advises their providers on appropriate drug use or potentially problematic drug therapies.

The MO HealthNet Drug Prior Authorization (PA) Committee is established in state regulation. This advisory committee is charged with reviewing drugs and recommending those drugs which are appropriate for reimbursement as a regular benefit verses those which should be placed on prior authorization status. All such recommendations made by the Drug PA Committee are referred to the DUR Board, as they are the statutorily-appointed advisory group for final recommendation to the Division.

### **Cost Containment Initiatives**

As a result of new drugs, rapidly changing prescribing patterns and increased expenditures in the MO HealthNet fee-for-service pharmacy program, the MO HealthNet program continues to implement a number of administrative measures to ensure the economic and efficient provision of the MO HealthNet pharmacy benefit. These strategies have been developed through recommendations from a number of sources, including affected state agencies, provider groups, and the pharmaceutical industry. The intent of these initiatives is to ensure that MO HealthNet participants get the right drug to meet their needs, in the right amount and for the right period of time. Examples of some of the cost containment initiatives, done via clinical management include:

- **Expanded Missouri Maximum Allowable Cost (MAC) list:** The list of drugs for which the state agency has established a generic reimbursement limit will be monitored and expanded on a regular basis. A mechanism is in place to review existing MACs as well as identify new generic drugs for addition to this list as they become available. This optimizes generic utilization in the MO HealthNet program.
- **Preferred Drug List (PDL):** As a tool for containing costs, the PDL provides access to the most cost-effective drug therapy for specific drug categories. Preferred status on the PDL provides the state with Supplemental Rebates for selected name-brand and/or single-source drugs and lowers the net cost. See above for PDL details.
- **Specialty Medications:** Specialty medications include high-cost injectable, infused, oral, or inhaled drugs that involve specific handling, supervision or monitoring. MO HealthNet will continue to review specialty medications within each of the therapeutic categories to identify clinical editing, preferred drug list (PDL) and prior authorization (PA) opportunities. MO HealthNet is focusing on opportunities to reduce expenditures without compromising participant outcomes. In addition, because of the high cost of these medications, MO HealthNet applies a MAC reimbursement strategy. Hemophilia Drugs are one example of a category of medications subject to specialty pricing.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

- **Edits - Dose Optimization:** Effective for dates of service on or after April 16, 2002, claims submitted to the MO HealthNet Pharmacy Program are subject to edits to identify claims for pharmacy services that fall outside expected patterns of use for certain products. Overrides to these edit denials can be processed through the Pharmacy hotline. Justification for utilization outside expected patterns, such as Food and Drug Administration (FDA) approved labeling, is required for approval of such an override.
- **Generic Incentives:** Effective for dates of service January 1, 2010 and beyond, the MO HealthNet Pharmacy Program began paying pharmacy providers a generic product preferred incentive fee. This program initiative will continue to emphasize the preference for generic utilization within the MO HealthNet pharmacy program by paying pharmacy providers an enhanced incentive fee of \$4.00 for each eligible claim.
- **New Drugs Review :** Prior authorization is required for all new drug entities and new dosage forms through existing drug entities that have been newly approved by the FDA and become available on the prescription drug market. First Data Bank is the publisher of proprietary pharmaceutical information and provides weekly updates to MO HealthNet covered medications, which are reviewed for medical and clinical criteria along with pharmacoeconomic impact to the pharmacy program. Program staff recommend ongoing management (i.e. continue PA, PDL addition, clinical edit, or open access) of each new drug, which goes to the MO HealthNet advisory groups for approval and implementation.
- **Diabetic Testing Supplies and Syringes:** In December 2003, the MHD moved diabetic testing supplies and syringes from the Durable Medical Equipment (DME) program to the pharmacy program, and initiated a single source diabetic testing supply initiative, continuing to encourage patient blood glucose testing while minimizing state expenditures. In April 2005, the pharmacy program moved to a multi-source diabetic testing supplies initiative. Diabetic testing supply products and syringes are now available in preferred status from multiple manufacturers, providing greater participant choice and generating supplemental rebates to the state.
- **Enhanced Retrospective Drug Utilization:** Enhanced retrospective drug utilization involves retroactively reviewing population-based patterns of drug use to compare those patterns to approved therapeutic guidelines in order to determine the appropriateness of care, length of treatment, drug interaction, and other clinical issues.
- **Provider Audits:** Daily provider audits are performed by MHD/Wipro staff for the identification and resolution of potential recoupments.

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

Missouri Statute: Sections 208.152 and 208.166, RSMo.; Federal law: Social Security Act Section 1902(a)(12); state regulation: 13 CSR 70-20; Federal regulation: 42 CFR 440.120.

### **3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for SFY18 is a blended 64.260% federal match, with a state matching requirement is 35.740%.



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

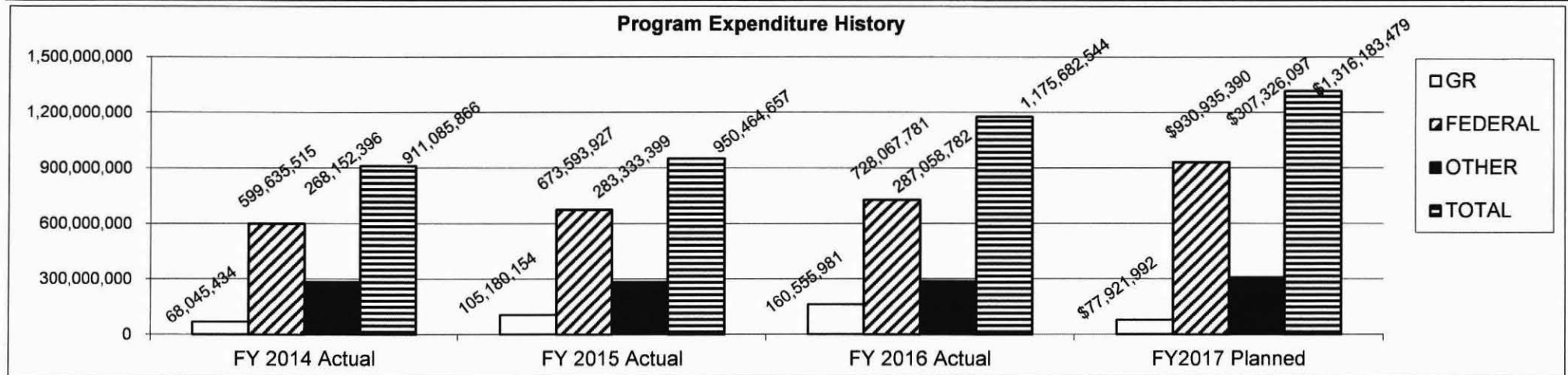
**Program Name: Pharmacy**

**Program is found in the following core budget(s): Pharmacy**

### 4. Is this a federally mandated program? If yes, please explain.

Yes, pharmacy services are mandatory for children if they are identified as medically necessary health services under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. This program is not federally mandated for adults.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 planned is net of reverted, reserved, and restricted.

### 6. What are the sources of the "Other" funds?

Pharmacy Reimbursement Allowance Fund (0144), Pharmacy Rebates Fund (0114), Health Initiatives Fund (0275), Third Party Liability Fund (0120), Healthy Families Trust Fund (0625), Premium (0885) and Life Sciences Research Trust Fund (0763).

## PROGRAM DESCRIPTION

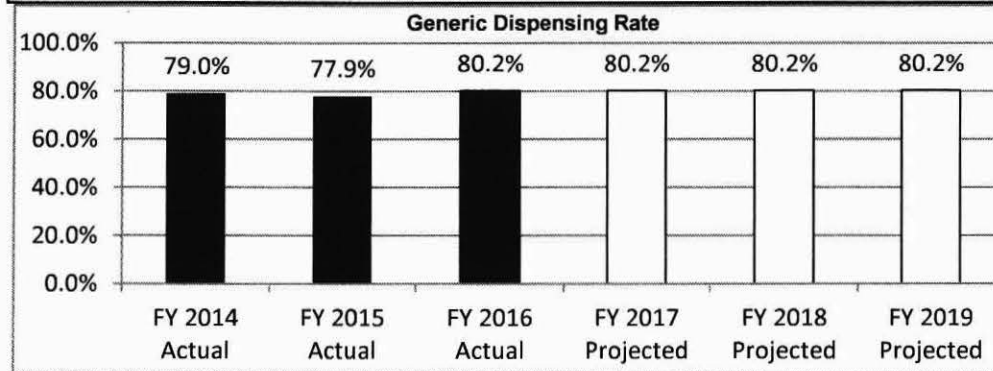
Department: Social Services

HB Section: 11.435

Program Name: Pharmacy

Program is found in the following core budget(s): Pharmacy

### 7a. Provide an effectiveness measure.

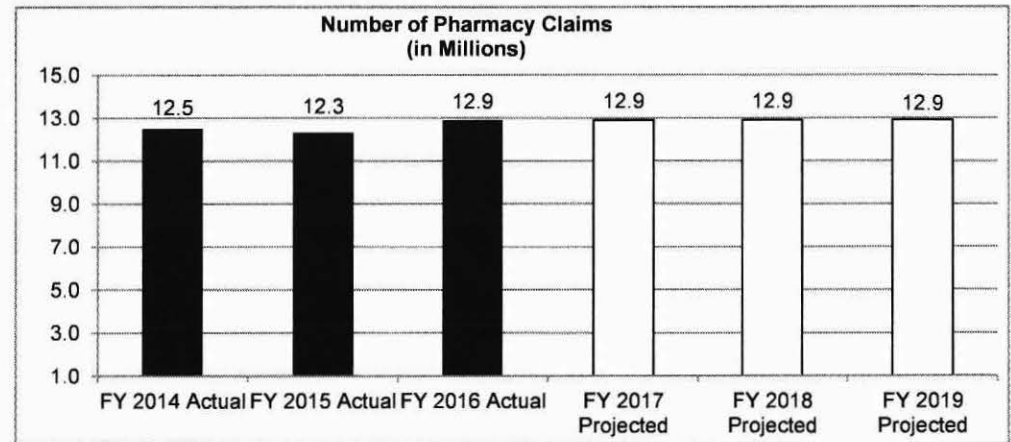
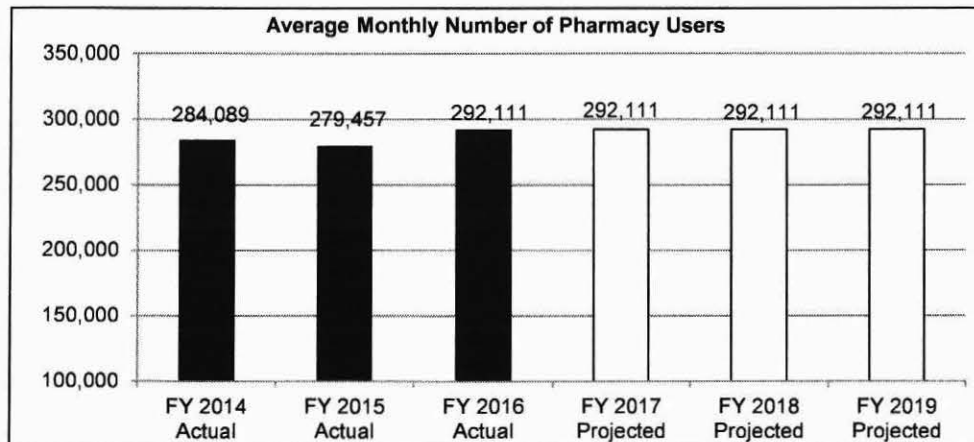


The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.

### 7b. Provide an efficiency measure.

N/A

### 7c. Provide the number of clients/individuals served, if applicable.



### 7d. Provide a customer satisfaction measure, if available.

N/A



# **CORE DECISION ITEM**

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Pharmacy - Medicare Part D "Clawback"**

**Budget Unit: 90543C**  
**HB Section: 11.435**

## **1. CORE FINANCIAL SUMMARY**

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	198,071,188			198,071,188	
TRF					
<b>Total</b>	<b>198,071,188</b>	<b>0</b>	<b>0</b>	<b>198,071,188</b>	

**FTE** **0.00**

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other funds: N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	198,071,188			198,071,188	
TRF					
<b>Total</b>	<b>198,071,188</b>	<b>0</b>	<b>0</b>	<b>198,071,188</b>	

**FTE**

<b>Est. Fringe</b>	0	0	0	0
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*Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.*

Other funds: N/A

## **2. CORE DESCRIPTION**

This core request is for the continued funding of the Medicare Part D "Clawback". "Clawback" refers to that portion of the Medicare Prescription Drug Act which requires states to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the state absent the Part D drug benefit.

## **3. PROGRAM LISTING (list programs included in this core funding)**

Pharmacy-Medicare Part D "Clawback"

# **CORE DECISION ITEM**

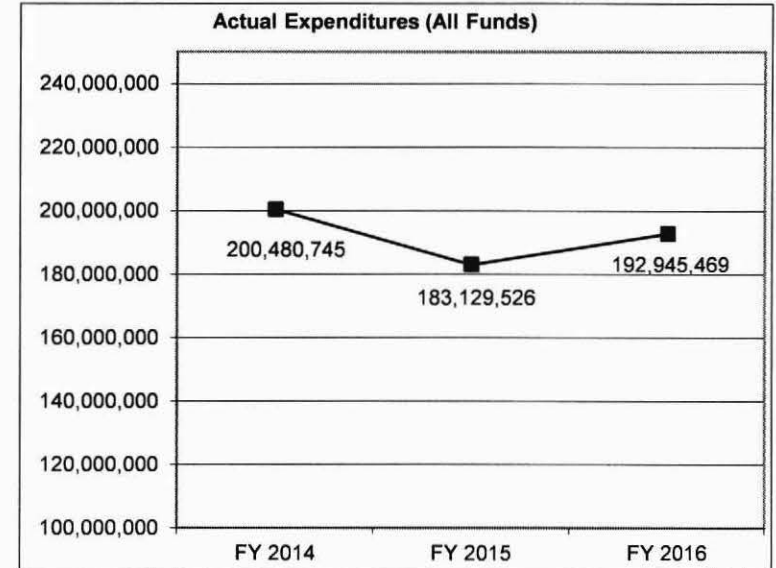
**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Pharmacy - Medicare Part D "Clawback"**

**Budget Unit: 90543C**

**HB Section: 11.435**

## **4. FINANCIAL HISTORY**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Current Yr.</b>
Appropriation (All Funds)	200,480,745	183,129,526	192,945,469	211,018,979
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	186,236,499	183,129,526	192,945,469	N/A
Actual Expenditures (All Funds)	200,480,745	183,129,526	192,945,469	N/A
Unexpended (All Funds)	0	0	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	0	0	0	N/A
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	



Reverted includes the statutory three-percent reserve amount (when applicable).

Restricted includes any Governor's Expenditure Restrictions which remained at the end of the fiscal year (when applicable).

### **NOTES:**

**(1)** FY14 \$8,113,113 of expenditures are for Pharmacy.

**(2)** FY15 \$23,054,861 of expenditures are for Pharmacy.

**(3)** FY16 \$52,555.638 of expenditures are for Pharmacy.

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES  
PHARMACY-MED PART D-CLAWBACK**

**5. CORE RECONCILIATION DETAIL**

			<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>									
			PD	0.00	198,071,188	12,947,791	0	211,018,979	
			<b>Total</b>	<b>0.00</b>	<b>198,071,188</b>	<b>12,947,791</b>	<b>0</b>	<b>211,018,979</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>									
Core Reduction	239	7239	PD	0.00	0	(12,947,791)	0	(12,947,791)	Core reduction for one-time federal funds
<b>NET DEPARTMENT CHANGES</b>				<b>0.00</b>	<b>0</b>	<b>(12,947,791)</b>	<b>0</b>	<b>(12,947,791)</b>	
<b>DEPARTMENT CORE REQUEST</b>									
			PD	0.00	198,071,188	0	0	198,071,188	
			<b>Total</b>	<b>0.00</b>	<b>198,071,188</b>	<b>0</b>	<b>0</b>	<b>198,071,188</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>									
			PD	0.00	198,071,188	0	0	198,071,188	
			<b>Total</b>	<b>0.00</b>	<b>198,071,188</b>	<b>0</b>	<b>0</b>	<b>198,071,188</b>	

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY-MED PART D-CLAWBACK</b>								
<b>CORE</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	192,945,469	0.00	198,071,188	0.00	198,071,188	0.00	198,071,188	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	12,947,791	0.00	0	0.00	0	0.00
TOTAL - PD	192,945,469	0.00	211,018,979	0.00	198,071,188	0.00	198,071,188	0.00
<b>TOTAL</b>	<b>192,945,469</b>	<b>0.00</b>	<b>211,018,979</b>	<b>0.00</b>	<b>198,071,188</b>	<b>0.00</b>	<b>198,071,188</b>	<b>0.00</b>
<b>MHD Cost to Continue - 1886001</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	3,787,205	0.00	3,765,429	0.00
TOTAL - PD	0	0.00	0	0.00	3,787,205	0.00	3,765,429	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>3,787,205</b>	<b>0.00</b>	<b>3,765,429</b>	<b>0.00</b>
<b>MHD GR Pickup - 1886003</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	12,947,791	0.00	12,947,791	0.00
TOTAL - PD	0	0.00	0	0.00	12,947,791	0.00	12,947,791	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>12,947,791</b>	<b>0.00</b>	<b>12,947,791</b>	<b>0.00</b>
<b>Clawback Increase - 1886010</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	19,115,216	0.00	17,357,352	0.00
TOTAL - PD	0	0.00	0	0.00	19,115,216	0.00	17,357,352	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>19,115,216</b>	<b>0.00</b>	<b>17,357,352</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$192,945,469</b>	<b>0.00</b>	<b>\$211,018,979</b>	<b>0.00</b>	<b>\$233,921,400</b>	<b>0.00</b>	<b>\$232,141,760</b>	<b>0.00</b>

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# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHARMACY-MED PART D-CLAWBACK								
CORE								
PROGRAM DISTRIBUTIONS	192,945,469	0.00	211,018,979	0.00	198,071,188	0.00	198,071,188	0.00
TOTAL - PD	192,945,469	0.00	211,018,979	0.00	198,071,188	0.00	198,071,188	0.00
GRAND TOTAL	\$192,945,469	0.00	\$211,018,979	0.00	\$198,071,188	0.00	\$198,071,188	0.00
GENERAL REVENUE	\$192,945,469	0.00	\$198,071,188	0.00	\$198,071,188	0.00	\$198,071,188	0.00
FEDERAL FUNDS	\$0	0.00	\$12,947,791	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy - Medicare Part D "Clawback"**

**Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"**

### 1. What does this program do?

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 required that all individuals who are eligible for both Medicare and Medicaid, also known as dual eligible, receive their prescription drugs through the Medicare Part D program. This change resulted in a significant shift in benefits for elderly and disabled dual eligible participants because they receive their drugs through a prescription drug plan (PDP) rather than through the state's MO HealthNet program. States are required to make a monthly payment to the federal government in lieu of the money that the states would have spent on providing prescription drugs to participants in the MO HealthNet program.

The federal government refers to this payment as the "Phased-down State Contribution", while Missouri refers to the payment as the "clawback". This clawback payment is a funding source for the Medicare Part D program.

### PROGRAM STATISTICS

The number of dual eligible participants averaged 132,318 in FY16. This program represents 1.951% of the total FY 2016 MO HealthNet Division expenditures.

### PROGRAM GOALS

The goal of the clawback program is to use the General Revenue that the state would have paid for the dual eligible MO HealthNet pharmacy benefit and instead use it to fund the Medicare Part D program.

### PAYMENT METHODOLOGY

The clawback consists of a monthly calculation based on the combination of (a) the state's per capita spending on prescription drugs in 2003, (b) the state's federal Medicaid match rate, (c) the number of dual eligibles residing in the state, and (d) a "phase-down percentage" of state savings to be returned to the federal government, which began with 90% in calendar year (CY) 2006 and phased down to 75% in CY 2015. The phased-down percentage for CY 2015 and beyond is at the floor of 75.00%. The clawback rate for each state, as identified by the Centers for Medicare and Medicaid Services (CMS), is multiplied by the number of dual eligibles in each state in order to determine the monthly payment due. The clawback assessment is paid two months in arrears.

### RATE HISTORY

Below is a chart showing the historical rates MO HealthNet paid to the federal government. Rates are adjusted each January by CMS, and adjusted again in October to account for changes in Missouri Federal Medical Assistance Percentages (FMAP) rates. In October CMS announces rates for the following January through September time period, and announces the FMAP-adjusted rates once FMAP rates are finalized.

	Clawback Rate	Change
Jan-Sept 17	\$145.16	\$15.47
Oct-Dec 16	\$129.69	\$0.25
Jan-Sept 16	\$129.44	\$13.47
Oct-Dec 15	\$115.97	\$0.54
Jan-Sept 15	\$115.43	\$1.58
Oct-Dec 14	\$113.85	(\$4.42)
Jan-Sept 14	\$118.27	(\$7.65)
Oct-Dec 13	\$125.92	(\$2.18)
Jan-Sept 13	\$128.10	\$1.16
Oct-Dec 12	\$126.94	

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Pharmacy - Medicare Part D "Clawback"**

**Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"**

**2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003, P.L. 108-173.

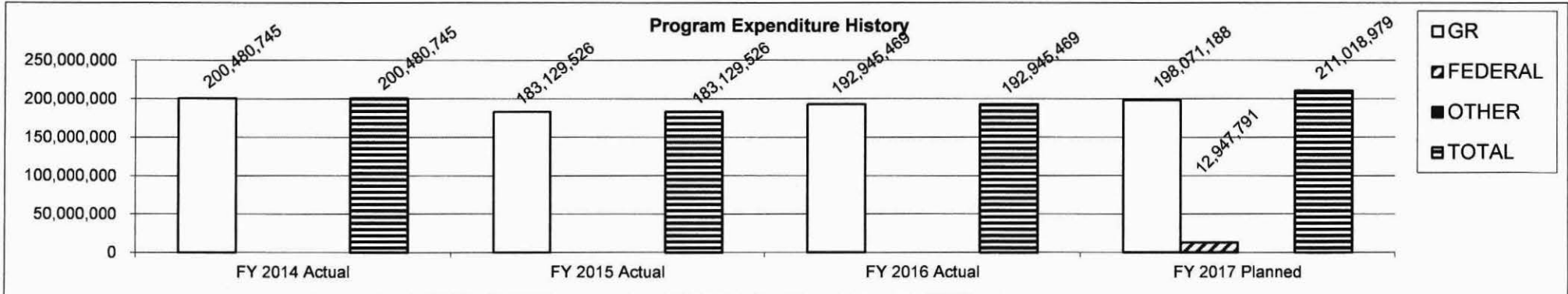
**3. Are there federal matching requirements? If yes, please explain.**

No.

**4. Is this a federally mandated program? If yes, please explain.**

Yes. All States, including Missouri, are required to make a monthly payment to the federal government to re-direct the money that the states would have spent on providing prescription drugs to participants in MO HealthNet.

**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



**6. What are the sources of the "Other" funds?**

N/A

**7a. Provide an effectiveness measure.**

N/A

## PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

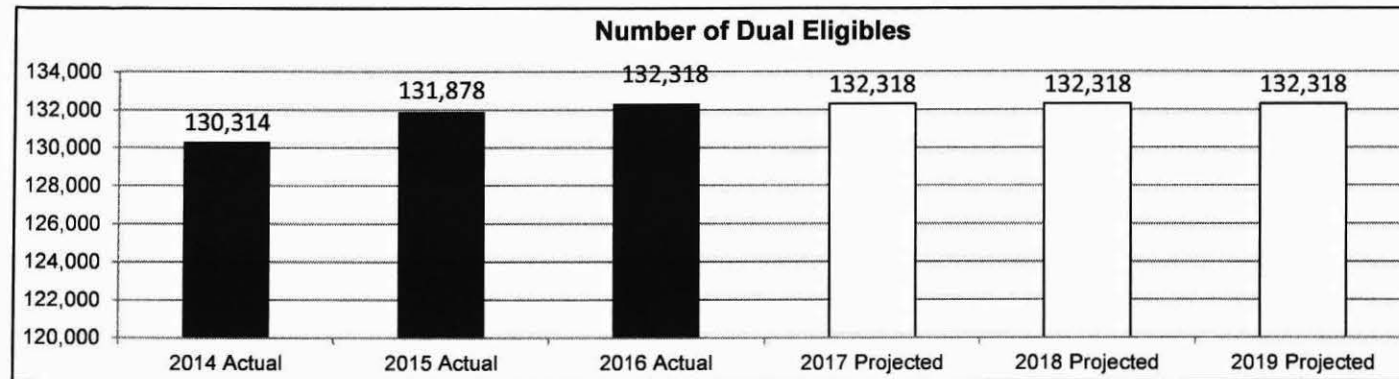
Program Name: Pharmacy - Medicare Part D "Clawback"

Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"

7b. Provide an efficiency measure.

N/A

7c. Provide the number of clients/individuals served, if applicable.



7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM  
RANK: 17 OF 26

Department: Social Services  
Division: MO HealthNet  
DI Name: Clawback Increase

Budget Unit: 90543C  
DI# 1886010 HB Section: 11.435

# 1. AMOUNT OF REQUEST

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	19,115,216			19,115,216	
TRF					
Total	19,115,216			19,115,216	
FTE	0.00	0.00	0.00	0.00	

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	17,357,352			17,357,352	
TRF					
Total	17,357,352			17,357,352	
FTE	0.00	0.00	0.00	0.00	

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

# 2. THIS REQUEST CAN BE CATEGORIZED AS:

<input checked="" type="checkbox"/> New Legislation	<input type="checkbox"/> New Program	<input type="checkbox"/> Fund Switch
<input type="checkbox"/> Federal Mandate	<input type="checkbox"/> Program Expansion	<input type="checkbox"/> Cost to Continue
<input type="checkbox"/> GR Pick-Up	<input type="checkbox"/> Space Request	<input type="checkbox"/> Equipment Replacement
<input type="checkbox"/> Pay Plan	<input type="checkbox"/> Other:	

# 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: To provide for the anticipated increase in the Medicare Part D Clawback payment.

This decision item requests increased funding in General Revenue needed for the payment of the Medicare Part D Clawback as calculated by the Centers for Medicare and Medicaid Services (CMS). The Medicare Prescription Drug Act requires states to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the state absent the Part D drug benefit.

**NEW DECISION ITEM**  
**RANK: 17 OF 26**

**Department: Social Services** **Budget Unit** **90543C**  
**Division: MO HealthNet**  
**DI Name: Clawback Increase** **DI# 1886010** **HB Section** **11.435**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

The calculation for the MO HealthNet Clawback payment is shown below. There is no projected caseload growth; therefore, the increase is based on the rate change. The Clawback assessment rate is provided by CMS. The May assessment is included in the calculation because the assessment is currently paid two months in arrears. The number of duals was calculated using the average duals for FY16 and indexing to that average based on monthly ebbs and flows experienced over the last four fiscal years (FY13-FY16). The Clawback rate is revised by CMS each January. The May through December 2017 Clawback rate is based on the most recent CMS estimate. The January 2018 Clawback rate assumes a 3.55% increase from January 2017. The January 2017 rate increased 12.14% from January 2016.

**The difference between the Governor's Recommendation and Department Request is due to the release of 2017 rates from CMS.**

		#of duals	Clawback Rate	Monthly Clawback Amount	Estimated Retros	Total Paid w/Retros
May	2017	134,401	\$145.16	\$19,509,649	\$923	\$19,510,573
June	2017	134,328	\$145.16	\$19,499,052	\$604	\$19,499,657
July	2017	134,735	\$145.16	\$19,558,133	\$957	\$19,559,089
August	2017	132,954	\$145.16	\$19,299,603	\$814	\$19,300,417
September	2017	133,835	\$145.16	\$19,427,489	\$577	\$19,428,066
October	2017	128,892	\$139.59	\$17,992,034	\$317,885	\$18,309,920
November	2017	130,272	\$139.59	\$18,184,668	\$126,016	\$18,310,684
December	2017	130,826	\$139.59	\$18,262,001	\$61,448	\$18,323,449
January	2018	127,898	\$150.32	\$19,225,074	\$368,883	\$19,593,957
February	2018	130,361	\$150.32	\$19,595,302	\$145,950	\$19,741,251
March	2018	133,881	\$150.32	\$20,124,413	\$80,872	\$20,205,284
April	2018	135,438	\$150.32	\$20,358,454	\$960	\$20,359,414
				<b>\$231,035,872</b>	<b>\$1,105,888</b>	<b>\$232,141,760</b>
				Appropriated (includes Gov Rec CTC)		\$214,784,408
				Short/Need		<b>(17,357,352)</b>

**RANK:** 17 **OF** 26

Budget Unit	90543C
HB Section	11.435

**NEW DECISION ITEM**  
**RANK: 17 OF 26**

**Department: Social Services**  
**Division: MO HealthNet**  
**DI Name: Clawback Increase**

**DI# 1886010**

**Budget Unit 90543C**  
**HB Section 11.435**

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

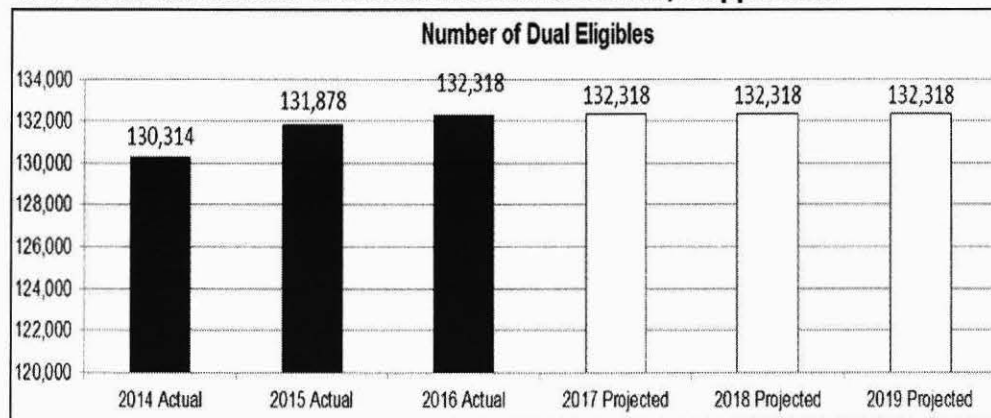
**6a. Provide an effectiveness measure.**

N/A

**6b. Provide an efficiency measure.**

N/A

**6c. Provide the number of clients/individuals served, if applicable.**



**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY-MED PART D-CLAWBACK</b>								
Clawback Increase - 1886010								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	19,115,216	0.00	17,357,352	0.00
TOTAL - PD	0	0.00	0	0.00	19,115,216	0.00	17,357,352	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$19,115,216</b>	<b>0.00</b>	<b>\$17,357,352</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$19,115,216	0.00	\$17,357,352	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00





# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Missouri Rx Plan

Budget Unit: 90538C

HB Section: 11.435

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request						FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE						EE					
PSD	18,602,844		4,655,326	23,258,170		PSD	18,102,844		4,655,326	22,758,170	
TRF						TRF					
Total	18,602,844	0	4,655,326	23,258,170		Total	18,102,844	0	4,655,326	22,758,170	
FTE				0.00		FTE				0.00	

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

<b>Est. Fringe</b>	0	0	0	0
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Missouri Rx Plan Fund (0779)

Other Funds: Missouri Rx Plan Fund (0779)

## 2. CORE DESCRIPTION

The Missouri Rx Plan provides certain pharmaceutical benefits to certain low-income elderly and disabled residents of the state; facilitates coordination of benefits between the Missouri Rx plan and the federal Medicare Part D drug benefit program established by the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), P.L. 108-173; and enrolls individuals in the program.

## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy services under MMA - Part D

# CORE DECISION ITEM

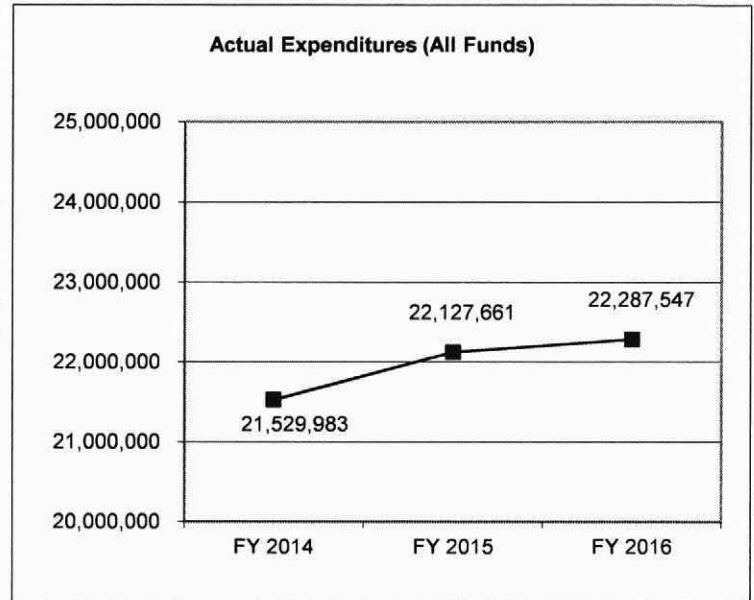
Department: Social Services  
Division: MO HealthNet  
Core: Missouri Rx Plan

Budget Unit: 90538C

HB Section: 11.435

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Current Yr.
Appropriation (All Funds)	23,753,091	23,753,091	23,986,247	23,986,247
Less Reverted (All Funds)	(191,101)	0	(510,115)	N/A
Less Restricted (All Funds)	0	0	0	
Budget Authority (All Funds)	23,561,990	23,753,091	23,476,132	N/A
Actual Expenditures (All Funds)	21,529,983	22,127,661	22,287,547	N/A
Unexpended (All Funds)	2,032,007	1,625,430	1,188,585	N/A
Unexpended, by Fund:				
General Revenue	211,027	0	0	N/A
Federal	0	0	0	N/A
Other	1,820,980	1,625,430	1,188,585	N/A
	(1)	(2)	(3)	



Reverted includes the statutory three-percent reserve amount (when applicable).

Restricted includes any Governor's Expenditure Restrictions which remained at the end of the fiscal year (when applicable).

### NOTES:

(1) FY14 GR lapse of \$211,027 due to fund switches for reduced availability of GR and MO Rx Fund lapse of \$1,820,980 due to shortfall of revenue to the fund.

(2) FY15 MO Rx Fund lapse of \$1,625,430 due to shortfall of revenue to the fund.

(3) FY16 MO Rx Fund lapse of \$1,188,585 due to shortfall of revenue to the fund.

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES**  
**MISSOURI RX PLAN**

**5. CORE RECONCILIATION DETAIL**

			<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>									
			PD	0.00	18,602,844	728,077	4,655,326	23,986,247	
			<b>Total</b>	<b>0.00</b>	<b>18,602,844</b>	<b>728,077</b>	<b>4,655,326</b>	<b>23,986,247</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>									
Core Reduction	238	2577	PD	0.00	0	(728,077)	0	(728,077)	Core reduction for one-time federal funds
<b>NET DEPARTMENT CHANGES</b>				<b>0.00</b>	<b>0</b>	<b>(728,077)</b>	<b>0</b>	<b>(728,077)</b>	
<b>DEPARTMENT CORE REQUEST</b>									
			PD	0.00	18,602,844	0	4,655,326	23,258,170	
			<b>Total</b>	<b>0.00</b>	<b>18,602,844</b>	<b>0</b>	<b>4,655,326</b>	<b>23,258,170</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>									
Core Reduction	1612	4235	PD	0.00	(500,000)	0	0	(500,000)	FY 18 core reduction
<b>NET GOVERNOR CHANGES</b>				<b>0.00</b>	<b>(500,000)</b>	<b>0</b>	<b>0</b>	<b>(500,000)</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>									
			PD	0.00	18,102,844	0	4,655,326	22,758,170	
			<b>Total</b>	<b>0.00</b>	<b>18,102,844</b>	<b>0</b>	<b>4,655,326</b>	<b>22,758,170</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>MISSOURI RX PLAN</b>									
<b>CORE</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	16,493,707	0.00	18,602,844	0.00	18,602,844	0.00	18,102,844	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	728,077	0.00	0	0.00	0	0.00	
MISSOURI RX PLAN FUND	5,793,840	0.00	4,655,326	0.00	4,655,326	0.00	4,655,326	0.00	
TOTAL - PD	22,287,547	0.00	23,986,247	0.00	23,258,170	0.00	22,758,170	0.00	
<b>TOTAL</b>	<b>22,287,547</b>	<b>0.00</b>	<b>23,986,247</b>	<b>0.00</b>	<b>23,258,170</b>	<b>0.00</b>	<b>22,758,170</b>	<b>0.00</b>	
<b>MHD Cost to Continue - 1886001</b>									
PROGRAM-SPECIFIC									
MISSOURI RX PLAN FUND	0	0.00	0	0.00	0	0.00	1,100,000	0.00	
TOTAL - PD	0	0.00	0	0.00	0	0.00	1,100,000	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,100,000</b>	<b>0.00</b>	
<b>MHD GR Pickup - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	728,077	0.00	728,077	0.00	
TOTAL - PD	0	0.00	0	0.00	728,077	0.00	728,077	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>728,077</b>	<b>0.00</b>	<b>728,077</b>	<b>0.00</b>	
<b>Asset Limit Increase - HB 1565 - 1886012</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	48,956	0.00	76,556	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	84,177	0.00	0	0.00	
TOTAL - PD	0	0.00	0	0.00	133,133	0.00	76,556	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>133,133</b>	<b>0.00</b>	<b>76,556</b>	<b>0.00</b>	
<b>GRAND TOTAL</b>	<b>\$22,287,547</b>	<b>0.00</b>	<b>\$23,986,247</b>	<b>0.00</b>	<b>\$24,119,380</b>	<b>0.00</b>	<b>\$24,662,803</b>	<b>0.00</b>	

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>MISSOURI RX PLAN</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	22,287,547	0.00	23,986,247	0.00	23,258,170	0.00	22,758,170	0.00
TOTAL - PD	22,287,547	0.00	23,986,247	0.00	23,258,170	0.00	22,758,170	0.00
<b>GRAND TOTAL</b>	<b>\$22,287,547</b>	<b>0.00</b>	<b>\$23,986,247</b>	<b>0.00</b>	<b>\$23,258,170</b>	<b>0.00</b>	<b>\$22,758,170</b>	<b>0.00</b>
GENERAL REVENUE	\$16,493,707	0.00	\$18,602,844	0.00	\$18,602,844	0.00	\$18,102,844	0.00
FEDERAL FUNDS	\$0	0.00	\$728,077	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$5,793,840	0.00	\$4,655,326	0.00	\$4,655,326	0.00	\$4,655,326	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.435**

**Program Name: Missouri Rx Plan**

**Program is found in the following core budget(s): Missouri Rx Plan**

### 1. What does this program do?

SB 539 (2005) established a state pharmaceutical assistance program known as the Missouri Rx (MORx) plan. The purpose of this program is to coordinate pharmaceutical benefits between the MORx plan and the federal Medicare Part D drug program for Medicare/Medicaid full dual eligibles, partial duals, and other elderly and disabled Missourians below 185% of the Federal Poverty Level (FPL). *For additional information on individuals who are dually eligible, see the program description in the Premium tab.*

#### Program Statistics

MORx provides pharmacy benefit assistance to over 242,000 members. In FY17 it is estimated the program will save participants over \$24 million in prescription drug costs. Without the assistance offered by MORx, participants who are eligible for both Medicaid and Medicare, also known as dually eligible, could be at a higher risk of medication non-compliance, which potentially leads to higher costs to the Medicaid program for resulting medical treatment and worsening of existing health conditions.

In addition to Missouri, 20 other states and the Virgin Islands have prescription assistance programs. This program represents 0.31% of the total FY 2016 MO HealthNet Division expenditures.

#### Program Goals

The mission of MORx is to help qualifying low-income elderly and disabled Missourians stay healthy by providing affordable, high-quality prescription drug coverage.

#### Program Objectives

- Ensure high-quality, low-cost prescription drug coverage;
- Provide easy access to medically-necessary medications; and
- Assist members with maintaining high quality of life and containing health care costs.

#### Reimbursement Methodology

Subject to appropriation, the MORx plan pays 50% of members' out of pocket costs remaining after their Medicare Prescription Drug Plan pays. MORx pays for 50% of the deductible, 50% of the co-pays before the coverage gap, 50% of the coverage gap, and 50% of the co-pays in the catastrophic coverage. MORx does not cover Medicare Part D premiums.

MORx works with all Medicare Part D plans to provide members with drug coverage.

#### Additional Details

The MORx program has been reauthorized by the General Assembly through August 28, 2017.

Most MORx members receive extra help with their prescription drug costs through the federal government's Low Income Subsidy Program (LIS). With the MORx wrap-around benefit, their cost was \$3.70 or less for each prescription for fiscal year 2016.

MORx is a vital resource for low-income elderly and disabled individuals who need assistance with defraying the high cost of prescription drugs.

MORx is the only state program offering assistance during the coverage gap when federal assistance stops.

## PROGRAM DESCRIPTION

Department: Social Services

HB Section: 11.435

Program Name: Missouri Rx Plan

Program is found in the following core budget(s): Missouri Rx Plan

### 2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: RSMo. 208.780 through 208.798; Federal law: Medicare Prescription Drug Improvement and Modernization Act of 2003, P.L. 108-173.

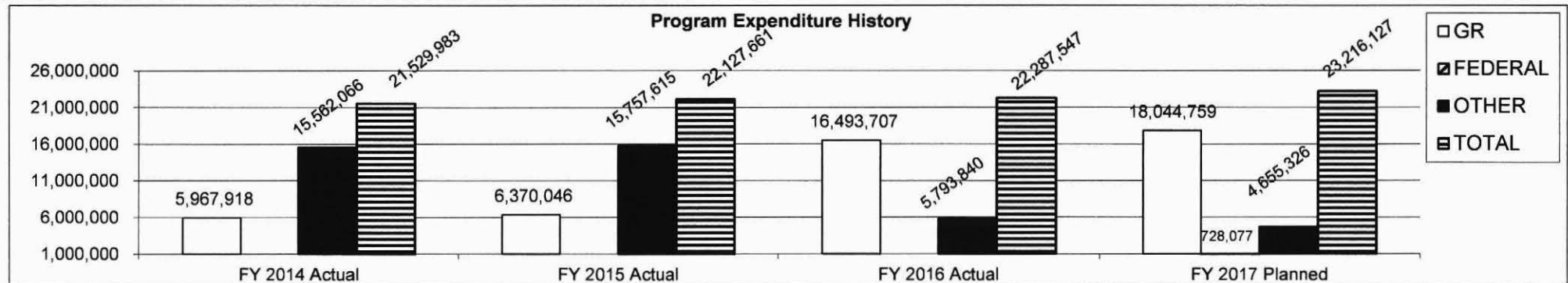
### 3. Are there federal matching requirements? If yes, please explain.

No. This program is funded with 100% state sources.

### 4. Is this a federally mandated program? If yes, please explain.

No, the MORx program is subject to appropriations.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



### 6. What are the sources of the "Other " funds?

Missouri Rx Plan Fund (0779) and Healthy Families Trust Fund (0625)



## PROGRAM DESCRIPTION

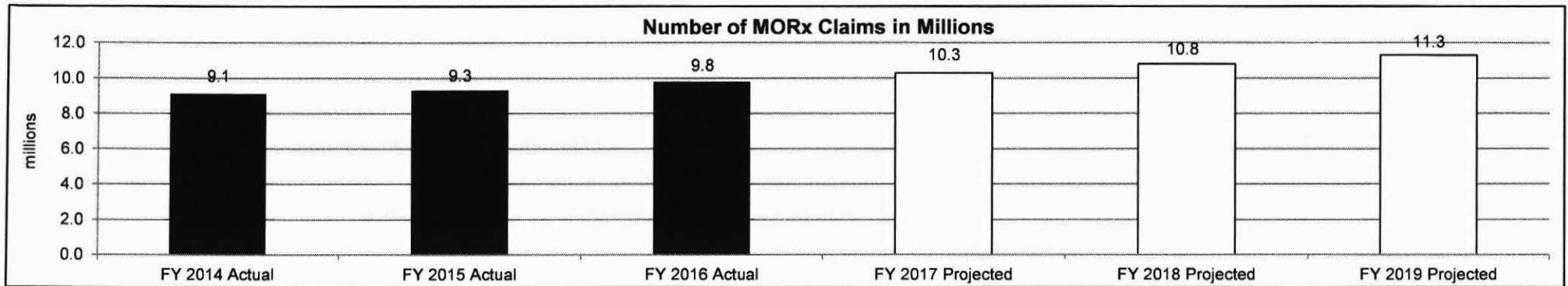
**Department:** Social Services

**HB Section:** 11.435

**Program Name:** Missouri Rx Plan

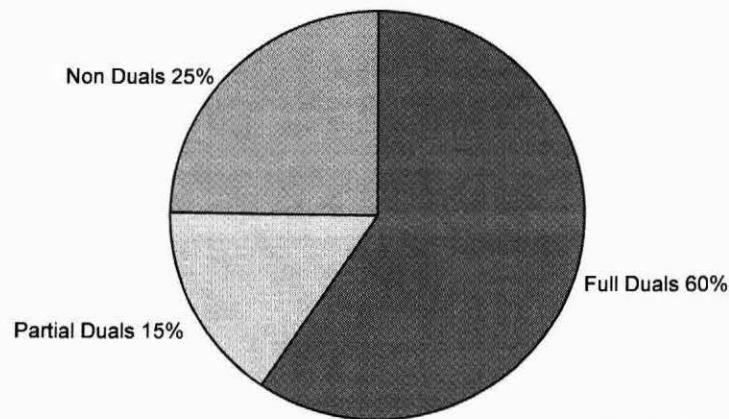
**Program is found in the following core budget(s):** Missouri Rx Plan

### 7a. Provide an effectiveness measure.

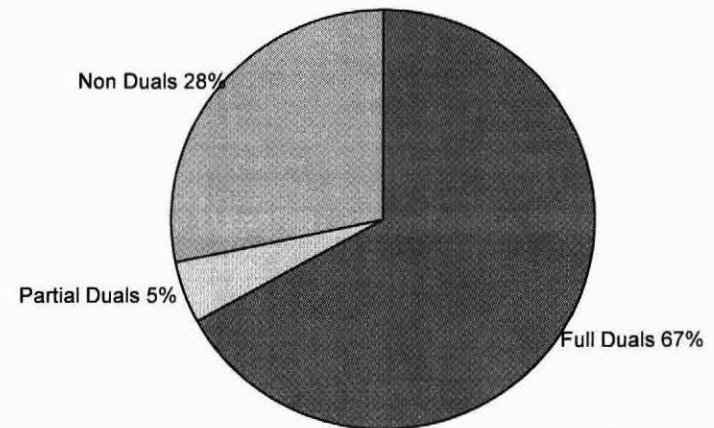


Most MORx members receive extra help with their prescription drug costs through the federal government's Low Income Subsidy Program (LIS). With the MORx wrap-around benefit, their cost was \$3.70 or less for each prescription for fiscal year 2016.

**MORx Eligibility by Groups (FY16)**



**MORx Claims by Groups (FY16)**



## PROGRAM DESCRIPTION

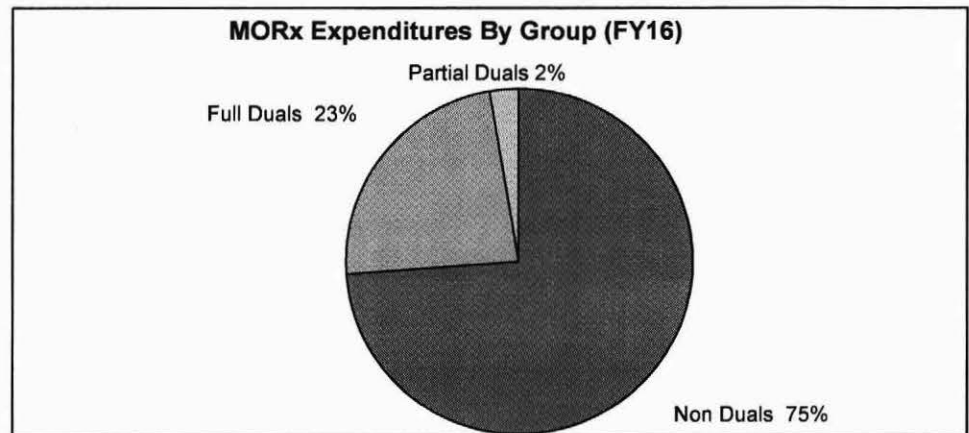
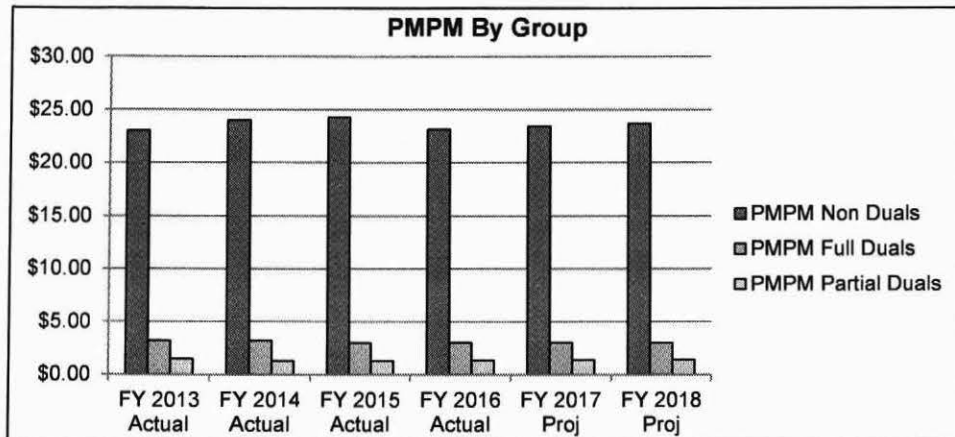
Department: Social Services

HB Section: 11.435

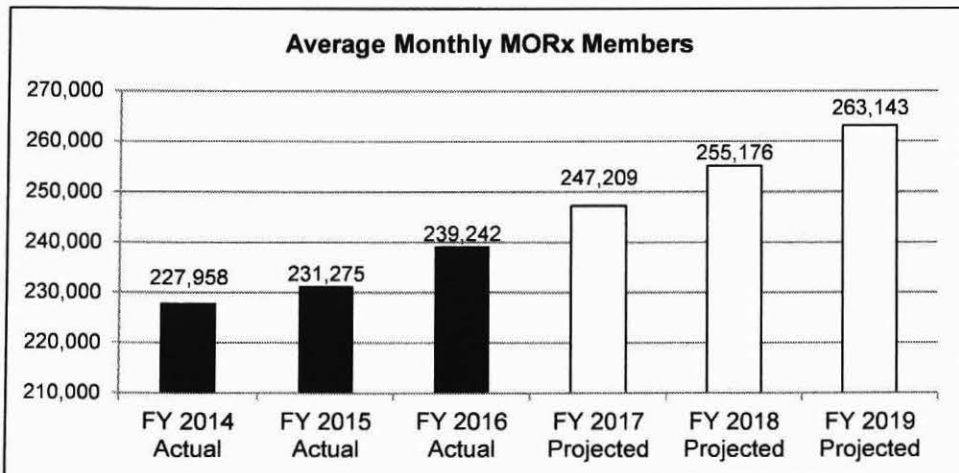
Program Name: Missouri Rx Plan

Program is found in the following core budget(s): Missouri Rx Plan

### 7b. Provide an efficiency measure.



### 7c. Provide the number of clients/individuals served, if applicable.



### 7d. Provide a customer satisfaction measure, if available.

N/A



# CORE DECISION ITEM

Department: Social Services

Budget Unit: 90542C

Division: MO HealthNet

Core: Pharmacy Reimbursement Allowance (PFRA) Payments

HB Section: 11.440

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request				
GR	Federal	Other	Total	E
PS				
EE				
PSD		108,308,926	108,308,926	
TRF				
Total		108,308,926	108,308,926	
FTE			0.00	

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

FY 2018 Governor's Recommendation				
GR	Federal	Other	Total	E
PS				
EE				
PSD		108,308,926	108,308,926	
TRF				
Total		108,308,926	108,308,926	
FTE			0.00	

Est. Fringe	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Pharmacy Reimbursement Allowance Fund (0144)

## 2. CORE DESCRIPTION

This item funds payments for pharmacy services provided to MO HealthNet participants. Funds from this core are used to provide enhanced dispensing fee payment rates using the Pharmacy Reimbursement Allowance under the Title XIX of the Social Security Act as a General Revenue equivalent.

## 3. PROGRAM LISTING (list programs included in this core funding)

Pharmacy Reimbursement Allowance (PFRA) Program

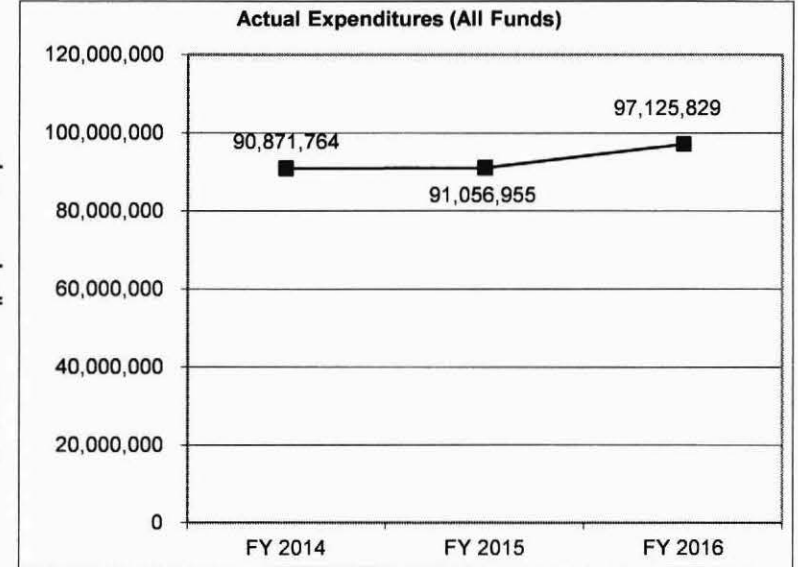
**CORE DECISION ITEM**

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Pharmacy Reimbursement Allowance (PFRA) Payments**

**Budget Unit: 90542C**  
**HB Section: 11.440**

**4. FINANCIAL HISTORY**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Current Yr.</b>
Appropriation (All Funds)	108,308,926	108,308,926	108,308,926	108,308,926
Less Reverted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	108,308,926	108,308,926	108,308,926	N/A
Actual Expenditures (All Funds)	90,871,764	91,056,955	97,125,829	N/A
Unexpended (All Funds)	17,437,162	17,251,971	11,183,097	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	17,437,162	17,251,971	11,183,097	N/A



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

**NOTES:**

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES**  
**PHARMACY FRA**

**5. CORE RECONCILIATION DETAIL**

	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>							
	PD	0.00	0	0	108,308,926	108,308,926	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>108,308,926</b>	<b>108,308,926</b>	
<b>DEPARTMENT CORE REQUEST</b>							
	PD	0.00	0	0	108,308,926	108,308,926	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>108,308,926</b>	<b>108,308,926</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	0	0	108,308,926	108,308,926	
	<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>108,308,926</b>	<b>108,308,926</b>	

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY FRA</b>								
<b>CORE</b>								
<b>PROGRAM-SPECIFIC</b>								
PHARMACY REIMBURSEMENT ALLOWAN	97,125,829	0.00	108,308,926	0.00	108,308,926	0.00	108,308,926	0.00
TOTAL - PD	97,125,829	0.00	108,308,926	0.00	108,308,926	0.00	108,308,926	0.00
<b>TOTAL</b>	<b>97,125,829</b>	<b>0.00</b>	<b>108,308,926</b>	<b>0.00</b>	<b>108,308,926</b>	<b>0.00</b>	<b>108,308,926</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$97,125,829</b>	<b>0.00</b>	<b>\$108,308,926</b>	<b>0.00</b>	<b>\$108,308,926</b>	<b>0.00</b>	<b>\$108,308,926</b>	<b>0.00</b>

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHARMACY FRA</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	97,125,829	0.00	108,308,926	0.00	108,308,926	0.00	108,308,926	0.00
TOTAL - PD	97,125,829	0.00	108,308,926	0.00	108,308,926	0.00	108,308,926	0.00
<b>GRAND TOTAL</b>	<b>\$97,125,829</b>	<b>0.00</b>	<b>\$108,308,926</b>	<b>0.00</b>	<b>\$108,308,926</b>	<b>0.00</b>	<b>\$108,308,926</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00
OTHER FUNDS	\$97,125,829	0.00	\$108,308,926	0.00	\$108,308,926	0.00	\$108,308,926	0.00



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.440**

**Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments**

**Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)**

### **1. What does this program do?**

Funds from this core are used to provide enhanced dispensing fee payment rates using the Pharmacy Reimbursement Allowance under the Title XIX of the Social Security Act as a General Revenue equivalent. Pharmacies are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, can earn federal Medicaid matching funds. These earnings fund pharmacy expenditures in the MO HealthNet program.

#### **Program Statistics**

In FY16, 1,365 pharmacy facilities were assessed and 1,354 pharmacy facilities participated in the MO HealthNet program and received enhanced reimbursement. In FY16, the PFRA rate was 1.49%. Effective 1/1/17, the PFRA rate is 1.39%. The PFRA program has been reauthorized by the General Assembly through September 30, 2018.

#### **Program Goals**

To promote the availability of safe and effective prescription medications for MO HealthNet participants.

#### **Program Objectives**

To provide reasonable reimbursement for pharmacy services to ensure an adequate supply of providers.

#### **Reimbursement Methodology**

Pharmacies are assessed a provider tax for the privilege of doing business in the state of Missouri. The assessment is a General Revenue equivalent, and when used to make valid Medicaid payments, can earn federal Medicaid matching funds. These earnings fund the Pharmacy Reimbursement Allowance (PFRA) program. This program provides funding to pay enhanced fees to pharmacies using the Pharmacy Reimbursement Allowance Fund as a General Revenue equivalent.

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

Missouri statute: Section 338.500, RSMo.; Federal law: Social Security Act Section 1903(w); state regulation: 13 CSR 70-20; Federal Regulation: 42 CFR 433 Subpart B.

### **3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for SFY18 is a blended 64.260% federal match, with a state matching requirement of 35.740%.

### **4. Is this a federally mandated program? If yes, please explain.**

No.

## PROGRAM DESCRIPTION

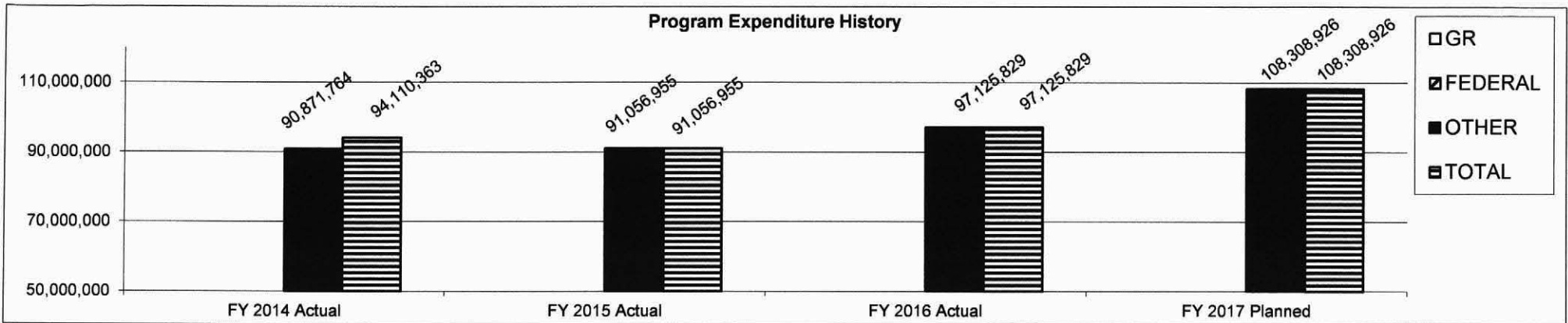
Department: Social Services

HB Section: 11.440

Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments

Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



### 6. What are the sources of the "Other" funds?

Pharmacy Reimbursement Allowance Fund (0144)

### 7a. Provide an effectiveness measure.

N/A

### 7b. Provide an efficiency measure.

#### Pharmacy FRA Tax Assessments Revenues Obtained to Draw Federal Dollars

SFY	Assessments
2014	\$93.6 mil
2015	\$89.1 mil
2016	\$98.1 mil
2017	\$98.1 mil estimated
2018	\$98.1 mil estimated
2019	\$98.1 mil estimated

**PROGRAM DESCRIPTION**

**Department: Social Services**

**HB Section: 11.440**

**Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments**

**Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)**

**7c. Provide the number of clients/individuals served, if applicable.**

N/A

**7d. Provide a customer satisfaction measure, if available.**

N/A



# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Physician Related

Budget Unit: 90544C

HB Section: 11.455

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request					FY 2018 Governor's Recommendation						
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE	1,705,342	1,915,395		3,620,737		EE	1,705,342	1,915,395		3,620,737	
PSD	119,039,191	209,151,355	13,262,958	341,453,504		PSD	87,511,453	189,115,056	13,262,958	289,889,467	
TRF						TRF				0	
Total	120,744,533	211,066,750	13,262,958	345,074,241		Total	89,216,795	191,030,451	13,262,958	293,510,204	

FTE 0.00

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds Health Initiatives Fund (HIF) (0275)  
Healthy Families Trust Fund (0625)  
Pharmacy Reimbursement Allowance Fund (0144)

Other Funds Health Initiatives Fund (HIF) (0275)  
Healthy Families Trust Fund (0625)  
Pharmacy Reimbursement Allowance Fund (0144)

## 2. CORE DESCRIPTION

This item funds physician-related services provided to fee-for-service MO HealthNet participants.

## 3. PROGRAM LISTING (list programs included in this core funding)

Physician Related

# **CORE DECISION ITEM**

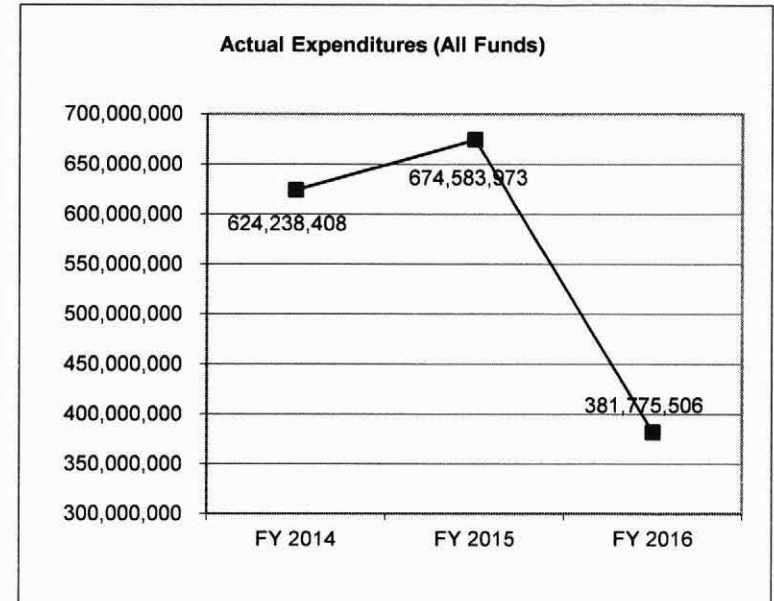
**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Physician Related**

**Budget Unit: 90544C**

**HB Section: 11.455**

## **4. FINANCIAL HISTORY**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Current Yr</b>
Appropriation (All Funds)	677,098,023	678,319,976	394,997,235	354,361,181
Less Reverted (All Funds)	(42,812)	(42,812)	(42,812)	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	677,055,211	678,277,164	394,954,423	N/A
Actual Expenditures (All Funds)	624,238,408	674,583,973	381,775,506	N/A
Unexpended (All Funds)	52,816,803	3,693,191	13,178,917	N/A
Unexpended, by Fund:				
General Revenue	2,283	0	7,654,821	N/A
Federal	50,449,255	3,683,191	0	N/A
Other	2,365,265	10,000	7,734,869	N/A
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### **NOTES:**

**(1)** FY14 Agency reserves of \$47,960 Health Initiatives Fund and \$2,317,305 Healthy Families Trust Fund due to lower than anticipated revenue and an agency reserve of \$40,088,793 Federal Funds due to the matching rate. In addition, there was a \$6,041,034 supplemental budget increase of GR to offset the decrease in Healthy Families Trust Fund.

**(2)** FY15 \$6,500,000 supplemental budget increase of Third Party Liability Fund.

**(3)** FY16 \$224,415,845 of Physician expenditures were made from the Managed Care Expansion section. Additionally, \$2,400,719 in federal fund authority was flexed from the CHIP section to the Physician section.

# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Physician Related

Budget Unit: 90544C

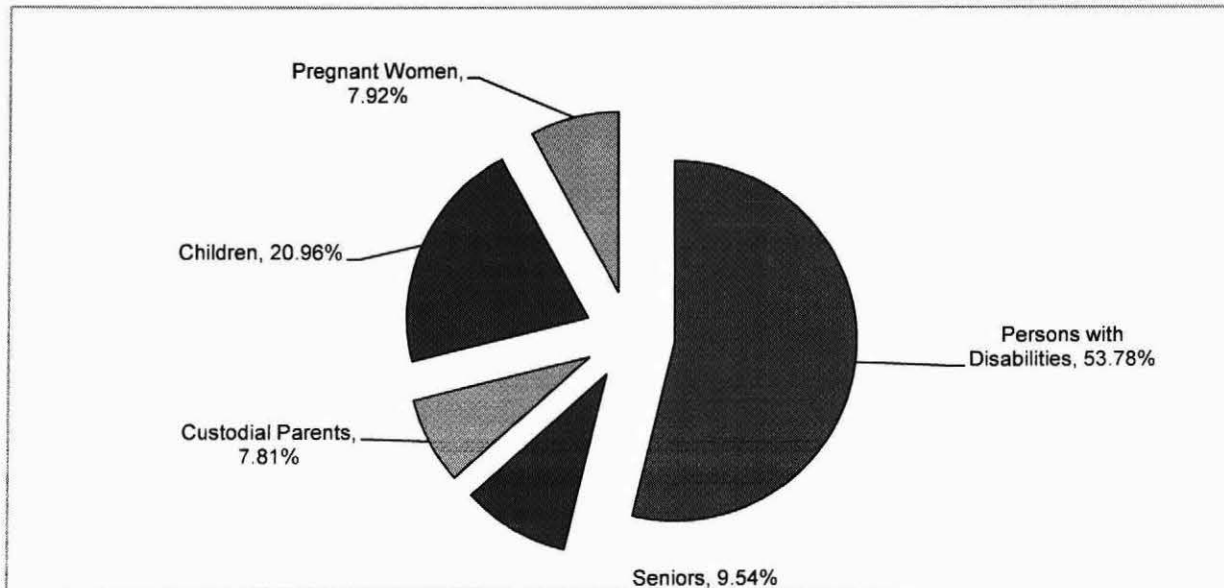
HB Section: 11.455

**Cost Per Eligible - Per Member Per Month (PMPM)**

	PMPM	PMPM	Total PMPM	Percentage of	Percentage of
PTD	\$154.21	\$1,102.14	\$1,988.02	13.99%	7.76%
Seniors	\$55.82	\$380.60	\$1,585.20	14.67%	3.52%
Custodial Parents	\$37.86	\$462.53	\$495.56	8.19%	7.64%
Children*	\$16.56	\$259.53	\$287.18	6.38%	5.77%
Pregnant Women	\$137.27	\$732.32	\$748.13	18.74%	18.35%

Source: Table 23 Medical Statistics for Fiscal Year 2016, Paid Claims Data (includes EPSDT services)

\* CHIP eligibles not included



Physician Related Spending by Large Eligibility Group

Source: Table 23 Medical Statistics for Fiscal Year 2016, Paid Claims Data.

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MO HealthNet management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

The PMPM table reflects the PMPM amounts for managed care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MO HealthNet. It does not include nursing facilities, in-home services, mental health services and state institutions. By comparing the managed care PMPM to the acute care PMPM, MO HealthNet management can monitor the progress of interventions controlled by MO HealthNet management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for managed care. It provides a snapshot of what eligibility groups are enrolled in managed care, as well as the populations impacted by program changes.

## CORE RECONCILIATION DETAIL

### DEPARTMENT OF SOCIAL SERVICES

### PHYSICIAN RELATED PROF

#### 5. CORE RECONCILIATION DETAIL

				Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>										
				EE	0.00	1,705,342	1,915,395	0	3,620,737	
				PD	0.00	135,637,591	272,732,561	13,262,958	421,633,110	
				<b>Total</b>	<b>0.00</b>	<b>137,342,933</b>	<b>274,647,956</b>	<b>13,262,958</b>	<b>425,253,847</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>										
Core Reduction	240	8197	PD	0.00		0	(5,452,749)	0	(5,452,749)	Core reduction for one-time federal funds.
Core Reallocation	621	8197	PD	0.00		0	(58,128,457)	0	(58,128,457)	Reallocation to Mgd Care to align the budget.
Core Reallocation	621	8196	PD	0.00		(33,698,400)	0	0	(33,698,400)	Reallocation to Mgd Care to align the budget.
Core Reallocation	1174	8196	PD	0.00		17,100,000	0	0	17,100,000	Reallocation from Pharmacy
<b>NET DEPARTMENT CHANGES</b>					<b>0.00</b>	<b>(16,598,400)</b>	<b>(63,581,206)</b>	<b>0</b>	<b>(80,179,606)</b>	
<b>DEPARTMENT CORE REQUEST</b>										
				EE	0.00	1,705,342	1,915,395	0	3,620,737	
				PD	0.00	119,039,191	209,151,355	13,262,958	341,453,504	
				<b>Total</b>	<b>0.00</b>	<b>120,744,533</b>	<b>211,066,750</b>	<b>13,262,958</b>	<b>345,074,241</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>										
Core Reduction	1384	8196	PD	0.00		(15,551,011)	0	0	(15,551,011)	FMAP adjustment
Core Reduction	1614	8196	PD	0.00		(4,200,000)	0	0	(4,200,000)	FY 18 core reduction
Core Reduction	1778	8197	PD	0.00		0	(5,834,902)	0	(5,834,902)	FY 18 core reduction.
Core Reduction	1778	8196	PD	0.00		(3,393,449)	0	0	(3,393,449)	FY 18 core reduction.



**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES  
PHYSICIAN RELATED PROF**

**5. CORE RECONCILIATION DETAIL**

				<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>										
Core Reallocation	621	8197	PD		0.00	0	(14,201,397)	0	(14,201,397)	Reallocation to Mgd Care to align the budget.
Core Reallocation	621	8196	PD		0.00	(8,383,278)	0	0	(8,383,278)	Reallocation to Mgd Care to align the budget.
<b>NET GOVERNOR CHANGES</b>					<b>0.00</b>	<b>(31,527,738)</b>	<b>(20,036,299)</b>	<b>0</b>	<b>(51,564,037)</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>										
			EE		0.00	1,705,342	1,915,395	0	3,620,737	
			PD		0.00	87,511,453	189,115,056	13,262,958	289,889,467	
<b>Total</b>					<b>0.00</b>	<b>89,216,795</b>	<b>191,030,451</b>	<b>13,262,958</b>	<b>293,510,204</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>PHYSICIAN RELATED PROF</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	1,137,211	0.00	1,705,342	0.00	1,705,342	0.00	1,705,342	0.00	
TITLE XIX-FEDERAL AND OTHER	2,273,818	0.00	1,915,395	0.00	1,915,395	0.00	1,915,395	0.00	
HEALTH INITIATIVES	41,250	0.00	0	0.00	0	0.00	0	0.00	
TOTAL - EE	3,452,279	0.00	3,620,737	0.00	3,620,737	0.00	3,620,737	0.00	
PROGRAM-SPECIFIC									
GENERAL REVENUE	117,662,635	0.00	135,637,591	0.00	119,039,191	0.00	87,511,453	0.00	
TITLE XIX-FEDERAL AND OTHER	249,732,216	0.00	272,732,561	0.00	209,151,355	0.00	189,115,056	0.00	
PHARMACY REIMBURSEMENT ALLOWAN	219	0.00	10,000	0.00	10,000	0.00	10,000	0.00	
HEALTH INITIATIVES	1,343,019	0.00	1,427,081	0.00	1,427,081	0.00	1,427,081	0.00	
TAX AMNESTY FUND	5,484,349	0.00	0	0.00	0	0.00	0	0.00	
HEALTHY FAMILIES TRUST	4,100,789	0.00	11,825,877	0.00	11,825,877	0.00	11,825,877	0.00	
TOTAL - PD	378,323,227	0.00	421,633,110	0.00	341,453,504	0.00	289,889,467	0.00	
<b>TOTAL</b>	<b>381,775,506</b>	<b>0.00</b>	<b>425,253,847</b>	<b>0.00</b>	<b>345,074,241</b>	<b>0.00</b>	<b>293,510,204</b>	<b>0.00</b>	
<b>MHD Cost to Continue - 1886001</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	14,705,290	0.00	16,502,940	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	67,614,138	0.00	80,078,367	0.00	
TOTAL - PD	0	0.00	0	0.00	82,319,428	0.00	96,581,307	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>82,319,428</b>	<b>0.00</b>	<b>96,581,307</b>	<b>0.00</b>	
<b>MHD GR Pickup - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	5,452,749	0.00	5,452,749	0.00	
TOTAL - PD	0	0.00	0	0.00	5,452,749	0.00	5,452,749	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>5,452,749</b>	<b>0.00</b>	<b>5,452,749</b>	<b>0.00</b>	
<b>Primary Care HH Rate Inc - 1886014</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	4,180	0.00	5,188	0.00	

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# DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PHYSICIAN RELATED PROF</b>								
<b>Primary Care HH Rate Inc - 1886014</b>								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	7,188	0.00	9,471	0.00
TOTAL - PD	0	0.00	0	0.00	11,368	0.00	14,659	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>11,368</b>	<b>0.00</b>	<b>14,659</b>	<b>0.00</b>
<b>Asset Limit Increase - HB 1565 - 1886012</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	4,156,759	0.00	2,321,851	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	7,884,795	0.00	4,608,052	0.00
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	428,862	0.00	241,046	0.00
TOTAL - PD	0	0.00	0	0.00	12,470,416	0.00	7,170,949	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>12,470,416</b>	<b>0.00</b>	<b>7,170,949</b>	<b>0.00</b>
<b>FMAP Adjustment - 1886025</b>								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	0	0.00	15,551,011	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	15,551,011	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>15,551,011</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>\$381,775,506</b>	<b>0.00</b>	<b>\$425,253,847</b>	<b>0.00</b>	<b>\$445,328,202</b>	<b>0.00</b>	<b>\$418,280,879</b>	<b>0.00</b>

# FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b> 90544C <b>BUDGET UNIT NAME:</b> Physician Related Prof <b>HOUSE BILL SECTION:</b> 11.455	<b>DEPARTMENT:</b> Social Services <b>DIVISION:</b> MO HealthNet
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**1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.**

Governor's Recommendation			
	<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>
	\$ 418,280,879	10%	\$ 41,828,088
Not more than ten percent (10%) flexibility is requested between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.550, 11.555, and 11.600			

**2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.**

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST - GOVERNOR'S REC ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY18

**3. Please explain how flexibility was used in the prior and/or current years.**

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
PHYSICIAN RELATED PROF								
CORE								
PROFESSIONAL SERVICES	2,004,700	0.00	2,020,739	0.00	2,020,739	0.00	2,020,739	0.00
MISCELLANEOUS EXPENSES	1,447,579	0.00	1,599,998	0.00	1,599,998	0.00	1,599,998	0.00
TOTAL - EE	3,452,279	0.00	3,620,737	0.00	3,620,737	0.00	3,620,737	0.00
PROGRAM DISTRIBUTIONS	378,323,227	0.00	421,633,110	0.00	341,453,504	0.00	289,889,467	0.00
TOTAL - PD	378,323,227	0.00	421,633,110	0.00	341,453,504	0.00	289,889,467	0.00
GRAND TOTAL	\$381,775,506	0.00	\$425,253,847	0.00	\$345,074,241	0.00	\$293,510,204	0.00
GENERAL REVENUE	\$118,799,846	0.00	\$137,342,933	0.00	\$120,744,533	0.00	\$89,216,795	0.00
FEDERAL FUNDS	\$252,006,034	0.00	\$274,647,956	0.00	\$211,066,750	0.00	\$191,030,451	0.00
OTHER FUNDS	\$10,969,626	0.00	\$13,262,958	0.00	\$13,262,958	0.00	\$13,262,958	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### 1. What does this program do?

This item funds physician-related services provided to fee-for-service MO HealthNet participants. Services are provided by physicians, advanced practitioners, nurses/technicians, and certain behavioral health providers at various locations. Physician-related professionals include:

- Physicians and Podiatrists
- Advanced Practitioners
  - Advanced Practice Registered Nurses (APRN) or Nurse Practitioners (NP)
  - Nurse Midwives
  - Physician Assistants (PA)
  - Assistant Physicians (AP) once licensed by the Board of Healing Arts
  - Certified Registered Nurse Anesthetists (CRNA) and Anesthesiologists Assistants (AA)
- Behavioral health providers:
  - Psychiatrists
  - Psychologists, included provisional licensees
  - Licensed professional counselors (LPC), including provisional licensees
  - Licensed clinical social workers (LCSW), including provisional licensees
  - Licensed behavior analysts

Services may be billed by physicians, certain advanced practitioners, or behavioral health providers OR on behalf of professional services provided at the following locations:

- Clinics
- Rural health clinics (RHC)
- Federally qualified health centers (FQHC)
- Ambulatory surgical centers (ASC)
- Lab and x-ray facilities
- Independent diagnostic testing facilities
- Participant's home
- Hospital (Inpatient and Outpatient settings)
- Nursing facilities

### Program Statistics

The physician-related program comprises 8.79% of the total Medicaid program dollars. As of June 2016, there were 39,428 physician-related providers enrolled in MO HealthNet. In FY 2016, approximately 65% of physician-related services were paid to clinics, rural health clinics, and federally qualified health clinics.

### Program Goals

To provide access to proper health care in the appropriate setting and to improve the general health and well-being of MO HealthNet participants.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### **Program Objectives**

- To ensure proper health care for the general health and well-being of MO HealthNet participants.
- To ensure adequate supply of providers.
- To increase use of Early and Periodic Screening Diagnosis and Treatment (EPSDT) services, also known as the Healthy Children and Youth (HCY) program, for children.
- To increase preventive services for all MO HealthNet participants.
- To encourage care coordination among providers.

### **Reimbursement Methodology**

#### Physician-Related Professionals

The majority of services provided by physician-related professionals are reimbursed on a fee schedule although a few services are reimbursed manually, whereby each procedure or claim is priced individually by a medical consultant based on the unique circumstances of the case. Certain procedures are only reimbursable with prior approval.

Services rendered by someone other than a physician or podiatrist, including appropriate supplies, are billable by the physician only where there is direct personal supervision by the physician. This applies to services rendered by auxiliary personnel employed by the physician and working under his/her on-site supervision such as nurses, non-physician anesthetists (including Certified Registered Nurse Anesthetists and Anesthesiologist Assistants), technicians, and other aides.

The following advanced practitioners can bill MO HealthNet independently from a physician, but must still operate within the terms of their collaborative practice arrangement with the physician:

- Advanced Practice Registered Nurses (APRN) and Nurse Practitioners (NP),
- Nurse Midwives,
- Physician Assistants (PA), and
- Assistant Physicians (AP) once licensed by the Board of Healing Arts.

The services of physicians, podiatrists, advanced practitioners, and behavioral health providers may be administered in multiple settings including the physician's office, the participant's home (or other place of residence such as a nursing facility), the hospital (inpatient/outpatient) or settings such as a medical clinic or ambulatory surgical care facility. The services of a nurse midwife may also be administered in the home of the participant (delivery and newborn care only) or a birthing center.



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### Physician-Related Locations:

MO HealthNet reimbursement may also be made directly to the facility which employs the health care professionals. Facilities which receive direct payment from the physician-related services program include clinics, laboratory and x-ray facilities, independent diagnostic testing facilities (IDTF), rural health clinics (RHC), and federally qualified health clinics (FQHC, and hospitals (inpatient and outpatient). Each provider offering health care services through the facility, in addition to being employed by the participating clinic, must be a MO HealthNet provider. Ambulatory surgical centers are also reimbursed for a facility fee which does not include professional services of the performing practitioner.

However, the reimbursement methodology for RHCs and FQHCs is different than other physician-related services.

- FQHCs are reimbursed on an interim basis at a specified percentage of the billed MO HealthNet FQHC covered charges. For dates of service prior to January 1, 2016, FQHC services were reimbursed at 97% of the covered charges and for dates of service beginning January 1, 2016 FQHC service are reimbursed at 92% of the covered charges. Fee-for-service claims are submitted to MO HealthNet Division (MHD) and are paid at the applicable interim percentage. FQHCs that are contracted with MO HealthNet Managed Care health plans also receive payments from the health plan. For dates of service prior to July 1, 2015, FQHCs that were contracted with the health plans were paid a rate negotiated with the health plan and for dates of service beginning July 1, 2015, health plans are required to pay 90% of covered charges. An FQHC contracted with a health plan may submit a request to MHD for a supplemental interim payment for the difference between the health plan payment and the applicable interim payment percentage. Beginning January 1, 2016, these requests may only be submitted on a quarterly basis. An annual review of the MO HealthNet cost report is performed by the Institutional Reimbursement Unit (IRU) to determine reasonable costs. A settlement is made to adjust the reimbursement to 100% of the reasonable costs to provide MO HealthNet FQHC covered services.
- Hospital-based, or provider based, RHCs (PBRHCs) are reimbursed on an interim basis at the lower of 100% of their usual and customary charges or their cost-to-charge ratio. For dates of service beginning July 1, 2015, PBRHCs that are contracted with MO HealthNet Managed Care health plans are to be reimbursed by the health plan at 90% of covered charges. For dates of service prior to July 1, 2015, PBRHCs that were contracted with health plans were paid a rate negotiated with the health plan. A PBRHC contracted with a health plan may submit a request to MHD for a supplemental interim payment for the difference between the health plan payment and the applicable interim payment percentage. Beginning January 1, 2016, these requests may only be submitted on a quarterly basis. An annual review of the finalized Medicare cost report is done by the IRU to determine reasonable costs. A settlement is made to adjust the reimbursement to 100% of the reasonable costs to provide MO HealthNet PBRHC covered services. The RHCs that are based in skilled nursing facilities and home health agencies are reimbursed their usual and customary charges multiplied by the lower of the Medicare RHC rate or the rate approved by the MO HealthNet Division.
- An independent RHC (IRHC) has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency. IRHCs are reimbursed on an interim basis at 100% of their Medicare RHC rate. For dates of service beginning July 1, 2015, IRHCs that are contracted with MO HealthNet Managed Care health plans are to be reimbursed by the health plan at 90% of the Medicare RHC rate. For dates of service prior to July 1, 2015, IRHCs that were contracted with health plans were paid a rate negotiated with the health plan. An IRHC contracted with a health plan may submit a request to MHD for a supplemental interim payment for the difference between the health plan payment and the applicable interim payment percentage. Beginning January 1, 2016, these requests may only be submitted on a quarterly basis. An annual audit of the Medicare cost report is reviewed by the IRU within the MO HealthNet Division to determine reasonable costs, which is subject to a limit of the Medicare cost per visit. A settlement is made to adjust the reimbursement to 100% of the reasonable costs to provide MO HealthNet IRHC covered services.



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### Telehealth

Certain health professionals are also authorized to provide services through telehealth technology. The health professional receives reimbursement for services rendered according to the fee schedule. In addition, the originating site which hosts the MO HealthNet participant during the telehealth conference is eligible to receive an originating site facility fee. MHD will not reimburse the original site fee if the distant site and originating site are within 24 miles of one another.

### Copayment

A copayment, a portion of the providers' charges paid by the participant, is required on many physician related services and is determined in state regulation (13 CSR 70-4.050). According to 42 CFR Section 447.56(c)(1), MHD is required to reimburse providers a rate less any assessed co-pay. It is the responsibility of the provider to collect the copay from the participant. The copayment for a service can range between \$0.50 to \$3.00 for physician-related services; however, some services and participants are exempt from copay requirements. *See additional detail below for copay exemptions.*

### Health Homes

Practices that are enrolled in MO HealthNet's primary care or CMHC health home programs receive a per-member, per month (PMPM) reimbursement for each eligible health home patient enrolled in the program who receives health home services in a given month. *See service information below for additional information on health homes.*

### **Rate History**

7/1/16: 2% rate increase for all physician related services.

7/1/16: 3.79% rate increase for Medicare parity for physician-related services.

1/1/16: 1% rate increase for all physician related services.

1/1/13-12/31/14: Federally funded rate increase for certain physician specialties for primary care evaluation and management and services related to immunization administration for vaccines and toxoids.

### **Provider Information**

#### Physicians

Physicians, including medical doctors and doctors of osteopathy, enrolled in the MO HealthNet program are identified by the specialty of medicine they practice.

Specialties include: allergy immunology; anesthesiology; cardiology; dermatology; emergency medicine; family practice; general practice; general surgery; internal medicine; laryngology; nuclear medicine; neurological surgery; obstetrics/gynecology; ophthalmology; otology; otolaryngology; orthopedic surgery; pathology; pediatrics; physical medicine and rehabilitation; plastic surgery; preventive medicine; proctology; psychiatry; neurology; radiation therapy; radiology; rectal and colon surgery; rehabilitative medicine; rhinology; thoracic surgery; and urology.

#### Podiatrists

Podiatrists provide medical, surgical, and mechanical services for the foot or any area not above the ankle joint. However, the following podiatry services are not covered for adults (except pregnant women, the blind, or nursing facility residents): trimming of nondystrophic nails; debridement of one to five nails by any method; debridement of six or more nails by any method; partial or complete excision of the nail and nail matrix; and strapping of the ankle and/or foot.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### Advanced Practice Registered Nurses and Nurse Practitioners

An advanced practice registered nurse (APRN) or nurse practitioner (NP) is one who has education beyond the basic nursing education and is certified by a nationally recognized professional organization as having a nursing specialty, or who meets criteria for advanced practice nurses established by the Missouri Board of Nursing. Numerous specialties are recognized such as family, gerontology, clinical, obstetrics/GYN, neonatal, mental health, and certified registered nurse anesthetists. APRNs and NPs must enter into a collaborative practice agreement with a physician. Such a collaborative practice agreement may authorize APRNs and NPs to prescribe certain medications. APRNs and NPs are generally employed by physicians, but are not required to be employed by physicians.

### Nurse Midwives

Nurse midwife services are those services related to the management and provision of care to a pregnant woman and her unborn/newborn infant by a certified nurse midwife. These services may be provided throughout the maternity cycle which includes pregnancy, labor and delivery and the initial postpartum period not to exceed six weeks. Covered services include antepartum care, delivery, post-partum care, newborn care, office visits, laboratory services and other services within the scope of practice of a nurse midwife. Nurse midwives may also provide care outside of the maternity cycle such as family planning, counseling, birth control techniques and well-woman gynecological care including routine pap smears and breast examinations (Section 13605, OBRA 93). Nurse midwife services may also include services to the newborn, age 0 through 2 months, and any other MO HealthNet eligible female, age 15 and over.

### Certified Registered Nurse Anesthetists and Anesthesiologist Assistants

A Certified Registered Nurse Anesthetist (CRNA) introduces and manages substances into the body by external or internal means that cause a loss of sensation with or without loss of consciousness. To serve MO HealthNet participants, a CRNA must hold a valid current license as an advanced practice registered nurse (APRN) or nurse practitioner (NP) in the state of Missouri and be currently certified by the Council on Certification of Nurse Anesthetists.

An Anesthesiologist Assistant (AA) works under the supervision of a licensed anesthesiologist and provides anesthesia services and related care. An AA can only practice under the direct supervision of an anesthesiologist who is physically present or immediately available and must be licensed by the Missouri Board of Healing Arts. A supervising anesthesiologist shall be allowed to supervise up to four AAs concurrently, consistent with 42 CFR 415.110. An AA and a CRNA are not allowed to bill for the same anesthesia service.

### Physician Assistants and Assistant Physicians

A physician assistant is an individual who graduated from an accredited physician assistant program, has active national certification, and provides health care services delegated by a licensed physician. Covered services which a physician assistant can perform include the following:

- Taking patient histories;
- Performing physical examinations of a patient;
- Performing or assisting in the performance of routine office laboratory and patient screening procedures;
- Performing routine therapeutic procedures;
- Recording diagnostic impressions and evaluating situations calling for attention of a physician to institute treatment procedures;
- Instructing and counseling patients regarding mental and physical health using procedures reviewed and approved by a licensed physician;
- Assisting the supervising physician in institutional settings, including reviewing of treatment plans, ordering of tests, diagnostic laboratory and radiological services, and ordering of therapies using procedures reviewed and approved by a licensed physician; and
- Assisting in surgery.

MO HealthNet is awaiting licensure details from the Board of Healing Arts before Assistant Physicians are added as a MO HealthNet provider type.

## **PROGRAM DESCRIPTION**

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### **Behavioral Health Providers**

MO HealthNet provides various behavioral health services including psychiatric diagnostic evaluations, individual psychotherapy, group psychotherapy, family psychotherapy, psychological testing, smoking behavioral change, Health and Behavior Assessment and Intervention, and crisis psychotherapy. The following providers are authorized to serve MO HealthNet eligible children under the age of 21:

- Psychiatrists
- Licensed Psychologists (including provisional licensees)
- Licensed Clinical Social Workers (including provisional licensees)
- Licensed professional counselors (including provisional licensees)

The following providers are authorized to serve MO HealthNet eligible adults:

- Psychiatrists
- Licensed Psychologists (including provisional licensees)
- Licensed Clinical Social Workers (including provisional licensees) only if the service is provided in an FQHC or RHC

Services provided by licensed professional counselors to adults in any setting are not reimbursable.

### **Clinic**

Clinics offer preventive, diagnostic, therapeutic, rehabilitative or palliative services that are furnished by a facility that are not part of a hospital but are organized and operated to provide medical care to outpatients. Services furnished to outpatients include those furnished at the clinic by, or under the direction of, a physician and those services furnished outside the clinic by clinic personnel under the direction of a physician.

### **Lab & X-Ray**

Laboratory and x-ray facilities provide examination and radiology services under the physician program. Laboratories perform examinations of body fluids, tissues or organs by the use of various methods employing specialized equipment such as electron microscopes and radio-immunoassay. A clinical laboratory is a laboratory where microbiological, serological, chemical, hematological, radio bioassay, cytological, immunohematological or pathological examinations are performed on material derived from the human body to provide information for the diagnosis, prevention or treatment of a disease or assessment of a medical condition. Operations of a laboratory are generally directed by a pathologist.

X-ray facilities offer radiological services in which x-rays or rays from radioactive substances are used for diagnostic or therapeutic purposes. Such services include, but are not limited to, radium therapy; radioisotopes for diagnostic or therapeutic purposes (e.g., in nuclear medicine); diagnostic tests such as aortograms, pyelograms, myelograms, arteriograms and ventriculograms; imaging services; x-rays; and diagnostic ultra-sounds. These operations are generally directed by a radiologist.

### **Independent Diagnostic Testing Facility (IDTF)**

These providers are independent of a hospital or a physician's office and offer medically necessary diagnostic tests. The IDTF may be a fixed location or a mobile entity. An IDTF must have one or more supervising physicians who are responsible for the direct and ongoing oversight of the quality of the testing performed, the proper operation and calibration of the equipment used to perform tests, and the qualification of non-physician personnel who use the equipment.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### Ambulatory Surgical Center (ASC)

An Ambulatory Surgical Center (ASC) is a free-standing facility functioning as an independent business and administrative entity which maintains neither a physical nor a fiscal relationship to a hospital. An ASC is a facility designed, staffed, equipped, and operated for the primary purpose of providing surgical services. It is neither staffed nor equipped to provide overnight care to patients.

### Rural Health Clinics (RHC)

The Rural Health Clinic Services Act of 1977, designating rural health clinics as health care providers, extended benefits to cover health care services to under-served rural areas where access to traditional physician care had been difficult. In those areas, specifically trained practitioners furnish the health care services needed by the community. Rural health clinics must be located in a rural area that is designated a shortage area for primary care. To be eligible for this designation, a clinic must be located in an area not identified as "urbanized" by the Bureau of the Census and designated as a shortage or under-served area. RHCs must meet the additional staffing and health and safety requirements set forth by the Rural Health Clinic Services Act; be certified by the Public Health Service; be certified for participation in Medicare; and be enrolled as a MO HealthNet provider.

An RHC must be designated as either an independent or a provider-based RHC.

- Provider-based RHC: must be an integral and subordinate part of a hospital, skilled nursing facility, or home health agency and under common licensure, governance, and professional supervision with its parent provider.
- Independent RHC: has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency.

### Federally Qualified Health Clinic (FQHC)

The Omnibus Budget Reconciliation Acts of 1989 (OBRA 89) and 1990 (OBRA 90) designates certain community-based health care organizations as unique health care providers called Federally Qualified Health Centers. These laws establish health care services that MO HealthNet and Medicare must cover in an FQHC. The federal laws also set the reimbursement at reasonable cost to the FQHC for such services. In order to qualify for FQHC status, a facility must receive or be eligible for a grant under Section 329, 330 or 340 of the Public Health Service Act; meet the requirements for receiving such a grant; or have been a Federally Funded Health Center as of January 1, 1990.

The FQHC program has two goals:

- To provide adequate reimbursement to community-based primary health care organizations (FQHCs) so that they, in turn, may better serve a large number of MO HealthNet participants and/or provide more services, thus improving access to primary care.
- To enable FQHCs to use other resources previously subsidizing MO HealthNet to serve uninsured individuals who, although not eligible for MO HealthNet, have a difficult time obtaining primary care because of economic or geographic barriers.

### **Service Information**

Physician-related services include diagnostic, therapeutic, rehabilitative, or palliative care; lab and x-ray; family planning; and behavioral health.

The following services are limited to certain MO HealthNet participants:

- Early Periodic Screening Diagnosis and Treatment (EPSDT);
- Health Home coordination for individuals with chronic conditions;
- Asthma education and in-home environmental assessments; and
- Applied behavioral analysis.



## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### EPSDT

The Early Periodic Screening Diagnosis Treatment program (or Healthy Children and Youth program) provides primary and preventative services to MO HealthNet participants who are infants, children, and youth under the age of 21 years. To ensure a child's health, a primary care provider is designated to manage a coordinated, comprehensive, continuous health care program to address the child's primary health care needs. Full, partial, and inter-periodic health screenings; medical and dental examinations; immunizations; and medically any medically-necessary treatment to correct or improve defects and chronic conditions found during the screening are considered EPSDT benefits.

### Health Homes

Section 2703 of the ACA gives MO HealthNet the option to pay providers to coordinate care through a "health home" for individuals with chronic conditions. A team of health care professionals acting as a health home may include physicians and other professionals such as a nurse care manager, care coordinator, behavioral health consultant, nutritionist, or social worker. A health home may be a freestanding practice or a practice based at a hospital or other facility. Health home services include comprehensive care management, care coordination and health promotion, comprehensive transitional care from inpatient to other settings, patient and family support, and referral to community and social support services. Health homes are required to use "health information technology" to link services.

MO HealthNet, in conjunction with the Department of Mental Health, currently operates two health home programs:

- Primary Care Health Home for participants diagnosed with two chronic conditions or diagnosed with one chronic condition and at-risk for development of a second condition.
- Community Mental Health Center (CMHC) Health Home for participants with a serious and persistent mental illness, serious emotional disorder, or substance use disorder.

The Children's Division and MO HealthNet are currently working with partners in the St. Louis region to develop a Foster Care Health Home Pilot Project to more effectively coordinate health and mental health services for foster children.

Clinical care management per member per month (PMPM) payments are made for the reimbursement of required contracted services and the cost of staff primarily responsible for delivery of these specified health home services that are not covered by other MO HealthNet reimbursement methodologies.

### Asthma Educators and In-home Environmental Assessors

Pediatric MO HealthNet participants with a primary diagnosis of asthma who meet specific criteria indicating uncontrolled asthma may receive up to two asthma education services and two in-home environmental assessments per year.

### Applied Behavior Analysis

Applied behavior analysis (ABA) services are covered for individuals under age 21 who have a diagnosis of Autism Spectrum Disorder. ABA services are provided by licensed behavior analysts, ABA qualified licensed psychologists, and licensed assistant behavior analysts. All ABA services require precertification.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Sections: 11.455**

**Program Name: Physician Related**

**Program is found in the following core budget(s): Physician Related**

### **Additional Details**

#### **Copayment Exemptions**

The following participants and services are exempt from copays:

- participants under age 19;
- participants residing in a skilled nursing home, an intermediate care nursing home, a residential care home, an adult boarding home or a psychiatric hospital;
- participants who have both Medicare and Medicaid if Medicare covers the service and provides payment;
- participants who receive a transfer inpatient hospital admission;
- emergency services provided in an outpatient clinic or emergency room after the sudden onset of a medical condition if the absence of treatment could be expected to result in placing the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any bodily organ or part;
- certain therapy services, except when provided as an inpatient hospital service;
- services provided to pregnant women, blind recipients, managed care enrollees and foster care recipients;
- services identified as medically necessary through an Early Periodic Screening, Diagnostic and Treatment (EPSDT) screen;
- mental health services provided by community mental health facilities operated by the Department of Mental Health;
- family planning services;
- hospice services; and
- some personal care services.

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo. 208.153, 208.166; Federal law: Social Security Act Sections 1905(a)(2), (3), (5), (6), (9), (17), (21); 1905(r) and 1915(d);

Federal regulations: 42 CFR 440.210, 440.500, 412.113(c) and 441 Subpart B.

### **3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY18 is a blended 64.260% federal match. The state matching requirement is 35.740%.

### **4. Is this a federally mandated program? If yes, please explain.**

Yes, if the state elects to have a Medicaid program. (Some services are optional: podiatry; clinics; nurse practitioners; CRNA and certified nurse anesthetist.)

## PROGRAM DESCRIPTION

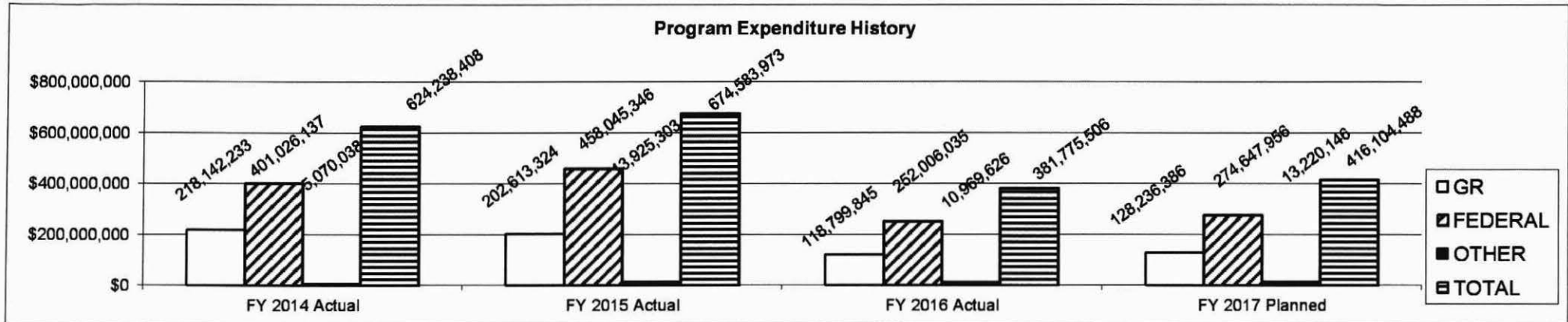
Department: Social Services

HB Sections: 11.455

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 planned is net of reverted and restricted.

### 6. What are the sources of the "Other " funds?

Health Initiatives Fund (0275), Healthy Families Trust Fund (0625), Pharmacy Reimbursement Allowance (0144), and in FY16, Tax Amnesty Fund (0470).

### 7a. Provide an effectiveness measure.

Maintain or increase the ratio of participants who receive EPSDT screenings.

The Healthy Children and Youth (HCY) Program in Missouri is a comprehensive, primary and preventive health care program for MO HealthNet eligible children and youth under the age of 21 years. The program is also known as Early Periodic Screening, Diagnosis and Treatment (EPSDT). The HCY Program provides early and periodic medical/dental screenings, diagnosis and treatment to correct or ameliorate defects and chronic conditions found during the screening.

* Federal Fiscal Year	Participants Who Should Have Received a Screening	Participants Who Received At Least One Screening	Percent
2014 Actual	395,881	278,040	70%
2015 Actual	432,703	304,370	70%
2016 Projected	432,703	304,370	70%
2017 Projected	432,703	304,370	70%
2018 Projected	432,703	304,370	70%
2019 Projected	432,703	304,370	70%

\*Based on federal Fiscal year in which report was submitted to CMS.  
FFY 16 will be available February, 2017.

## PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455

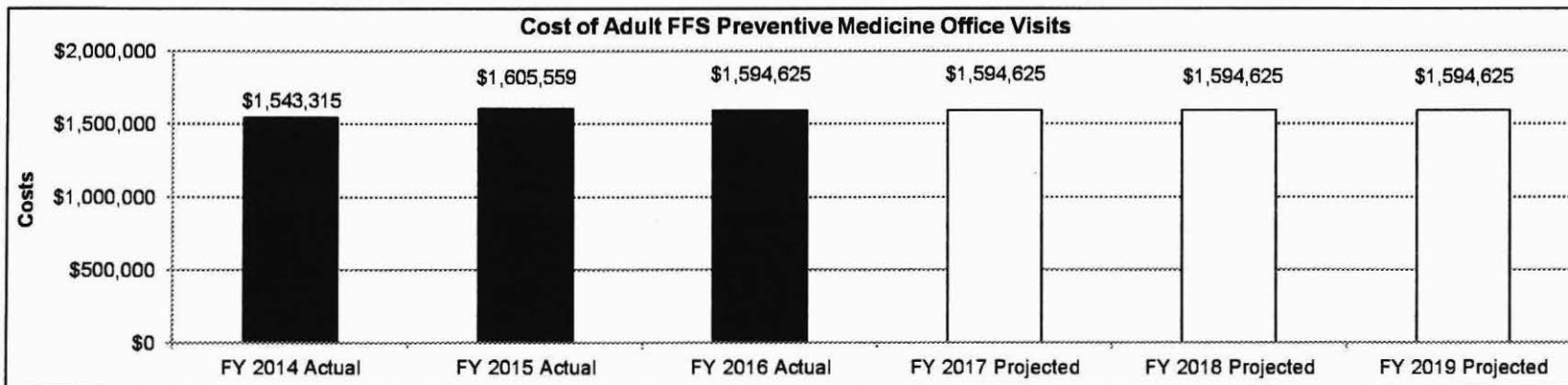
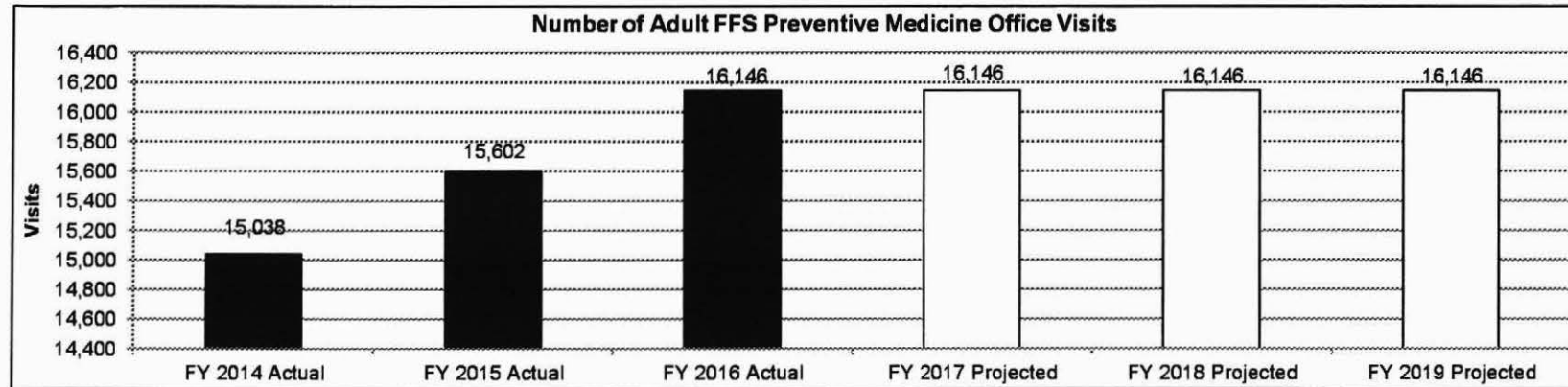
Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

### 7b. Provide an efficiency measure.

Increase the number of adult preventive office visits.

MO HealthNet pays for one "preventive" examination/physical. Preventive visits are important for routine evaluation and management of adults for the maintenance of good health and a reduction in risk factors that could lead to more expensive health care costs.





## PROGRAM DESCRIPTION

Department: Social Services

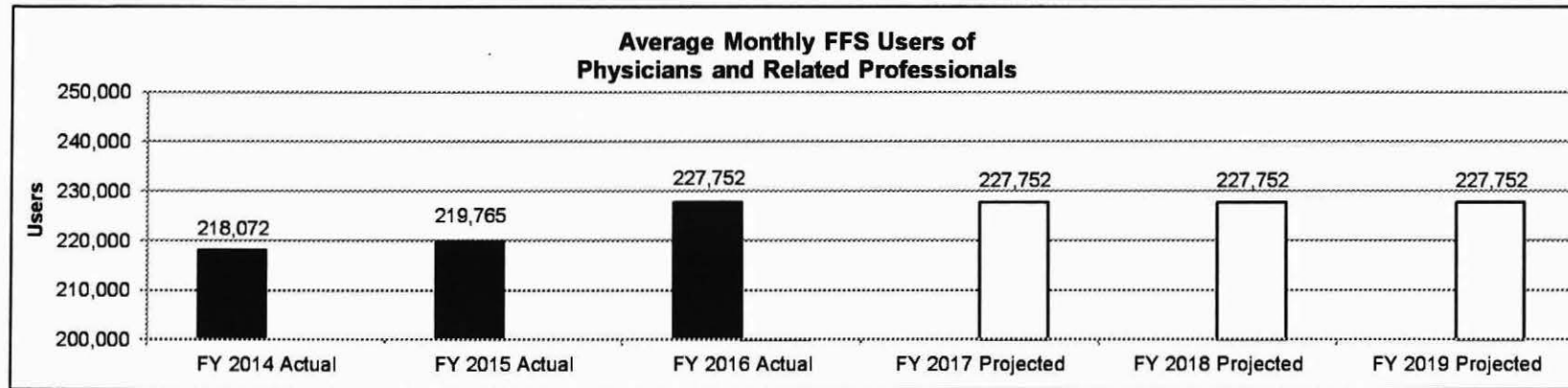
HB Sections: 11.455

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

### 7c. Provide the number of clients/individuals served, if applicable.

Proper health care is essential to the general health and well-being of MO HealthNet participants. Physician related services are typically the front line where MO HealthNet participants enter the state's health care system. Services are provided by physicians, psychologists, nurse practitioners, podiatrists, clinics, and x-ray and lab facilities.



### 7d. Provide a customer satisfaction measure, if available.

N/A



# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

## 1. CORE FINANCIAL SUMMARY

	FY 2018 Budget Request				
	GR	Federal	Other	Total	E
PS					
EE					
PSD	565,221	2,680,332	919,935	4,165,488	
TRF					
<b>Total</b>	<b>565,221</b>	<b>2,680,332</b>	<b>919,935</b>	<b>4,165,488</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)  
Healthy Families Trust Fund (0625)

	FY 2018 Governor's Recommendation				
	GR	Federal	Other	Total	E
PS					
EE					
PSD	361,173	2,323,165	919,935	3,604,273	
TRF					
<b>Total</b>	<b>361,173</b>	<b>2,323,165</b>	<b>919,935</b>	<b>3,604,273</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: Health Initiatives Fund (HIF) (0275)  
Healthy Families Trust Fund (0625)

## 2. CORE DESCRIPTION

This item funds the dental fee-for-service program. Comprehensive dental services are available for children, pregnant women, the blind and nursing facility residents (including Independent Care Facilities for individuals with Intellectual Disabilities-ICF/ID). As of January 2016, MO HealthNet began offering limited dental services for adults ages 21 and over.

## 3. PROGRAM LISTING (list programs included in this core funding)

Dental Services

# CORE DECISION ITEM

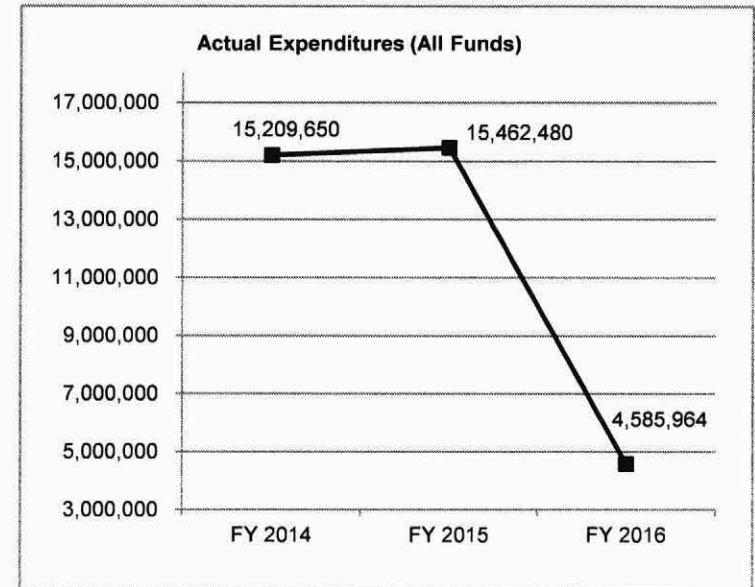
Department: Social Services  
Division: MO HealthNet  
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Current Yr.	FY 2017 Current Yr.
Appropriation (All Funds)	18,363,160	66,100,009	15,399,164	66,100,009
Less Reverted (All Funds)	(17,135)	(2,135)	(2,135)	N/A
Less Restricted (All Funds)	0	(48,231,947)	(500,000)	N/A
Budget Authority (All Funds)	18,346,025	17,865,927	14,897,029	N/A
Actual Expenditures (All Funds)	15,209,650	15,462,480	4,585,964	N/A
Unexpended (All Funds)	3,136,375	2,403,447	10,311,065	N/A
Unexpended, by Fund:				
General Revenue	1,098,464	18,300,000	702,568	N/A
Federal	1,653,437	32,335,394	6,339,800	N/A
Other	384,474	0	3,768,697	N/A
	(1)	(2)	(3)	



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### NOTES:

(1) FY14 Rural Dental Clinics Pilot \$485,000 GR and \$750,000 Federal project did not begin due to timeliness of funds being released. Agency reserves of an additional \$168,087 Federal due to match rate and \$384,474 Healthy Families Trust Fund due to lower revenue than anticipated and was offset with a GR supplemental for \$384,474.

(2) FY15 \$17,300,000 GR and corresponding federal match of \$30,431,947 for adult dental benefits restricted.

(3) FY16 Lapse attributed to Department not receiving CMS approval until May, 2016.

## CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

### Cost Per Eligible - Per Member Per Month (PMPM)

	Dental PMPM*	Acute Care PMPM	Total PMPM	Dental Percentage of Acute	Dental Percentage of Total
PTD	\$1.73	\$1,102.14	\$1,988.02	0.16%	0.09%
Seniors	\$1.57	\$380.60	\$1,585.20	0.41%	0.10%
Custodial Parents	\$0.16	\$462.53	\$495.56	0.03%	0.03%
Children*	\$1.45	\$259.53	\$287.18	0.56%	0.50%
Pregnant Women	\$2.01	\$732.32	\$748.13	0.27%	0.27%

Source: Table 23 Medical Statistics for Fiscal Year 2016 (Paid Claims Data)

\* CHIP eligibles not included

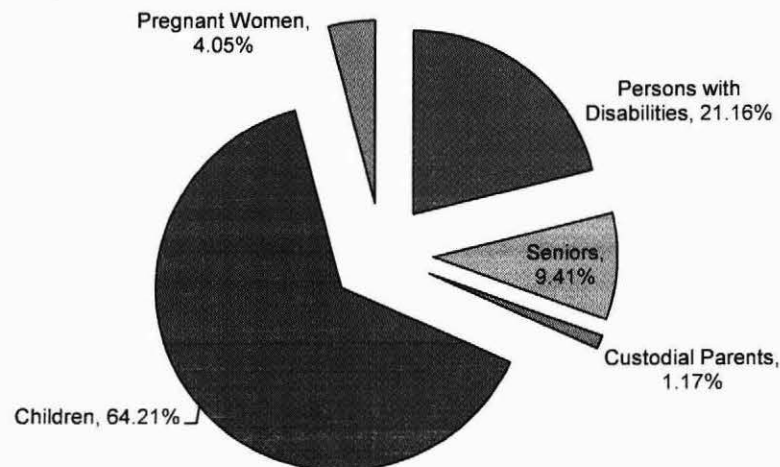
The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MHD management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending. PMPM by eligibility group and type of service serves as a baseline for management to determine if cost control interventions are working as intended. Monitoring PMPM amounts allow tracking by a population so that a shift in services is reflected in one metric.

The PMPM table reflects the PMPM amounts for dental care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, drugs, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MHD. It does **not** include nursing facilities, in-home services, mental health services and state institutions. By comparing the dental PMPM to the acute care PMPM, MHD management can monitor the progress of interventions controlled by MHD management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for dental services. It provides a snapshot of what eligibility groups are receiving the services, as well as the populations impacted by program changes.

### Dental Spending by Large Eligibility Group



Source: Table 23 Medical Statistics for Fiscal Year 2016 (Paid Claims Data)

**CORE RECONCILIATION DETAIL**

**DEPARTMENT OF SOCIAL SERVICES**  
**DENTAL**

**5. CORE RECONCILIATION DETAIL**

				<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>TAFP AFTER VETOES</b>										
				PD	0.00	4,346,912	9,505,328	919,935	14,772,175	
				<b>Total</b>	<b>0.00</b>	<b>4,346,912</b>	<b>9,505,328</b>	<b>919,935</b>	<b>14,772,175</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>										
Core Reallocation	619	8199		PD	0.00	0	(6,824,996)	0	(6,824,996)	Reallocation to Mgd Care to align the budget.
Core Reallocation	619	8198		PD	0.00	(3,781,691)	0	0	(3,781,691)	Reallocation to Mgd Care to align the budget.
<b>NET DEPARTMENT CHANGES</b>					<b>0.00</b>	<b>(3,781,691)</b>	<b>(6,824,996)</b>	<b>0</b>	<b>(10,606,687)</b>	
<b>DEPARTMENT CORE REQUEST</b>										
				PD	0.00	565,221	2,680,332	919,935	4,165,488	
				<b>Total</b>	<b>0.00</b>	<b>565,221</b>	<b>2,680,332</b>	<b>919,935</b>	<b>4,165,488</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>										
Core Reduction	1385	8199		PD	0.00	0	(2,563)	0	(2,563)	FMAP adjustment
Core Reduction	1779	8199		PD	0.00	0	(307,159)	0	(307,159)	FY 18 core reduction
Core Reduction	1779	8198		PD	0.00	(178,637)	0	0	(178,637)	FY 18 core reduction
Core Reallocation	619	8199		PD	0.00	0	(47,445)	0	(47,445)	Reallocation to Mgd Care to align the budget.
Core Reallocation	619	8198		PD	0.00	(25,411)	0	0	(25,411)	Reallocation to Mgd Care to align the budget.
<b>NET GOVERNOR CHANGES</b>					<b>0.00</b>	<b>(204,048)</b>	<b>(357,167)</b>	<b>0</b>	<b>(561,215)</b>	

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**CORE RECONCILIATION DETAIL**

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**DEPARTMENT OF SOCIAL SERVICES****DENTAL**

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**5. CORE RECONCILIATION DETAIL**

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	<b>Budget Class</b>	<b>FTE</b>	<b>GR</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Explanation</b>
<b>GOVERNOR'S RECOMMENDED CORE</b>							
	PD	0.00	361,173	2,323,165	919,935	3,604,273	
	<b>Total</b>	<b>0.00</b>	<b>361,173</b>	<b>2,323,165</b>	<b>919,935</b>	<b>3,604,273</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>DENTAL</b>									
<b>CORE</b>									
EXPENSE & EQUIPMENT									
GENERAL REVENUE	74,802	0.00	0	0.00	0	0.00	0	0.00	
TITLE XIX-FEDERAL AND OTHER	36,192	0.00	0	0.00	0	0.00	0	0.00	
TOTAL - EE	110,994	0.00	0	0.00	0	0.00	0	0.00	
PROGRAM-SPECIFIC									
GENERAL REVENUE	651,311	0.00	4,346,912	0.00	565,221	0.00	361,173	0.00	
TITLE XIX-FEDERAL AND OTHER	3,342,027	0.00	9,505,328	0.00	2,680,332	0.00	2,323,165	0.00	
HEALTH INITIATIVES	69,027	0.00	71,162	0.00	71,162	0.00	71,162	0.00	
TAX AMNESTY FUND	95,107	0.00	0	0.00	0	0.00	0	0.00	
HEALTHY FAMILIES TRUST	317,498	0.00	848,773	0.00	848,773	0.00	848,773	0.00	
TOTAL - PD	4,474,970	0.00	14,772,175	0.00	4,165,488	0.00	3,604,273	0.00	
<b>TOTAL</b>	<b>4,585,964</b>	<b>0.00</b>	<b>14,772,175</b>	<b>0.00</b>	<b>4,165,488</b>	<b>0.00</b>	<b>3,604,273</b>	<b>0.00</b>	
<b>MHD Cost to Continue - 1886001</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,963,292	0.00	1,263,321	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,580,721	0.00	1,827,159	0.00	
TOTAL - PD	0	0.00	0	0.00	4,544,013	0.00	3,090,480	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>4,544,013</b>	<b>0.00</b>	<b>3,090,480</b>	<b>0.00</b>	
<b>Asset Limit Increase - HB 1565 - 1886012</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	45,868	0.00	25,635	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	78,867	0.00	46,092	0.00	
TOTAL - PD	0	0.00	0	0.00	124,735	0.00	71,727	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>124,735</b>	<b>0.00</b>	<b>71,727</b>	<b>0.00</b>	

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# FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b> 90546C <b>BUDGET UNIT NAME:</b> Dental <b>HOUSE BILL SECTION:</b> 11.460	<b>DEPARTMENT:</b> Social Services <b>DIVISION:</b> MO HealthNet
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**1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.**

<b>Governor's Recommendation</b>									
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; width: 15%;"><b>Total</b></td> <td style="text-align: right; width: 15%;"><b>% Flex</b></td> <td style="text-align: right; width: 15%;"><b>Flex Amount</b></td> <td></td> </tr> <tr> <td style="text-align: right;">\$ 6,769,043</td> <td style="text-align: right;">10%</td> <td style="text-align: right;">\$ 676,904</td> <td></td> </tr> </table>	<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>		\$ 6,769,043	10%	\$ 676,904		Not more than ten percent (10%) flexibility is requested between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.550, 11.555, and 11.600
<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>							
\$ 6,769,043	10%	\$ 676,904							

**2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.**

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST - GOVERNOR'S REC ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY18

**3. Please explain how flexibility was used in the prior and/or current years.**

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.

## DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>DENTAL</b>								
<b>FMAP Adjustment - 1886025</b>								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	2,563	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	2,563	0.00
TOTAL	0	0.00	0	0.00	0	0.00	2,563	0.00
<b>GRAND TOTAL</b>	<b>\$4,585,964</b>	<b>0.00</b>	<b>\$14,772,175</b>	<b>0.00</b>	<b>\$8,834,236</b>	<b>0.00</b>	<b>\$6,769,043</b>	<b>0.00</b>

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
DENTAL								
CORE								
PROFESSIONAL SERVICES	110,777	0.00	0	0.00	0	0.00	0	0.00
MISCELLANEOUS EXPENSES	217	0.00	0	0.00	0	0.00	0	0.00
TOTAL - EE	110,994	0.00	0	0.00	0	0.00	0	0.00
PROGRAM DISTRIBUTIONS	4,474,970	0.00	14,772,175	0.00	4,165,488	0.00	3,604,273	0.00
TOTAL - PD	4,474,970	0.00	14,772,175	0.00	4,165,488	0.00	3,604,273	0.00
GRAND TOTAL	\$4,585,964	0.00	\$14,772,175	0.00	\$4,165,488	0.00	\$3,604,273	0.00
GENERAL REVENUE	\$726,113	0.00	\$4,346,912	0.00	\$565,221	0.00	\$361,173	0.00
FEDERAL FUNDS	\$3,378,219	0.00	\$9,505,328	0.00	\$2,680,332	0.00	\$2,323,165	0.00
OTHER FUNDS	\$481,632	0.00	\$919,935	0.00	\$919,935	0.00	\$919,935	0.00

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.460**

**Program Name: Dental**

**Program is found in the following core budget(s): Dental**

### 1. What does this program do?

#### Program Description

Dental services include diagnostic, preventive, and corrective procedures provided by a licensed dentist or dental hygienist. The dentist must be enrolled in the MO HealthNet program. Generally, dental services include the following:

- Treatment of the teeth and associated structure of the oral cavity;
- Preparation, fitting, and repair of dentures and associated appliances; and
- Treatment of disease, injury, or impairments that affect the general oral health of a participant.

MO HealthNet currently offers comprehensive dental services for children, pregnant women, the blind, and residents of a nursing facility or ICF/ID. Coverage for adults is more limited and includes dental services in tiers 1-6 and care related to trauma of the mouth, jaw, teeth, or other contiguous sites. *See Additional Details for more information on dental services available to participants.*

#### Program Statistics

The total number of fee-for-service participants eligible for dental services is 117,867 (as of June 2016). The dental program comprises .218% of the total Medicaid program dollars. As of June 2016, there were 814 dental providers enrolled in MO HealthNet. 669 of these providers are employed by a rural health clinic (RHC) or federally qualified health clinic (FQHC). In FY16, 66% of all dental claims were provided by dental professionals in an RHC or FQHC.

#### Program Goals

To provide access to dental care in the appropriate setting and to improve the oral health of MO HealthNet participants.

#### Program Objectives

Improve the overall health of MO HealthNet participants by improving oral health through the use of diagnostic, preventative, and corrective dental services.

Ensure adequate supply of dental providers who can provide quality diagnostic, preventative, and corrective dental services.

Ensure MO HealthNet-eligible children have access to dental screenings and Early and Periodic Screening Diagnosis and Treatment (EPSDT) services, also known as the Healthy Children and Youth (HCY) program.

#### Reimbursement Methodology

Dental services are reimbursed in the fee-for-service and managed care settings. For managed care participants, dental services are reimbursed by MO HealthNet through the actuarially sound capitated rate paid to the Managed Care Organizations (MCO's). *See Managed Care tab for more information.* Dental rates are reimbursed through fee-for-service based on maximum allowable amounts identified on a fee schedule. Prior authorization is required in the fee for service program for certain services such as orthodontic treatment, composite resin crowns, metallic and porcelain/ceramic inlay restorations, and high noble metal crowns. The services of a dentist may be administered in a variety of settings including the provider's office, a hospital, nursing home, or clinic. If dental services are billed by a rural health clinic (RHC) or federally qualified health clinic (FQHC), the reimbursement methodology is different and would be paid out of the Physician-Related Services line (*see Physician-Related Services tab for more information*). Services rendered by a dental hygienist are typically billed by the dentist. However, certain dental hygienists who have been licensed for at least three consecutive years and practicing in a public health setting may bill independently.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.460**

**Program Name: Dental**

**Program is found in the following core budget(s): Dental**

Services rendered by someone other than a dentist or dental hygienist, including appropriate supplies, are billable only where there is direct personal supervision by the dentist. This applies to services rendered by auxiliary personnel employed by the dentist and working under his/her on-site supervision and is restricted to non-physician anesthetists (including Certified Registered Nurse Anesthetists and Anesthesiologist Assistants), dental assistants, and certified dental assistants.

A copayment, a portion of the providers' charges paid by the participant, is required on many dental services and is determined in state regulation (13 CSR 70-4.050). According to 42 CFR Section 447.56(c)(1), MHD is required to reimburse providers a rate less any assessed co-pay. It is the responsibility of the provider to collect the copay from the participant. The copayment for a service can range between \$0.50 to \$3.00 for dental services; however, some services and participants are exempt from copay requirements. *See Physician-Related Services for a detailed list of copay exemptions.*

### **Rate History**

7/1/2016: 2% rate increase

1/1/2016: 1% rate increase (Tax Amnesty Fund)

7/1/2009: Maximum allowable reimbursement rates were increased to 38.75% of the 50th percentile of the usual and customary rate listed in the 2007 NDAS Comprehensive Fee Report.

7/1/2008: Maximum allowable reimbursement rates were increased to 38.5% of the 50th percentile of the usual and customary rate listed in the 2007 National Dental Advisory Service (NDAS) Comprehensive Fee Report.

### **Additional Details**

#### Service Information

For children under 21, pregnant women, the blind, and nursing facility residents (including ICF/ID), covered services under the dental program include, in part, the following: examinations; fillings; sealants; prophylaxis; fluoride treatments; extractions; anesthesia; crowns; injections; oral surgery; periodontal treatment (in limited cases); pulp treatment; restoration; root canal therapy; x-rays; dentures (full or partial), denture adjustments or repairs, and denture duplication or relines. Orthodontic services, the field of dentistry associated with the correction of abnormally positioned or misaligned teeth, are available only to children under age 21 for the most severe malocclusions.

Coverage for adults for dental services in tiers 1-6 was added effective January 2016. Expanded coverage of dental services for adults in Missouri includes preventive services, restorative services, periodontal treatment, oral surgery, extractions, radiographs, pain evaluation and relief, infection control, and general anesthesia. Prior to January 2016, MO HealthNet only covered dental services for adults age 21 and over (except individuals noted above) if the dental care was related to trauma of the mouth, jaw, teeth or other contiguous sites as a result of injury or for the treatment of a medical condition without which the health of the individual would be adversely affected. Treatment for such a medical condition would require a written referral from the participant's physician stating that the absence of dental treatment would adversely affect a stated pre-existing medical condition.

## **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State Statute: RSMo. 208.152, 208.166; Federal law: Social Security Act Section 1905(a)(10); Federal regulation: 42 CFR 440.100

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.460**

**Program Name: Dental**

**Program is found in the following core budget(s): Dental**

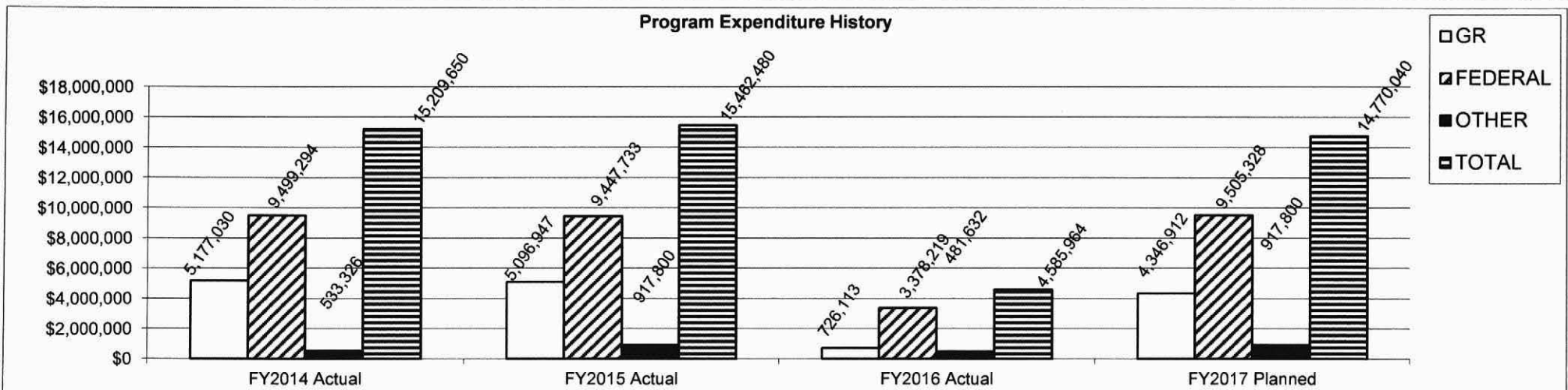
### 3. Are there federal matching requirements? If yes, please explain.

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY18 is a blended 64.260% federal match. The state matching requirement is 35.740%.

### 4. Is this a federally mandated program? If yes, please explain.

Yes, only for children.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 planned is net of reverted.

### 6. What are the sources of the "Other " funds?

Health Initiatives Fund (0275) and Healthy Families Trust Fund (0625).

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.460**

**Program Name: Dental**

**Program is found in the following core budget(s): Dental**

### 7a. Provide an effectiveness measure.

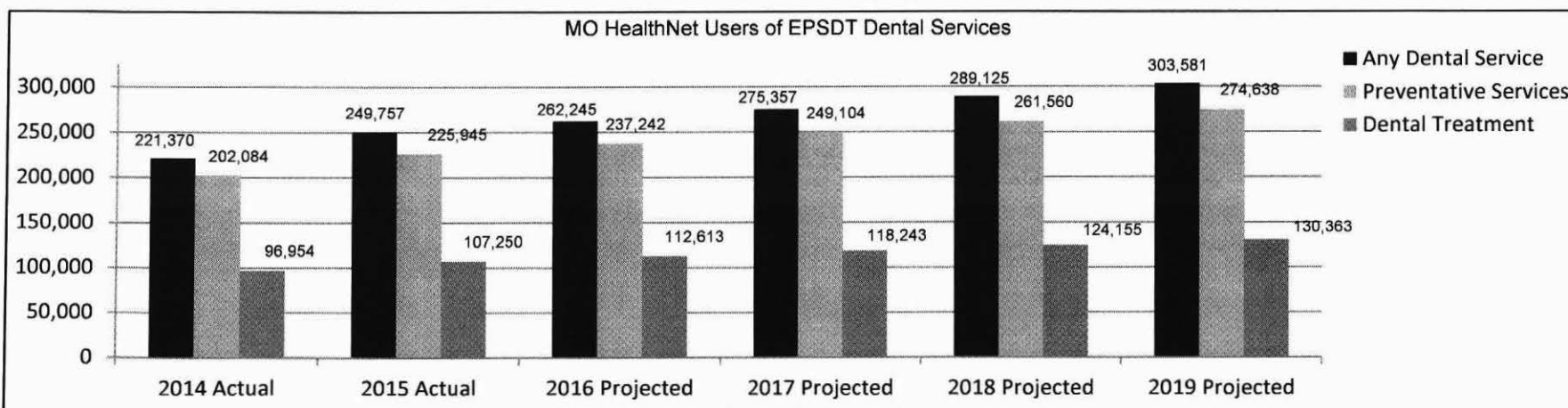
Maintain or increase the ratio of participants who receive EPSDT screenings. The purpose of the Early Periodic Screening Diagnosis and Treatment/ Healthy Children and Youth (EPSDT/HCY) program is to ensure a comprehensive, preventive health care program for Missouri. The HCY program provides early and periodic medical, dental, vision, and hearing screening, diagnosis and treatment to ameliorate defects and chronic conditions found during the screening. A dental screening is available to children from birth until they become 21 years of age.

#### EPSDT Participant Ratio

* Federal Fiscal Year	Participants Who Should Have Received a Screening	Participants Who Received At Least One Screening	Percent
2014 Actual	395,881	278,040	70%
2015 Actual	432,703	304,370	70%
2016 Projected	432,703	304,370	70%
2017 Projected	432,703	304,370	70%
2018 Projected	432,703	304,370	70%
2019 Projected	432,703	304,370	70%

\*Based on federal fiscal year in which report was submitted to CMS.

FFY 16 will be available February, 2017.



Note: Data includes both fee-for-service and Managed Care. Based on federal fiscal year in which report was submitted to CMS.

FFY 16 will be available February, 2017.



## PROGRAM DESCRIPTION

Department: Social Services

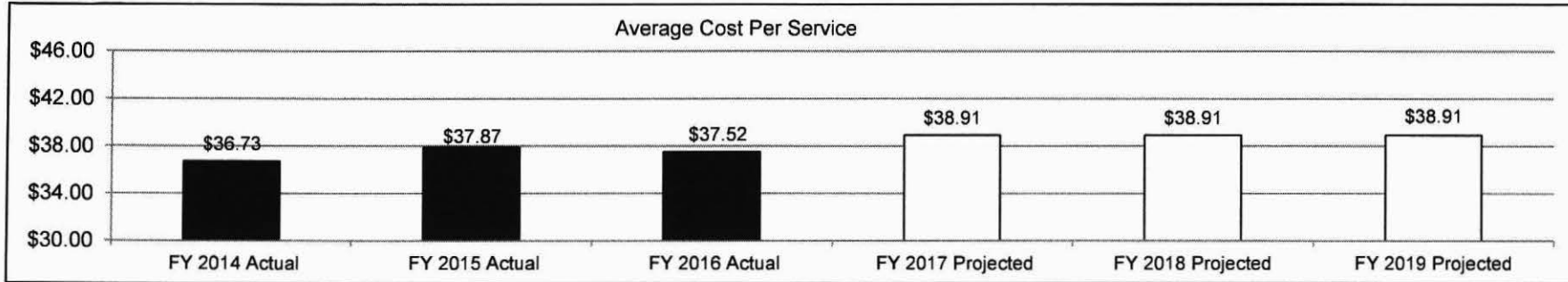
HB Section: 11.460

Program Name: Dental

Program is found in the following core budget(s): Dental

### 7b. Provide an efficiency measure.

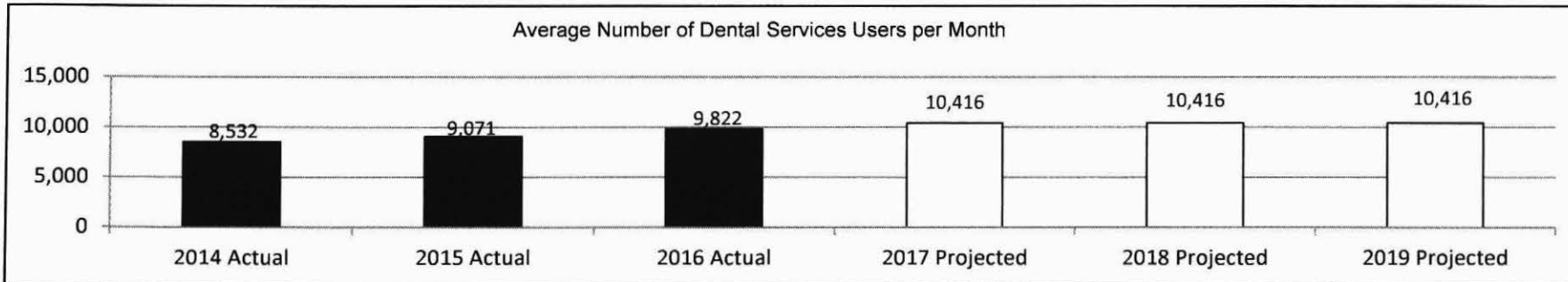
Provide adequate dental services to MO HealthNet recipients with the funds appropriated.



### 7c. Provide the number of clients/individuals served, if applicable.

Effective September 1, 2005 dental services are available only to children, pregnant women, the blind, and nursing facility residents (including ICF/IID). Dental services are available to other adults if the dental care was related to trauma or a disease/medical condition. Qualified Medicare Beneficiaries (QMB) are not eligible for dental services. In the regions of the state where managed care has been implemented, children and pregnant women have dental services available through the managed care health plans.

SB 577 (2007) provided medically necessary dental services for adults; however, funding was not appropriated until FY 2016 for these services. Coverage for adults for services in tiers 1-6 is funded in FY 2016 with the Tax Amnesty Fund.



Source: Table 23 Medical Statistics for Fiscal Year 2016 (Paid Claims Data)

### 7d. Provide a customer satisfaction measure, if available.

N/A





Premium Payments

# CORE DECISION ITEM

Department: Social Services  
Division: MO HealthNet  
Core: Premium Payments

Budget Unit: 90547C

HB Section: 11.465

## 1. CORE FINANCIAL SUMMARY

FY 2018 Budget Request					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	78,237,045	160,146,148		238,383,193	
TRF					
<b>Total</b>	<b>78,237,045</b>	<b>160,146,148</b>		<b>238,383,193</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

FY 2018 Governor's Recommendation					
	GR	Federal	Other	Total	E
PS					
EE					
PSD	78,237,045	159,730,213		237,967,258	
TRF					
<b>Total</b>	<b>78,237,045</b>	<b>159,730,213</b>		<b>237,967,258</b>	

FTE 0.00

<b>Est. Fringe</b>	0	0	0	0
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Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds: N/A

## 2. CORE DESCRIPTION

This item funds premium payments for health insurance through the following MO HealthNet programs:

- 1) Medicare Buy-In program for individuals dually enrolled in MO HealthNet and Medicare; and
- 2) Health Insurance Premium Payment (HIPP) program for individuals enrolled in MO HealthNet and commercial or employer-sponsored health insurance.

Payment of these premiums allows for MO HealthNet to transfer medical costs from the MO HealthNet program to Medicare and other payers.

## 3. PROGRAM LISTING (list programs included in this core funding)

Premium Payments Program:  
Medicare Part A and Part B Buy-In  
Health Insurance Premium Payment (HIPP) Program

# CORE DECISION ITEM

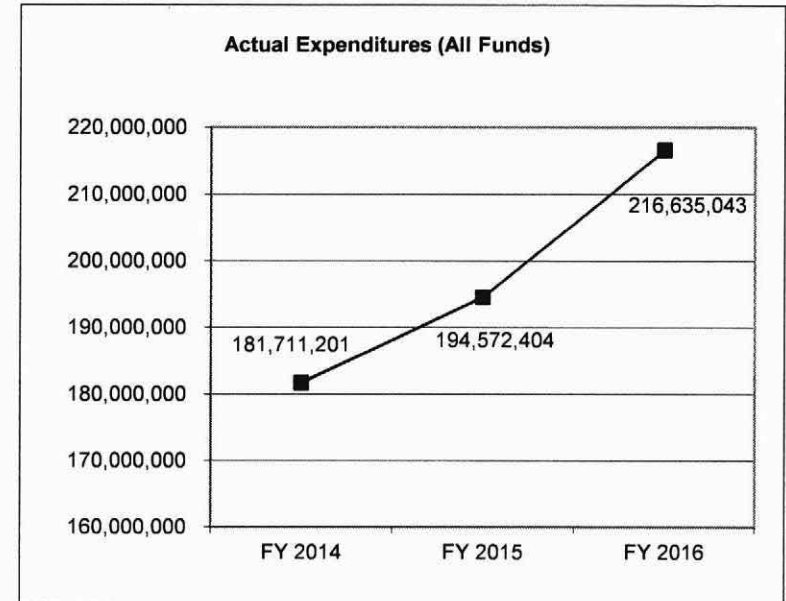
Department: Social Services  
Division: MO HealthNet  
Core: Premium Payments

Budget Unit: 90547C

HB Section: 11.465

## 4. FINANCIAL HISTORY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Current Yr.
Appropriation (All Funds)	181,712,730	200,219,496	220,826,138	241,445,231
Less Reverted (All Funds)	0	(600,000)	(1,120,966)	N/A
Less Restricted (All Funds)	0	0	0	N/A
Budget Authority (All Funds)	181,712,730	199,619,496	219,705,172	N/A
Actual Expenditures (All Funds)	181,711,201	194,572,404	216,635,043	N/A
Unexpended (All Funds)	1,529	5,047,092	3,070,129	N/A
Unexpended, by Fund:				
General Revenue	581	0	72,560	N/A
Federal	948	5,047,092	2,997,569	N/A
Other	0	0		N/A
	(1)	(2)		



Reverted includes statutory reserve amounts (when applicable).

Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

### NOTES:

(1) FY14 Expenditures of \$11,059,968 were paid out of the supplemental pool.

(2) FY15 Expenditures of \$37,773 were paid to Blind Medical; \$30,244 expenditures were paid from MC.

## CORE DECISION ITEM

**Department: Social Services**  
**Division: MO HealthNet**  
**Core: Premium Payments**

**Budget Unit: 90547C**

**HB Section: 11.465**

### Cost Per Eligible - Per Member Per Month (PMPM)

	Premium Payments PMPM*	Acute Care PMPM	Total PMPM	Premium Payments Percentage of Acute	Premium Payments Percentage of Total
PTD	\$58.36	\$1,102.14	\$1,988.02	5.30%	2.94%
Seniors	\$106.06	\$380.60	\$1,585.20	27.87%	6.69%
Custodial Parents	\$0.07	\$462.53	\$495.56	0.02%	0.01%
Children*	\$0.00	\$259.53	\$287.18	0.00%	0.00%
Pregnant Women	\$0.00	\$732.32	\$748.13	0.00%	0.00%

Source: Table 23 Medical Statistics for Fiscal Year 2016 (Paid Claims Data).

\* CHIP eligibles not included

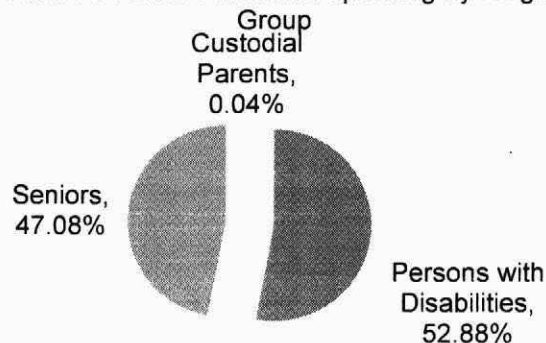
The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MO HealthNet management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

The PMPM table reflects the PMPM amounts for managed care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MO HealthNet. It does not include nursing facilities, in-home services, mental health services and state institutions. By comparing the managed care PMPM to the acute care PMPM, MO HealthNet management can monitor the progress of interventions controlled by MO HealthNet management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for managed care. It provides a snapshot of what eligibility groups are enrolled in managed care, as well as the populations impacted by program changes.

### Medicare Part A & Part B Premiums Spending by Large Eligibility



Source: Table 23 Medical Statistics for Fiscal Year 2016 (Paid Claims Data).

## CORE RECONCILIATION DETAIL

### DEPARTMENT OF SOCIAL SERVICES PREMIUM PAYMENTS

#### 5. CORE RECONCILIATION DETAIL

			Budget Class	FTE	GR	Federal	Other	Total	Explanation
<b>TAFP AFTER VETOES</b>									
			PD	0.00	78,237,045	163,208,186	0	241,445,231	
			<b>Total</b>	<b>0.00</b>	<b>78,237,045</b>	<b>163,208,186</b>	<b>0</b>	<b>241,445,231</b>	
<b>DEPARTMENT CORE ADJUSTMENTS</b>									
Core Reduction	241	8201	PD	0.00	0	(3,062,038)	0	(3,062,038)	Core reduction for one-time federal funds.
<b>NET DEPARTMENT CHANGES</b>				<b>0.00</b>	<b>0</b>	<b>(3,062,038)</b>	<b>0</b>	<b>(3,062,038)</b>	
<b>DEPARTMENT CORE REQUEST</b>									
			PD	0.00	78,237,045	160,146,148	0	238,383,193	
			<b>Total</b>	<b>0.00</b>	<b>78,237,045</b>	<b>160,146,148</b>	<b>0</b>	<b>238,383,193</b>	
<b>GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS</b>									
Core Reduction	1386	8201	PD	0.00	0	(415,935)	0	(415,935)	FMAP adjustment
<b>NET GOVERNOR CHANGES</b>				<b>0.00</b>	<b>0</b>	<b>(415,935)</b>	<b>0</b>	<b>(415,935)</b>	
<b>GOVERNOR'S RECOMMENDED CORE</b>									
			PD	0.00	78,237,045	159,730,213	0	237,967,258	
			<b>Total</b>	<b>0.00</b>	<b>78,237,045</b>	<b>159,730,213</b>	<b>0</b>	<b>237,967,258</b>	

## DECISION ITEM SUMMARY

Budget Unit									
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018	
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC	
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	
<b>PREMIUM PAYMENTS</b>									
<b>CORE</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	74,004,090	0.00	78,237,045	0.00	78,237,045	0.00	78,237,045	0.00	
TITLE XIX-FEDERAL AND OTHER	142,630,953	0.00	163,208,186	0.00	160,146,148	0.00	159,730,213	0.00	
TOTAL - PD	216,635,043	0.00	241,445,231	0.00	238,383,193	0.00	237,967,258	0.00	
<b>TOTAL</b>	<b>216,635,043</b>	<b>0.00</b>	<b>241,445,231</b>	<b>0.00</b>	<b>238,383,193</b>	<b>0.00</b>	<b>237,967,258</b>	<b>0.00</b>	
<b>MHD GR Pickup - 1886003</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	3,062,038	0.00	3,062,038	0.00	
TOTAL - PD	0	0.00	0	0.00	3,062,038	0.00	3,062,038	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>3,062,038</b>	<b>0.00</b>	<b>3,062,038</b>	<b>0.00</b>	
<b>Medicare Premium Increase - 1886004</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	15,261,680	0.00	5,923,867	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	28,008,484	0.00	11,140,574	0.00	
TOTAL - PD	0	0.00	0	0.00	43,270,164	0.00	17,064,441	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>43,270,164</b>	<b>0.00</b>	<b>17,064,441</b>	<b>0.00</b>	
<b>Asset Limit Increase - HB 1565 - 1886012</b>									
PROGRAM-SPECIFIC									
GENERAL REVENUE	0	0.00	0	0.00	1,729,499	0.00	966,615	0.00	
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,973,806	0.00	1,737,959	0.00	
TOTAL - PD	0	0.00	0	0.00	4,703,305	0.00	2,704,574	0.00	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>4,703,305</b>	<b>0.00</b>	<b>2,704,574</b>	<b>0.00</b>	

# DECISION ITEM SUMMARY

Budget Unit								
Decision Item	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
FMAP Adjustment - 1886025								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	0	0.00	415,935	0.00
TOTAL - PD	0	0.00	0	0.00	0	0.00	415,935	0.00
TOTAL	0	0.00	0	0.00	0	0.00	415,935	0.00
GRAND TOTAL	\$216,635,043	0.00	\$241,445,231	0.00	\$289,418,700	0.00	\$261,214,246	0.00

## FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b> 90547C <b>BUDGET UNIT NAME:</b> Premium Payments <b>HOUSE BILL SECTION:</b> 11.465	<b>DEPARTMENT:</b> Social Services <b>DIVISION:</b> MO HealthNet
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**1. Provide the amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.**

### Governor's Recommendation

<b>Total</b>	<b>% Flex</b>	<b>Flex Amount</b>
\$ 261,214,246	10%	\$ 26,121,425

Not more than ten percent (10%) flexibility is requested between sections 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.550, 11.555, and 11.600

**2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount.**

PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED	CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED	BUDGET REQUEST - GOVERNOR'S REC ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
None	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.505, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY18

**3. Please explain how flexibility was used in the prior and/or current years.**

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
N/A	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.



# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
<b>CORE</b>								
PROGRAM DISTRIBUTIONS	216,635,043	0.00	241,445,231	0.00	238,383,193	0.00	237,967,258	0.00
TOTAL - PD	216,635,043	0.00	241,445,231	0.00	238,383,193	0.00	237,967,258	0.00
<b>GRAND TOTAL</b>	<b>\$216,635,043</b>	<b>0.00</b>	<b>\$241,445,231</b>	<b>0.00</b>	<b>\$238,383,193</b>	<b>0.00</b>	<b>\$237,967,258</b>	<b>0.00</b>
GENERAL REVENUE	\$74,004,090	0.00	\$78,237,045	0.00	\$78,237,045	0.00	\$78,237,045	0.00
FEDERAL FUNDS	\$142,630,953	0.00	\$163,208,186	0.00	\$160,146,148	0.00	\$159,730,213	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00

## PROGRAM DESCRIPTION

**Department:** Social Services

**HB Section:** 11.465

**Program Name:** Premium Payments

**Program is found in the following core budget(s):** Premium Payments

### 1. What does this program do?

#### **Program Description**

The purpose of the Medicare Buy-in Program and the Health Insurance Premium Payment (HIPP) Program is to allow states to enroll certain groups of eligible individuals in Medicare or private insurance and pay their monthly premiums to transfer medical costs from the Title XIX Medicaid program to the Medicare program - Title XVIII or other payers. This process allows the state to realize cost savings through substitution of Medicare or other payer liability for the majority of the medical costs before a provider may seek reimbursement for the remaining uncompensated portion of the services.

#### Medicare Buy-In Program

Medicare has three sets of basic coverage:

- Part A, which pays for hospitalization costs;
- Part B, which pays for physician services, lab and x-ray services, durable medical equipment, and outpatient and other services; and
- Part D which provides coverage of prescription drug costs (see MORx tab for additional information on Part D).

The Medicare Buy-In Program assists “dual eligibles”, individuals who are entitled to Medicare Part A and/or Part B and are eligible for some form of MO HealthNet benefit, by reducing their out-of-pocket expenses. There are two types of dual eligibles—full duals and partial duals. For partial duals, MO HealthNet only funds the Medicare Part A and/or Part B premium; for, full duals MO HealthNet funds the Medicare Part A and/or Part B premium and the participant receives MO HealthNet “wrap-around” benefits. Wrap-around benefits include payments for Medicare coinsurance, Medicare deductibles, and any other service not covered by Medicare. *For more information on dual eligibility categories, see Additional Details.*

#### Health Insurance Premium Payment (HIPP) Program

States are federally mandated to purchase group health insurance (such as employer-sponsored insurance) for an eligible MO HealthNet participant when it is more cost-effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds (Omnibus Budget Reconciliation Act of 1990). The (HIPP) program pays for health insurance for MO HealthNet eligibles when it is determined to be “cost effective”. “Cost effective” means that it costs less to buy other health insurance to cover medical care than to pay for the same services with MO HealthNet funds. *See additional details for more information on how cost effectiveness is determined.*

#### **Program Statistics**

In FY 16, MO HealthNet made monthly Medicare Part B premium payments for 139,891 dual recipients. Of this population, MO HealthNet funded Medicare Part A premiums for 1,242 individuals. MO HealthNet also paid private health insurance premiums for an additional 1,758 individuals on average in FY 16. The Premium program comprises almost 3.01% of the total Medicaid program dollars.

#### **Program Goals**

To assist the state in cost avoidance and cost recovery by paying for Medicare or private insurance premiums, co-pays, and deductibles for participants who meet eligibility guidelines.

#### **Program Objectives**

To increase access to coverage for those individuals who qualify for state or federal health insurance premium assistance.

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.465**

**Program Name: Premium Payments**

**Program is found in the following core budget(s): Premium Payments**

### Reimbursement Methodology

Medicare and private insurance premiums are paid monthly. Payment is made directly to Medicare for the Medicare Buy-In Program or the private health insurer for the HIPP Program. Any MO HealthNet wrap-around payments (coinsurance, deductibles, or services not covered by Medicare) made on behalf of full dual eligibles is paid out of the applicable fee-for-service lines (Pharmacy, Physicians-Related Services, Hospital, etc.). These wrap-around payments for full dual eligibles are sometimes called "crossover claims."

### Rate History

Medicare Part A, Part B, and Qualified Individual Premiums (per month)

	Part A	Part B & QI
CY17	\$413.00	\$134.00
CY16	\$411.00	\$121.80
CY15	\$407.00	\$104.90
CY14	\$426.00	\$104.90
CY13	\$441.00	\$104.90
CY12	\$451.00	\$99.90
CY11	\$450.00	\$115.40
CY10	\$461.00	\$110.50
CY09	\$443.00	\$96.40
CY08	\$423.00	\$96.40
CY07	\$410.00	\$93.50

### Additional Details

#### HIPP Cost Effectiveness

Cost effectiveness is determined by comparing the cost of the medical coverage (includes premium payments, coinsurance, and deductibles) with the average cost of each MO HealthNet eligible person in the household. The average cost of each MO HealthNet participant is calculated based on the previous year's MO HealthNet expenditures with like demographic data: age; sex; geographic location (county); type of assistance (MO HealthNet for Families - MAF, Old Age Assistance - OAA, and disabled); and the types of services covered by the group insurance.

#### Full Dual Beneficiary Categories:

##### Qualified Medicare Beneficiary (QMB) Plus

- MO HealthNet pays Part A (if applicable) and Part B premiums
- Individuals below 100% FPL
- Includes MO HealthNet wrap-around benefits

##### Specified Low-Income Medicare Beneficiary (SLMB) Plus

- MO HealthNet pays only Part B premiums
- Individuals from 100-120% FPL
- Includes MO HealthNet wrap-around benefits

## PROGRAM DESCRIPTION

**Department: Social Services**

**HB Section: 11.465**

**Program Name: Premium Payments**

**Program is found in the following core budget(s): Premium Payments**

### Partial Dual Beneficiary Categories:

#### QMB Only

- MO HealthNet pays both Part A (if applicable) and Part B premiums
- Individuals below 100% FPL
- No MO HealthNet wrap-around benefits

#### SLMB Only

- MO HealthNet pays only Part B premiums
- Individuals from 100-120% FPL
- No Medicaid wrap-around benefits

#### Qualified Individuals (QI)

- MO HealthNet pays only Part B premiums
- Individuals from 120-135% FPL
- Federal Funding 100%
- No MO HealthNet wrap-around benefits

#### Partial "Undesignated"

Partial duals with income 135% FPL or greater

Can include the following individuals:

- Recipients of supplemental nursing care payments
- SSI recipients
- Individuals on spenddown

MO HealthNet pays only Part B premiums

Individuals receive full MO HealthNet benefits

### **2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State statute: RSMo 208.153; Federal law: Social Security Act Section 1905(p)(1), 1902(a)(10) and 1906; Federal Regulation: 42 CFR 406.26 and 431.625

### **3. Are there federal matching requirements? If yes, please explain.**

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the annual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY18 is a blended 64.260% federal match. The state matching requirement is 35.740%. 100% federal funds for QI.

## PROGRAM DESCRIPTION

**Department:** Social Services

**HB Section:** 11.465

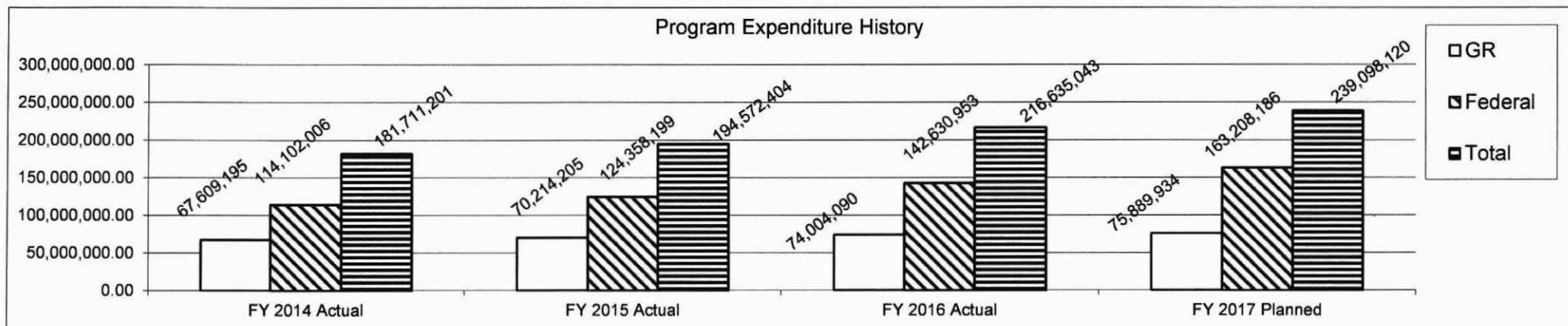
**Program Name:** Premium Payments

**Program is found in the following core budget(s):** Premium Payments

### 4. Is this a federally mandated program? If yes, please explain.

Yes, if the state elects to have a Medicaid program.

### 5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



FY 2017 planned is net of reverted.

### 6. What are the sources of the "Other " funds?

N/A

## PROGRAM DESCRIPTION

**Department: Social Services**

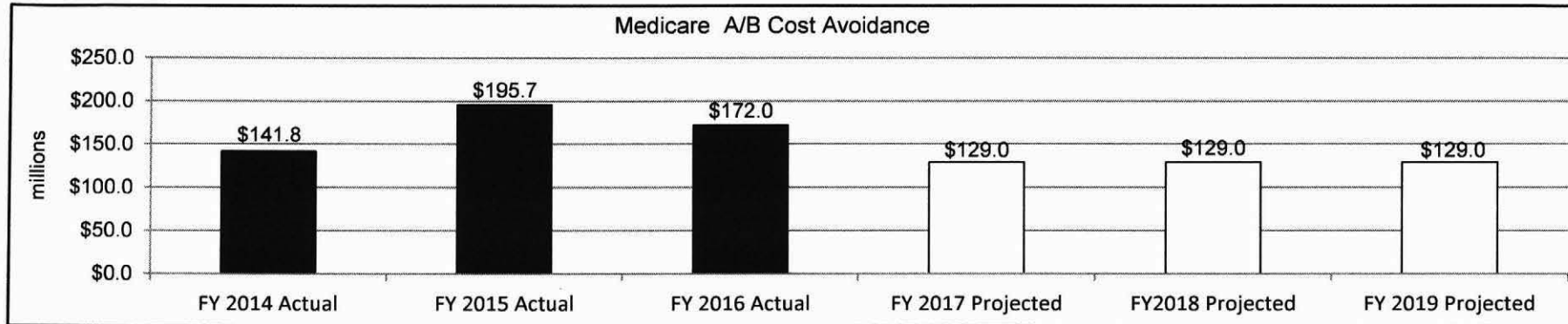
**HB Section: 11.465**

**Program Name: Premium Payments**

**Program is found in the following core budget(s): Premium Payments**

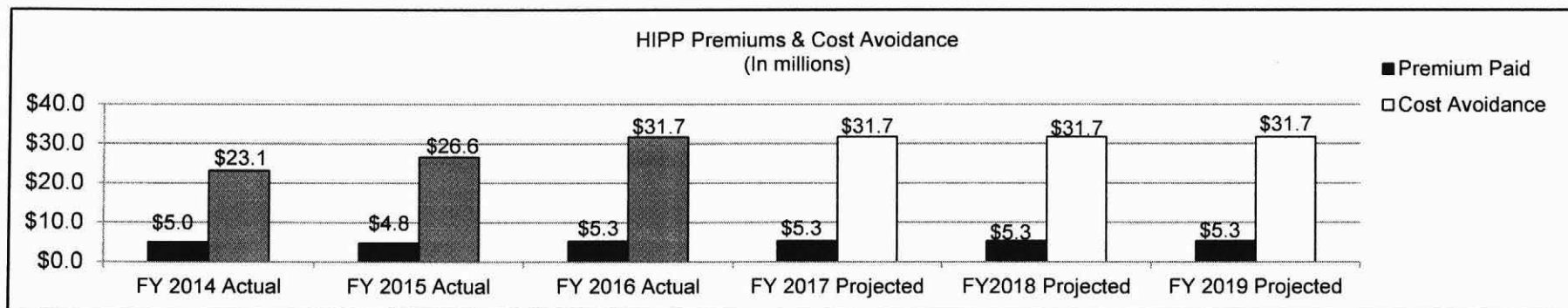
### 7a. Provide an effectiveness measure.

Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, the MO HealthNet avoided over \$172.0 million in SFY 2016 as shown in the chart below



### 7b. Provide an efficiency measure.

Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for MO HealthNet eligibles when it is cost effective to do so. In FY16, the MO HealthNet Division paid \$5.3 million for health insurance premiums, coinsurance and deductibles and avoided \$31.7 million in costs.

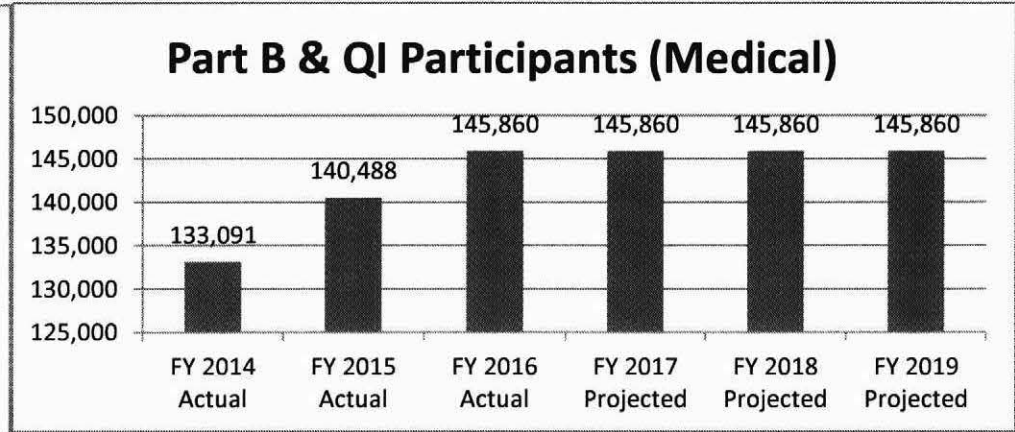
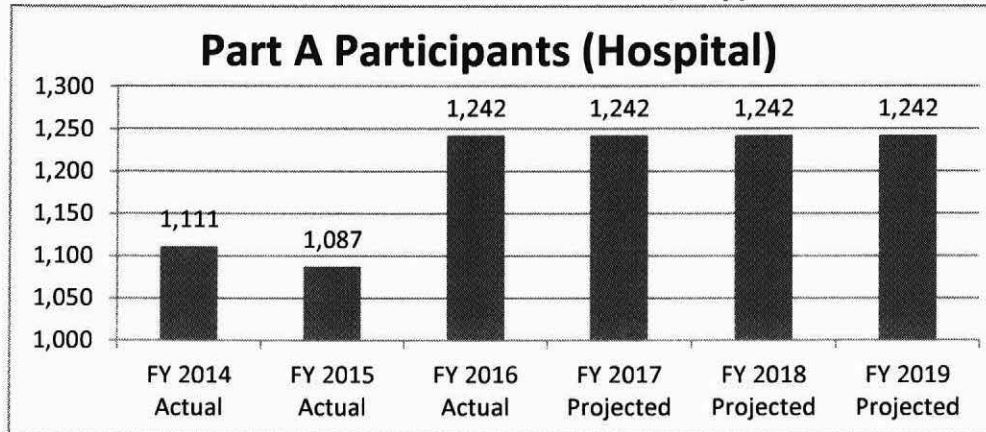


## PROGRAM DESCRIPTION

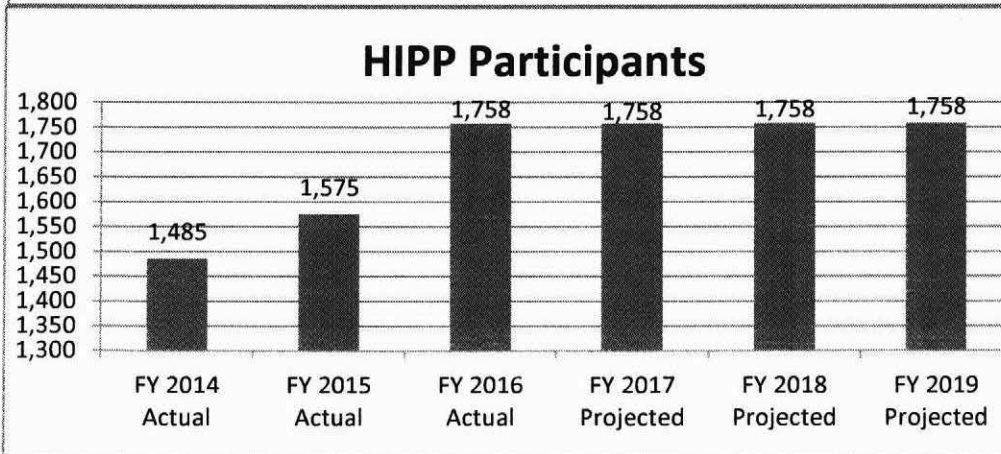
**Department:** Social Services  
**Program Name:** Premium Payments  
**Program is found in the following core budget(s):** Premium Payments

**HB Section:** 11.465

**7c. Provide the number of clients/individuals served, if applicable.**



Increase of FY2015 participants is due to processing backlog of Part B Participants.



**Participants:**

Part A (Hospital) premium payments can be made for Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals.

Part B (Medical) premium payments can be made for Individuals meeting certain income standards, QMBs, and Specified Low-Income Medicare Beneficiaries.

HIPP: Provisions of OBRA 90 require states to purchase group health insurance for a MO HealthNet participant when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

**7d. Provide a customer satisfaction measure, if available.**

N/A



## NEW DECISION ITEM

RANK: 13 OF 26

Department - Social Services

Division - Mo HealthNet

DI Name - Medicare Premium Increases

DI# 1886004

Budget Unit: 90547C

HB Section: 11.465

## 1. AMOUNT OF REQUEST

## FY 2018 Budget Request

	GR	Federal	Other	Total	E
PS					
EE					
PSD	15,261,680	28,008,484		43,270,164	
TRF					
Total	15,261,680	28,008,484	0	43,270,164	

FTE 0.00 0.00 0.00 0.00

Est. Fringe 0 0 0 0

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

## FY 2018 Governor's Recommendation

	GR	Federal	Other	Total	E
PS					
EE					
PSD	5,923,867	11,140,574		17,064,441	
TRF					
Total	5,923,867	11,140,574	0	17,064,441	

FTE 0.00 0.00 0.00 0.00

Est. Fringe 0 0 0 0

Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.

Other Funds:

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

☐ New Legislation  
☒ Federal Mandate  
☐ GR Pick-Up  
☐ Pay Plan

☐ New Program  
☐ Program Expansion  
☐ Space Request  
☐ Other:

☐ Fund Switch  
☐ Cost to Continue  
☐ Equipment Replacement

## 3. WHY IS THIS FUNDING NEEDED? PROVIDE AN EXPLANATION FOR ITEMS CHECKED IN #2. INCLUDE THE FEDERAL OR STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS PROGRAM.

NDI SYNOPSIS: Funding is requested for anticipated Medicare Part A and Part B increases.

Federal law mandates that the Medicare Part A and Part B premiums cover a certain percentage of the cost of the Medicare program. Medicare Part A and Part B premiums are adjusted each January. Current premium rates (effective January 2016) are \$411 per month for Part A and \$121.80 per month for Part B. MO HealthNet projects the Part B premium rates to increase \$7.20 beginning January 2017 and another \$12.20 in January 2018. Part A premium rates are expected to increase \$5 beginning January 2018. This request is for six months of funding for the calendar year 2017 premium increase and six months of funding for the expected premium increase for calendar year 2018.

The Federal Authority is Social Security Act Section 1905(p)(1), 1902(a)(10), and 1906 and Federal Regulations 42 CFR 406.26 and 431.625. The State Authority is RSMo 208.153.



**NEW DECISION ITEM**  
**RANK: 13 OF 26**

**Department - Social Services**  
**Division - MO HealthNet**  
**DI Name - Medicare Premium Increases**      **DI# 1886004**  
**Budget Unit**      **90547C**  
**HB Section:**      **11.465**

**4. DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT. (How did you determine that the requested number of FTE were appropriate? From what source or standard did you derive the requested levels of funding? Were alternatives such as outsourcing or automation considered? If based on new legislation, does request tie to TAFP fiscal note? If not, explain why. Detail which portions of the request are one-times and how those amounts were calculated.)**

Projected participants are based on historical data. The projected premium increases are based on the average increases in premiums for the last few years as well as other information sources. The federal matching rate used is the blended FY18 FMAP of 64.260%. States are only required to pay the federal share for QIs (Qualified Individual). A QI is an individual with income between 120% and 135% of the federal poverty level with assets of \$6,000 per individual and \$9,000 per couple indexed each year according to Consumer Price Index.

**The difference between the Governor's Recommendation and the Department Request is due to the release of 2017 rates from CMS.**

<b>Department Request:</b>	<b>Part A</b>	<b>Part B</b>	<b>QI</b>	<b>Governor's Recommendation:</b>	<b>Part A</b>	<b>Part B</b>	<b>QI</b>
Eligibles per month (FY17)	1,242	139,891	5,969	Eligibles per month (FY17)	1,291	138,048	8,221
Premium Increase (1/17)	\$0.00	\$22.20	\$22.20	Premium Increase (1/17)	\$0.00	\$7.20	\$7.20
Premium Increase (1/18)	\$5.00	\$27.20	\$27.20	Premium Increase (1/18)	\$5.00	\$12.20	\$12.20
<u>Calendar Year 2017 Increase:</u>				<u>Calendar Year 2017 Increase:</u>			
Average eligibles per month	1,242	139,891	5,969	Average eligibles per month	1,291	138,048	8,221
Premium increase for 2017	\$0.00	\$22.20	\$22.20	Premium increase for 2017	\$0.00	\$7.20	\$7.20
Number of months to increase	12	12	12	Number of months to increase	6	6	6
Projected increase 7/17 - 6/18	0	37,266,962	1,590,142	Projected increase 7/17 - 6/18	0	5,963,674	355,147
<u>Calendar Year 2018 Increase:</u>				<u>Calendar Year 2018 Increase:</u>			
Average eligibles per month	1,242	139,891	5,969	Average eligibles per month	1,291	138,048	8,221
Premium increase for 2018	\$5.00	\$5.00	\$5.00	Premium increase for 2018	\$5.00	\$12.20	\$12.20
Number of months to increase	6	6	6	Number of months to increase	6	6	6
Projected increase 1/18 - 6/18	37,260	4,196,730	179,070	Projected increase 1/18 - 6/18	38,730	10,105,114	601,777
<b>Total</b>	<b>\$37,260</b>	<b>\$41,463,692</b>	<b>\$1,769,212</b>	<b>Total</b>	<b>\$38,730</b>	<b>\$16,068,787</b>	<b>\$956,924</b>

	<b>GR</b>	<b>Federal</b>	<b>Total</b>
Part A Request	13,710	23,550	37,260
Part B Request	15,247,970	26,215,722	41,463,692
Part B QI		1,769,212	1,769,212
<b>Total</b>	<b>\$15,261,680</b>	<b>\$28,008,484</b>	<b>\$43,270,164</b>

	<b>GR</b>	<b>Federal</b>	<b>Total</b>
Part A Request	14,250	24,480	38,730
Part B Request	5,909,617	10,159,170	16,068,787
Part B QI		956,924	956,924
<b>Total</b>	<b>\$5,923,867</b>	<b>\$11,140,574</b>	<b>\$17,064,441</b>

**NEW DECISION ITEM**  
RANK: 13 OF 26

**Budget Unit**                      **90547C**

HB Section: 11.465

**5. BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE. IDENTIFY ONE-TIME COSTS.**

Budget Object Class/Job Class	Dept Req GR DOLLARS	Dept Req GR FTE	Dept Req FED DOLLARS	Dept Req FED FTE	Dept Req OTHER DOLLARS	Dept Req OTHER FTE	Dept Req TOTAL DOLLARS	Dept Req TOTAL FTE	Dept Req One-Time DOLLARS	E
							0	0.0		
							0	0.0		
Total PS	0	0.0	0	0.0	0	0.0	0	0.0	0	
							0			
Total EE	0		0		0		0		0	
Program Distributions	15,261,680		28,008,484				43,270,164			
Total PSD	15,261,680		28,008,484		0		43,270,164		0	
Grand Total	15,261,680	0.0	28,008,484	0.0	0	0.0	43,270,164	0.0	0	

Budget Object Class/Job Class	Gov Rec GR DOLLARS	Gov Rec GR FTE	Gov Rec FED DOLLARS	Gov Rec FED FTE	Gov Rec OTHER DOLLARS	Gov Rec OTHER FTE	Gov Rec TOTAL DOLLARS	Gov Rec TOTAL FTE	Gov Rec One-Time DOLLARS	Gov Rec One-Time FTE
							0	0.0		
							0	0.0		
<b>Total PS</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	
							0			
<b>Total EE</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
Program Distributions	5,923,867		11,140,574				17,064,441			
<b>Total PSD</b>	<b>5,923,867</b>		<b>11,140,574</b>		<b>0</b>		<b>17,064,441</b>		<b>0</b>	
<b>Grand Total</b>	<b>5,923,867</b>	<b>0.0</b>	<b>11,140,574</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>17,064,441</b>	<b>0.0</b>	<b>0</b>	

NEW DECISION ITEM  
RANK: 13 OF 26

Department - Social Services

Budget Unit: 90547C

Division - MO HealthNet

DI Name - Medicare Premium Increases

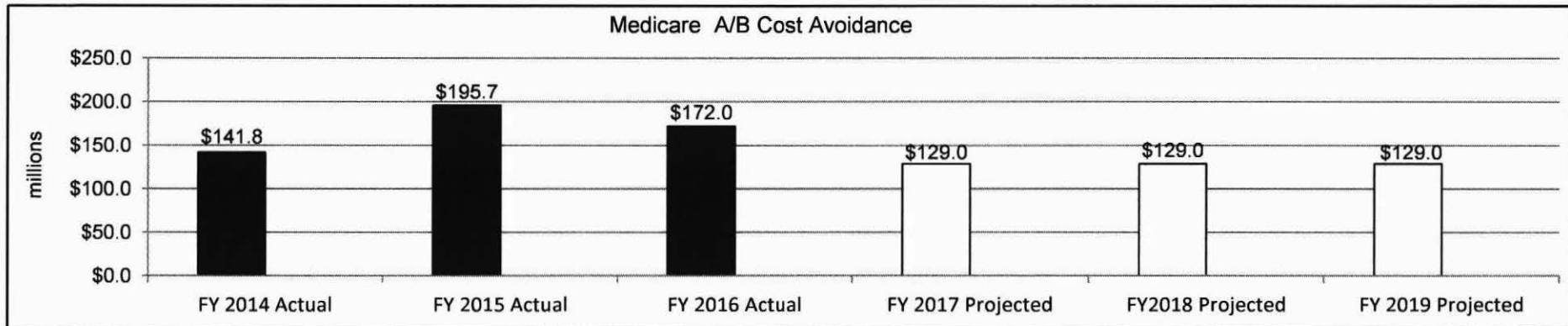
DI# 1886004

HB Section: 11.465

**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

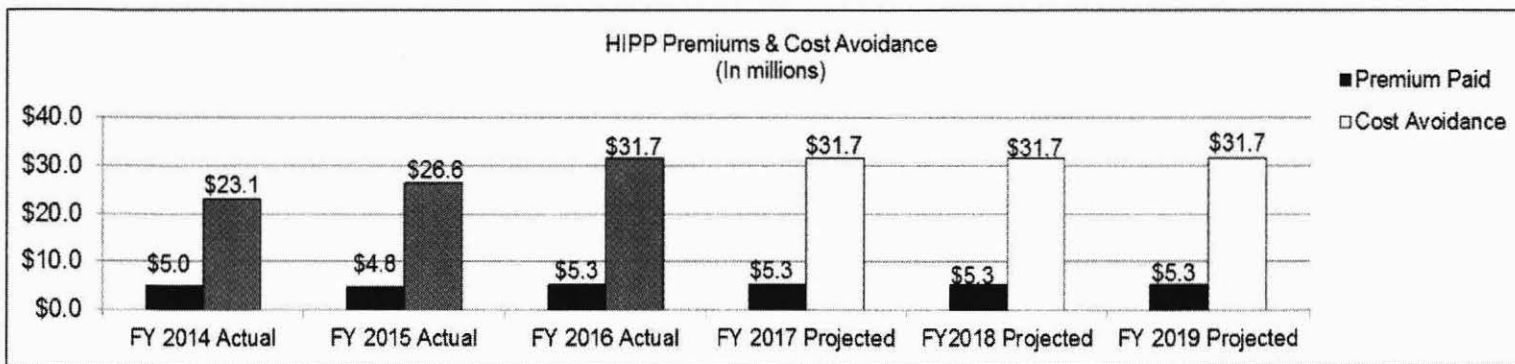
**6a. Provide an effectiveness measure.**

Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, MO HealthNet avoided over \$172 million in SFY 2016 as shown in the chart below.



**6b. Provide an efficiency measure.**

Efficiency Measure: Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for Mo HealthNet eligibles when it is cost effective to do so. In FY16, the MO HealthNet Division paid \$5.3 million for health insurance premiums, coinsurance and deductibles and avoided \$31.7 million in costs.



**NEW DECISION ITEM**  
**RANK: 13 OF 26**

**Department - Social Services**

**Budget Unit: 90547C**

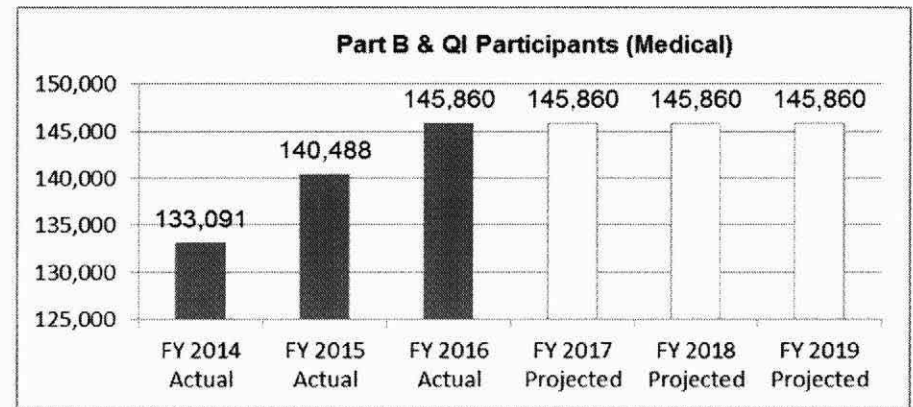
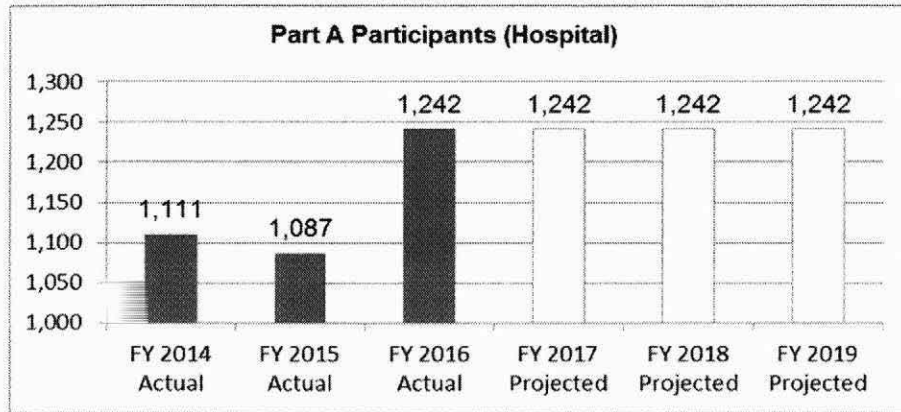
**Division - MO HealthNet**

**DI Name - Medicare Premium Increases**

**DI# 1886004**

**HB Section: 11.465**

**6c. Provide the number of clients/individuals served, if applicable.**



Part A (Hospital) premium payments can be made for: Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals. Part B (Medical) premium payments can be made for: Individuals meeting certain income standards, QMBs, and Specified Low-Income Medicare Beneficiaries. HIPP: Provisions of OBRA 90 require states to purchase group health insurance for a MO HealthNet participant when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

**6d. Provide a customer satisfaction measure, if available.**

N/A

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**

N/A

# DECISION ITEM DETAIL

Budget Unit	FY 2016	FY 2016	FY 2017	FY 2017	FY 2018	FY 2018	FY 2018	FY 2018
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	GOV REC	GOV REC
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE
<b>PREMIUM PAYMENTS</b>								
Medicare Premium Increase - 1886004								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	43,270,164	0.00	17,064,441	0.00
TOTAL - PD	0	0.00	0	0.00	43,270,164	0.00	17,064,441	0.00
<b>GRAND TOTAL</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>0.00</b>	<b>\$43,270,164</b>	<b>0.00</b>	<b>\$17,064,441</b>	<b>0.00</b>
GENERAL REVENUE	\$0	0.00	\$0	0.00	\$15,261,680	0.00	\$5,923,867	0.00
FEDERAL FUNDS	\$0	0.00	\$0	0.00	\$28,008,484	0.00	\$11,140,574	0.00
OTHER FUNDS	\$0	0.00	\$0	0.00	\$0	0.00	\$0	0.00