Department of Social Services
MO HealthNet Division

Fiscal Year 2019 Budget Request
Book 5 of 6

Steve Corsi, Psy.D., Acting Director

Table of Contents

TABLE OF CONTENTS

MO HEALTHNET DIVISION – VOLUME 1

TABLE OF CONTENTS

MO HEALTHNET DIVISION – VOLUME 2

Department Request Summary

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.400		**MO HealthNet Administration**					
	1	Core	225.70	3,337,196	8,882,773	2,484,619	14,704,588
		Total	225.70	3,337,196	8,882,773	2,484,619	14,704,588
11.405		**Clinical Services Program Management**					
	1	Core	0.00	461,917	12,214,032	2,485,506	15,161,455
		Total	0.00	461,917	12,214,032	2,485,506	15,161,455
11.410		**Women & Minority Health Care Outreach**					
	1	Core	0.00	529,796	568,625	0	1,098,421
		Total	0.00	529,796	568,625	0	1,098,421
11.415		**TPL Contracts**					
	1	Core	0.00	0	3,000,000	3,000,000	6,000,000
		NDI - TPL Contracts Inc.	0.00	0	1,250,000	1,250,000	2,500,000
		Total	0.00	0	4,250,000	4,250,000	8,500,000
11.420		**Information Systems**					
	1	Core	0.00	11,777,149	53,664,294	2,021,687	67,463,130
		NDI - Contract Extentions	0.00	395,881	876,085	0	1,271,966
		Total	0.00	12,173,030	54,540,379	2,021,687	68,735,096
11.425		**Electronic Health Records Incentives**					
	1	Core	0.00	0	35,000,000	0	35,000,000
		Total	0.00	0	35,000,000	0	35,000,000
11.430		**Money Follows the Person**					
		Core	0.00	0	532,549	0	532,549
		Total	0.00	0	532,549	0	532,549

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.435		**Pharmacy**					
	1	Core	0.00	110,609,884	802,636,344	323,690,613	1,236,936,841
		NDI - Year 1 Asset Limits	0.00	935,369	6,069,272	2,440,228	9,444,869
		NDI - Year 2 Asset Limits	0.00	352,460	2,286,989	919,513	3,558,962
		NDI - Pharmacy PMPM-Speciality	0.00	19,524,645	35,105,029	0	54,629,674
		NDI - Pharmacy PMPM-Non - Speciality	0.00	2,294,165	4,124,876	0	6,419,041
		NDI - MHD GR Pickup	0.00	13,107,337	0	0	13,107,337
		Total	0.00	146,823,860	850,222,510	327,050,354	1,324,096,724
11.435		**Pharmacy - Medicare Part D Clawback**					
	1	Core	0.00	226,750,733	0	0	226,750,733
		NDI - Clawback Increase	0.00	3,224,870	0	0	3,224,870
		Total	0.00	229,975,603	0	0	229,975,603
11.436		**Missouri Rx Plan**					
	1	Core	0.00	6,907,477	0	4,655,326	11,562,803
		NDI - Year 1 Asset Limits	0.00	66,662	0	0	66,662
		NDI - Year 2 Asset Limits	0.00	25,120	0	0	25,120
		Total	0.00	6,999,259	0	4,655,326	11,654,585
11.440		**Pharmacy FRA**					
	1	Core	0.00	0	0	108,308,926	108,308,926
		Total	0.00	0	0	108,308,926	108,308,926
11.445		**GR Pharmacy FRA Transfer**					
		Core	0.00	38,737,111	0	0	38,737,111
		Total	0.00	38,737,111	0	0	38,737,111
11.450		**Pharmacy FRA Transfer**					
		Core	0.00	0	0	38,737,111	38,737,111
		Total	0.00	0	0	38,737,111	38,737,111

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.455		**Physician Related Prof**					
	1	Core	0.00	114,849,104	283,090,436	13,504,004	411,443,544
		NDI - MHD Cost to Continue	0.00	57,667,549	41,472,809	0	99,140,358
		NDI - Year 1 Asset Limit	0.00	1,639,987	3,199,170	139,321	4,978,478
		NDI - Year 2 Asset Limit	0.00	617,971	1,205,493	52,498	1,875,962
		Total	0.00	174,774,611	328,967,908	13,695,823	517,438,342
11.455		**Neonatal Abstinence Syndrome**					
	1	Core	0.00	500,000	898,993	0	1,398,993
		Total	0.00	500,000	898,993	0	1,398,993
11.460		**Dental**					
	1	Core	0.00	682,270	3,405,160	919,935	5,007,365
		NDI - MHD Cost to Continue	0.00	643,104	634,126	0	1,277,230
		NDI - Year 1 Asset Limits	0.00	20,576	36,996	0	57,572
		NDI - Year 2 Asset Limits	0.00	7,753	13,941	0	21,694
		Total	0.00	1,353,703	4,090,223	919,935	6,363,861
11.465		**Premium Payments**					
	1	Core	0.00	88,605,500	172,608,746	0	261,214,246
		NDI - MHD Cost to Continue	0.00	3,980,393	2,296,680	0	6,277,073
		NDI - MediCare Premium Inc	0.00	9,142,886	17,802,993	0	26,945,879
		NDI - Year 1 Asset Limits	0.00	872,868	1,569,404	0	2,442,272
		NDI - Year 2 Asset Limits	0.00	328,909	591,374	0	920,283
		Total	0.00	102,930,556	194,869,197	0	297,799,753
11.470		**Nursing Facilities**					
	1	Core	0.00	134,380,603	378,476,928	65,527,432	578,384,963
		NDI - MHD Cost to Continue	0.00	7,072,488	0	0	7,072,488
		Total	0.00	141,453,091	378,476,928	65,527,432	585,457,451

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.470		**Home Health**					
	1	Core	0.00	1,836,459	3,603,380	159,305	5,599,144
		NDI - Year 1 Asset Limits	0.00	22,742	40,890	0	63,632
		NDI - Year 2 Asset Limits	0.00	8,570	15,408	0	23,978
		Total	0.00	1,867,771	3,659,678	159,305	5,686,754
11.475		**Long Term Support Payments**					
	1	Core	0.00	0	7,036,964	3,913,804	10,950,768
		Total	0.00	0	7,036,964	3,913,804	10,950,768
11.480		**Rehab & Specialty Services**					
	1	Core	0.00	84,145,779	162,275,790	26,620,851	273,042,420
		NDI - MHD Cost to continue	0.00	6,056,600	3,750,548	0	9,807,148
		NDI - Hospice Rate Increase	0.00	105,373	192,373	0	297,746
		NDI - Year 1 Asset Limits	0.00	612,162	1,419,474	177,318	2,208,954
		NDI - Year 2 Asset Limits	0.00	230,672	534,878	66,816	832,366
		Total	0.00	91,150,586	168,173,063	26,864,985	286,188,634
11.480		**NEMT**					
	1	Core	0.00	13,752,044	34,509,279	0	48,261,323
		NDI - MHD Cost to continue	0.00	316,687	0	0	316,687
		NDI - NEMT Actuarial Increase	0.00	789,522	1,419,550	0	2,209,072
		NDI - Year 1 Asset Limits	0.00	157,030	282,337	0	439,367
		NDI - Year 2 Asset Limits	0.00	59,171	106,389	0	165,560
		Total	0.00	15,074,454	36,317,555	0	51,392,009
11.480		**Community Health Access Progrms**					
	1	Core	0.00	500,000	898,993	0	1,398,993
		Total	0.00	500,000	898,993	0	1,398,993

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.485		**Ground Emer Med Transport**					
		Core	0.00	0	53,084,513	30,875,733	83,960,246
		Total	0.00	0	53,084,513	30,875,733	83,960,246
11.490		**Complex Rehab Technology Products**					
	1	Core	0.00	4,184,510	7,563,641	0	11,748,151
		NDI - MHD Cost to Continue	0.00	54,415	55,694	0	110,109
		NDI - Year 1 Asset Limits	0.00	37,904	68,150	0	106,054
		NDI - Year 2 Asset Limits	0.00	14,283	25,680	0	39,963
		Total	0.00	4,291,112	7,713,165	0	12,004,277
11.495		**Ambulance SRV Reim. Allow Transfer**					
		Core	0.00	20,837,332	0	0	20,837,332
		Total	0.00	20,837,332	0	0	20,837,332
11.500		**GR Ambulance SRV Reim. Allow Transfer**					
		Core	0.00	0	0	20,837,332	20,837,332
		Total	0.00	0	0	20,837,332	20,837,332
11.505		**Managed Care**					
	1	Core	0.00	404,941,912	1,257,976,949	253,057,203	1,915,976,064
		NDI - MCO Hlth Insurer Fee	0.00	21,698,626	39,013,813	0	60,712,439
		NDI - MCO Withhold Release	0.00	12,423,628	22,337,502	0	34,761,130
		NDI - MCO GR Pickup	0.00	44,862,793	0	0	44,862,793
		NDI - MCO Actuarial	0.00	12,944,188	23,273,461	0	36,217,649
		Total	0.00	496,871,147	1,342,601,725	253,057,203	2,092,530,075
11.506		**FFS Claims Runout**					
	1	Core	0.00	0	0	0	0
		Total	0.00	0	0	0	0

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.510		**Hospital Care**					
	1	Core	0.00	30,739,410	341,161,905	128,702,369	500,603,684
		NDI - MHD Cost to Continue	0.00	45,311,577	90,401,911	53,546,430	189,259,918
		NDI - Year 1 Asset Limits	0.00	475,956	6,742,987	3,274,345	10,493,288
		NDI - Year 2 Asset Limits	0.00	165,508	2,554,693	1,233,820	3,954,021
		Total	0.00	76,692,451	440,861,496	186,756,964	704,310,911
11.515		**Physician Payments for Safety Net**					
	1	Core	0.00	0	13,722,792	0	13,722,792
		Total	0.00	0	13,722,792	0	13,722,792
11.520		**FQHC Distribution**					
	1	Core	0.00	6,165,350	6,203,372	0	12,368,722
		Total	0.00	6,165,350	6,203,372	0	12,368,722
11.525		**FRA Health Care Home**					
	1	Core	0.00	0	5,208,568	2,896,598	8,105,166
		Total	0.00	0	5,208,568	2,896,598	8,105,166
11.530		**Federal Reimbursement Allowance E**					
	1	Core	0.00	0	0	1,280,818,734	1,280,818,734
		NDI - MHD Cost to Continue E	0.00	0	0	114,528,895	114,528,895
		Total	0.00	0	0	1,395,347,629	1,395,347,629
11.535		**IGT Transfer**					
	1	Core	0.00	0	0	96,885,215	96,885,215
		Total	0.00	0	0	96,885,215	96,885,215
11.540		**IGT Safety Net Hospitals**					
	1	Core	0.00	0	41,182,649	23,348,801	64,531,450
		Total	0.00	0	41,182,649	23,348,801	64,531,450

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.545		**IGT DMH Medicaid Programs**					
	1	Core	0.00	0	277,048,873	147,977,007	425,025,880
		NDI - IGT DMH Authority	0.00	0	6,001,381	9,449,325	15,450,706
		Total	0.00	0	283,050,254	157,426,332	440,476,586
11.555		**CHIP**					
		Core	0.00	11,939,043	60,780,571	7,719,204	80,438,818
		NDI - MHD GR Pickup	0.00	567,663	0	0	567,663
		NDI - Pharmacy PMPM - Speciality	0.00	201,621	604,380	0	806,001
		NDI - Pharmacy PMPM-Non- Speciality	0.00	23,691	71,015	0	94,706
		NDI - Mgd Care Actuarial	0.00	247,223	741,078	0	988,301
		NDI - MCO Hlth Insurer Fee	0.00	403,088	1,208,299	0	1,611,387
		NDI - MCO Withhold Release	0.00	183,091	548,835	0	731,926
		Total	0.00	13,565,420	63,954,178	7,719,204	85,238,802
11.560		**Show Me Babies**					
		Core	0.00	3,481,649	10,396,644	0	13,878,293
		NDI - Cost to Continue	0.00	3,653,700	10,943,412	0	14,597,112
		NDI - Mgd Care Rates	0.00	193,575	580,262	0	773,837
		NDI - MCO Hlth Insurer Fee		201,832	605,011	0	806,843
		NDI - MCO Withhold Release	0.00	91,546	274,417	0	365,963
		Total	0.00	7,622,302	22,799,746	0	30,422,048
11.565		**GR FRA Transfer**					
		Core	0.00	653,701,378	0	0	653,701,378
		Total	0.00	653,701,378	0	0	653,701,378
11.570		**FRA Transfer**					
		Core	0.00	0	0	653,701,378	653,701,378
		Total	0.00	0	0	653,701,378	653,701,378

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
11.575		**GR NFRA Transfer**					
		Core	0.00	210,950,510	0	0	210,950,510
		Total	0.00	210,950,510	0	0	210,950,510
11.580		**Nursing Facility Reimbursment Transfer**					
		Core	0.00	0	0	210,950,510	210,950,510
		Total	0.00	0	0	210,950,510	210,950,510
11.585		**Nursing Facility Quality Transfer**					
		Core	0.00	0	0	1,500,000	1,500,000
		Total	0.00	0	0	1,500,000	1,500,000
11.590		**Nursing Facility FRA**					
	1	Core	0.00	0	0	351,448,765	351,448,765
		NDI - MHD Cost to Continue	0.00	0	0	9,506,238	9,506,238
		Total	0.00	0	0	360,955,003	360,955,003
11.595		**School District Medicaid Claiming**					
	1	Core	0.00	242,525	34,653,770	0	34,896,295
		Total	0.00	242,525	34,653,770	0	34,896,295
11.600		**Blind Pension Medical Benefits**					
	1	Core	0.00	26,672,798	0	0	26,672,798
		NDI - MHD Cost to Continue	0.00	208,635	0	0	208,635
		NDI - Pharmacy PMPM - Speciality	0.00	250,493	0	0	250,493
		NDI - Pharmacy PMPM-Non - Speciality	0.00	29,433	0	0	29,433
		Total	0.00	27,161,359	0	0	27,161,359
11.610		**DSS Legal Expense Fund TRF**					
	1	Core	0.00	0	0	0	0
		Total	0.00	0	0	0	0

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 SAM SECTION SUMMARY

H.B. Sec.	Rank	Decision Item Name	2019 DEPARTMENT REQUEST				
			FTE	GR	FF	OF	Total
		MHD Core Total	225.70	1,287,993,108	4,072,287,533	2,784,136,422	8,144,417,063
		MHD NDI Total	0.00	274,523,991	332,349,065	196,584,747	803,457,803
		MHD Non Count Total:	0.00	924,226,331	0	1,022,611,546	1,946,837,877
		Total MHD	225.70	2,486,743,430	4,404,636,598	4,003,332,715	10,894,712,743

Crossing Issues

HB 1565 Asset Limit Increase-
Year 1 CTC

Department: Social Services	**Budget Unit** 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C,
Division: MO HealthNet	90561C, 90577C, 90552C
DI Name: Asset Limit Increase FY18 Cost to Cont. **DI# 0000016**	**HB Section:** 11.435, 11.436, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490,
	11.510

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	4,841,256	19,428,680	6,031,212	30,301,148		**PSD**	0	0	0	0	
TRF	0	0	0	0		**TRF**	0	0	0	0	
Total	**4,841,256**	**19,428,680**	**6,031,212**	**30,301,148**		**Total**	**0**	**0**	**0**	**0**	
FTE	**0.00**	**0.00**	**0.00**	**0.00**		**FTE**	**0.00**	**0.00**	**0.00**	**0.00**	

Est. Fringe	*0*	*0*	*0*	*0*	***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.

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)

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

_____	New Legislation	_____	New Program	_____	Fund Switch
_____	Federal Mandate	_____	Program Expansion	__x__	Cost to Continue
_____	GR Pick-Up	_____	Space Request	_____	Equipment Replacement
_____	Pay Plan	_____	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. Participants eligible under the SFY18 Asset Limit increase were assumed to be phased in over the SFY18. This request is for the cost to continue services for SFY19 at an annual level for those participants enrolled in SFY18.

Department: Social Services

Division: MO HealthNet

DI Name: Asset Limit Increase FY18 Cos DI# 0000016

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

---

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 in SFY 18:
1) 4,904 new cases (901 rejections + 3 closing + 4,000 unknown population)
2) 864 Qualified Medicare Beneficiary (QMB) and 1,142 Specified Low-Income Medicare Beneficiary (SLMB)

An annual cost per person was calculated for persons with disabilities and seniors using FY15 expenditures. Using the annual cost per person, a total cost of $100,282,012 and $6,811,434 was calculated for persons with disabilities and seniors respectively for a total cost of $107,093,446. 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). In FY18, funds were appropriated for the asset limit increase, and were assumed to be phased in over FY18. This request is for the cost to continue services for FY19 at an annual level for those participants enrolled in FY18, for a statewide total cost of $57,330,366.

This bill raised the MHD asset limits for MHD claimants from $1,000 to $2,000 for individuals and $2,000 to $4,000 for married couples in 2018.

FY18 Cost to Continue

HB	Program	GR	Fed	Other*	Total
11.435	Pharmacy	$935,369	$6,069,272	$2,440,228	$9,444,869
11.436	MORx	$66,662			$66,662
11.455	Physician	$1,639,987	$3,199,170	$139,321	$4,978,478
11.460	Dental	$20,576	$36,996		$57,572
11.465	Premium	$872,868	$1,569,404		$2,442,272
11.470	Home Health	$22,742	$40,890		$63,632
11.480	Rehab	$612,162	$1,419,474	$177,318	$2,208,954
11.480	NEMT	$157,030	$282,337		$439,367
11.490	Complex Rehab	$37,904	$68,150		$106,054
11.510	Hospital	$475,956	$6,742,987	$3,274,345	$10,493,288
	MHD Total	$4,841,256	$19,428,680	$6,031,212	$30,301,148

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

Department: Social Services
Division: MO HealthNet
DI Name: Asset Limit Increase FY18 Cos DI# 0000016

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

---

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
Program Distributions	4,841,256		19,428,680		6,031,212		30,301,148		
Total PSD	4,841,256		19,428,680		6,031,212		30,301,148		0
Grand Total	4,841,256	0.0	19,428,680	0.0	6,031,212	0.0	30,301,148	0.0	0

6a. Provide an effectiveness measure.

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

---

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	9,444,869	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	9,444,869	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$9,444,869	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$935,369	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$6,069,272	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$2,440,228	0.00		0.00

13

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MISSOURI RX PLAN								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	66,662	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	66,662	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$66,662**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$66,662	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

14

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHYSICIAN RELATED PROF								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	4,978,478	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	4,978,478	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$4,978,478	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$1,639,987	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$3,199,170	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$139,321	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
DENTAL								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	57,572	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	57,572	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$57,572	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$20,576	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$36,996	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

16

DECISION ITEM DETAIL

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PREMIUM PAYMENTS								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,442,272	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	2,442,272	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$2,442,272	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$872,868	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$1,569,404	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

17

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
HOME HEALTH								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	63,632	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	63,632	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$63,632	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$22,742	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$40,890	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
REHAB AND SPECIALTY SERVICES								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,208,954	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	2,208,954	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$2,208,954	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$612,162	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$1,419,474	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$177,318	0.00		0.00

19

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************** SECURED COLUMN	************** SECURED COLUMN
NON-EMERGENCY TRANSPORT								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	439,367	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	439,367	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$439,367	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$157,030	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$282,337	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

20

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
COMPLEX REHAB TECHNLGY PRDUCTS								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	106,054	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	106,054	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$106,054	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$37,904	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$68,150	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

21

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
HOSPITAL CARE								
Year 1 Asset Limit CTC - 0000016								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	10,493,288	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	10,493,288	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$10,493,288	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$475,956	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$6,742,987	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$3,274,345	0.00		0.00

HB 1565 Asset Limit Increase-
Year 2 Phase In

Department: Social Services	Budget Unit 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C,
Division: MO HealthNet	90561C, 90577C, 90552C
DI Name: Asset Limit Increase FY19 Phase In DI# 0000017	HB Section: 11.435, 11.436, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490,
	11.510

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	1,810,417	7,334,845	2,272,647	11,417,909		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	1,810,417	7,334,845	2,272,647	11,417,909		Total	0	0	0	0	
FTE	0.00	0.00	0.00	0.00		FTE	0.00	0.00	0.00	0.00	

Est. Fringe	0	0	0	0		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.						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)

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
	Federal Mandate		Program Expansion	X	Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan		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 legislation raised the MO HealthNet asset limits for MO HealthNet claimants from $2,000 to $3,000 for individuals and $4,000 to $6,000 for married couples in SFY 2019, FSD estimates 1,475 new participants will be added in FY19 due to this asset limit increase.

Department: Social Services

Division: MO HealthNet

DI Name: Asset Limit Increase FY19 Phase In DI# 0000017

Budget Unit 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C,

90561C, 90577C, 90552C

---

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.

This legislation raised the MHD asset limits for MHD claimants from $2,000 to $3,000 for individuals and $4,000 to $6,000 for married couples in SFY 2019.

FSD estimates 1,475 new participants will be added in FY19 due to this asset limit increase.
    1) 444 New Cases (442 rejections + 2 closing)
    2) 453 Qualified Medical Beneficiary (QMB) and 578 Specified Low-Income Medicare Beneficiary (SLMB) eligibles

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 $23,482,944 and $4,847,907 was calculated for persons with disabilities and seniors respectively for a total cost of $28,330,850. With the 453 QMB and 578 SLMB eligibles receiving full benefits, the total cost is reduced by the current premium payments for these eligibles ($2,333,903) for a total cost of $15,897,082. The expenditures listed below are for SFY19 services related to the additional participants phased in over SFY19.

FY19 Phase In Total

HB	Program	GR	Fed	Other*	Total
11.435	Pharmacy	$352,460	$2,286,989	$919,513	$3,558,962
11.436	MORx	$25,120			$25,120
11.455	Physician	$617,971	$1,205,493	$52,498	$1,875,962
11.460	Dental	$7,753	$13,941		$21,694
11.465	Premium	$328,909	$591,374		$920,283
11.470	Home Health	$8,570	$15,408		$23,978
11.480	Rehab	$230,672	$534,878	$66,816	$832,366
11.480	NEMT	$59,171	$106,389		$165,560
11.490	Complex Rehab	$14,283	$25,680		$39,963
11.510	Hospital	$165,508	$2,554,693	$1,233,820	$3,954,021
	MHD Total	**$1,810,417**	**$7,334,845**	**$2,272,647**	**$11,417,909**

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

Department: Social Services	Budget Unit 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C,
Division: MO HealthNet	90561C, 90577C, 90552C
DI Name: Asset Limit Increase FY19 Phase In DI# 0000017	

---

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			
							0			
Total EE	0		0		0		0		0	
Program Distributions	1,810,417		7,334,845		2,272,647		11,417,909			
Total PSD	1,810,417		7,334,845		2,272,647		11,417,909		0	
Transfers							0			
Total TRF	0		0		0		0		0	
Grand Total	1,810,417	0.0	7,334,845	0.0	2,272,647	0.0	11,417,909	0.0	0	

---

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 found 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 found 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 found 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 found in the individual program descriptions.

---

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,558,962	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	3,558,962	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$3,558,962**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$352,460	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$2,286,989	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$919,513	0.00		0.00

26

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MISSOURI RX PLAN								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	25,120	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	25,120	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$25,120	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$25,120	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

27

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHYSICIAN RELATED PROF								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,875,962	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,875,962	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$1,875,962**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$617,971	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$1,205,493	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$52,498	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
DENTAL								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	21,694	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	21,694	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$21,694**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$7,753	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$13,941	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PREMIUM PAYMENTS								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	920,283	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	920,283	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$920,283	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$328,909	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$591,374	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	*************** SECURED COLUMN	*************** SECURED COLUMN
HOME HEALTH								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	23,978	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	23,978	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$23,978	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$8,570	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$15,408	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
REHAB AND SPECIALTY SERVICES								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	832,366	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	832,366	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$832,366	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$230,672	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$534,878	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$66,816	0.00		0.00

32

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
NON-EMERGENCY TRANSPORT								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	165,560	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	165,560	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$165,560	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$59,171	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$106,389	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
COMPLEX REHAB TECHNLGY PRDUCTS								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	39,963	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	39,963	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$39,963	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$14,283	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$25,680	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

34

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
HOSPITAL CARE								
Year 2 Asset Limit Increase - 0000017								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,954,021	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	3,954,021	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$3,954,021	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$165,508	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$2,554,693	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$1,233,820	0.00		0.00

MHD Cost to Continue

Department: Social Services	**Budget Unit:** 90544C, 90546C, 90547C, 90549C, 90550C, 90561C, 90577C,	
Division: MO HealthNet	90552C, 90553C, 88855C, 90567C, 90573C	
DI Name: MO HealthNet Cost to Continue DI# 1886001	**HB Section:** 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.530,	
	11.560, 11.590, 11.600	

1. AMOUNT OF REQUEST

	FY 2019 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	124,965,148	149,555,180	177,581,563	452,101,891	PSD	0	0	0	0	
TRF	0	0	0	0	TRF	0	0	0	0	
Total	**124,965,148**	**149,555,180**	**177,581,563**	**452,101,891**	**Total**	**0**	**0**	**0**	**0**	
FTE	0.00	0.00	0.00	0.00	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.				

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: Nursing Facility Reimbursement Allowance Fund (0196)   Other Funds:
Federal Reimbursement Allowance Fund (0142)

2. THIS REQUEST CAN BE CATEGORIZED AS:

_____ New Legislation	_____ New Program	_____ Fund Switch
_____ Federal Mandate	_____ Program Expansion	__X__ Cost to Continue
_____ GR Pick-Up	_____ Space Request	_____ Equipment Replacement
_____ Pay Plan	_____ 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 2018 supplemental budget. These amounts are based on actual MO HealthNet program expenditures through August 2017 and historical trends, it is anticipated that additional funding will be necessary to operate current MO HealthNet programs for Fiscal Year 2019. Programs with estimated shortfalls include Physicians, Dental, Premium Payments, Nursing Facilities, Nursing Facilities Reimbursement Allowance, Hospital Federal Reimbursement Allowance, Show-Me Healthy Babies, Blind Medical, Rehabilitation and Specialty Services, Complex Rehabilitation Technology, Non-Emergency Medical Transportation (NEMT), and Hospital.

Department: Social Services

Division: MO HealthNet

DI Name: MO HealthNet Cost to Continue   DI# 1886001

Budget Unit 90544C, 90546C, 90547C, 90549C, 90550C, 90561C, 90577C, 90552C, 90553C, 88855C, 90567C, 90573C

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 August 2017 and historical trends, additional funding is needed in FY 2018. The below table outlines the need to continue the FY 2018 supplemental by program area in FY 2019:

HB	Program	GR	Federal	NFRA	FRA	Total
11.455	PHYSICIAN	$57,667,549	$41,472,809			**$99,140,358**
11.460	DENTAL	$643,104	$634,126			**$1,277,230**
11.465	PREMIUM PAYMENTS	$3,980,393	$2,296,680			**$6,277,073**
11.470	NURSING FACILITIES	$7,072,488				**$7,072,488**
11.480	REHAB & SPECIALTY	$6,056,600	$3,750,548			**$9,807,148**
11.480	NEMT	$316,687				**$316,687**
11.490	COMPLEX REHAB TECH	$54,415	$55,694			**$110,109**
11.510	HOSPITAL	$45,311,577	$90,401,911		$53,546,430	**$189,259,918**
11.530	HOSPITAL FRA				$114,528,895	**$114,528,895**
11.560	SMHB	$3,653,700	$10,943,412			**$14,597,112**
11.590	NFRA			$9,506,238		**$9,506,238**
11.600	BLIND MEDICAL	$208,635				**$208,635**
	Cost to Continue Total	**$124,965,148**	**$149,555,180**	**$9,506,238**	**$168,075,325**	**$452,101,891**

Department: Social Services | Budget Unit 90544C, 90546C, 90547C, 90549C, 90550C, 90561C, 90577C,
Division: MO HealthNet | 90552C, 90553C, 88855C, 90567C, 90573C
DI Name: MO HealthNet Cost to Continue   DI# 1886001

---

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	124,965,148		149,555,180		177,581,563		452,101,891			
Total PSD	124,965,148		149,555,180		177,581,563		452,101,891		0	
Grand Total	124,965,148	0.0	149,555,180	0.0	177,581,563	0.0	452,101,891	0.0	0	

---

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 found 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 found 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 found 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 found in the individual program descriptions.

---

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHYSICIAN RELATED PROF								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	99,140,358	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	99,140,358	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$99,140,358	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$57,667,549	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$41,472,809	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHYSICIAN RELATED PROF								
MHD COST TO CONTINUE - 1886001								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	57,667,549	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	41,472,809	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	99,140,358	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**99,140,358**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$479,614,606**	**0.00**	**$325,904,220**	**0.00**	**$517,438,342**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
DENTAL								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,277,230	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,277,230	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$1,277,230	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$643,104	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$634,126	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PREMIUM PAYMENTS								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	6,277,073	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	6,277,073	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$6,277,073	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$3,980,393	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$2,296,680	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

42

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
NURSING FACILITIES								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	7,072,488	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	7,072,488	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$7,072,488	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$7,072,488	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

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
REHAB AND SPECIALTY SERVICES								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	9,807,148	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	9,807,148	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$9,807,148	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$6,056,600	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$3,750,548	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

| Budget Unit | FY 2017 | FY 2017 | FY 2018 | FY 2018 | FY 2019 | FY 2019 | ************* | ************* |
| Decision Item | ACTUAL | ACTUAL | BUDGET | BUDGET | DEPT REQ | DEPT REQ | SECURED | SECURED |
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	COLUMN	COLUMN
NON-EMERGENCY TRANSPORT								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	316,687	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	316,687	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$316,687	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$316,687	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

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	*********** SECURED COLUMN	*********** SECURED COLUMN
COMPLEX REHAB TECHNLGY PRDUCTS								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	110,109	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	110,109	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$110,109	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$54,415	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$55,694	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
HOSPITAL CARE								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	189,259,918	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	189,259,918	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$189,259,918	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$45,311,577	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$90,401,911	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$53,546,430	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
FED REIMB ALLOWANCE								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	114,528,895	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	114,528,895	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$114,528,895**	**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	$0	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$114,528,895	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
SHOW-ME BABIES								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	14,597,112	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	14,597,112	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$14,597,112	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$3,653,700	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$10,943,412	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
NURSING FACILITY FED REIMB AL								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	9,506,238	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	9,506,238	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$9,506,238	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	$0	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$9,506,238	0.00		0.00

50

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
BLIND PENSION MEDICAL BENEFITS								
MHD COST TO CONTINUE - 1886001								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	208,635	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	208,635	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$208,635	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$208,635	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

MHD GR Pickup

Department: Social Services   **Budget Unit** 90541C, 90551C, 90556C

Division: MO HealthNet

DI Name: MO HealthNet GR Pickup   DI# 1886018   **HB Section** 11.435, 11.505, 11.555

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	58,537,793	0	0	58,537,793		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	**58,537,793**	**0**	**0**	**58,537,793**		**Total**	**0**	**0**	**0**	**0**	
FTE	0.00	0.00	0.00	0.00		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.

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: Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
	Federal Mandate		Program Expansion		Cost to Continue
X	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan		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 fund sources were budgeted in MO HealthNet in FY 2018. One-time cash sources include enhanced earnings from the Children's Health Insurance Premium (CHIP) Federal Medical Assistance Percentage (FMAP), Healthy Families Trust Fund, Life Sciences Research Trust Fund, and Premium Fund.

Department: Social Services   Budget Unit   90541C, 90551C, 90556C
Division: MO HealthNet
DI Name: MO HealthNet GR Pickup   DI# 1886018

---

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.)

One-time fund sources were budgeted in MO HealthNet in FY 2018. This includes enhanced earnings from the Children's Health Insurance Premium (CHIP) Federal Medical Assistance Percentage (FMAP) and cash from Healthy Families Trust Fund (HFTF), Life Sciences Research Trust Fund (LSRTF), and Premium Fund.

The Affordable Care Act (ACA) amended Section 2105(b) of the Social Security Act to increase the FMAP for states by 23 percentage points in CHIP. The enhanced federal matching is effective October 1, 2015 until September 30, 2019; however, funding for the CHIP program is only authorized until September 30, 2017.

The HFTF, LSRTF, and Premium Fund had one-time cash balances that were appropriated in lieu of General Revenue in the FY 2018 budget that cannot be fully supported with cash in FY 2019.

HB	Program	CHIP Cash (Fed)	HFTF	LSRTF	Premium	TOTAL
11.435	Pharmacy	$13,107,337				$13,107,337
11.505	Managed Care	$10,000,000	$25,474,964	$7,931,272	$1,456,557	$44,862,793
11.555	CHIP	$567,663				$567,663
	TOTAL	$23,675,000	$25,474,964	$7,931,272	$1,456,557	$58,537,793

---

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
Program Distributions	58,537,793						58,537,793			
Total PSD	**58,537,793**		**0**		**0**		**58,537,793**		**0**	
Grand Total	**58,537,793**	**0.0**	**0**	**0.0**	**0**	**0.0**	**58,537,793**	**0.0**	**0**	

Department: Social Services

Budget Unit 90541C, 90551C, 90556C

Division: MO HealthNet

DI Name: MO HealthNet GR Pickup   **DI# 1886018**

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 found 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 found 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 found 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 found in the individual program descriptions.

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHARMACY								
MO HEALTHNET GR PICKUP - 1886018								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	13,107,337	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	13,107,337	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$13,107,337**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$13,107,337	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

55

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MANAGED CARE								
MO HEALTHNET GR PICKUP - 1886018								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	44,862,793	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	44,862,793	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$44,862,793	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$44,862,793	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

Pharmacy PMPM-Specialty

Department: Social Services **Budget Unit** 90541C,90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty DI# 1886011 **HB Section** 11.435, 11.555, 11.600

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	19,976,759	35,709,409	0	55,686,168		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	19,976,759	35,709,409	0	55,686,168		Total	0	0	0	0	
FTE	0.00	0.00	0.00	0.00		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.

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: N/A

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch	
	Federal Mandate		Program Expansion		Cost to Continue	
	GR Pick-Up		Space Request		Equipment Replacement	
	Pay Plan	X	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

Department: Social Services   Budget Unit 90541C,90556C, 90573C
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Specialty   DI# 1886011

---

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 in support of the decision item.

Specialty drugs account for the majority of the projected increase in pharmacy expenditures, and treat complex chronic and/or life threatening conditions. Drugs are considered specialty drugs within MHD if the prescription cost is $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. Typically, specialty drugs require special storage, handling, and administration. 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 in 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, oncology, multiple sclerosis, and HIV. The drug class for inflammatory conditions remained the most expensive with a 26.4% trend in the commercial market.
Highlights for these classes are:

Inflammatory Conditions - such as rheumatoid arthritis, psoriasis and Crohn's disease will increase due to the expansion of indications for current therapies, movement of therapy from medical settings to pharmacy and increasing numbers of patients newly diagnosed with inflammatory conditions. Three biosimilars were approved by the FDA in 2016.
Oncology – The use of oncology medications by patients as maintenance therapy will result in increased utilization of expensive medications. The increasing prevalence of self-administered oncology medications will lead to a higher utilization and cost through the pharmacy benefit.
HIV – Newer combination therapies, such as Truvada and Triumeq, were responsible for most of the trend in this class. Some of the increase is due to increased patient volume due to higher rates of screening and longer lives for HIV patients.
Multiple Sclerosis –This therapy class is dominated by branded medications in which the top 5 drugs in this class have increased the unit cost by nearly 10%. The PMPY spend for the medications in this drug class increased 6.1% in 2016, driven by a 7.4% increase in unit cost.

ESI indicates that the specialty trend is forecasted to increase 7.82% between CY 2018 and CY 2019. The commercial drug spend for specialty medications was 47.7% in FY 16. The percent of specialty in the MHD expenditure has been 38.6% for FY14, 44.5% in FY15, 49.1% in FY16, and 51.2% in FY17 but is expected to grow to 55.3% in FY19. The difference in the specialty rates between MHD and the commercial market is due to the MHD caseload mix.

Department: Social Services

Budget Unit 90541C,90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty   DI# 1886011

Specialty Drugs	
FY18 Trend	10.140%
FY19 Trend	7.820%

	OAA Specialty	PTD Specialty	Others Specialty	Total
FY17 PMPM	$319.48	$631.23	$57.61	
Specialty Rate	53.20%	53.20%	53.20%	
Subtotal	$169.96	$335.81	$30.65	
FY18 PMPM Trend Rate	10.140%	10.140%	10.140%	
Increase in PMPM	$17.23	$34.05	$3.11	
FY18 Estimate	$187.19	$369.86	$33.76	
FY19 PMPM Trend Rate	7.820%	7.820%	7.820%	
FY19 Estimate	$14.64	$28.92	$2.64	
Members	9,676	84,772	775,476	
Monthly Cost	$141,660	$2,451,597	$2,047,257	
12 Months	12	12	12	
Yearly Cost	**$1,699,920**	**$29,419,164**	**$24,567,084**	**$55,686,168**

Pharmacy expenditures by program:	FMAP	Total	GR	FF
Blind Pension Medical		**$250,493**	$250,493	$0
CHIP	74.985%	**$806,001**	$201,621	$604,380
Pharmacy	64.260%	**$54,629,674**	$19,524,645	$35,105,029
		$55,686,168	**$19,976,759**	**$35,709,409**

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
Program Distributions	19,976,759		35,709,409				55,686,168			
Total PSD	**19,976,759**		**35,709,409**			0	**55,686,168**		0	
Grand Total	**19,976,759**	**0.0**	**35,709,409**	**0.0**	**0**	**0.0**	**55,686,168**	**0.0**	**0**	

Department: Social Services   Budget Unit 90541C,90556C, 90573C
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Specialty   DI# 1886011

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

6a. Provide an effectiveness measure.

Generic Dispensing Rate

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
	79.0%	77.9%	80.2%	80.2%	80.2%	80.2%

The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.
FY 2017 actual data is not available at this time.

6b. Provide an efficiency measure.

N/A

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

Average Monthly Number of Pharmacy Users

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
	279,457	292,111	292,662	292,662	292,662	292,662

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

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHARMACY								
Pharmacy PMPM Inc-Specialty - 1886011								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	54,629,674	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	54,629,674	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$54,629,674**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$19,524,645	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$35,105,029	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
CHILDREN'S HEALTH INS PROGRAM								
Pharmacy PMPM Inc-Specialty - 1886011								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	806,001	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	806,001	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$806,001**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$201,621	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$604,380	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************** SECURED COLUMN	************** SECURED COLUMN
BLIND PENSION MEDICAL BENEFITS								
Pharmacy PMPM Inc-Specialty - 1886011								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	250,493	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	250,493	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$250,493	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$250,493	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

Pharmacy PMPM-Non Specialty

Department: Social Services

Budget Unit 90541C, 90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non-Specialty   **DI# 1886012**   **HB Section** 11.435, 11.555, 11.600

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	2,347,289	4,195,891	0	6,543,180	PSD		0	0	0	0	
TRF	0	0	0	0	TRF		0	0	0	0	
Total	2,347,289	4,195,891	0	6,543,180	Total		0	0	0	0	
FTE	0.00	0.00	0.00	0.00	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.

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: N/A

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

_____	New Legislation	_____	New Program	_____	Fund Switch
_____	Federal Mandate	_____	Program Expansion	_____	Cost to Continue
_____	GR Pick-Up	_____	Space Request	_____	Equipment Replacement
_____	Pay Plan	**X**	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.

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

Department: Social Services   Budget Unit 90541C, 90556C, 90573C
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Non-Specialty   DI# 1886012

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.)

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.

MHD utilized the Express Scripts (ESI) Trend Report as the basis for the decision item. ESI indicates that the non-specialty trend is forecasted to increase 0.55% in CY17, 0.33% in CY18, and 1.96% in CY19. The commercial drug spend for specialty medications is 47.7% with the number expected to increase to 53.9% by CY 2019. The percent of specialty in the MHD expenditure has been 44.5% for FY15, 49.1% in FY16, 51.2% in FY17, but is expected to grow to 55.3% in FY19, making the percent of non-specialty 44.7%. 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 no non-specialty trend of in FY18 and 1.15% in FY19.

Non-Specialty Drugs	
FY18 Trend	0.000%
FY19 Trend	1.150%

	OAA	PTD	Others	Total
FY17 PMPM	$319.48	$631.23	$57.61	
Non Specialty Rate	46.80%	46.80%	46.80%	
Subtotal	$149.52	$295.42	$26.96	
FY18 PMPM Trend Rate	0.00%	0.00%	0.00%	
Increase in PMPM	$0.00	$0.00	$0.00	
FY18 Estimate	$149.52	$295.42	$26.96	
FY19 PMPM Trend Rate	1.15%	1.15%	1.15%	
FY19 Estimate	$1.72	$3.40	$0.31	
Members	9,676	84,772	775,476	
Monthly Cost	$16,643	$288,224	$240,398	
12 Months	12	12	12	
Yearly Cost	**$199,716**	**$3,458,688**	**$2,884,776**	**$6,543,180**

Pharmacy expenditures by program:	FMAPs	Total	GR	FF
Blind Pension Medical	0%	**$29,433**	$29,433	$0
CHIP	74.985%	**$94,706**	$23,691	$71,015
Pharmacy	64.260%	**$6,419,041**	$2,294,165	$4,124,876
		$6,543,180	**$2,347,289**	**$4,195,891**

Department: Social Services   Budget Unit 90541C, 90556C, 90573C
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Non-Specialty   DI# 1886012

---

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
Program Distributions	2,347,289		4,195,891				6,543,180			
Total PSD	**2,347,289**		**4,195,891**			**0**	**6,543,180**		**0**	
Grand Total	**2,347,289**	**0.0**	**4,195,891**	**0.0**	**0**	**0.0**	**6,543,180**	**0.0**	**0**	

---

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

6a. Provide an effectiveness measure.

Generic Dispensing Rate

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
	79%	78%	80%	80%	80%	80%

The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.
FY 2017 actual data is not available at this time.

6b. Provide an efficiency measure.

N/A

Department: Social Services

Budget Unit 90541C, 90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Non-Specialty   **DI# 1886012**

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

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

N/A

Average Monthly Number of Pharmacy Users

279,457	292,111	292,662	292,662	292,662	292,662
FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected

Scale: 100,000 to 350,000

---

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHARMACY								
Phrmacy PMPM Inc-Non Specialty - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	6,419,041	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	6,419,041	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$6,419,041	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$2,294,165	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$4,124,876	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************** SECURED COLUMN	************** SECURED COLUMN
CHILDREN'S HEALTH INS PROGRAM								
Phrmacy PMPM Inc-Non Specialty - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	94,706	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	94,706	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$94,706**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$23,691	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$71,015	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
BLIND PENSION MEDICAL BENEFITS								
Phrmacy PMPM Inc-Non Specialty - 1886012								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	29,433	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	29,433	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$29,433	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$29,433	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

Managed Care Actuarial Rate Increase

Department: Social Services

Division: MO HealthNet

DI Name: Managed Care Actuarial Increase　　　DI# 1886007

Budget Unit: 90551C, 90556C, 88855C

HB Section: 11.505, 11.555 and 11.560

1. AMOUNT OF REQUEST

	FY 2019 Budget Request				E		FY 2019 Governor's Recommendation				E
	GR	Federal	Other	Total			GR	Federal	Other	Total	
PS	0	0	0	0		PS	0	0	0	0	
EE	0	0	0	0		EE	0	0	0	0	
PSD	13,384,986	24,594,801	0	37,979,787		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	13,384,986	24,594,801	0	37,979,787		Total	0	0	0	0	

FTE

FTE

Est. Fringe	*0*	*0*	*0*	*0*		*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.

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:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
X	Federal Mandate		Program Expansion		Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan	X	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: This NDI 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. The FY19 rates are based on an estimated budget trend developed utilizing actuarial standards which consider historical trends in utilization and inflation, budget and legislative changes, and federal requirements.

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.

Department: Social Services   Budget Unit : 90551C, 90556C, 88855C
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase   DI# 1886007

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 details 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 FY19 rates are based on an estimated budget trend developed utilizing actuarial standards which consider historical trends in utilization and inflation, budget and legislative changes, and federal requirements. This trend is based on the FY19 rates that are set in the Statewide Managed Care RFP. 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 $37,979,787 as follows:

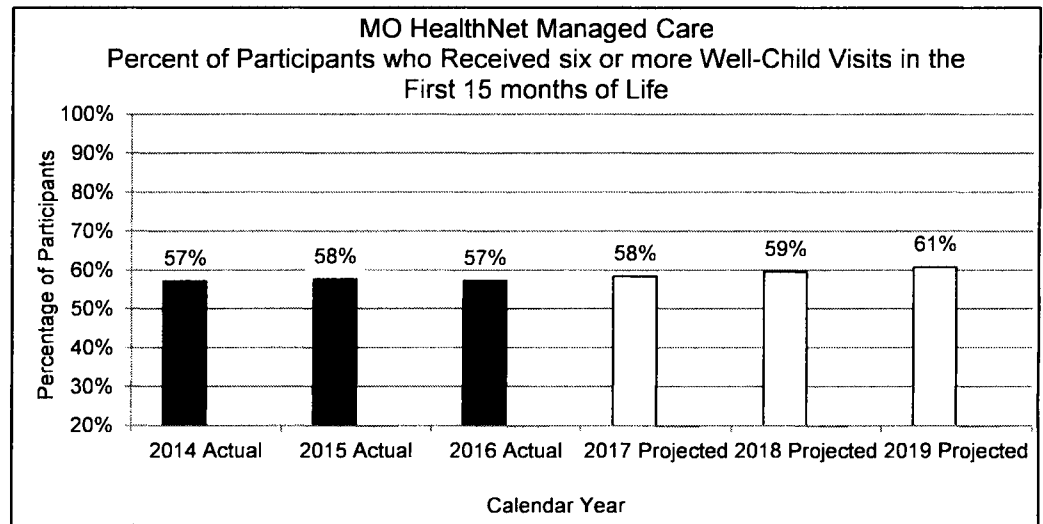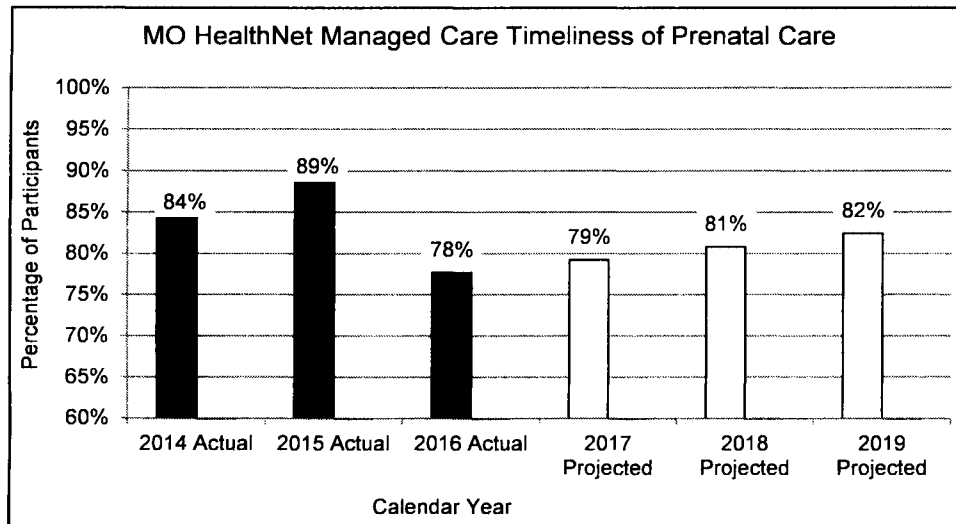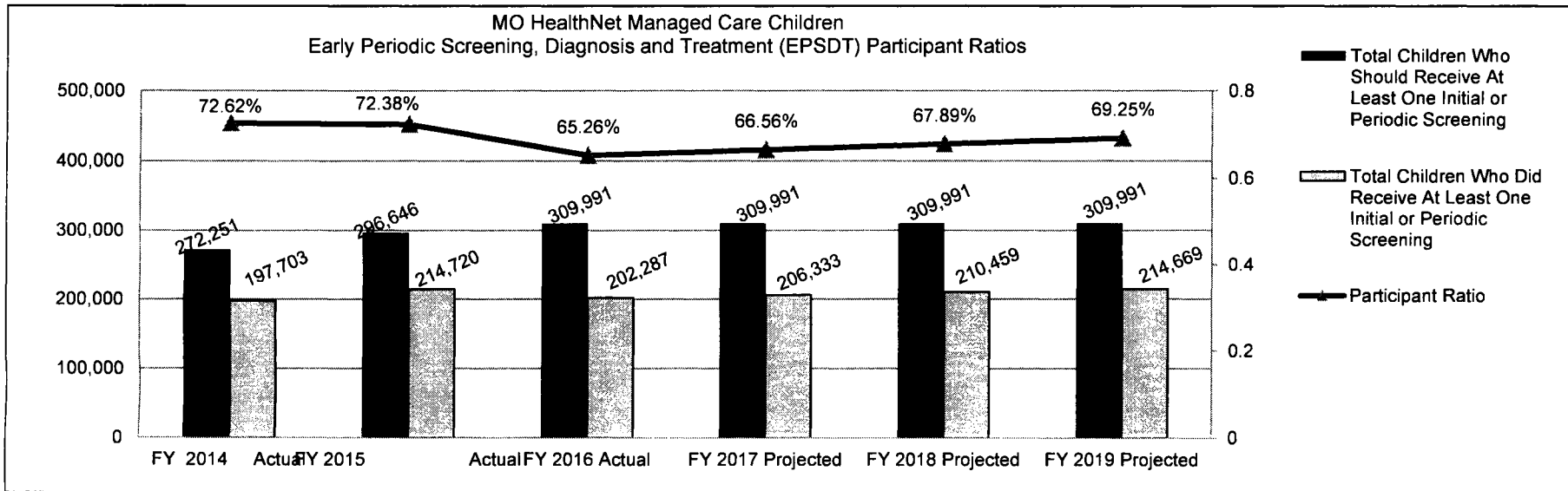| Program	Region	FY18	FY19	Difference	Participants	Contract Months in FY19	Total
Medical-Managed Care	Eastern	$210.56	$214.08	$3.52	230,779	12	$9,741,521
Medical-Managed Care	Central	$207.13	$210.84	$3.71	187,645	12	$8,364,418
Medical-Managed Care	Western	$238.74	$243.53	$4.78	157,371	12	$9,034,713
Medical-Managed Care	Southwest	$166.09	$168.46	$2.37	127,793	12	$3,640,503
					subtotal Managed Care		$30,781,155
Medical TIXXI CHIP-Child	Eastern	$190.58	$192.49	$1.91	6,756	12	$154,511
Medical TIXXI CHIP-Child	Central	$169.43	$170.11	$0.68	7,250	12	$58,965
Medical TIXXI CHIP-Child	Western	$228.08	$238.57	$10.49	5,377	12	$676,936
Medical TIXXI CHIP-Child	Southwest	$122.91	$124.63	$1.72	4,741	12	$97,889
					subtotal TIXXI CHIP Children		$988,301
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Eastern	$575.01	$589.96	$14.95	202	12	$36,326
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Central	$455.43	$463.63	$8.20	172	12	$16,881
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Western	$471.31	$482.62	$11.31	132	12	$17,907
Medical Prenatal Services for Unborn-Show Me Healthy Babies	Southwest	$344.06	$346.47	$2.41	127	12	$3,670
Medical First Year following birth-Show Me Healthy Babies	Eastern	$754.39	$779.28	$24.89	541	12	$161,468
Medical First Year following birth-Show Me Healthy Babies	Central	$593.58	$613.76	$20.18	444	12	$107,604
Medical First Year following birth-Show Me Healthy Babies	Western	$669.71	$698.51	$28.80	370	12	$127,837
Medical First Year following birth-Show Me Healthy Babies	Southwest	$430.11	$434.42	$4.30	310	12	$16,013
					subtotal SMHB		$487,706
					Total Need Medical Trend		$32,257,162

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase   DI# 1886007

Budget Unit : 90551C, 90556C, 88855C

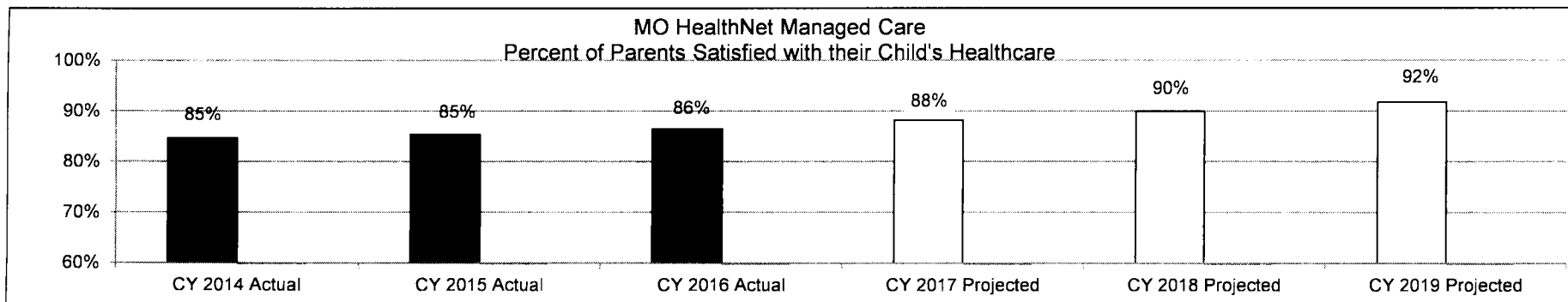| Program	Region	FY18	FY19	Difference	Participants	Contract Months in FY19	Total
Deliveries-Managed Care, CHIP, SMHB	Eastern	$5,762.81	$5,993.32	$230.51	812	12	$2,246,113
Deliveries-Managed Care, CHIP, SMHB	Central	$4,220.62	$4,267.05	$46.43	690	12	$384,414
Deliveries-Managed Care, CHIP, SMHB	Western	$4,647.92	$4,787.36	$139.44	483	12	$808,180
Deliveries-Managed Care, CHIP, SMHB	Southwest	$3,268.10	$3,277.90	$9.80	459	12	$53,943
				subtotal Managed Care, SMHB and CHIP Deliveries			$3,492,650
				Total Need Deliveries Trend			$3,492,650
NICU-Managed Care, CHIP, SMHB	Eastern	$215,250.77	$223,860.80	$8,610.03	15	12	$1,498,145
NICU-Managed Care, CHIP, SMHB	Central	$147,247.56	$150,339.76	$3,092.20	9	12	$315,404
NICU-Managed Care, CHIP, SMHB	Western	$171,588.38	$176,736.03	$5,147.65	6	12	$370,631
NICU-Managed Care, CHIP, SMHB	Southwest	$143,953.85	$145,537.34	$1,583.49	2	12	$45,795
				subtotal Managed Care, SMHB and CHIP Deliveries			$2,229,975
				Total Need NICU Trend			$2,229,975
				Total Need Medical, Deliveries and NICU			**$37,979,787**

	Total	GR	Federal
Managed Care	36,217,649	12,944,188	23,273,461
CHIP	988,301	247,223	741,078
SMHB	773,837	193,575	580,262
	$37,979,787	$13,384,986	$24,594,801

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
Program Distributions	13,384,986		24,594,801				37,979,787			
Total PSD	13,384,986		24,594,801			0	37,979,787		0	
Grand Total	13,384,986	0.0	24,594,801	0.0	0	0.0	37,979,787	0.0	0	

Department: **Social Services**   Budget Unit : **90551C, 90556C, 88855C**
Division: **MO HealthNet**
DI Name: **Managed Care Actuarial Increase   DI# 1886007**

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.

MO HealthNet Managed Care Timeliness of Prenatal Care

MO HealthNet Managed Care Percent of Participants who Received six or more Well-Child Visits in the First 15 months of Life

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 77.67% in 2016.   *CY 2016 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 57.18% in 2016. *CY 2016 data is the most recent data available

74

Department: Social Services   **Budget Unit : 90551C, 90556C, 88855C**
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase   DI# 1886007

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

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase   DI# 1886007

Budget Unit : 90551C, 90556C, 88855C

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

Managed Care Participants

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

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 2016.

MO HealthNet Managed Care
Percent of Parents Satisfied with their Child's Healthcare

Customer Satisfaction Measure: Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.
CY 2016 data is the most recent data available

Department: Social Services   **Budget Unit : 90551C, 90556C, 88855C**
Division: MO HealthNet
DI Name: Managed Care Actuarial Increase   DI# 1886007

---

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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MANAGED CARE								
Mngd Care Actuarial Rate Inc - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	36,217,649	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	36,217,649	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$36,217,649	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$12,944,188	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$23,273,461	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************** SECURED COLUMN	************** SECURED COLUMN
CHILDREN'S HEALTH INS PROGRAM								
Mngd Care Actuarial Rate Inc - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	988,301	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	988,301	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$988,301	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$247,223	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$741,078	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
SHOW-ME BABIES								
Mngd Care Actuarial Rate Inc - 1886007								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	773,837	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	773,837	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$773,837	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$193,575	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$580,262	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Managed Care Health Insurer Fee

Department: Social Services	Budget Unit: 90551C, 90556C, 88855C
Division: MO HealthNet	
DI Name: Managed Care Health Insurer Fee DI# 1886008	HB Section: 11.505, 11.555 and 11.560

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	22,303,546	40,827,123	0	63,130,669		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	22,303,546	40,827,123	0	63,130,669		Total	0	0	0	0	

FTE

FTE

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.

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: N/A

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
X	Federal Mandate		Program Expansion		Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan		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 is needed to reimburse Managed Care Organizations for the Federal Mandated Affordable Care Act (ACA) Health Insurer Fee. In Calendar Year (CY) 2017, there was a Federal moratorium for the Health Insurer Fee.

Department: Social Services

Budget Unit   90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Health Insurer Fee   DI# 1886008

---

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.)

Funding is needed to reimburse Managed Care Organizations for the Federal Mandated Affordable Care Act (ACA) Health Insurer Fee. In Calendar Year (CY) 2017, there was a Federal moratorium for the Health Insurer Fee. The estimated cost is $63,130,669.

	Total	Managed Care	Children's Health Insurance Program (CHIP)	Show Me Healthy Babies (SMHB)
Projected SFY 19 Health Insurer Fee (annual)	$63,130,669	$ 60,712,439	$1,611,387	$ 806,843

	Total	GR	Federal
Managed Care	60,712,439	21,698,626	39,013,813
CHIP	1,611,387	403,088	1,208,299
SMHB	806,843	201,832	605,011
	$63,130,669	$22,303,546	$40,827,123

---

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
Program Distributions	22,303,546		40,827,123				63,130,669		
Total PSD	**22,303,546**		**40,827,123**			0	**63,130,669**		0
Grand Total	**22,303,546**	**0.0**	**40,827,123**	**0.0**	**0**	**0.0**	**63,130,669**	**0.0**	**0**

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Health Insurer Fee   **DI# 1886008**

Budget Unit 90551C, 90556C, 88855C

---

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.

MO HealthNet Managed Care Timeliness of Prenatal Care

MO HealthNet Managed Care
Percent of Participants who Received six or more Well-Child Visits in the First 15 months of Life

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 77.67% in 2016.

CY 2016 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 57.18% in 2016.

CY 2016 data is the most recent data available

Department: Social Services Budget Unit 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Health Insurer Fee DI# 1886008

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.

MO HealthNet Managed Care Children
Early Periodic Screening, Diagnosis and Treatment (EPSDT) Participant Ratios

Legend:
- Total Children Who Should Receive At Least One Initial or Periodic Screening
- Total Children Who Did Receive At Least One Initial or Periodic Screening
- Participant Ratio

Data points:
- FY 2014 Actual: 72.62%, 272,251 / 197,703
- FY 2015 Actual: 72.38%, 296,646 / 214,720
- FY 2016 Actual: 65.26%, 309,991 / 202,287
- FY 2017 Projected: 66.56%, 309,991 / 206,333
- FY 2018 Projected: 67.89%, 309,991 / 210,459
- FY 2019 Projected: 69.25%, 309,991 / 214,669

FY 16 data is the most recent data available (data only available in March the following fiscal year)

NEW DECISION ITEM
RANK: _____13_____ **OF** ___22___

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Health Insurer Fee   DI# 1886008

Budget Unit 90551C, 90556C, 88855C

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

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 2016.

Customer Satisfaction Measure: Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.
CY 2016 data is the most recent data available

Department: Social Services

Budget Unit __90551C, 90556C, 88855C__

Division: MO HealthNet

DI Name: Managed Care Health Insurer Fee __DI# 1886008__

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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MANAGED CARE								
Managed Care Hlth Insurer Fee - 1886008								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	60,712,439	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	60,712,439	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$60,712,439	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$21,698,626	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$39,013,813	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
CHILDREN'S HEALTH INS PROGRAM								
Managed Care Hlth Insurer Fee - 1886008								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,611,387	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,611,387	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$1,611,387	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$403,088	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$1,208,299	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit	FY 2017	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	**************	**************
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	SECURED	SECURED
Budget Object Class	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	COLUMN	COLUMN
SHOW-ME BABIES								
Managed Care Hlth Insurer Fee - 1886008								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	806,843	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	806,843	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$806,843	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$201,832	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$605,011	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

89

Managed Care Withhold Release

Department: Social Services   **Budget Unit:** 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Withhold Release   **DI# 1886009**   **HB Section:** 11.505, 11.555, 11.560

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	12,698,265	23,160,754	0	35,859,019	PSD		0	0	0	0	
TRF	0	0	0	0	TRF		0	0	0	0	
Total	12,698,265	23,160,754	0	35,859,019	Total		0	0	0	0	

FTE   **FTE**

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.

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: N/A   Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
X	Federal Mandate		Program Expansion		Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan		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 is needed for the Managed Care withhold deferred in SFY18 associated with extending Managed Care regional coverage and increasing the Managed Care withhold from 2.5% to 5% in the Statewide Managed Care RFP. This deferment was assumed in the SFY18 budget request, offsetting the New Decision Item related to the transition to statewide Managed Care and assumes full release of amount withheld.

Department: Social Services

Budget Unit: 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Withhold Release   DI# 1886009

---

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 total request represents the amount of Managed Care withhold deferred in SFY18 associated with extending Managed Care regional coverage and increasing the Managed Care withhold from 2.5% to 5% in the Statewide Managed Care RFP. This deferment was assumed in the SFY18 budget request, offsetting the New Decision Item related to the transition to statewide Managed Care and assumes full release of amount withheld. The estimated cost is $35,859,019.

	Total	Managed Care	Children's Health Insurance Program (CHIP)	Show Me Healthy Babies (SMHB)
Projected SFY 18 Withhold Release	$60,635,075	$ 58,820,241	$ 1,209,889	$ 604,945
Projected SFY 19 Withhold Release	$96,494,094	$ 93,581,372	$ 1,941,815	$ 970,908
Deferment	$35,859,019	$ 34,761,130	$ 731,926	$ 365,963

	Total	GR	Federal
Managed Care	34,761,130	12,423,628	22,337,502
CHIP	731,926	183,091	548,835
SMHB	365,963	91,546	274,417
	$35,859,019	$12,698,265	$23,160,754

---

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
Program Distributions	12,698,265		23,160,754				35,859,019		
Total PSD	**12,698,265**		**23,160,754**			**0**	**35,859,019**		**0**
Grand Total	**12,698,265**	**0.0**	**23,160,754**	**0.0**	**0**	**0.0**	**35,859,019**	**0.0**	**0**

Department: Social Services   **Budget Unit:** 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Withhold Release   **DI# 1886009**

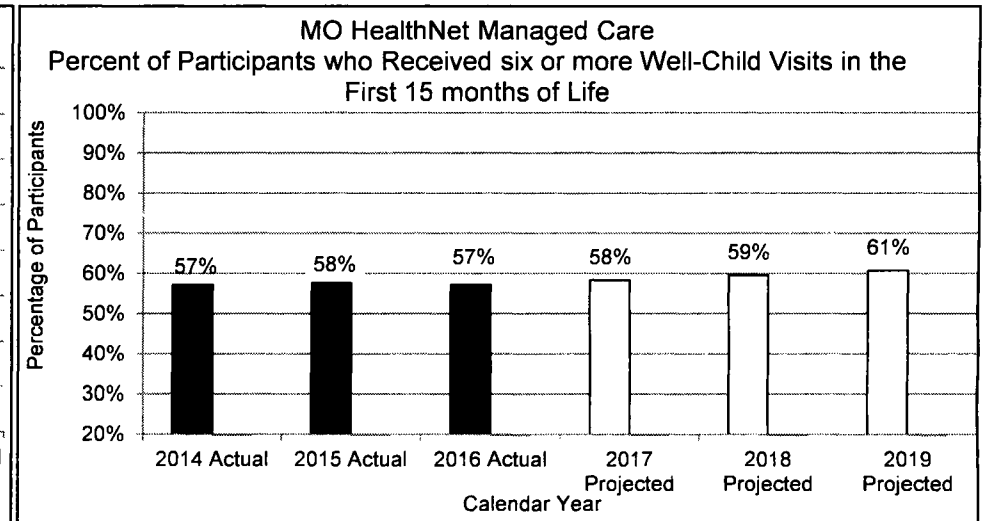| 6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.) |
|---|

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.

MO HealthNet Managed Care Timeliness of Prenatal Care

MO HealthNet Managed Care Percent of Participants who Received six or more Well-Child Visits in the First 15 months of Life

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 77.67% in 2016.

CY 2016 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 57.18% in 2016.

CY 2016 data is the most recent data available

92

Department: Social Services   Budget Unit: 90551C, 90556C, 88855C
Division: MO HealthNet
DI Name: Managed Care Withhold Release   DI# 1886009

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.

MO HealthNet Managed Care Children
Early Periodic Screening, Diagnosis and Treatment (EPSDT) Participant Ratios

FY 16 data is the most recent data available (data only available in March the following fiscal year)

Department: Social Services   **Budget Unit:** 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Withhold Release   DI# 1886009

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

Managed Care Participants

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 2016.

MO HealthNet Managed Care
Percent of Parents Satisfied with their Child's Healthcare

Customer Satisfaction Measure: Increase the percentage of parents who were satisfied with the health care their child received through MO HealthNet Managed Care.
CY 2016 data is the most recent data available

Department: Social Services   **Budget Unit:**   **90551C, 90556C, 88855C**

Division: MO HealthNet

DI Name: Managed Care Withhold Release DI# 1886009

---

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

- Participate with 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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MANAGED CARE								
Managed Care Withhold Release - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	34,761,130	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	34,761,130	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$34,761,130**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$12,423,628	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$22,337,502	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
CHILDREN'S HEALTH INS PROGRAM								
Managed Care Withhold Release - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	731,926	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	731,926	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$731,926	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$183,091	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$548,835	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	*********** SECURED COLUMN	*********** SECURED COLUMN
SHOW-ME BABIES								
Managed Care Withhold Release - 1886009								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	365,963	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	365,963	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$365,963	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$91,546	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$274,417	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

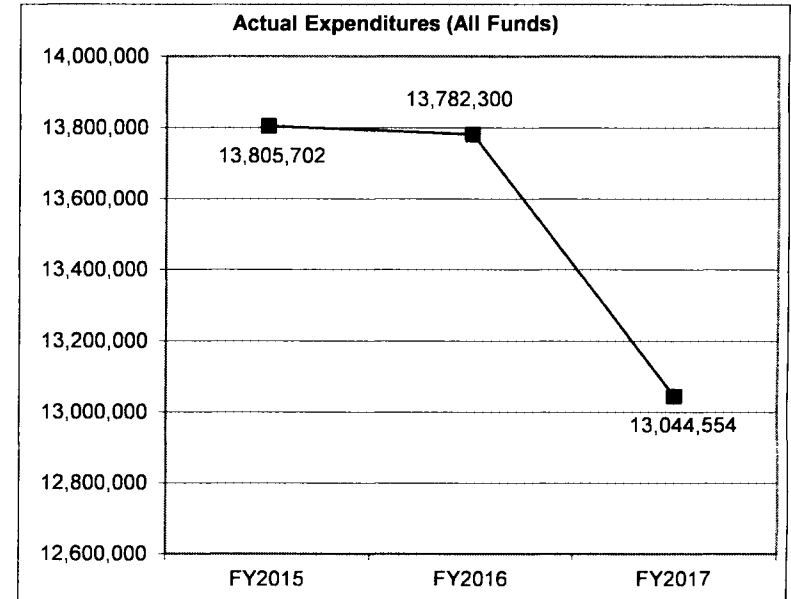# MO HealthNet Administration

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 2019 Budget Request						FY 2019 Governor's Recommendation				
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS	2,643,430	5,548,030	1,877,457	10,068,917		PS				0	
EE	693,067	3,333,713	607,162	4,633,942		EE				0	
PSD	699	1,030	0	1,729		PSD				0	
TRF						TRF					
Total	3,337,196	8,882,773	2,484,619	14,704,588		Total				0	
FTE	64.12	115.97	45.61	225.70		FTE				0.00	

Est. Fringe	1,369,284	2,686,091	973,217	5,028,593		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.

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)
　　　　　　　Ground Emergency Medical Transportation Fund (GEMT) (0422)

Other Funds:

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 HealthNet 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

	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Current Yr.
Appropriation (All Funds)	14,716,493	14,447,800	14,644,054	14,714,448
Less Reverted (All Funds)	(120,141)	(113,338)	(115,163)	(114,500)
Less Restricted (All Funds)	-	-	-	-
Budget Authority (All Funds)	14,596,352	14,334,462	14,528,891	14,599,948
Actual Expenditures (All Funds)	13,805,702	13,782,300	13,044,554	N/A
Unexpended (All Funds)	790,650	552,162	1,484,337	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	206,849	436,359	1,123,742	N/A
Other	583,801	115,776	274,615	N/A
	(1)	**(2)**	**(3)**	

Actual Expenditures (All Funds)

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 were agency reserves of $356 Pharmacy Reimbursement Allowance Fund.
(2) There were agency reserves of $44,283 Federal, $26,441 Pharmacy Reimbursement Allowance Fund, and $55,553 MORx Fund.
(3) There were agency reserves of $60,000 Federal and $26,958 Pharmacy Reimbursement Allowance Fund.

DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET ADMIN

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PS	225.86	2,651,172	5,548,030	1,877,457	10,076,659	
	EE	0.00	693,067	3,338,643	612,092	4,643,802	
	PD	0.00	699	1,030	0	1,729	
	Total	**225.86**	**3,344,938**	**8,887,703**	**2,489,549**	**14,722,190**	
DEPARTMENT CORE ADJUSTMENTS							
1x Expenditures	1621 0215	EE	0.00	0	(4,930)	0	(4,930) One-time E&E reduction (GEMT NDI)
1x Expenditures	1621 3101	EE	0.00	0	0	(4,930)	(4,930) One-time E&E reduction (GEMT NDI)
Transfer Out	976 6376	PS	(0.16)	(7,742)	0	0	(7,742) Transfer to HB 12 - Gov Office
Core Reallocation	444 1753	PS	(0.00)	0	0	0	0
Core Reallocation	444 6376	PS	(0.00)	0	0	0	0
Core Reallocation	444 6378	PS	(0.00)	0	0	0	(0)
Core Reallocation	444 1670	PS	0.00	0	0	0	(0)
Core Reallocation	444 6889	PS	(0.00)	0	0	0	0
Core Reallocation	444 7366	PS	0.00	0	0	0	(0)
Core Reallocation	444 2849	PS	(9.04)	0	0	(419,402)	(419,402)
Core Reallocation	444 6884	PS	(0.00)	0	0	0	0
Core Reallocation	444 2382	PS	9.04	0	0	419,402	419,402
Core Reallocation	444 1387	PS	(0.00)	0	0	0	0

DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET ADMIN

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
DEPARTMENT CORE ADJUSTMENTS							
Core Reallocation 628 2850	EE	0.00	0	0	(55,553)	(55,553)	Core reallocations will more closely align budget with planned expenditures.
Core Reallocation 628 2383	EE	0.00	0	0	55,553	55,553	Core reallocations will more closely align budget with planned expenditures.
NET DEPARTMENT CHANGES		**(0.16)**	**(7,742)**	**(4,930)**	**(4,930)**	**(17,602)**	
DEPARTMENT CORE REQUEST							
	PS	225.70	2,643,430	5,548,030	1,877,457	10,068,917	
	EE	0.00	693,067	3,333,713	607,162	4,633,942	
	PD	0.00	699	1,030	0	1,729	
	Total	**225.70**	**3,337,196**	**8,882,773**	**2,484,619**	**14,704,588**	
GOVERNOR'S RECOMMENDED CORE							
	PS	225.70	2,643,430	5,548,030	1,877,457	10,068,917	
	EE	0.00	693,067	3,333,713	607,162	4,633,942	
	PD	0.00	699	1,030	0	1,729	
	Total	**225.70**	**3,337,196**	**8,882,773**	**2,484,619**	**14,704,588**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MO HEALTHNET ADMIN								
CORE								
PERSONAL SERVICES								
GENERAL REVENUE	2,593,084	56.14	2,651,172	64.28	2,643,430	64.12	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	5,444,863	120.50	5,548,030	115.97	5,548,030	115.97	0	0.00
PHARMACY REBATES	0	0.00	0	0.00	419,402	9.04	0	0.00
THIRD PARTY LIABILITY COLLECT	398,522	8.85	398,428	12.29	398,428	12.29	0	0.00
FEDERAL REIMBURSMENT ALLOWANCE	97,517	2.15	97,661	2.00	97,661	2.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	26,602	0.50	26,602	0.50	0	0.00
NURSING FAC QUALITY OF CARE	52,368	1.19	86,032	2.45	86,032	2.45	0	0.00
HEALTH INITIATIVES	417,419	9.24	430,332	9.87	430,332	9.87	0	0.00
GROUND EMERG MEDICAL TRANSPRT	0	0.00	44,817	1.00	44,817	1.00	0	0.00
MISSOURI RX PLAN FUND	588,281	12.21	775,206	17.00	355,804	7.96	0	0.00
AMBULANCE SERVICE REIMB ALLOW	18,376	0.37	18,379	0.50	18,379	0.50	0	0.00
TOTAL - PS	9,610,430	210.65	10,076,659	225.86	10,068,917	225.70	0	0.00
EXPENSE & EQUIPMENT								
GENERAL REVENUE	672,955	0.00	693,067	0.00	693,067	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	2,211,531	0.00	3,338,643	0.00	3,333,713	0.00	0	0.00
PHARMACY REBATES	0	0.00	0	0.00	55,553	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	488,040	0.00	488,041	0.00	488,041	0.00	0	0.00
FEDERAL REIMBURSMENT ALLOWANCE	7,708	0.00	7,708	0.00	7,708	0.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	356	0.00	356	0.00	0	0.00
NURSING FAC QUALITY OF CARE	10,281	0.00	10,281	0.00	10,281	0.00	0	0.00
HEALTH INITIATIVES	40,143	0.00	41,385	0.00	41,385	0.00	0	0.00
GROUND EMERG MEDICAL TRANSPRT	0	0.00	5,302	0.00	372	0.00	0	0.00
MISSOURI RX PLAN FUND	0	0.00	55,553	0.00	0	0.00	0	0.00
AMBULANCE SERVICE REIMB ALLOW	3,466	0.00	3,466	0.00	3,466	0.00	0	0.00
TOTAL - EE	3,434,124	0.00	4,643,802	0.00	4,633,942	0.00	0	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	699	0.00	699	0.00	0	0.00

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MO HEALTHNET ADMIN								
CORE								
PROGRAM-SPECIFIC								
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	1,030	0.00	1,030	0.00	0	0.00
TOTAL - PD	0	0.00	1,729	0.00	1,729	0.00	0	0.00
TOTAL	13,044,554	210.65	14,722,190	225.86	14,704,588	225.70	0	0.00
GRAND TOTAL	**$13,044,554**	210.65	**$14,722,190**	225.86	**$14,704,588**	225.70	**$0**	0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MO HEALTHNET ADMIN								
CORE								
OFFICE SUPPORT ASST (CLERICAL)	939	0.04	24,757	1.00	25,922	0.99	0	0.00
ADMIN OFFICE SUPPORT ASSISTANT	196,872	6.49	215,569	6.00	210,183	7.00	0	0.00
OFFICE SUPPORT ASSISTANT	46,252	1.95	80,287	2.00	47,393	2.02	0	0.00
SR OFFICE SUPPORT ASSISTANT	179,573	6.91	315,552	9.00	175,088	7.43	0	0.00
BUYER III	16,107	0.35	0	0.00	672	0.01	0	0.00
ACCOUNT CLERK II	30,588	1.15	134,021	5.00	30,629	1.27	0	0.00
AUDITOR II	108,199	2.84	153,179	4.00	108,199	3.16	0	0.00
AUDITOR I	152,921	4.36	167,509	4.00	152,844	4.37	0	0.00
SENIOR AUDITOR	194,777	4.59	297,819	7.00	267,100	6.16	0	0.00
ACCOUNTANT I	16,612	0.50	63,194	2.00	16,613	0.50	0	0.00
ACCOUNTANT III	151,926	3.51	174,502	4.00	151,926	3.52	0	0.00
BUDGET ANAL II	5,703	0.12	0	0.00	40,961	1.00	0	0.00
ACCOUNTING CLERK	46,502	1.82	0	0.00	46,408	1.82	0	0.00
ACCOUNTING GENERALIST I	56,520	1.82	0	0.00	56,520	1.84	0	0.00
ACCOUNTING GENERALIST II	17,820	0.49	0	0.00	17,820	0.55	0	0.00
PERSONNEL OFFICER	45,949	1.00	42,976	1.00	46,048	1.02	0	0.00
PERSONNEL ANAL I	5,096	0.16	0	0.00	5,096	0.17	0	0.00
PUBLIC INFORMATION SPEC I	10,591	0.27	0	0.00	39,591	1.00	0	0.00
EXECUTIVE II	0	0.00	36,920	1.00	0	0.00	0	0.00
MANAGEMENT ANALYSIS SPEC II	427,731	9.57	442,213	10.00	443,285	10.00	0	0.00
HEALTH PROGRAM REP III	0	0.00	1	0.00	0	0.00	0	0.00
ADMINISTRATIVE ANAL I	30,492	0.84	0	0.00	42,165	1.00	0	0.00
PHYSICIAN	122,276	1.00	122,295	1.00	122,276	1.00	0	0.00
REGISTERED NURSE - CLIN OPERS	310,696	5.43	253,811	4.00	343,310	6.00	0	0.00
PROGRAM DEVELOPMENT SPEC	693,126	16.56	588,554	14.00	693,126	16.56	0	0.00
MEDICAID PROGRAM RELATIONS REP	121,377	2.88	196,024	5.00	121,377	2.91	0	0.00
CORRESPONDENCE & INFO SPEC I	580,754	16.32	627,482	17.50	598,356	16.93	0	0.00
MEDICAID PHARMACEUTICAL TECH	230,537	6.91	231,290	7.00	240,537	7.00	0	0.00
MEDICAID CLERK	233,229	8.02	269,392	10.00	234,054	8.08	0	0.00
MEDICAID TECHNICIAN	763,731	22.95	974,684	26.66	798,889	24.11	0	0.00
MEDICAID SPEC	1,064,511	27.18	1,043,516	27.62	1,070,281	27.37	0	0.00
MEDICAID UNIT SPV	237,618	5.31	563,902	8.00	257,618	6.02	0	0.00

105

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MO HEALTHNET ADMIN								
CORE								
FISCAL & ADMINISTRATIVE MGR B1	305,211	6.01	355,197	7.00	333,523	6.81	0	0.00
FISCAL & ADMINISTRATIVE MGR B2	427,625	6.61	391,255	6.00	431,865	6.96	0	0.00
RESEARCH MANAGER B1	0	0.00	56,564	1.00	0	0.00	0	0.00
SOCIAL SERVICES MGR, BAND 1	245,861	4.77	102,087	2.00	245,861	4.78	0	0.00
SOCIAL SERVICES MNGR, BAND 2	615,334	10.48	734,265	13.00	651,730	13.22	0	0.00
DESIGNATED PRINCIPAL ASST DEPT	19,430	0.25	0	0.00	19,430	0.25	0	0.00
DIVISION DIRECTOR	162,800	1.02	209,452	1.00	162,800	1.04	0	0.00
DEPUTY DIVISION DIRECTOR	49,034	0.54	92,210	1.00	99,034	1.00	0	0.00
DESIGNATED PRINCIPAL ASST DIV	255,574	2.93	94,950	1.08	255,574	2.95	0	0.00
LEGAL COUNSEL	78,723	1.05	74,255	1.00	78,723	1.06	0	0.00
CLERK	13,179	0.51	0	0.00	15,716	0.53	0	0.00
DATA PROCESSING CONSULTANT	6,557	0.08	0	0.00	6,557	0.09	0	0.00
MISCELLANEOUS TECHNICAL	181	0.00	0	0.00	181	0.00	0	0.00
MISCELLANEOUS PROFESSIONAL	33,768	0.37	0	0.00	33,768	0.39	0	0.00
SPECIAL ASST OFFICIAL & ADMSTR	41,055	0.35	0	0.00	41,055	0.35	0	0.00
SPECIAL ASST PROFESSIONAL	1,189,611	13.08	836,946	13.00	1,189,611	13.31	0	0.00
SPECIAL ASST OFFICE & CLERICAL	57,175	1.15	110,029	3.00	83,747	1.79	0	0.00
REGISTERED NURSE	7,750	0.09	0	0.00	15,455	0.36	0	0.00
CHIEF OPERATING OFFICER	2,537	0.02	0	0.00	0	0.00	0	0.00
TOTAL - PS	**9,610,430**	**210.65**	**10,076,659**	**225.86**	**10,068,917**	**225.70**	**0**	**0.00**
TRAVEL, IN-STATE	4,017	0.00	5,370	0.00	5,370	0.00	0	0.00
TRAVEL, OUT-OF-STATE	6,453	0.00	3,786	0.00	6,786	0.00	0	0.00
SUPPLIES	319,876	0.00	393,595	0.00	384,809	0.00	0	0.00
PROFESSIONAL DEVELOPMENT	23,732	0.00	45,576	0.00	45,576	0.00	0	0.00
COMMUNICATION SERV & SUPP	78,727	0.00	90,000	0.00	90,000	0.00	0	0.00
PROFESSIONAL SERVICES	2,963,062	0.00	4,054,243	0.00	4,059,951	0.00	0	0.00
M&R SERVICES	13,276	0.00	5,000	0.00	5,000	0.00	0	0.00
COMPUTER EQUIPMENT	0	0.00	1,478	0.00	0	0.00	0	0.00
OFFICE EQUIPMENT	7,034	0.00	25,456	0.00	17,152	0.00	0	0.00
OTHER EQUIPMENT	14,589	0.00	2,462	0.00	2,462	0.00	0	0.00
PROPERTY & IMPROVEMENTS	1,410	0.00	6,241	0.00	6,241	0.00	0	0.00
BUILDING LEASE PAYMENTS	0	0.00	900	0.00	900	0.00	0	0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
MO HEALTHNET ADMIN								
CORE								
EQUIPMENT RENTALS & LEASES	0	0.00	2,449	0.00	2,449	0.00	0	0.00
MISCELLANEOUS EXPENSES	1,948	0.00	7,246	0.00	7,246	0.00	0	0.00
TOTAL - EE	3,434,124	0.00	4,643,802	0.00	4,633,942	0.00	0	0.00
PROGRAM DISTRIBUTIONS	0	0.00	1,729	0.00	1,729	0.00	0	0.00
TOTAL - PD	0	0.00	1,729	0.00	1,729	0.00	0	0.00
GRAND TOTAL	**$13,044,554**	**210.65**	**$14,722,190**	**225.86**	**$14,704,588**	**225.70**	**$0**	**0.00**
GENERAL REVENUE	$3,266,039	56.14	$3,344,938	64.28	$3,337,196	64.12		0.00
FEDERAL FUNDS	$7,656,394	120.50	$8,887,703	115.97	$8,882,773	115.97		0.00
OTHER FUNDS	$2,122,121	34.01	$2,489,549	45.61	$2,484,619	45.61		0.00

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

---

1a. What strategic priority does this program address?

Ensure access to coverage

1b. What does this program do?

Program Statistics
In order to efficiently operate the $10.65 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 0.42% of total state employees while the MO HealthNet program comprised 38.4% of the total FY 2017 state operating budget of $27.7 billion. The administrative portion of the budget (Personal Services and Expense and Equipment) comprised less than 0.2% of the division's total budget. As of June 2017, there were a total of 983,835 participants enrolled in MO HealthNet; of those, 733,120 were in capitated managed care and 250,715 were 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.

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; serves as a 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 Health Insurance Premium Payment (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 Non-Emergency Medical Transportation (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.

Program Operations
Managed Care - Oversees contract compliance of three health plans; develops and operates the Managed Care Program; supports Managed Care enrollment; and works 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; provides Provider Education; 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 team; and oversees external call center 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; and 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; and provides program oversight for Missouri's Pharmacy Assistance Program known as MORx.

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 FY2018 include, in part:
 • Diabetes Prevention Program: The goal of this new initiative is to improve health outcomes for the adult population at risk for developing diabetes by managing obesity and associated co-morbidities.

PROGRAM DESCRIPTION

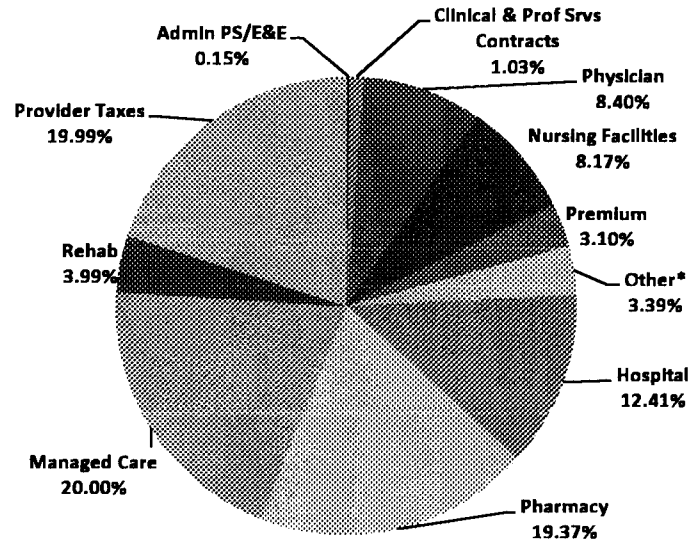**Department: Social Services** HB Section: 11.400
Program Name: MO HealthNet Administration
Program is found in the following core budget(s): MO HealthNet Administration

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 were amended to go through June 30, 2020. 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.

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

Program Expenditure History

Legend: GR, FEDERAL, OTHER, TOTAL

FY 2015 Actual: 3,437,422 / 8,572,459 / 1,795,567 / 13,805,448
FY 2016 Actual: 3,215,184 / 8,293,319 / 2,273,799 / 13,782,302
FY 2017 Actual: 3,266,039 / 7,656,394 / 2,122,121 / 13,044,554
FY 2018 Planned: 3,244,590 / 8,676,131 / 1,973,484 / 13,894,205

FY 2018 planned is net of reverted and reserved.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: MO HealthNet Administration
Program is found in the following core budget(s): MO HealthNet Administration

HB Section: 11.400

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), Ambulance Service Reimbursement Allowance Fund (0958), and Ground Emergency Medical Transportation Fund (0422).

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.

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

Number of MO HealthNet Participants June 30

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
	944,257	982,776	983,835	983,835	983,835	983,835

PROGRAM DESCRIPTION

Department: Social Services
Program Name: MO HealthNet Administration
Program is found in the following core budget(s): MO HealthNet Administration

HB Section: 11.400

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

FY17 MO HealthNet Division Expenditures

Admin PS/E&E 0.15%
Clinical & Prof Srvs Contracts 1.03%
Physician 8.40%
Provider Taxes 19.99%
Nursing Facilities 8.17%
Premium 3.10%
Rehab 3.99%
Other* 3.39%
Hospital 12.41%
Managed Care 20.00%
Pharmacy 19.37%

*Other includes HI-TECH grants (PD only), Dental, Home Health, 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

112

Clinical Services Program Management

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 2019 Budget Request				E		FY 2019 Governor's Recommendation				E
	GR	Federal	Other	Total			GR	Federal	Other	Total	
PS						PS					
EE	461,917	12,214,032	2,485,506	15,161,455		EE				0	
PSD						PSD					
TRF						TRF					
Total	**461,917**	**12,214,032**	**2,485,506**	**15,161,455**		Total				**0**	
FTE	**0.00**	**0.00**	**0.00**	**0.00**		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.

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

Other Funds:

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. The 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

Department: Social Services   **Budget Unit:**   **90516C**
Division: MO HealthNet
Core: Clinical Services Program Management   **HB Section:**   **11.405**

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	17,775,692	15,161,455	15,161,455	15,161,455
Less Reverted (All Funds)	(14,285)	(13,858)	(13,858)	(13,858)
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	17,761,407	15,147,597	15,147,597	15,147,597
Actual Expenditures (All Funds)	13,778,049	13,563,171	12,831,250	N/A
Unexpended (All Funds)	3,983,358	1,584,426	2,316,347	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	
Federal	368,390	615,509	1,005,274	N/A
Other	3,614,968	968,917	1,311,073	N/A
	(1)	(2)		

Actual Expenditures (All Funds)

Chart showing: FY 2015: 13,778,049; FY 2016: 13,563,171; FY 2017: 12,831,250

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 were agency reserves of $135,206 Federal and $2,600,000 MO Rx Fund.
(2) There were agency reserves of $42,711 Federal and $666,120 MO Rx Fund.

DEPARTMENT OF SOCIAL SERVICES

CLINICAL SRVC MGMT

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	EE	0.00	461,917	12,214,032	2,485,506	15,161,455	
	Total	**0.00**	**461,917**	**12,214,032**	**2,485,506**	**15,161,455**	
DEPARTMENT CORE ADJUSTMENTS							
Core Reallocation 629 6769	EE	0.00	0	0	1,497,648	1,497,648	Core reallocations will more closely align budget with planned expenditures.
Core Reallocation 629 2036	EE	0.00	0	0	(1,497,648)	(1,497,648)	Core reallocations will more closely align budget with planned expenditures.
NET DEPARTMENT CHANGES		**0.00**	**0**	**0**	**0**	**0**	
DEPARTMENT CORE REQUEST							
	EE	0.00	461,917	12,214,032	2,485,506	15,161,455	
	Total	**0.00**	**461,917**	**12,214,032**	**2,485,506**	**15,161,455**	
GOVERNOR'S RECOMMENDED CORE							
	EE	0.00	461,917	12,214,032	2,485,506	15,161,455	
	Total	**0.00**	**461,917**	**12,214,032**	**2,485,506**	**15,161,455**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
CLINICAL SRVC MGMT								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	448,059	0.00	461,917	0.00	461,917	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	11,208,758	0.00	12,214,032	0.00	12,214,032	0.00	0	0.00
PHARMACY REBATES	0	0.00	0	0.00	1,497,648	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	924,911	0.00	924,911	0.00	924,911	0.00	0	0.00
MISSOURI RX PLAN FUND	249,522	0.00	1,560,595	0.00	62,947	0.00	0	0.00
TOTAL - EE	12,831,250	0.00	15,161,455	0.00	15,161,455	0.00	0	0.00
TOTAL	**12,831,250**	**0.00**	**15,161,455**	**0.00**	**15,161,455**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$12,831,250**	**0.00**	**$15,161,455**	**0.00**	**$15,161,455**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	*********** SECURED COLUMN	*********** SECURED COLUMN
CLINICAL SRVC MGMT								
CORE								
TRAVEL, IN-STATE	10,724	0.00	10,859	0.00	10,794	0.00	0	0.00
TRAVEL, OUT-OF-STATE	5,415	0.00	0	0.00	5,415	0.00	0	0.00
SUPPLIES	330,926	0.00	422,601	0.00	365,000	0.00	0	0.00
PROFESSIONAL DEVELOPMENT	2,248	0.00	1,000	0.00	2,500	0.00	0	0.00
COMMUNICATION SERV & SUPP	66,708	0.00	91,996	0.00	74,132	0.00	0	0.00
PROFESSIONAL SERVICES	12,349,910	0.00	14,581,936	0.00	14,665,573	0.00	0	0.00
M&R SERVICES	17,620	0.00	33,131	0.00	20,500	0.00	0	0.00
OFFICE EQUIPMENT	10,248	0.00	4,500	0.00	10,000	0.00	0	0.00
OTHER EQUIPMENT	2,544	0.00	7,000	0.00	4,000	0.00	0	0.00
PROPERTY & IMPROVEMENTS	31,789	0.00	250	0.00	500	0.00	0	0.00
BUILDING LEASE PAYMENTS	840	0.00	1,402	0.00	841	0.00	0	0.00
MISCELLANEOUS EXPENSES	2,278	0.00	6,780	0.00	2,200	0.00	0	0.00
TOTAL - EE	12,831,250	0.00	15,161,455	0.00	15,161,455	0.00	0	0.00
GRAND TOTAL	**$12,831,250**	**0.00**	**$15,161,455**	**0.00**	**$15,161,455**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$448,059	0.00	$461,917	0.00	$461,917	0.00		0.00
FEDERAL FUNDS	$11,208,758	0.00	$12,214,032	0.00	$12,214,032	0.00		0.00
OTHER FUNDS	$1,174,433	0.00	$2,485,506	0.00	$2,485,506	0.00		0.00

117

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

---

1a. What strategic priority does this program address?

Health and continuum of care

1b. 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 Conduent (formerly Xerox) where the MO HealthNet Division (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 MHD 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^{SM} 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 electronically prescribe, and electronically request inpatient certifications. The continued funding for *CyberAccess*^{SM} 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 {HIN}). 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 31,000 prescribers and other health care providers located at 8,500 provider sites use the CyberAccess^{SM} tool to access electronic health records for MO HealthNet patients. MHD has also implemented a connection between the statewide HIN and CyberAccess^{SM}. This connection allows CyberAccess^{SM} 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 summer of 2017, there were over 100,000 instances monthly where Missouri Health Connection provided information from MHD to physicians to improve the coordination of care and the quality of treatment received by patients. Furthermore, 73% of all inpatient certification requests are entered through CyberAccess^{SM} and processed using Milliman clinical utilization criteria. Of those entered via the web tool, 89% of initial requests and 41% 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.

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/Ad hoc 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

MHD, in conjunction with Conduent (formerly Xerox) and HealthHelp operate a quality-based 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*^{SM}) 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.

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

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
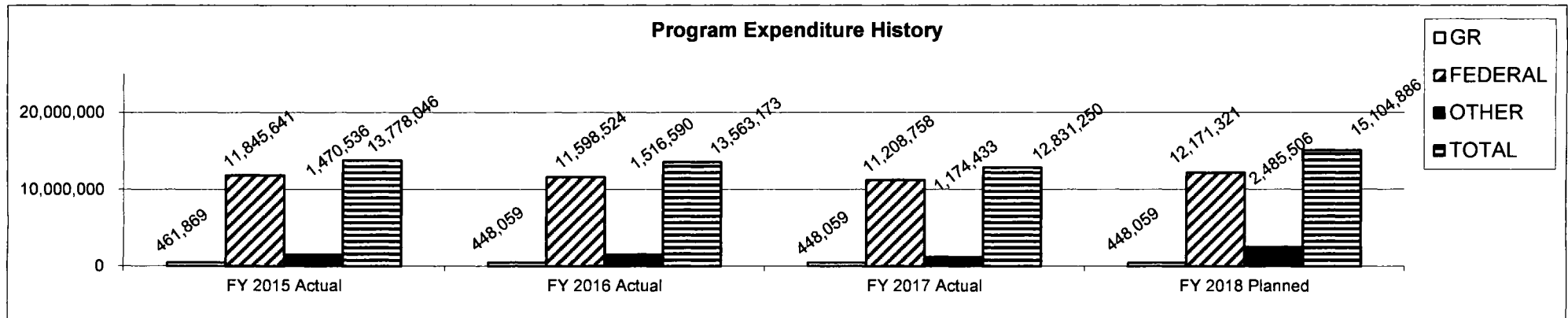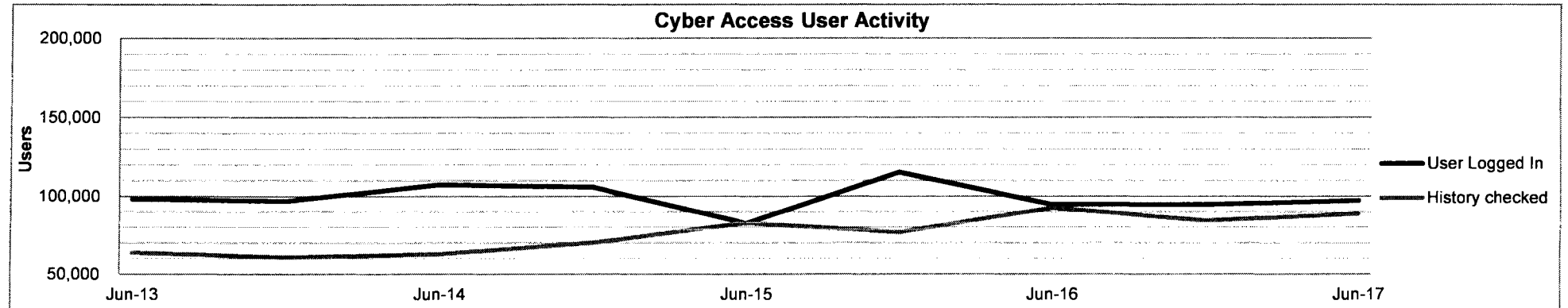
---

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.

Program Expenditure History

Legend: ☐ GR ▨ FEDERAL ■ OTHER ☐ TOTAL

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Planned
GR	461,869	448,059	448,059	448,059
FEDERAL	11,845,641	11,598,524	11,208,758	12,171,321
OTHER	1,470,536	1,516,590	1,174,433	2,485,506
TOTAL	13,778,046	13,563,173	12,831,250	15,104,886

FY 2018 planned is net of reverted and reserve.

---

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.

Cyber Access User Activity

- User Logged In
- History checked

7b. Provide an efficiency measure.

N/A

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

Number of Pharmacy Claims

SFY	Projected	Actual
2015	12.5 mil	12.3 mil
2016	13.2 mil	12.9 mil
2017	13.2 mil	12.9 mil
2018	12.9 mil	
2019	12.9 mil	
2020	12.9 mil	

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

N/A

Womens & Minority Health Care Outreach

Department: Social Services   **Budget Unit:**   **90513C**
Division: MO HealthNet
Core: Women & Minority Health Care Outreach   **HB Section:**   **11.410**

1. CORE FINANCIAL SUMMARY

	FY 2019 Budget Request						FY 2019 Governor's Recommendation				
	GR	**Federal**	**Other**	**Total**	**E**		**GR**	**Federal**	**Other**	**Total**	**E**
PS						**PS**					
EE	529,796	568,625		1,098,421		**EE**				0	
PSD						**PSD**					
TRF						**TRF**					
Total	**529,796**	**568,625**		**1,098,421**		**Total**				**0**	
FTE				**0.00**		**FTE**				**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.				

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: N/A   Other Funds:

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

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	1,114,750	1,098,421	1,098,421	1,098,421
Less Reverted (All Funds)	(16,384)	(15,894)	(15,894)	(15,894)
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	1,098,366	1,082,527	1,082,527	1,082,527
Actual Expenditures (All Funds)	1,075,866	1,066,198	1,027,804	N/A
Unexpended (All Funds)	22,500	16,329	54,723	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	22,500	16,329	54,723	N/A
Other	0	0	0	N/A
	(1)	(2)	(3)	

Actual Expenditures (All Funds)

1,075,866
1,066,198
1,027,804

FY 2015   FY 2016   FY 2017

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 were agency reserves of $22,500 federal funds.
(2) There were agency reserves of $16,329 federal funds.
(3) There were agency reserves of $54,723 federal funds.

123

DEPARTMENT OF SOCIAL SERVICES

WOMEN & MINORITY OUTREACH

5. CORE RECONCILIATION DETAIL

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

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
WOMEN & MINORITY OUTREACH								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	513,902	0.00	529,796	0.00	529,796	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	513,902	0.00	568,625	0.00	568,625	0.00	0	0.00
TOTAL - EE	1,027,804	0.00	1,098,421	0.00	1,098,421	0.00	0	0.00
TOTAL	**1,027,804**	**0.00**	**1,098,421**	**0.00**	**1,098,421**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$1,027,804**	**0.00**	**$1,098,421**	**0.00**	**$1,098,421**	**0.00**	**$0**	**0.00**

9/26/17 7:07
im_disummary

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER:	90513C	DEPARTMENT:	Social Services
BUDGET UNIT NAME:	Women & Minority Outreach		
HOUSE BILL SECTION:	11.410	DIVISION:	MO HealthNet

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.

Department Request

Total	% Flex	Flex Amount	
$ 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, 11.505, 11.510, 11.555, 11.560, 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 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, 11.480, 11.490, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY19

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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
WOMEN & MINORITY OUTREACH								
CORE								
PROFESSIONAL SERVICES	1,027,804	0.00	1,098,421	0.00	1,098,421	0.00	0	0.00
TOTAL - EE	1,027,804	0.00	1,098,421	0.00	1,098,421	0.00	0	0.00
GRAND TOTAL	$1,027,804	0.00	$1,098,421	0.00	$1,098,421	0.00	$0	0.00
GENERAL REVENUE	$513,902	0.00	$529,796	0.00	$529,796	0.00		0.00
FEDERAL FUNDS	$513,902	0.00	$568,625	0.00	$568,625	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

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

1a. What strategic priority does this program address?
Minority outreach in underserved areas

1b. What does this program do?
Program Statistics
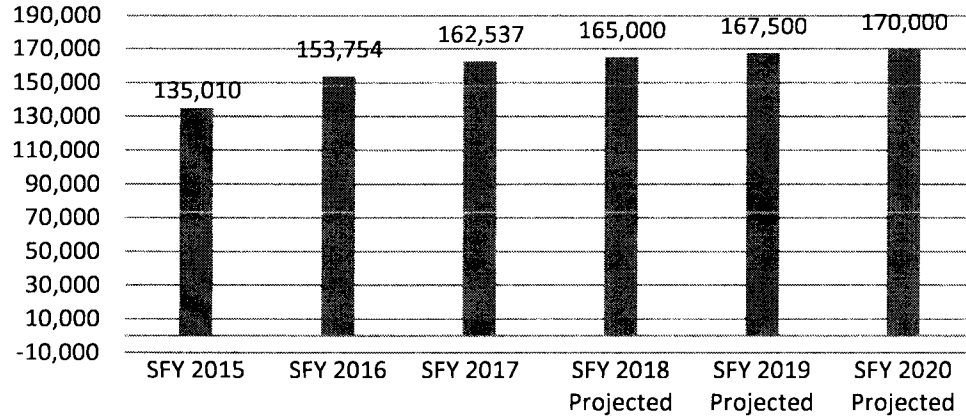In FY17, staff at the 12 Community Health Centers (CHCs)—also known as Federally Qualified Health Centers (FQHCs)—assisted with and submitted 12,678 MO HealthNet applications. 162,537 Medicaid users obtained preventive and primary health services at one of the 12 CHCs in FY17.

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 Women and Minority 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 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 has been expanded to bring dentists to school children, providing dental screenings and services to thirty-two schools in four counties.

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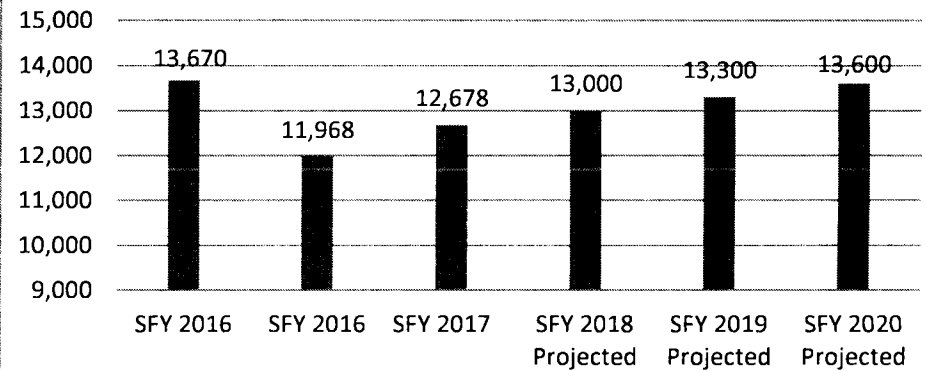**Program is found in the following core budget(s): Women and Minority Health Care Outreach**

---

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.

Program Expenditure History

Legend: GR, FEDERAL, OTHER, TOTAL

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Planned
GR	$529,741	$513,902	$513,902	$513,902
FEDERAL	$546,125	$552,296	$513,902	$513,902
TOTAL	$1,075,866	$1,066,198	$1,027,804	$1,027,804

FY 2018 Planned is a net of reverted and reserve.

---

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

N/A

7a. Provide an effectiveness measure.

N/A

Department: Social Services
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

135,010 — SFY 2015
153,754 — SFY 2016
162,537 — SFY 2017
165,000 — SFY 2018 Projected
167,500 — SFY 2019 Projected
170,000 — SFY 2020 Projected

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

13,670 — SFY 2016
11,968 — SFY 2016
12,678 — SFY 2017
13,000 — SFY 2018 Projected
13,300 — SFY 2019 Projected
13,600 — SFY 2020 Projected

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

N/A

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

N/A

TPL Contracts

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 2019 Budget Request						FY 2019 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				0	
PSD						PSD					
TRF						TRF					
Total		3,000,000	3,000,000	6,000,000		Total				0	
FTE				0.00		FTE				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.

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

Other Funds:

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

Department: Social Services   **Budget Unit:**   **90515C**
Division: MO HealthNet
Core: Third Party Liability (TPL) Contracts   **HB Section:**   **11.415**

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	6,000,000	6,000,000	6,000,000	6,000,000
Less Reverted (All Funds)	0	0	0	0
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	6,000,000	6,000,000	6,000,000	6,000,000
Actual Expenditures (All Funds)	5,410,364	5,155,487	6,000,000	N/A
Unexpended (All Funds)	589,636	844,513	0	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	294,818	422,256	-	N/A
Other	294,818	422,256	-	N/A

Actual Expenditures (All Funds)

Reverted includes statutory reserve amounts (when applicable).
Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

DEPARTMENT OF SOCIAL SERVICES
TPL CONTRACTS

5. CORE RECONCILIATION DETAIL

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

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
TPL CONTRACTS								
CORE								
EXPENSE & EQUIPMENT								
DEPT OF SOC SERV FEDERAL & OTH	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	3,000,000	0.00	3,000,000	0.00	3,000,000	0.00	0	0.00
TOTAL - EE	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00	0	0.00
TOTAL	**6,000,000**	**0.00**	**6,000,000**	**0.00**	**6,000,000**	**0.00**	**0**	**0.00**
TPL Contracts Increase - 1886006								
PROGRAM-SPECIFIC								
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	1,250,000	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	1,250,000	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	2,500,000	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**2,500,000**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$6,000,000**	**0.00**	**$6,000,000**	**0.00**	**$8,500,000**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	*********** SECURED COLUMN	*********** SECURED COLUMN
TPL CONTRACTS								
CORE								
PROFESSIONAL SERVICES	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00	0	0.00
TOTAL - EE	6,000,000	0.00	6,000,000	0.00	6,000,000	0.00	0	0.00
GRAND TOTAL	**$6,000,000**	**0.00**	**$6,000,000**	**0.00**	**$6,000,000**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$0	0.00		0.00
FEDERAL FUNDS	$3,000,000	0.00	$3,000,000	0.00	$3,000,000	0.00		0.00
OTHER FUNDS	$3,000,000	0.00	$3,000,000	0.00	$3,000,000	0.00		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

1a. What strategic priority does this program address?

Cost recovery/cost avoidance

1b. 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 $218 million in savings to the MO HealthNet program in FY17 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.

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

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 15% for the first $20 million recovered, 14% for the next $10 million recovered and 13% for any recoveries over $30 million, which resets annually. There is also a per member per month (PMPM) rate of $0.235 for cost avoidance services, up to 1.4 million members and $0.21 for members over 1.4 million. Health plans in the MO HealthNet Managed Care program are responsible for the TPL activities related to plan enrollees.

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.

PROGRAM DESCRIPTION

Department: Social Services　　　　　　　　　　　　　　　　　　　　**HB Section: 11.415**
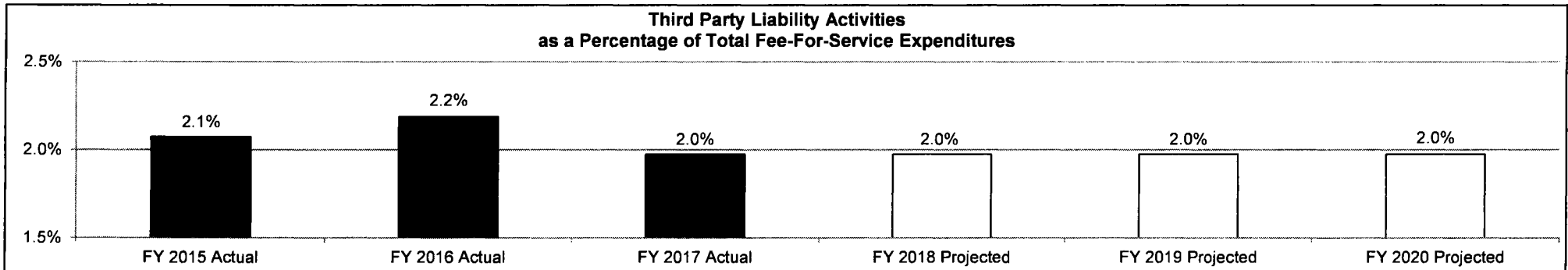**Program Name: Third Party Liability (TPL) Contracts**
Program is found in the following core budget(s): Third Party Liability (TPL) Contracts

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.

---

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.

Program Expenditure History

Legend: □ GR, ▨ FEDERAL, ■ OTHER, ▫ TOTAL

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Planned
GR	2,705,182	2,577,744	3,000,000	3,000,000
FEDERAL	2,705,182	2,577,744	3,000,000	3,000,000
TOTAL	5,410,364	5,155,487	6,000,000	6,000,000

138

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

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

Third Party Liability Collections Fund (0120)

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 2017, TPL activities, including cost avoidance and cash recovery activities, saved 2.0% of total fee-for-service expenditures.

**Third Party Liability Activities
as a Percentage of Total Fee-For-Service Expenditures**

	2.1%	2.2%	2.0%	2.0%	2.0%	2.0%
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected

7b. Provide an efficiency measure.

Cash Recoveries from MO HealthNet Third Party Liability

	$53.1	$55.1	$46.3	$44.0	$41.7	$41.70
in Millions	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projection	FY 2019 Projection	FY 2020 Projection

PROGRAM DESCRIPTION

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

HB Section: 11.415

Cash Recoveries by Contractor

SFY	Projected	Actual
2015	$25.0 mil	$32.3 mil
2016	$25.0 mil	$30.2 mil
2017	$25.0 mil	$24.8 mil
2018	$25.0 mil	
2019	$25.0 mil	
2020	$25.0 mil	

Cash Recoveries by MHD Staff

SFY	Projected	Actual
2015	$21.3 mil	$20.8 mil
2016	$16.5 mil	$24.9 mil
2017	$16.5 mil	$21.5 mil
2018	$14.5 mil	
2019	$12.5 mil	
2020	$12.5 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

Department: Social Services

Budget Unit: 90515C

Division: MO HealthNet

DI Name: TPL Contract Increase   **DI#** 1886006   **HB Section:** 11.415

---

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	1,250,000	1,250,000	2,500,000	EE		0	0	0	0	
PSD	0	0	0	0	PSD		0	0	0	0	
TRF	0	0	0	0	TRF		0	0	0	0	
Total	0	1,250,000	1,250,000	2,500,000	Total		0	0	0	0	
FTE	0.00	0.00	0.00	0.00	FTE		0.00	0.00	0.00	0.00	

Est. Fringe	0	0	0	0	*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.

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

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

Other Funds:

---

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
	Federal Mandate		Program Expansion		Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan	x	Other: Contract Price 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.

This NDI is needed to fund the cost of increased collections for the fee-for-service population.

Department: Social Services   Budget Unit: 90515C
Division: MO HealthNet
DI Name: TPL Contract Increase   DI# 1886006

---

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 the cost of increased collections for the fee-for-service (FFS) population. Cash recoveries from TPL contract were $46.3 million in FY17. In FY17, TPL activities saved 2% of total FFS expenditures.

	GR	Fed	Other	Total
Health Management Systems (HMS)	0	1,250,000	1,250,000	2,500,000

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		1,250,000		1,250,000		2,500,000			
Total EE	0		1,250,000		1,250,000		2,500,000		0	
Grand Total	0	0.0	1,250,000	0.0	1,250,000	0.0	2,500,000	0.0	0	

Department: Social Services   Budget Unit: 90515C

Division: MO HealthNet

DI Name: TPL Contract Increase   DI# 1886006

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

6a. 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 2017, TPL activities, including cost avoidance and cash recovery activities, saved 2.0% of total fee-for-service expenditures.

**Third Party Liability Activities
as a Percentage of Total Fee-For-Service Expenditures**

2.1%	2.2%	2.0%	2.0%	2.0%	2.0%
FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected

6b. Provide an efficiency measure.

Cash Recoveries from MO HealthNet Third Party Liability

$53.1	$55.1	$46.3	$44.0	$41.7	$41.70
FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projection	FY 2019 Projection	FY 2020 Projection

(in Millions)

143

Department: Social Services _____   Budget Unit: 90515C _____
Division: MO HealthNet _____
DI Name: TPL Contract Increase _____ DI# 1886006

Cash Recoveries by Contractor			Cash Recoveries by MHD Staff		
SFY	Projected	Actual	SFY	Projected	Actual
2015	$25.0 mil	$32.3 mil	2015	$21.3 mil	$20.8 mil
2016	$25.0 mil	$30.2 mil	2016	$16.5 mil	$24.9 mil
2017	$25.0 mil	$24.8 mil	2017	$16.5 mil	$21.5 mil
2018	$25.0 mil		2018	$14.5 mil	
2019	$25.0 mil		2019	$12.5 mil	
2020	$25.0 mil		2020	$12.5 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.

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

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************** SECURED COLUMN	************** SECURED COLUMN
TPL CONTRACTS								
TPL Contracts Increase - 1886006								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	2,500,000	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	2,500,000	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$2,500,000	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	$1,250,000	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$1,250,000	0.00		0.00

145

Information Systems

CORE DECISION ITEM

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

Budget Unit: 90522C

HB Section: 11.420

1. CORE FINANCIAL SUMMARY

	FY 2019 Budget Request						FY 2019 Governor's Recommendation				
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE	11,777,149	53,664,294	2,021,687	67,463,130		EE				0	
PSD						PSD					
TRF						TRF					
Total	**11,777,149**	**53,664,294**	**2,021,687**	**67,463,130**		**Total**				**0**	
FTE				**0.00**		**FTE**				**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.				

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

Other Funds:

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

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	51,435,977	64,808,320	81,308,320	67,463,130
Less Reverted (All Funds)	(219,169)	(269,339)	(389,339)	(401,065)
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	51,216,808	64,538,981	80,918,981	67,062,065
Actual Expenditures (All Funds)	41,076,382	45,161,973	52,918,807	N/A
Unexpended (All Funds)	10,140,426	19,377,008	28,000,174	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	10,140,426	19,377,008	28,000,174	N/A
Other	0	0	0	N/A
		(1)		

Actual Expenditures (All Funds)

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 were agency reserves of $387,632 federal funds.

147

DEPARTMENT OF SOCIAL SERVICES
INFORMATION SYSTEMS

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	EE	0.00	11,777,149	53,664,294	2,021,687	67,463,130	
	Total	**0.00**	**11,777,149**	**53,664,294**	**2,021,687**	**67,463,130**	
DEPARTMENT CORE REQUEST							
	EE	0.00	11,777,149	53,664,294	2,021,687	67,463,130	
	Total	**0.00**	**11,777,149**	**53,664,294**	**2,021,687**	**67,463,130**	
GOVERNOR'S RECOMMENDED CORE							
	EE	0.00	11,777,149	53,664,294	2,021,687	67,463,130	
	Total	**0.00**	**11,777,149**	**53,664,294**	**2,021,687**	**67,463,130**	

148

Budget Unit								
Decision Item	FY 2017	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	************	************
Budget Object Summary	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	SECURED	SECURED
Fund	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	COLUMN	COLUMN
INFORMATION SYSTEMS								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	11,044,695	0.00	11,777,149	0.00	11,777,149	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	39,900,176	0.00	53,664,294	0.00	53,664,294	0.00	0	0.00
UNCOMPENSATED CARE FUND	430,000	0.00	430,000	0.00	430,000	0.00	0	0.00
HEALTH INITIATIVES	1,543,936	0.00	1,591,687	0.00	1,591,687	0.00	0	0.00
TOTAL - EE	52,918,807	0.00	67,463,130	0.00	67,463,130	0.00	0	0.00
TOTAL	**52,918,807**	**0.00**	**67,463,130**	**0.00**	**67,463,130**	**0.00**	**0**	**0.00**
MMIS Contract Extension - 1886005								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	395,881	0.00	0	0.00
DEPT OF SOC SERV FEDERAL & OTH	0	0.00	0	0.00	876,085	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,271,966	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**1,271,966**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$52,918,807**	**0.00**	**$67,463,130**	**0.00**	**$68,735,096**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
INFORMATION SYSTEMS								
CORE								
COMMUNICATION SERV & SUPP	0	0.00	898	0.00	898	0.00	0	0.00
PROFESSIONAL SERVICES	52,918,807	0.00	67,462,232	0.00	67,462,232	0.00	0	0.00
TOTAL - EE	**52,918,807**	**0.00**	**67,463,130**	**0.00**	**67,463,130**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$52,918,807**	**0.00**	**$67,463,130**	**0.00**	**$67,463,130**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$11,044,695	0.00	$11,777,149	0.00	$11,777,149	0.00		0.00
FEDERAL FUNDS	$39,900,176	0.00	$53,664,294	0.00	$53,664,294	0.00		0.00
OTHER FUNDS	$1,973,936	0.00	$2,021,687	0.00	$2,021,687	0.00		0.00

150

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.420**
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

| 1a. What strategic priority does this program address? |
Automation of key business processes

| 1b. 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 58,000 providers of 60 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 .59 days in FY17.

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 58,000 providers of 60 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) 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.
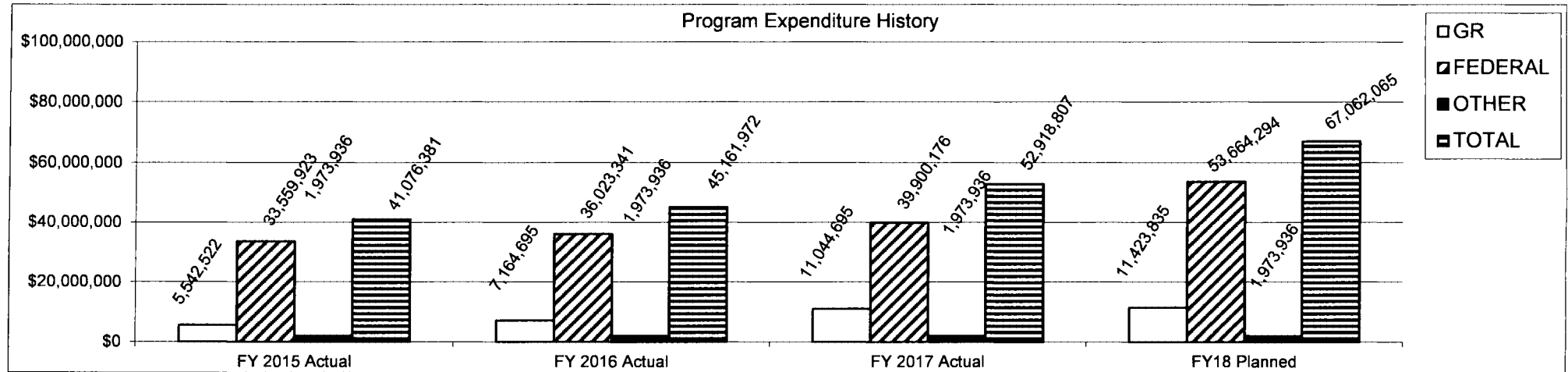
PROGRAM DESCRIPTION

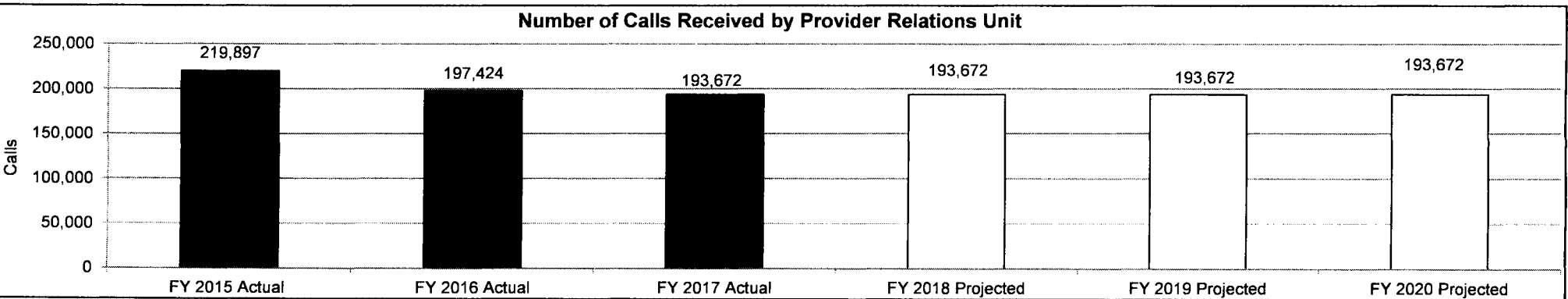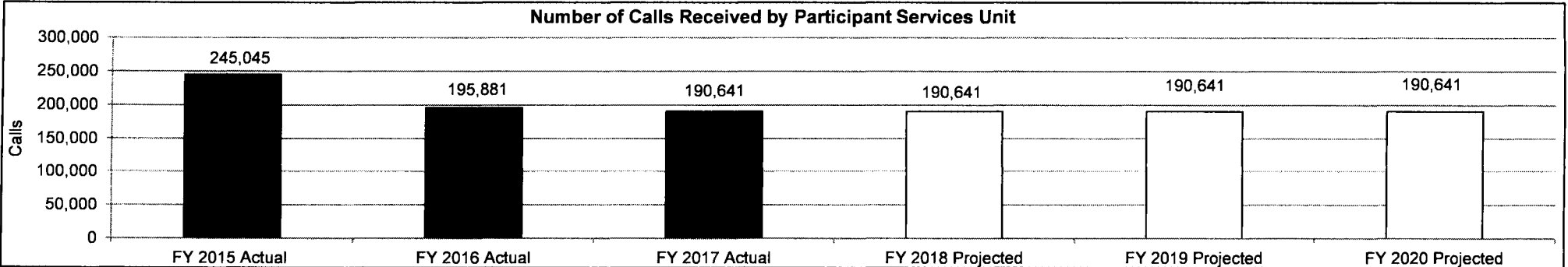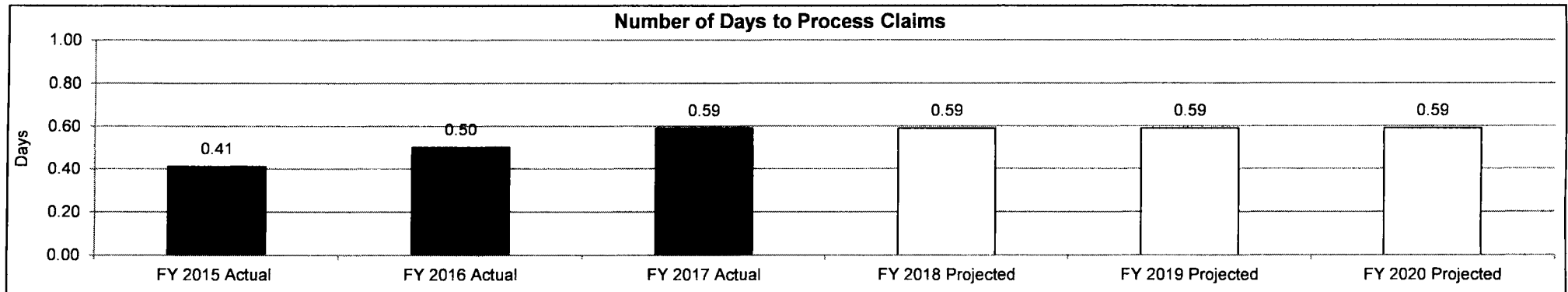**Department: Social Services**   **HB Section: 11.420**
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

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

Program Expenditure History

	GR	FEDERAL	OTHER	TOTAL
FY 2015 Actual	5,542,522	33,559,923	1,973,936	41,076,381
FY 2016 Actual	7,164,695	36,023,341	1,973,936	45,161,972
FY 2017 Actual	11,044,695	39,900,176	1,973,936	52,918,807
FY18 Planned	11,423,835	53,664,294	1,973,936	67,062,065

FY 2018 is net of reverted and reserved.

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

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

154

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

HB Section: 11.420

7a. Provide an effectiveness measure.

Effectiveness Measure: Provide support for participants and providers. The Participant Services Unit received 190,641 calls from participants and the Provider Relations Unit received 193,672 calls in SFY 2017.

Number of Calls Received by Participant Services Unit

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Calls	245,045	195,881	190,641	190,641	190,641	190,641

Number of Calls Received by Provider Relations Unit

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Calls	219,897	197,424	193,672	193,672	193,672	193,672

155

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Information Systems
Program is found in the following core budget(s): Information Systems

HB Section: 11.420

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 2017, over 116.9 million claims were processed.

Number of Days to Process Claims

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Days	0.41	0.50	0.59	0.59	0.59	0.59

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

Payment and Encounter Claims Processed
(in millions)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Claims	98.0	102.6	116.9	122.7	128.9	135.3

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

N/A

Department: Social Services   Budget Unit: 90522C

Division: MO HealthNet

DI Name: MMIS Contract Extensions   DI# 1886005   HB Section: 11.420

1. AMOUNT OF REQUEST

	FY 2019 Budget Request				E		FY 2019 Governor's Recommendation				E
	GR	Federal	Other	Total			GR	Federal	Other	Total	
PS	0	0	0	0		PS	0	0	0	0	
EE	395,881	876,085	0	1,271,966		EE	0	0	0	0	
PSD	0	0	0	0		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	395,881	876,085	0	1,271,966		Total	0	0	0	0	
FTE	0.00	0.00	0.00	0.00		FTE	0.00	0.00	0.00	0.00	

Est. Fringe	0	0	0	0		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.

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:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
	Federal Mandate		Program Expansion		Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan	x	Other: Contract Price 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.

This NDI is needed to fund the increased costs related to the contract extensions for Infocrossing for services related to Missouri Medicaid Management Information System (MMIS), and for Conduent for services related to the State of Missouri Clinical Management Services and Pharmacy Claims and Prior Authorization (CMSP) system component of the MMIS.

Department: Social Services   Budget Unit: 90522C

Division: MO HealthNet

DI Name: MMIS Contract Extensions   DI# 1886005

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 the increased costs related to the contract extensions for Infocrossing for services related to Missouri Medicaid Management Information System (MMIS), and for Conduent for services related to the State of Missouri Clinical Management Services and Pharmacy Claims and Prior Authorization (CMSP) system component of the MMIS.

	GR	Fed	Other	Total
Infocrossing	337,129	695,868		1,032,997
Conduent	58,752	180,217	0	238,969
Total	395,881	876,085	0	1,271,966

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
	395,881		876,085			0	1,271,966			
Total EE	395,881		876,085			0	1,271,966			0
Grand Total	395,881	0.0	876,085	0.0	0	0.0	1,271,966	0.0		0

Department: Social Services   **Budget Unit: 90522C**
Division: MO HealthNet
DI Name: MMIS Contract Extensions   **DI# 1886005**

---

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

6a. Provide an effectiveness measure.

Effectiveness Measure: Provide support for participants and providers. Participant Services Unit received 190,641 calls from participants in SFY 2017. The Provider Relations Unit received 193,672 calls in SFY 2017.

Number of Calls Received by Participant Services Unit

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Calls	245,045	195,881	190,641	190,641	190,641	190,641

Number of Calls Received by Provider Relations Unit

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Calls	219,897	197,424	193,672	193,672	193,672	193,672

Department: Social Services   Budget Unit: 90522C

Division: MO HealthNet

DI Name: MMIS Contract Extensions   DI# 1886005

6b. Provide an efficiency measure.

Efficiency Measure: Promptly process "clean" claims in less than one day. Over the last three fiscal years, claims passing system edits have been processed in less than one day. Processed claims are paid twice a month. In SFY 2017, over 116.9 million claims were processed.

Number of Days to Process Claims

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

Payment and Encounter Claims Processed (in millions)

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

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
INFORMATION SYSTEMS								
MMIS Contract Extension - 1886005								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	1,271,966	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,271,966	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$1,271,966	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$395,881	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$876,085	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Electronic Health Records Incentives

CORE DECISION ITEM

Department: Social Services   **Budget Unit:**   **90523C**
Division: MO HealthNet
Core: Electronic Health Records Incentives   **HB Section:**   **11.425**

1. CORE FINANCIAL SUMMARY

| | \multicolumn{5}{c}{FY 2019 Budget Request} | | \multicolumn{5}{c}{FY 2019 Governor's Recommendation} |

	GR	Federal	Other	Total	E		GR	Fed	Other	Total	E
PS						PS					
EE		1,303,000		1,303,000		EE				0	
PSD		33,697,000		33,697,000		PSD				0	
TRF						TRF					
Total		**35,000,000**		**35,000,000**		**Total**				**0**	

FTE			0.00

FTE			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.

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: N/A

Other Funds:

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   **Budget Unit:** 90523C
Division: MO HealthNet
Core: Electronic Health Records Incentives   **HB Section:** 11.425

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	85,000,000	60,000,000	40,000,000	35,000,000
Less Reverted (All Funds)	0	0	0	0
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	85,000,000	60,000,000	40,000,000	35,000,000
Actual Expenditures (All Funds)	39,334,320	21,885,930	31,066,702	N/A
Unexpended (All Funds)	45,665,680	38,114,070	8,933,298	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	45,665,680	38,114,070	8,933,298	N/A
Other	0	0	0	N/A

Actual Expenditures (All Funds)

Reverted includes statutory reserve amounts (when applicable).
Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

163

DEPARTMENT OF SOCIAL SERVICES
ELECTRONIC HLTH RECORDS INCNTV

5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES								
		EE	0.00	0	1,303,000	0	1,303,000	
		PD	0.00	0	33,697,000	0	33,697,000	
		Total	**0.00**	**0**	**35,000,000**	**0**	**35,000,000**	
DEPARTMENT CORE ADJUSTMENTS								
Core Reallocation	479 7962	EE	0.00	0	201,200	0	201,200	Core reallocations will more closely align the budget with planned expenditures.
Core Reallocation	479 7962	PD	0.00	0	(201,200)	0	(201,200)	Core reallocations will more closely align the budget with planned expenditures.
NET DEPARTMENT CHANGES			**0.00**	**0**	**0**	**0**	**0**	
DEPARTMENT CORE REQUEST								
		EE	0.00	0	1,504,200	0	1,504,200	
		PD	0.00	0	33,495,800	0	33,495,800	
		Total	**0.00**	**0**	**35,000,000**	**0**	**35,000,000**	
GOVERNOR'S RECOMMENDED CORE								
		EE	0.00	0	1,504,200	0	1,504,200	
		PD	0.00	0	33,495,800	0	33,495,800	
		Total	**0.00**	**0**	**35,000,000**	**0**	**35,000,000**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
ELECTRONIC HLTH RECORDS INCNTV								
CORE								
EXPENSE & EQUIPMENT								
FEDERAL STIMULUS-DSS	1,365,058	0.00	1,303,000	0.00	1,504,200	0.00	0	0.00
TOTAL - EE	1,365,058	0.00	1,303,000	0.00	1,504,200	0.00	0	0.00
PROGRAM-SPECIFIC								
FEDERAL STIMULUS-DSS	29,701,644	0.00	33,697,000	0.00	33,495,800	0.00	0	0.00
TOTAL - PD	29,701,644	0.00	33,697,000	0.00	33,495,800	0.00	0	0.00
TOTAL	**31,066,702**	**0.00**	**35,000,000**	**0.00**	**35,000,000**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$31,066,702**	**0.00**	**$35,000,000**	**0.00**	**$35,000,000**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
ELECTRONIC HLTH RECORDS INCNTV								
CORE								
TRAVEL, IN-STATE	2,484	0.00	0	0.00	1,000	0.00	0	0.00
TRAVEL, OUT-OF-STATE	0	0.00	2,000	0.00	3,000	0.00	0	0.00
PROFESSIONAL DEVELOPMENT	125	0.00	1,000	0.00	200	0.00	0	0.00
PROFESSIONAL SERVICES	1,362,449	0.00	1,300,000	0.00	1,500,000	0.00	0	0.00
TOTAL - EE	**1,365,058**	**0.00**	**1,303,000**	**0.00**	**1,504,200**	**0.00**	**0**	**0.00**
PROGRAM DISTRIBUTIONS	29,701,644	0.00	33,697,000	0.00	33,495,800	0.00	0	0.00
TOTAL - PD	**29,701,644**	**0.00**	**33,697,000**	**0.00**	**33,495,800**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$31,066,702**	**0.00**	**$35,000,000**	**0.00**	**$35,000,000**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$0	0.00		0.00
FEDERAL FUNDS	$31,066,702	0.00	$35,000,000	0.00	$35,000,000	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

166

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Electronic Health Records Incentive
Program is found in the following core budget(s): Electronic Health Records Incentive

HB Section: 11.425

1a. What strategic priority does this program address?

Increase provider participation

1b. What does this program do?

Program Statistics
In FY17, a total of 2,262 EHR incentive payments dispersed $29.7 million to MO HealthNet providers - $2.7 million to 17 eligible hospitals and $27 million to 2,245 eligible professionals.
Among participants in the program, 54% of all professionals and 87% of all hospitals have met meaningful use requirements in at least one year.

During the first six years of the program, from FY12 through FY17, over $268 million in incentive payments were made to 110 unique hospitals and 3,870 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 meaningfully 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 EHR 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 of $763,850.

Rate History
This program does not utilize a rate reimbursement methodology.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.425**
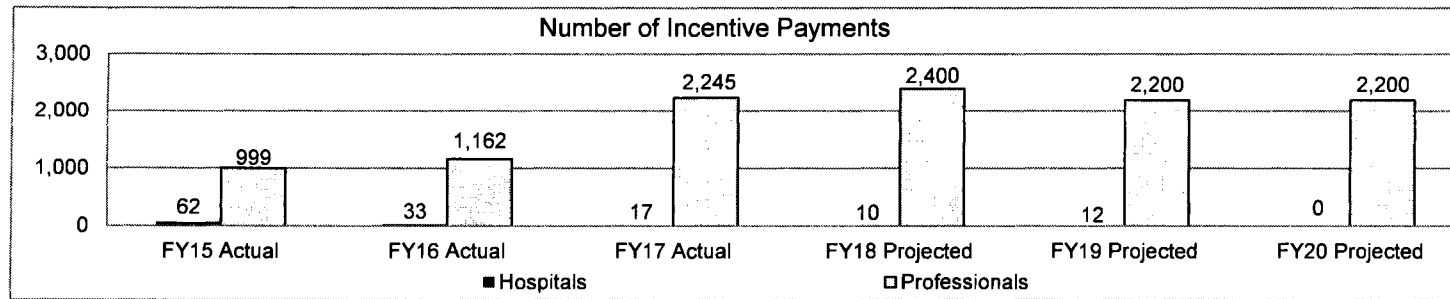**Program Name: Electronic Health Records Incentive**
Program is found in the following core budget(s): Electronic Health Records Incentive

Additional Details

Missouri's Medicaid 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 Expenditure History

Chart legend: GR, FEDERAL, OTHER, TOTAL

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY18 Planned
	39,334,320	21,885,935	31,066,702	35,000,000

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.

Number of Incentive Payments

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Projected	FY19 Projected	FY20 Projected
Hospitals	62	33	17	10	12	0
Professionals	999	1,162	2,245	2,400	2,200	2,200

7b. Provide an efficiency measure.

Provide adequate payments for Electronic Health Records Incentives to MO HealthNet providers with the funds appropriated.

Incentive Payments in Millions

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Projected	FY19 Projected	FY20 Projected
Hospitals	$25.7	$7.2	$2.7	$4.5	$3.0	$0.0
Professionals	$12.4	$13.5	$26.9	$20.5	$18.5	$18.5

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

N/A

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

N/A

169

Money Follows the Person Grant

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 2019 Budget Request				E		FY 2019 Governor's Recommendation				E
	GR	Federal	Other	Total			GR	Federal	Other	Total	
PS						PS					
EE		532,549		532,549		EE				0	
PSD						PSD					
TRF						TRF					
Total		532,549		532,549		Total			0		0
FTE				0.00		FTE					

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.				

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: N/A

Other Funds:

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

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
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)	326,352	374,365	473,757	N/A
Unexpended (All Funds)	206,197	158,184	58,792	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	206,197	158,184	58,792	N/A
Other	0	0	0	N/A

Actual Expenditures (All Funds)

Reverted includes statutory reserve amounts (when applicable).
Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

DEPARTMENT OF SOCIAL SERVICES
MONEY FOLLOWS THE PERSON GRANT

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	EE	0.00	0	532,549	0	532,549	
	Total	**0.00**	**0**	**532,549**	**0**	**532,549**	
DEPARTMENT CORE ADJUSTMENTS							
Core Reallocation 480 8398	EE	0.00	0	(25,000)	0	(25,000)	Core reallocations will more closely align budget with planned expenditures.
Core Reallocation 480 8398	PD	0.00	0	25,000	0	25,000	Core reallocations will more closely align budget with planned expenditures.
NET DEPARTMENT CHANGES		**0.00**	**0**	**0**	**0**	**0**	
DEPARTMENT CORE REQUEST							
	EE	0.00	0	507,549	0	507,549	
	PD	0.00	0	25,000	0	25,000	
	Total	**0.00**	**0**	**532,549**	**0**	**532,549**	
GOVERNOR'S RECOMMENDED CORE							
	EE	0.00	0	507,549	0	507,549	
	PD	0.00	0	25,000	0	25,000	
	Total	**0.00**	**0**	**532,549**	**0**	**532,549**	

172

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MONEY FOLLOWS THE PERSON GRANT								
CORE								
EXPENSE & EQUIPMENT								
DEPT OF SOC SERV FEDERAL & OTH	450,440	0.00	532,549	0.00	507,549	0.00	0	0.00
TOTAL - EE	450,440	0.00	532,549	0.00	507,549	0.00	0	0.00
PROGRAM-SPECIFIC								
DEPT OF SOC SERV FEDERAL & OTH	23,317	0.00	0	0.00	25,000	0.00	0	0.00
TOTAL - PD	23,317	0.00	0	0.00	25,000	0.00	0	0.00
TOTAL	**473,757**	**0.00**	**532,549**	**0.00**	**532,549**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$473,757**	**0.00**	**$532,549**	**0.00**	**$532,549**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MONEY FOLLOWS THE PERSON GRANT								
CORE								
TRAVEL, IN-STATE	721	0.00	2,086	0.00	1,000	0.00	0	0.00
TRAVEL, OUT-OF-STATE	1,365	0.00	0	0.00	1,086	0.00	0	0.00
SUPPLIES	696	0.00	175	0.00	675	0.00	0	0.00
PROFESSIONAL SERVICES	446,861	0.00	529,988	0.00	503,988	0.00	0	0.00
BUILDING LEASE PAYMENTS	160	0.00	150	0.00	150	0.00	0	0.00
MISCELLANEOUS EXPENSES	637	0.00	150	0.00	650	0.00	0	0.00
TOTAL - EE	**450,440**	**0.00**	**532,549**	**0.00**	**507,549**	**0.00**	**0**	**0.00**
PROGRAM DISTRIBUTIONS	23,317	0.00	0	0.00	25,000	0.00	0	0.00
TOTAL - PD	**23,317**	**0.00**	**0**	**0.00**	**25,000**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$473,757**	**0.00**	**$532,549**	**0.00**	**$532,549**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$0	0.00		0.00
FEDERAL FUNDS	$473,757	0.00	$532,549	0.00	$532,549	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Money Follows The Person
Program is found in the following core budget(s): Money Follows the Person

HB Section: 11.430

1a. What strategic priority does this program address?

Transition of care to "home"

1b. 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 (HCBS). 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) 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, 2017, the MFP program has successfully transitioned 1,573 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 446 individuals by December 31, 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 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.

175

PROGRAM DESCRIPTION
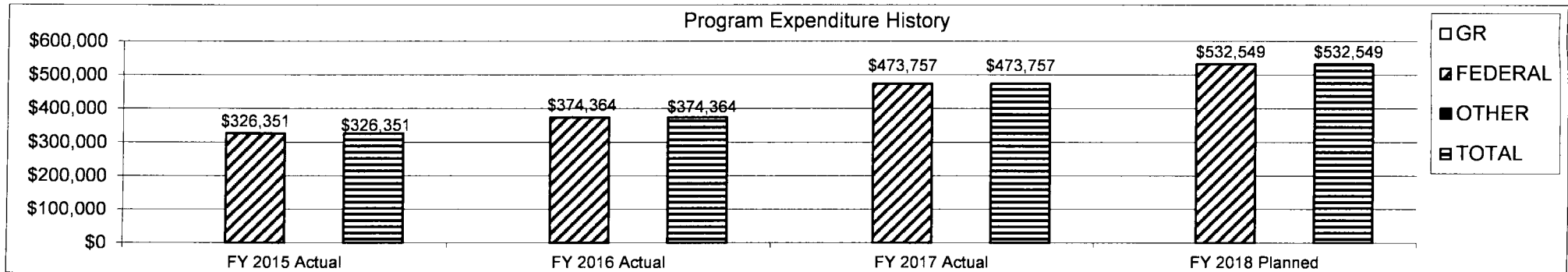
Department: Social Services   **HB Section: 11.430**
Program Name: Money Follows The Person
Program is found in the following core budget(s): Money Follows the Person

Reimbursement Methodology

This program provides payment for the administration of the MFP 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.

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 (81.61% FMAP as of FFY 2017) 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.

MFP administrative expenditures earn 100% federal matching funds.

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

No.

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

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

Program Expenditure History

	GR	FEDERAL	OTHER	TOTAL
FY 2015 Actual		$326,351		$326,351
FY 2016 Actual		$374,364		$374,364
FY 2017 Actual		$473,757		$473,757
FY 2018 Planned		$532,549		$532,549

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

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Money Follows The Person
Program is found in the following core budget(s): Money Follows the Person

HB Section: 11.430

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	135	1	225
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

Pharmacy

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

1. CORE FINANCIAL SUMMARY

	FY 2019 Budget Request				E		FY 2019 Governor's Recommendation				E
	GR	Federal	Other	Total			GR	Federal	Other	Total	
PS						PS					
EE	200,000	207,578		407,578		EE				0	
PSD	110,409,884	802,428,766	323,690,613	1,236,529,263		PSD				0	
TRF						TRF					
Total	110,609,884	802,636,344	323,690,613	1,236,936,841		Total				0	
FTE				0.00		FTE				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.

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: 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:

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

Department: Social Services
Division: MO HealthNet
Core: Pharmacy

Budget Unit: 90541C

HB Section: 11.435

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	1,141,350,373	1,330,027,082	1,391,717,300	1,296,638,512
Less Reverted (All Funds)	(29,079)	(29,079)	0	0
Less Restricted (All Funds)	0	0	(42,800,000)	0
Budget Authority (All Funds)	1,141,321,294	1,329,998,003	1,348,917,300	1,296,638,512
Actual Expenditures (All Funds)	1,062,107,480	1,175,682,544	1,218,855,833	N/A
Unexpended (All Funds)	79,213,814	154,315,459	130,061,467	N/A
Unexpended, by Fund:				
General Revenue	0	315,714	12,793,886	N/A
Federal	0	93,953,604	114,293,459	N/A
Other	79,213,814	60,046,141	2,974,122	N/A
	(1)	(2)	(3)	

Actual Expenditures (All Funds)

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 FY15 Supplemental Budget of $82,265,732 GR. Unexpended funds include $53,597,284 shortfall in tobacco settlement funds to the Healthy 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 were paid from Clawback and $43,927,560 were paid from Managed Care.
(2) There was a FY16 Supplemental Budget of $73,528,529 GR. Unexpended funds include $33,718,140 shortfall in tobacco settlement funds to the Healthy 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. Expenditures of $50,174,019 were paid from Clawback.
(3) There was a FY17 Supplemental Budget of $27,100,000 Pharmacy Rebates Fund. Unexpended Funds include $12,793,886 from GR; $40,700,551 from Federal; and $2,974,122 from PFRA. Expenditures of $10,305,704 were paid from Pharmacy for Clawback; $406,461 were paid from Pharmacy for State Medical; and $5,368 were paid from Pharmacy for Blind Pension Part D.

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	$377.28	$1,127.90	$2,188.07	33.45%	17.24%
Seniors	$42.38	$406.24	$1,679.11	10.43%	2.52%
Custodial Parents	$121.37	$476.89	$515.48	25.45%	23.55%
Children*	$52.38	$266.90	$297.35	19.63%	17.62%
Pregnant Women	$83.56	$899.91	$916.46	9.29%	9.12%

Source: Table 23 Medical Statistics for FY 17. (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

Pregnant Women, 1.82%
Children, 29.21%
Persons with Disabilities, 56.24%
Custodial Parents, 11.24%
Seniors, 3.10%

Source: Table 23 Medical Statistics for FY 17. (Paid Claims Data)

DEPARTMENT OF SOCIAL SERVICES
PHARMACY

5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES								
		EE	0.00	0	207,578	0	207,578	
		PD	0.00	124,739,301	848,001,020	323,690,613	1,296,430,934	
		Total	0.00	124,739,301	848,208,598	323,690,613	1,296,638,512	
DEPARTMENT CORE ADJUSTMENTS								
Core Reduction	1582 2526	PD	0.00	0	(13,107,337)	0	(13,107,337)	Core reduction corresponding to GR pickup NDI
Core Reduction	1668 2526	PD	0.00	0	(32,464,917)	0	(32,464,917)	Est FY18 lapse core redux
Core Reduction	1668 2525	PD	0.00	(14,129,417)	0	0	(14,129,417)	Est FY18 lapse core redux
Core Reallocation	481 2525	EE	0.00	200,000	0	0	200,000	Core reallocations will more closely align budget with planned expenditures.
Core Reallocation	481 2525	PD	0.00	(200,000)	0	0	(200,000)	Core reallocations will more closely align budget with planned expenditures.
NET DEPARTMENT CHANGES			0.00	(14,129,417)	(45,572,254)	0	(59,701,671)	
DEPARTMENT CORE REQUEST								
		EE	0.00	200,000	207,578	0	407,578	
		PD	0.00	110,409,884	802,428,766	323,690,613	1,236,529,263	
		Total	0.00	110,609,884	802,636,344	323,690,613	1,236,936,841	
GOVERNOR'S RECOMMENDED CORE								
		EE	0.00	200,000	207,578	0	407,578	
		PD	0.00	110,409,884	802,428,766	323,690,613	1,236,529,263	
		Total	0.00	110,609,884	802,636,344	323,690,613	1,236,936,841	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	0	0.00	0	0.00	200,000	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	1,389,739	0.00	207,578	0.00	207,578	0.00	0	0.00
TOTAL - EE	1,389,739	0.00	207,578	0.00	407,578	0.00	0	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	33,903,608	0.00	124,739,301	0.00	110,409,884	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	839,959,150	0.00	848,001,020	0.00	802,428,766	0.00	0	0.00
PHARMACY REBATES	261,807,650	0.00	236,745,912	0.00	236,745,912	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	4,217,574	0.00	4,217,574	0.00	4,217,574	0.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	59,678,512	0.00	64,827,527	0.00	64,827,527	0.00	0	0.00
HEALTH INITIATIVES	3,543,350	0.00	3,543,350	0.00	3,543,350	0.00	0	0.00
LIFE SCIENCES RESEARCH TRUST	10,556,250	0.00	10,556,250	0.00	10,556,250	0.00	0	0.00
PREMIUM	3,800,000	0.00	3,800,000	0.00	3,800,000	0.00	0	0.00
TOTAL - PD	1,217,466,094	0.00	1,296,430,934	0.00	1,236,529,263	0.00	0	0.00
TOTAL	**1,218,855,833**	**0.00**	**1,296,638,512**	**0.00**	**1,236,936,841**	**0.00**	**0**	**0.00**
Year 1 Asset Limit CTC - 0000016								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	935,369	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	6,069,272	0.00	0	0.00
PHARMACY REBATES	0	0.00	0	0.00	1,180,308	0.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	0	0.00	1,259,920	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	9,444,869	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**9,444,869**	**0.00**	**0**	**0.00**
Year 2 Asset Limit Increase - 0000017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	352,460	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,286,989	0.00	0	0.00
PHARMACY REBATES	0	0.00	0	0.00	444,757	0.00	0	0.00

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY								
Year 2 Asset Limit Increase - 0000017								
PROGRAM-SPECIFIC								
PHARMACY REIMBURSEMENT ALLOWAN	0	0.00	0	0.00	474,756	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	3,558,962	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**3,558,962**	**0.00**	**0**	**0.00**
MO HEALTHNET GR PICKUP - 1886018								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	13,107,337	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	13,107,337	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**13,107,337**	**0.00**	**0**	**0.00**
Pharmacy PMPM Inc-Specialty - 1886011								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	19,524,645	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	35,105,029	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	54,629,674	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**54,629,674**	**0.00**	**0**	**0.00**
Phrmacy PMPM Inc-Non Specialty - 1886012								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	2,294,165	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	4,124,876	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	6,419,041	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**6,419,041**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$1,218,855,833**	**0.00**	**$1,296,638,512**	**0.00**	**$1,324,096,724**	**0.00**	**$0**	**0.00**

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER:	90541C	DEPARTMENT:	Social Services
BUDGET UNIT NAME:	Pharmacy		
HOUSE BILL SECTION:	11.435	DIVISION:	MO HealthNet

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.

Department Request

	Total	% Flex	Flex Amount	
	$ 1,324,096,724	10%	$ 132,409,672	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, 11.505, 11.510, 11.555, 11.560, 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 ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
$80,037,158	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY19

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

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
Flexibility was utilized from Pharmacy to Physician, Managed Care, Hospital, and Premium in FY17.	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY								
CORE								
PROFESSIONAL SERVICES	1,389,739	0.00	207,578	0.00	407,578	0.00	0	0.00
TOTAL - EE	1,389,739	0.00	207,578	0.00	407,578	0.00	0	0.00
PROGRAM DISTRIBUTIONS	1,217,466,094	0.00	1,296,430,934	0.00	1,236,529,263	0.00	0	0.00
TOTAL - PD	1,217,466,094	0.00	1,296,430,934	0.00	1,236,529,263	0.00	0	0.00
GRAND TOTAL	**$1,218,855,833**	**0.00**	**$1,296,638,512**	**0.00**	**$1,236,936,841**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$33,903,608	0.00	$124,739,301	0.00	$110,609,884	0.00		0.00
FEDERAL FUNDS	$841,348,889	0.00	$848,208,598	0.00	$802,636,344	0.00		0.00
OTHER FUNDS	$343,603,336	0.00	$323,690,613	0.00	$323,690,613	0.00		0.00

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

1a. What strategic priority does this program address?

Access to safe/effective medications

1b. 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 FY17, there were approximately 12.9 million paid pharmacy claims. Generic drugs made up 84% of these claims, while only comprising 31% of the pharmacy spend.

This program represents 14.94% of the total FY 2017 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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

Reimbursement Methodology
The Centers for Medicare and Medicaid Services (CMS) published a final rule on January 1, 2016, pertaining to Medicaid reimbursement for covered outpatient drugs. The purpose of the final rule is to implement changes to the prescription drug reimbursement structure as enacted by the Affordable Care Act (ACA). States are required to establish actual acquisition cost (AAC) as the basis of ingredient cost reimbursement to providers as well as evaluate the professional dispensing fee reimbursement. With the final rule, States must also establish a payment methodology for 340B entities and 340B contract pharmacies.

In general terms, MO HealthNet drug reimbursement is made by applying the following hierarchy methodology:
* Federal Upper Limit (FUL) price, plus professional dispensing fee; if there is no FUL,
* Missouri Maximum Allowed Cost (MAC), plus professional dispensing fee; if no FUL or MAC,
* Wholesale Acquisition Cost (WAC) minus 3.1%, plus professional dispensing fee, or
* The usual and customary (U&C) charge submitted by the provider IF it is lower than the chosen price (FUL, MAC, or WAC).

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.*
CMS approval is pending for the above reimbursement methodology.

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 CMS before their product lines will be eligible for coverage by Medicaid. Currently, approximately 700 manufacturers have signed agreements with Centers for Medicare and Medicaid Services (CMS) and participate in the Drug Rebate Program. For MO HealthNet participants, approximately 570 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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

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.

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 Management Services and System for Pharmacy Claims and Prior Authorization (CMSP)
Through a contract with Conduent (formerly Xerox), 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 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.

The contract with Conduent (formerly Xerox) 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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

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 Conduent's (formerly Xerox) 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 Conduent 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.

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. 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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

Drug Utilization Review
This process is currently provided by Conduent 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.

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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

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.
- 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 $5.00 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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

- Active Pharmaceutical Ingredients and Excipients: An API is defined by 21 C.F.R. § 207.3(a)(4) as a bulk drug substance that "is represented for use in a drug and that, when used in the manufacturing, processing, or packaging of a drug, becomes an active ingredient or a finished dosage form of the drug." An excipient is an inactive substance that forms a vehicle for the active ingredient in compounding.   Effective September 1, 2017 MO HealthNet requires prior authorization (PA) on all compounded medications including an API and excipients. Requests for PA are reviewed on an individual patient basis and evaluated for medical necessity. Participant are required to use commercially available products is there is one available that is similar to the compound being requested.

---

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%.

---

4. Is this a federally mandated program? If yes, please explain.
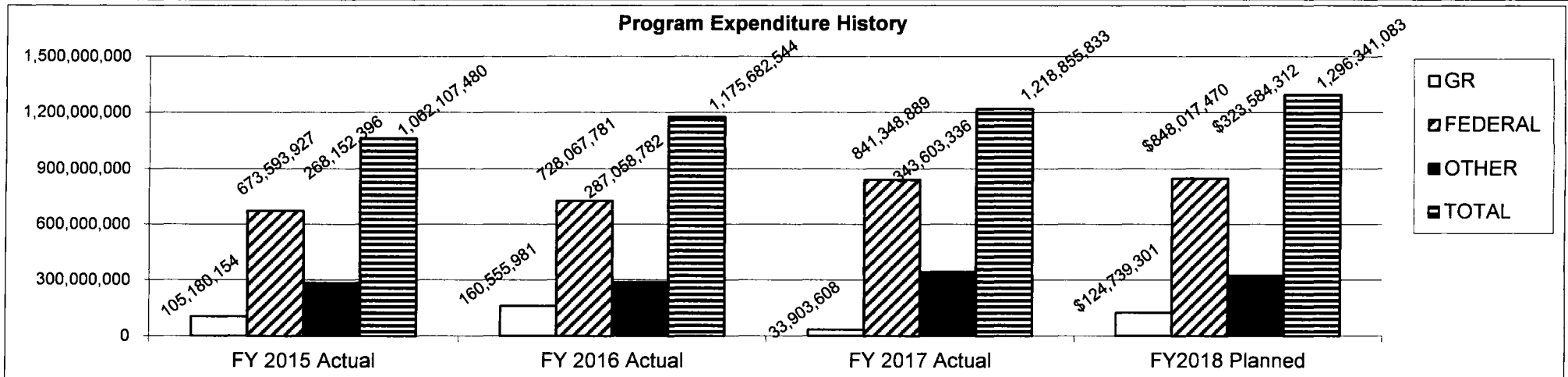
Yes, pharmacy services are mandatory for children if they are identified as medically necessary health services under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. This program is not federally mandated for adults.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

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

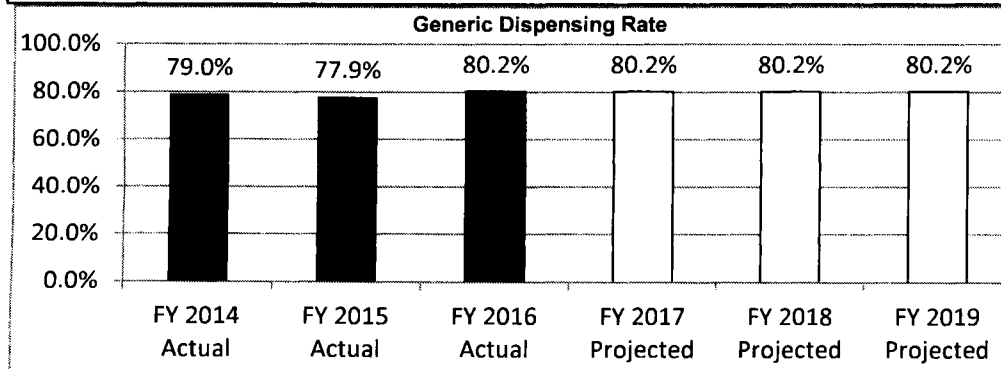**Program Expenditure History**

Legend: □GR, ▨FEDERAL, ■OTHER, ▭TOTAL

FY 2015 Actual: 105,180,154; 673,593,927; 268,152,396; 1,082,107,480
FY 2016 Actual: 160,555,981; 728,067,781; 287,058,782; 1,175,682,544
FY 2017 Actual: 33,903,608; 841,348,889; 343,603,336; 1,218,855,833
FY2018 Planned: $124,739,301; $848,017,470; $323,584,312; 1,296,341,083

FY 2018 planned is net of reverted and reserve.

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 Fund (0885) and Life Sciences Research Trust Fund (0763).

7a. Provide an effectiveness measure.

Generic Dispensing Rate

FY 2014 Actual: 79.0%
FY 2015 Actual: 77.9%
FY 2016 Actual: 80.2%
FY 2017 Projected: 80.2%
FY 2018 Projected: 80.2%
FY 2019 Projected: 80.2%

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

PROGRAM DESCRIPTION

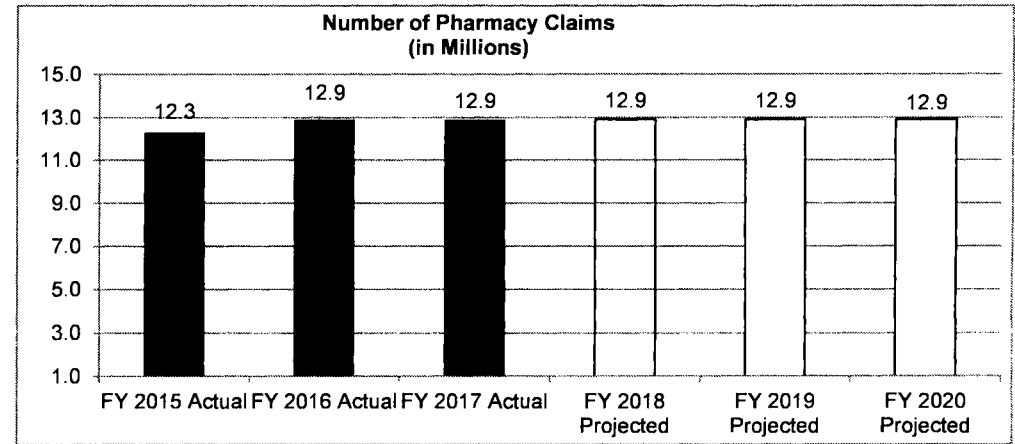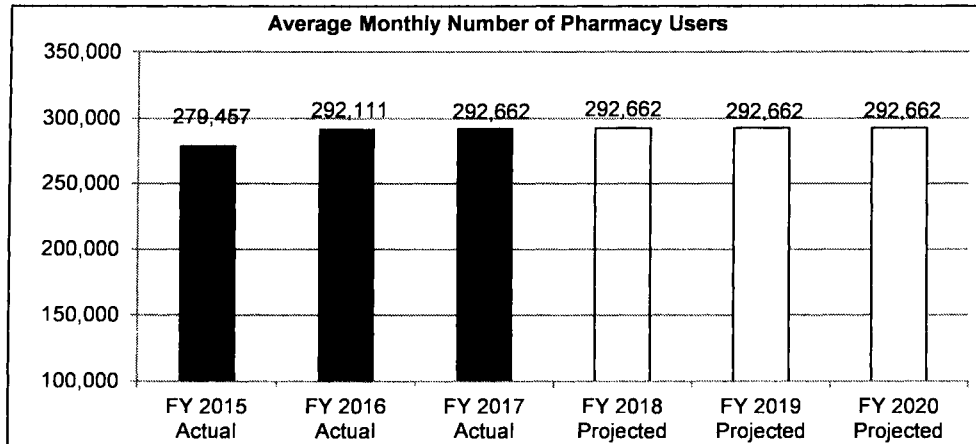**Department: Social Services**   **HB Section: 11.435**
Program Name: Pharmacy
Program is found in the following core budget(s): Pharmacy

7b. Provide an efficiency measure.

N/A

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

Average Monthly Number of Pharmacy Users

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Value	279,457	292,111	292,662	292,662	292,662	292,662

Number of Pharmacy Claims (in Millions)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Value	12.3	12.9	12.9	12.9	12.9	12.9

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

N/A

Pharmacy- Medicare Part D Clawback

CORE DECISION ITEM

Department: Social Services	**Budget Unit:** 90543C
Division: MO HealthNet	
Core: Pharmacy - Medicare Part D "Clawback"	**HB Section:** 11.435

1. CORE FINANCIAL SUMMARY

	FY 2019 Budget Request						FY 2019 Governor's Recommendation				
	GR	**Federal**	**Other**	**Total**	**E**		**GR**	**Federal**	**Other**	**Total**	**E**
PS						**PS**					
EE						**EE**					
PSD	226,750,733			226,750,733		**PSD**					
TRF						**TRF**					
Total	**226,750,733**	**0**	**0**	**226,750,733**		**Total**				**0**	
FTE				0.00		**FTE**					

Est. Fringe	0	0	0	0		**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.

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:

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"

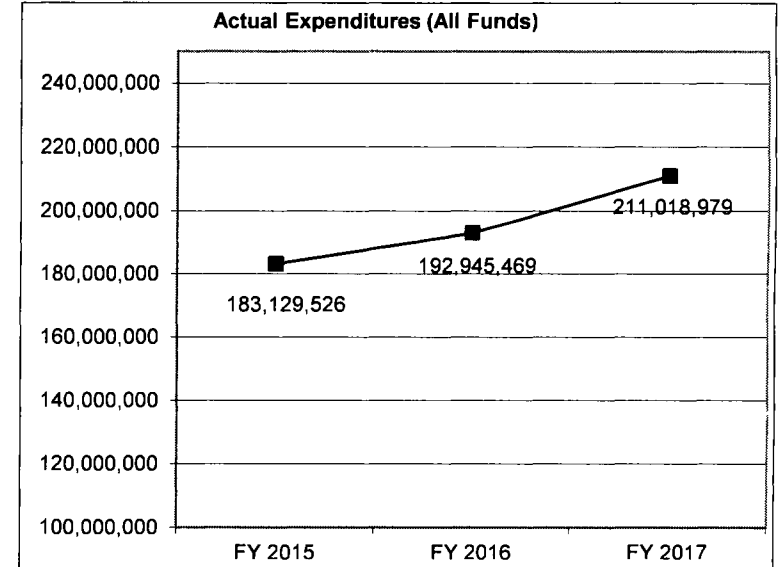**Department: Social Services**   **Budget Unit:**   **90543C**
Division: MO HealthNet
Core: Pharmacy - Medicare Part D "Clawback"   **HB Section:**   **11.435**

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	183,129,526	192,945,469	211,018,979	228,376,331
Less Reverted (All Funds)	0	0	0	0
Budget Authority (All Funds)	186,236,499	192,945,469	211,018,979	228,376,331
Actual Expenditures (All Funds)	183,129,526	192,945,469	211,018,979	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
	(1)	**(2)**	**(3)**	

Actual Expenditures (All Funds)

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) Expenditures of $23,054,861 were for Pharmacy.
(2) Expenditures of $50,174,019 were for Pharmacy.
(3) Expenditures of $10,305,704 were paid from Pharmacy for Clawback.

DEPARTMENT OF SOCIAL SERVICES
PHARMACY-MED PART D-CLAWBACK

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	228,376,331	0	0	228,376,331	
	Total	**0.00**	**228,376,331**	**0**	**0**	**228,376,331**	
DEPARTMENT CORE ADJUSTMENTS							
Core Reduction 1669 7238	PD	0.00	(1,625,598)	0	0	(1,625,598)	Est FY18 lapse core redux
NET DEPARTMENT CHANGES		**0.00**	**(1,625,598)**	**0**	**0**	**(1,625,598)**	
DEPARTMENT CORE REQUEST							
	PD	0.00	226,750,733	0	0	226,750,733	
	Total	**0.00**	**226,750,733**	**0**	**0**	**226,750,733**	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	226,750,733	0	0	226,750,733	
	Total	**0.00**	**226,750,733**	**0**	**0**	**226,750,733**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHARMACY-MED PART D-CLAWBACK								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	198,071,188	0.00	228,376,331	0.00	226,750,733	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	12,947,791	0.00	0	0.00	0	0.00	0	0.00
TOTAL - PD	211,018,979	0.00	228,376,331	0.00	226,750,733	0.00	0	0.00
TOTAL	**211,018,979**	**0.00**	**228,376,331**	**0.00**	**226,750,733**	**0.00**	**0**	**0.00**
Clawback Increase - 1886013								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	3,224,870	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	3,224,870	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**3,224,870**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$211,018,979**	**0.00**	**$228,376,331**	**0.00**	**$229,975,603**	**0.00**	**$0**	**0.00**

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER:	90543C	DEPARTMENT:	Social Services
BUDGET UNIT NAME:	Clawback		
HOUSE BILL SECTION:	11.435	DIVISION:	MO HealthNet

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.

<table>
<tr><td colspan="2" align="center">Department Request</td></tr>
<tr>
<td>
<table>
<tr><td>Total</td><td>% Flex</td><td>Flex Amount</td></tr>
<tr><td>$ 229,975,603</td><td>10%</td><td>$ 22,997,560</td></tr>
</table>
</td>
<td>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, 11.505, 11.510, 11.555, 11.560, and 11.600.</td>
</tr>
</table>

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 ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
N/A	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY19

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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY-MED PART D-CLAWBACK								
CORE								
PROGRAM DISTRIBUTIONS	211,018,979	0.00	228,376,331	0.00	226,750,733	0.00	0	0.00
TOTAL - PD	211,018,979	0.00	228,376,331	0.00	226,750,733	0.00	0	0.00
GRAND TOTAL	**$211,018,979**	**0.00**	**$228,376,331**	**0.00**	**$226,750,733**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$198,071,188	0.00	$228,376,331	0.00	$226,750,733	0.00		0.00
FEDERAL FUNDS	$12,947,791	0.00	$0	0.00	$0	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

201

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Pharmacy - Medicare Part D "Clawback"
Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"

HB Section: 11.435

1a. What strategic priority does this program address?

Access to safe/effective medications

1b. 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 132,634 in FY17. This program represents 2.33% of the total FY 2017 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.

PROGRAM DESCRIPTION

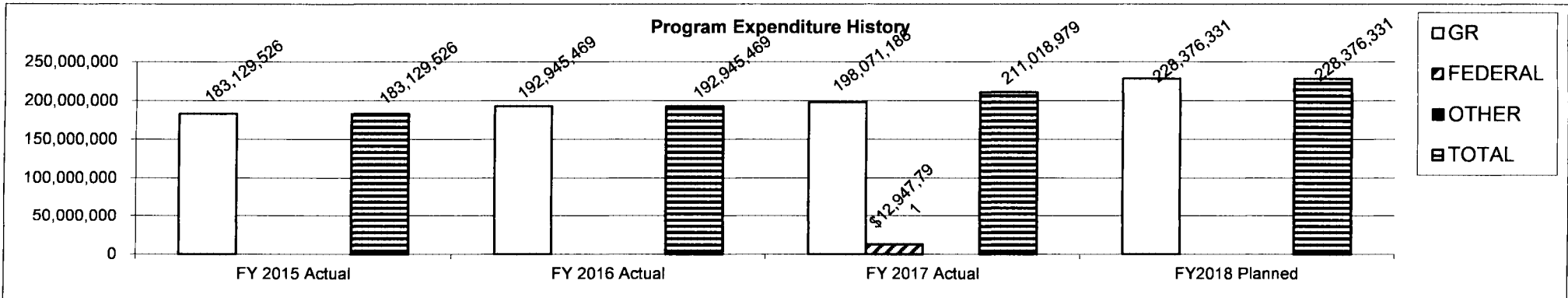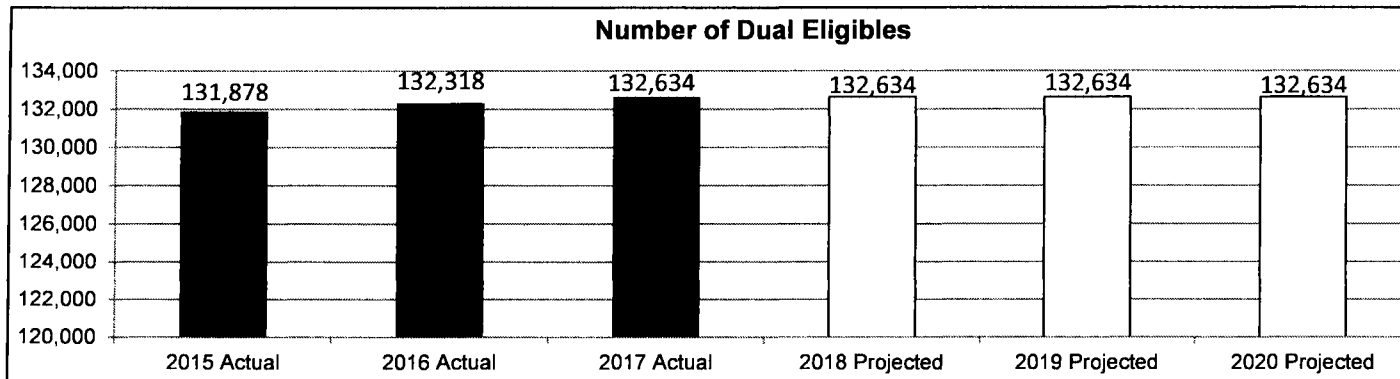**Department: Social Services**   **HB Section: 11.435**
Program Name: Pharmacy - Medicare Part D "Clawback"
Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"

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
Oct-Dec 17	$139.64	($5.52)
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	

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.

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"

---

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

Program Expenditure History

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY2018 Planned
Values	183,129,526	192,945,469	198,071,188 / $12,947,791 / 211,018,979	228,376,331

Legend: □GR ☑FEDERAL ■OTHER ⊟TOTAL

---

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

204

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"

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

Number of Dual Eligibles

Year	Number
2015 Actual	131,878
2016 Actual	132,318
2017 Actual	132,634
2018 Projected	132,634
2019 Projected	132,634
2020 Projected	132,634

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

N/A

Department: Social Services   **Budget Un** 90543C

Division: MO HealthNet

DI Name: Clawback Increase   DI# 1886013   **HB Sectior** 11.435

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	3,224,870	0	0	3,224,870		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	3,224,870	0	0	3,224,870		Total	0	0	0	0	
FTE	0.00	0.00	0.00	0.00		FTE	0.00	0.00	0.00	0.00	

Est. Fringe	0	0	0	0		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.

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

Other Funds: N/A   Other Fund:

2. THIS REQUEST CAN BE CATEGORIZED AS:

_____	New Legislation	_____ New Program	_____ Fund Switch
__X__	Federal Mandate	_____ Program Expansion	_____ Cost to Continue
_____	GR Pick-Up	_____ Space Request	_____ Equipment Replacement
_____	Pay Plan	_____ 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.

Department: Social Services

Budget Unit 90543C

Division: MO HealthNet

DI Name: Clawback Increase   DI# 1886013

---

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. Caseload growth is assumed to be 1.15% in FY18 and .86% in FY19. The Clawback assessment rate is provided by CMS. The June 2018 to May 2019 assessment is included in the calculation because the assessment is currently paid one month in arrears. The number of duals was calculated using the average duals for FY17 and indexing to that average based on monthly ebbs and flows experienced over the last five fiscal years (FY13-FY17). The Clawback rate is revised by CMS each January. The June through December 2018 Clawback rate is based on the most recent CMS estimate. The January through May 2019 Clawback rate assumes a 3.55% increase

		#of duals	Clawback Rate	Monthly Clawback Amount	Estimated Retros Pd	Total Paid w/Retros
June	2018	136,704	$141.34	$19,321,743	$560	$19,322,303
July	2018	136,840	$141.34	$19,340,966	$1,789	$19,342,754
August	2018	135,243	$141.34	$19,115,246	$1,308	$19,116,553
September	2018	135,706	$141.34	$19,180,686	$901	$19,181,587
October	2018	130,865	$139.78	$18,292,310	$601	$18,292,910
November	2018	132,347	$139.78	$18,499,464	$525,021	$19,024,484
December	2018	133,218	$139.78	$18,621,212	$246,512	$18,867,725
January	2019	130,013	$144.74	$18,818,679	$103,729	$18,922,408
February	2019	132,494	$144.74	$19,177,790	$595,683	$19,773,473
March	2019	135,959	$144.74	$19,679,330	$253,744	$19,933,074
April	2019	137,434	$144.74	$19,892,828	$140,852	$20,033,680
May	2019	136,718	$144.74	$19,789,191	$1,059	$19,790,250
TOTAL				$229,729,443	$1,871,757	$231,601,201
Appropriated						$228,376,331
Short/Need						(3,224,870)

Department: Social Services   Budget Unit 90543C

Division: MO HealthNet

DI Name: Clawback Increase   DI# 1886013

---

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
Program Distributions	3,224,870						3,224,870			
Total PSD	**3,224,870**		**0**		**0**		**3,224,870**		**0**	
Grand Total	**3,224,870**	**0.0**	**0**	**0.0**	**0**	**0.0**	**3,224,870**	**0.0**	**0**	

---

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.

Number of Dual Eligibles

	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Projected	2020 Projected
	131,878	133,069	132,942	132,942	132,942	132,942

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

N/A

---

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************** SECURED COLUMN	************** SECURED COLUMN
PHARMACY-MED PART D-CLAWBACK								
Clawback Increase - 1886013								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	3,224,870	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	3,224,870	0.00	0	0.00
GRAND TOTAL	**$0**	**0.00**	**$0**	**0.00**	**$3,224,870**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$0	0.00	$0	0.00	$3,224,870	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

Missouri RX Plan

CORE DECISION ITEM

Department: Social Services
Division: MO HealthNet
Core: Missouri Rx Plan

Budget Unit: 90538C

HB Section: 11.436

1. CORE FINANCIAL SUMMARY

	FY 2019 Budget Request							FY 2019 Governor's Recommendation				
	GR	Federal	Other	Total	E			GR	Federal	Other	Total	E
PS						PS						
EE						EE						
PSD	6,907,477		4,655,326	11,562,803		PSD					0	
TRF						TRF						
Total	**6,907,477**	**0**	**4,655,326**	**11,562,803**		**Total**					**0**	
FTE				**0.00**		**FTE**					**0.00**	

Est. Fringe	0	0	0	0		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.						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:

2. CORE DESCRIPTION

The Missouri Rx Plan provides pharmaceutical assistance to Medicare/Medicaid dual eligibles; 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

210

Department: Social Services
Division: MO HealthNet
Core: Missouri Rx Plan

Budget Unit: 90538C

HB Section: 11.436

---

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	23,753,091	23,986,247	24,986,247	11,562,803
Less Reverted (All Funds)	0	(510,115)	(558,085)	(207,224)
Less Restricted (All Funds)	0	0	(212,035)	0
Budget Authority (All Funds)	23,753,091	23,476,132	24,216,127	11,355,579
Actual Expenditures (All Funds)	22,127,661	22,287,547	22,883,096	N/A
Unexpended (All Funds)	1,625,430	1,188,585	1,333,031	N/A
Unexpended, by Fund:				
General Revenue	0	0	1,333,031	N/A
Federal	0	0	0	N/A
Other	1,625,430	1,188,585	0	N/A
	(1)	**(2)**	**(3)**	

Actual Expenditures(All Funds)

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) There was a $1,625,430 lapse of MO Rx Fund due to a shortfall of revenue to the fund.
(2) There was a $1,188,585 lapse of MO Rx Fund due to a shortfall of revenue to the fund.
(3) There was a $1,333,031 lapse of GR due to fund switches for reduced availability of GR.

DEPARTMENT OF SOCIAL SERVICES
MISSOURI RX PLAN

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	6,907,477	0	4,655,326	11,562,803	
	Total	**0.00**	**6,907,477**	**0**	**4,655,326**	**11,562,803**	
DEPARTMENT CORE REQUEST							
	PD	0.00	6,907,477	0	4,655,326	11,562,803	
	Total	**0.00**	**6,907,477**	**0**	**4,655,326**	**11,562,803**	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	6,907,477	0	4,655,326	11,562,803	
	Total	**0.00**	**6,907,477**	**0**	**4,655,326**	**11,562,803**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
MISSOURI RX PLAN								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	16,499,693	0.00	6,907,477	0.00	6,907,477	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	728,077	0.00	0	0.00	0	0.00	0	0.00
MISSOURI RX PLAN FUND	5,655,326	0.00	4,655,326	0.00	4,655,326	0.00	0	0.00
TOTAL - PD	22,883,096	0.00	11,562,803	0.00	11,562,803	0.00	0	0.00
TOTAL	**22,883,096**	**0.00**	**11,562,803**	**0.00**	**11,562,803**	**0.00**	**0**	**0.00**
Year 1 Asset Limit CTC - 0000016								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	66,662	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	66,662	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**66,662**	**0.00**	**0**	**0.00**
Year 2 Asset Limit Increase - 0000017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	25,120	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	25,120	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**25,120**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$22,883,096**	**0.00**	**$11,562,803**	**0.00**	**$11,654,585**	**0.00**	**$0**	**0.00**

9/26/17 7:07
im_disummary

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	*********** SECURED COLUMN	*********** SECURED COLUMN
MISSOURI RX PLAN								
CORE								
PROGRAM DISTRIBUTIONS	22,883,096	0.00	11,562,803	0.00	11,562,803	0.00	0	0.00
TOTAL - PD	22,883,096	0.00	11,562,803	0.00	11,562,803	0.00	0	0.00
GRAND TOTAL	**$22,883,096**	0.00	**$11,562,803**	0.00	**$11,562,803**	0.00	**$0**	0.00
GENERAL REVENUE	$16,499,693	0.00	$6,907,477	0.00	$6,907,477	0.00		0.00
FEDERAL FUNDS	$728,077	0.00	$0	0.00	$0	0.00		0.00
OTHER FUNDS	$5,655,326	0.00	$4,655,326	0.00	$4,655,326	0.00		0.00

214

PROGRAM DESCRIPTION

Department: Social Services   **HB Section:**   11.436
Program Name: Missouri Rx Plan
Program is found in the following core budget(s): Missouri Rx Plan

---

1a. What strategic priority does this program address?

Access to safe/effective medications

1b. What does this program do?

SB 539 (2005) established a state pharmaceutical assistance program known as the Missouri Rx (MORx) plan. SB 139 (2017) limited the Missouri Rx program to individuals who are eligible for both MO HealthNet and Medicare. 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 dual eligibles.

Program Statistics
MORx provides pharmacy benefit assistance to over 179,000 members. In FY18 it is estimated the program will save participants $9 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.

This program represents 0.26% of the total FY 2017 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 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, 2022.

---

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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Section:**   **11.436**
Program Name: Missouri Rx Plan
Program is found in the following core budget(s): Missouri Rx Plan
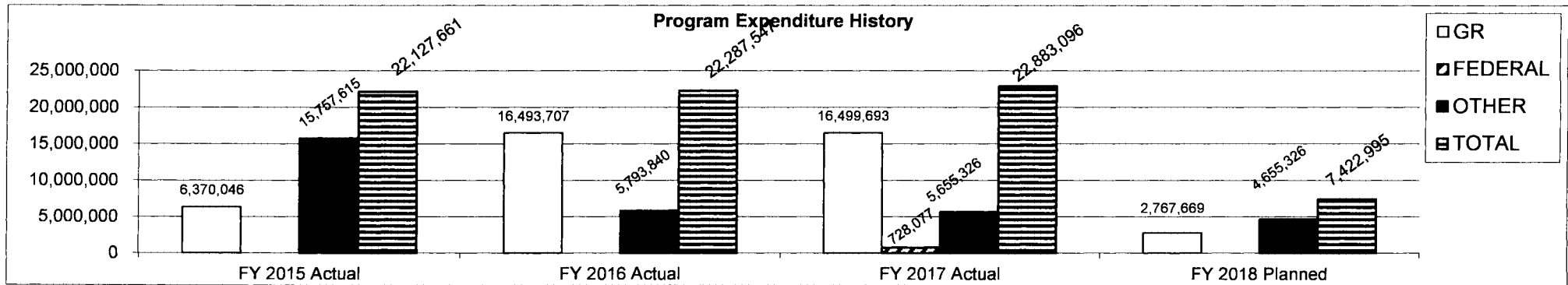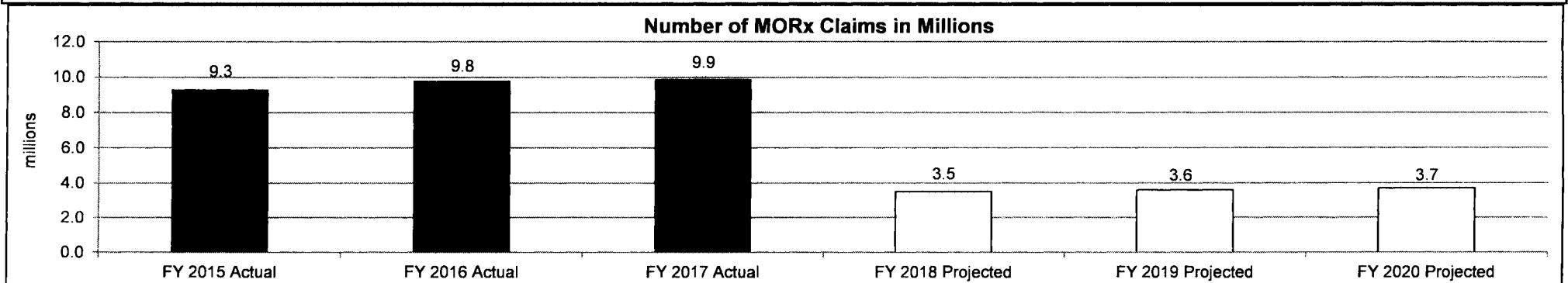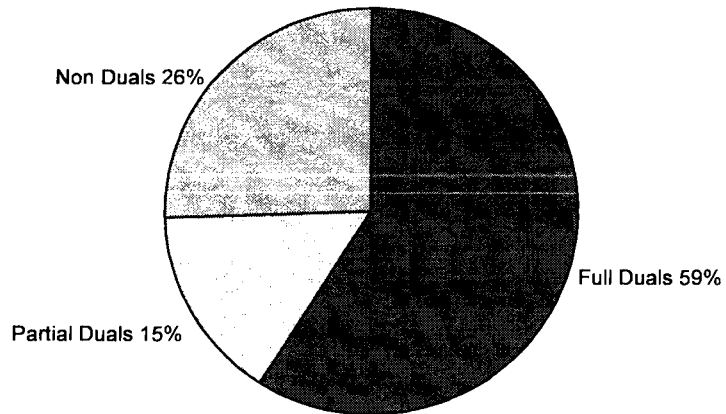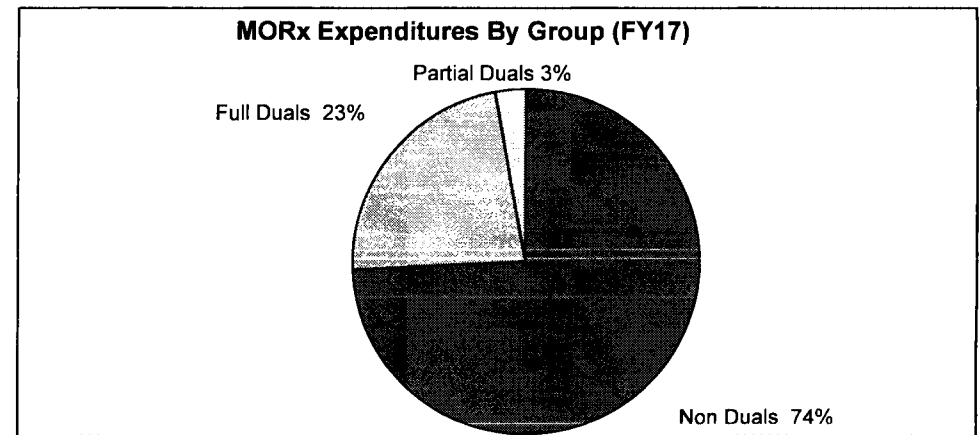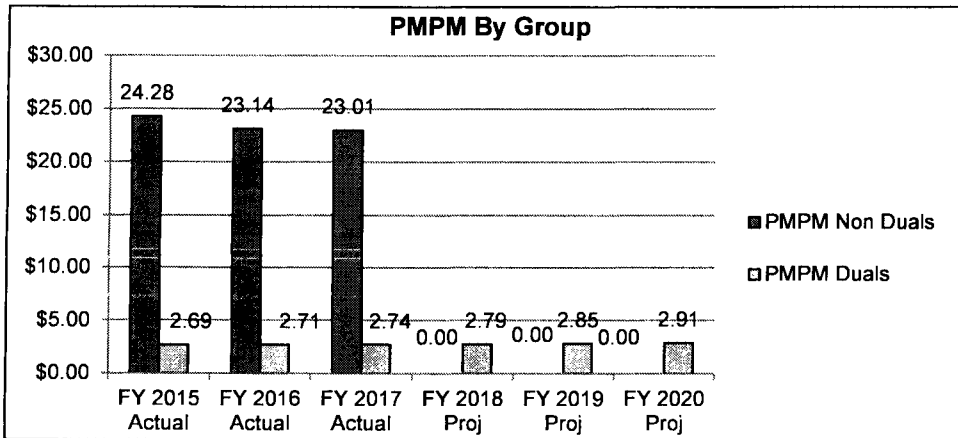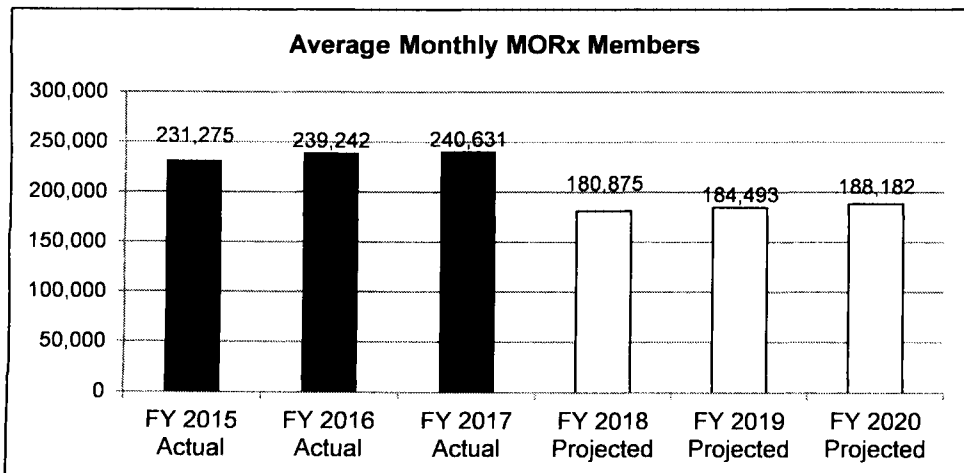
---

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.

Program Expenditure History

	GR	FEDERAL	OTHER	TOTAL
FY 2015 Actual	6,370,046		15,757,615	22,127,661
FY 2016 Actual	16,493,707		5,793,840	22,287,547
FY 2017 Actual	16,499,693	728,077	5,655,326	22,883,096
FY 2018 Planned	2,767,669		4,655,326	7,422,995

---

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

Missouri Rx Plan Fund (0779)

PROGRAM DESCRIPTION

Department: Social Services   **HB Section:**   **11.436**
Program Name: Missouri Rx Plan
Program is found in the following core budget(s): Missouri Rx Plan

7a. Provide an effectiveness measure.

Number of MORx Claims in Millions

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
millions	9.3	9.8	9.9	3.5	3.6	3.7

Beginning July 1, 2017 MO Rx covers only dual (Medicare/Medicaid) eligibles.

MORx Eligibility by Groups (FY17)

- Non Duals 26%
- Partial Duals 15%
- Full Duals 59%

MORx Claims by Groups (FY17)

- Non Duals 28%
- Partial Duals 5%
- Full Duals 67%

217

PROGRAM DESCRIPTION

Department: Social Services   **HB Section: 11.436**
Program Name: Missouri Rx Plan
Program is found in the following core budget(s): Missouri Rx Plan

---

7b. Provide an efficiency measure.

PMPM By Group

$30.00

$25.00   24.28   23.14   23.01

$20.00

$15.00   ■ PMPM Non Duals

$10.00   □ PMPM Duals

$5.00   2.69   2.71   2.74   2.79   2.85   2.91
                                 0.00   0.00   0.00
$0.00
          FY 2015 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020
          Actual   Actual   Actual   Proj   Proj   Proj

MORx Expenditures By Group (FY17)

Partial Duals 3%

Full Duals 23%

Non Duals 74%

Beginning July 1, 2017 MO Rx covers only dual (Medicare/Medicaid) eligibles.

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

Average Monthly MORx Members

300,000

250,000   231,275   239,242   240,631

200,000   180,875   184,493   188,182

150,000

100,000

50,000

0
          FY 2015   FY 2016   FY 2017   FY 2018   FY 2019   FY 2020
          Actual   Actual   Actual   Projected   Projected   Projected

---

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

N/A

Pharmacy FRA

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 2019 Budget Request						FY 2019 Governor's Recommendation				
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						**PS**					
EE						**EE**					
PSD			108,308,926	108,308,926		**PSD**				0	
TRF						**TRF**					
Total			**108,308,926**	**108,308,926**		**Total**				**0**	**0**
FTE				0.00		**FTE**				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.				

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: Pharmacy Reimbursement Allowance Fund (0144)   Other Funds:

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

Department: Social Services
Division: MO HealthNet
Core: Pharmacy Reimbursement Allowance (PFRA) Payments

Budget Unit: 90542C

HB Section: 11.440

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	108,308,926	108,308,926	108,308,926	108,308,926
Less Reverted (All Funds)	0	0	0	0
Budget Authority (All Funds)	108,308,926	108,308,926	108,308,926	108,308,926
Actual Expenditures (All Funds)	91,056,955	97,125,829	100,602,330	N/A
Unexpended (All Funds)	17,251,971	11,183,097	7,706,596	N/A
Unexpended, by Fund:				
General Revenue	0	0	0	N/A
Federal	0	0	0	N/A
Other	17,251,971	11,183,097	7,706,596	N/A

Actual Expenditures (All Funds)

Reverted includes statutory reserve amounts (when applicable).
Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:

DEPARTMENT OF SOCIAL SERVICES
PHARMACY FRA

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	0	0	108,308,926	108,308,926	
	Total	**0.00**	**0**	**0**	**108,308,926**	**108,308,926**	
DEPARTMENT CORE REQUEST							
	PD	0.00	0	0	108,308,926	108,308,926	
	Total	**0.00**	**0**	**0**	**108,308,926**	**108,308,926**	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	0	0	108,308,926	108,308,926	
	Total	**0.00**	**0**	**0**	**108,308,926**	**108,308,926**	

221

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHARMACY FRA								
CORE								
PROGRAM-SPECIFIC								
PHARMACY REIMBURSEMENT ALLOWAN	100,602,330	0.00	108,308,926	0.00	108,308,926	0.00	0	0.00
TOTAL - PD	100,602,330	0.00	108,308,926	0.00	108,308,926	0.00	0	0.00
TOTAL	**100,602,330**	**0.00**	**108,308,926**	**0.00**	**108,308,926**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$100,602,330**	**0.00**	**$108,308,926**	**0.00**	**$108,308,926**	**0.00**	**$0**	**0.00**

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PHARMACY FRA								
CORE								
PROGRAM DISTRIBUTIONS	100,602,330	0.00	108,308,926	0.00	108,308,926	0.00	0	0.00
TOTAL - PD	100,602,330	0.00	108,308,926	0.00	108,308,926	0.00	0	0.00
GRAND TOTAL	**$100,602,330**	**0.00**	**$108,308,926**	**0.00**	**$108,308,926**	**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	$0	0.00		0.00
OTHER FUNDS	$100,602,330	0.00	$108,308,926	0.00	$108,308,926	0.00		0.00

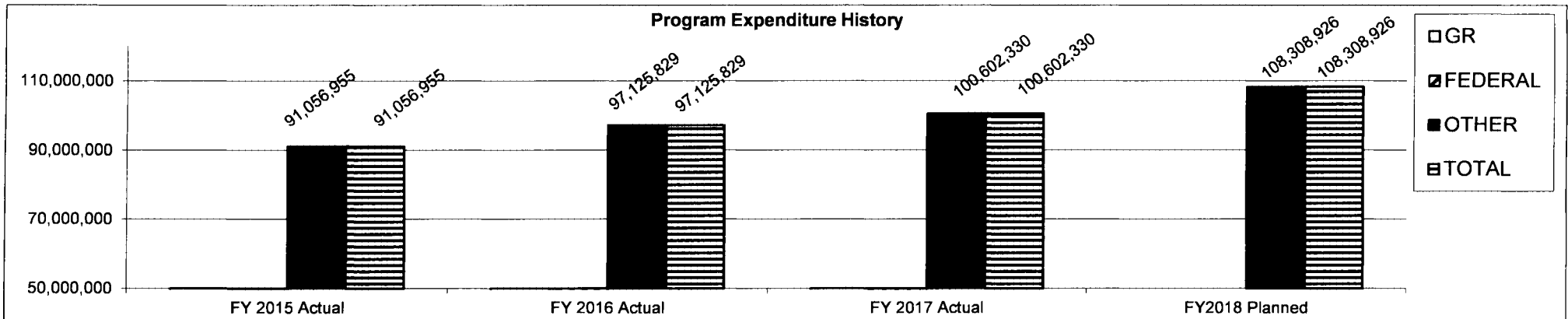# PROGRAM DESCRIPTION

Department: Social Services
Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments
Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)

HB Section: 11.440

1a. What strategic priority does this program address?

Access to safe/effective medications

1b. 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 FY17, 1,336 pharmacy facilities were assessed and 1,326 pharmacy facilities participated in the MO HealthNet program and received enhanced reimbursement. In FY17, the PFRA rate was 1.49% effective 07/01/16 thru 12/31/16 then effective 1/1/17 thru 06/30/17, the PFRA rate was 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%.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments
Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)

HB Section: 11.440

---

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 Expenditure History

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY2018 Planned
	91,056,955	97,125,829	100,602,330	108,308,926
	91,056,955	97,125,829	100,602,330	108,308,926

Legend: □GR ⊠FEDERAL ■OTHER ⊟TOTAL

---

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	$96.9 mil
2018	$96.9 mil estimated
2019	$96.9 mil estimated

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

Physician Related

CORE DECISION ITEM

Department: Social Services

Division: MO HealthNet

Core: Physician Related

Budget Unit: 90544C, 90842C

HB Section: 11.455

1. CORE FINANCIAL SUMMARY

| | FY 2019 Budget Request | | | | | | FY 2019 Governor's Recommendation | | | | |
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE	1,705,342	1,915,395	1	3,620,738		EE				0	
PSD	113,643,762	282,074,034	13,504,003	409,221,799		PSD				0	
TRF						TRF				0	
Total	**115,349,104**	**283,989,429**	**13,504,004**	**412,842,537**		**Total**	**0**	**0**	**0**	**0**	
FTE				**0.00**		**FTE**				**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.				

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: Health Initiatives Fund (HIF) (0275)
      Healthy Families Trust Fund (0625)
      Pharmacy Reimbursement Allowance Fund (0144)

Other Funds:

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
Neonatal Abstinence Syndrome

Department: Social Services   **Budget Unit: 90544C**
Division: MO HealthNet
Core: Physician Related   **HB Section: 11.455**

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr	
Appropriation (All Funds)	678,319,976	394,997,235	488,737,244	327,303,213	
Less Reverted (All Funds)	(42,812)	(42,812)	0	(57,812)	
Less Restricted (All Funds)*	0	0	(9,106,547)	(1,696,725)	
Budget Authority (All Funds)	678,277,164	394,954,423	479,630,697	325,548,676	
Actual Expenditures (All Funds)	674,583,973	381,775,506	479,630,697	N/A	
Unexpended (All Funds)	3,693,191	13,178,917	0	N/A	
Unexpended, by Fund:					
General Revenue	0	165,256	0	N/A	
Federal	3,683,190	190,002	0	N/A	
Other	10,000	7,734,869	0	N/A	
	(1)	**(2)**	**(3)**		

Actual Expenditures (All Funds)

674,583,973

479,630,697

381,775,506

FY 2015   FY 2016   FY 2017

*Restricted amount is as of 9/15/17.

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 $6,500,000 supplemental budget increase of Third Party Liability Fund.
(2) Expenditures of $224,415,845 for Physician services were made from the Managed Care Expansion section. Additionaly, $2,400,719 in federal fund authority was flexed from the CHIP section to the Physician section.
(3) Expenditures of $150,418,400 for Physician services were made from the Managed Care section and $24,368 for Managed Care were made from 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)

	Physician PMPM	Acute Care PMPM	Total PMPM	Physician Percentage of Acute	Physician Percentage of Total
PTD	$165.58	$1,127.90	$2,188.07	14.68%	7.57%
Seniors	$60.20	$406.24	$1,679.11	14.82%	3.59%
Custodial Parents	$40.59	$476.89	$515.48	8.51%	7.87%
Children*	$15.99	$266.90	$297.35	5.99%	5.38%
Pregnant Women	$136.91	$899.91	$916.46	15.21%	14.94%

Source: Table 23 Medical Statistics for Fiscal Year 2017, Paid Claims Data (includes EPSDT services)
* 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.

Physician Related Spending by Large Eligibility Group

Pregnant Women, 6.78%
Children, 20.25%
Custodial Parents, 8.53%
Seniors, 10.01%
Persons with Disabilities, 54.43%

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.

Source: Table 23 Medical Statistics for Fiscal Year 2017, Paid Claims Data.

DEPARTMENT OF SOCIAL SERVICES
PHYSICIAN RELATED PROF

5. CORE RECONCILIATION DETAIL

		Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES								
		EE	0.00	1,705,342	1,915,395	0	3,620,737	
		PD	0.00	96,841,601	211,937,878	13,504,004	322,283,483	
		Total	**0.00**	**98,546,943**	**213,853,273**	**13,504,004**	**325,904,220**	
DEPARTMENT CORE ADJUSTMENTS								
Transfer In	1662 8196	PD	0.00	500,000	0	0	500,000	Trf from DMH- Trauma Treatment for Kids
Transfer In	1662 8197	PD	0.00	0	750,000	0	750,000	Trf from DMH- Trauma Treatment for Kids
Core Reallocation	482 3067	EE	0.00	0	0	1	1	Core reallocations will more closely align budget with planned expenditures.
Core Reallocation	482 3067	PD	0.00	0	0	(1)	(1)	Core reallocations will more closely align budget with planned expenditures.
Core Reallocation	1651 8196	PD	0.00	15,802,161	0	0	15,802,161	MC lapse reallocated to Physician
Core Reallocation	1651 8197	PD	0.00	0	68,487,163	0	68,487,163	MC lapse reallocated to Physician
NET DEPARTMENT CHANGES			**0.00**	**16,302,161**	**69,237,163**	**0**	**85,539,324**	
DEPARTMENT CORE REQUEST								
		EE	0.00	1,705,342	1,915,395	1	3,620,738	
		PD	0.00	113,143,762	281,175,041	13,504,003	407,822,806	
		Total	**0.00**	**114,849,104**	**283,090,436**	**13,504,004**	**411,443,544**	
GOVERNOR'S RECOMMENDED CORE								
		EE	0.00	1,705,342	1,915,395	1	3,620,738	

DEPARTMENT OF SOCIAL SERVICES
PHYSICIAN RELATED PROF

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	113,143,762	281,175,041	13,504,003	407,822,806	
	Total	**0.00**	**114,849,104**	**283,090,436**	**13,504,004**	**411,443,544**	

DEPARTMENT OF SOCIAL SERVICES
NEONATAL ABSTINENCE SYNDROME

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	500,000	898,993	0	1,398,993	
	Total	**0.00**	**500,000**	**898,993**	**0**	**1,398,993**	
DEPARTMENT CORE REQUEST							
	PD	0.00	500,000	898,993	0	1,398,993	
	Total	**0.00**	**500,000**	**898,993**	**0**	**1,398,993**	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	500,000	898,993	0	1,398,993	
	Total	**0.00**	**500,000**	**898,993**	**0**	**1,398,993**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	★★★★★★★★★★★★★ SECURED COLUMN	★★★★★★★★★★★★★ SECURED COLUMN
PHYSICIAN RELATED PROF								
CORE								
EXPENSE & EQUIPMENT								
GENERAL REVENUE	1,367,984	0.00	1,705,342	0.00	1,705,342	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	267,697	0.00	1,915,395	0.00	1,915,395	0.00	0	0.00
HEALTH INITIATIVES	128,750	0.00	0	0.00	1	0.00	0	0.00
TOTAL - EE	1,764,431	0.00	3,620,737	0.00	3,620,738	0.00	0	0.00
PROGRAM-SPECIFIC								
GENERAL REVENUE	144,298,326	0.00	96,841,601	0.00	113,143,762	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	318,419,391	0.00	211,937,878	0.00	281,175,041	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	0	0.00	241,046	0.00	241,046	0.00	0	0.00
PHARMACY REIMBURSEMENT ALLOWAN	8,250	0.00	10,000	0.00	10,000	0.00	0	0.00
HEALTH INITIATIVES	3,298,331	0.00	1,427,081	0.00	1,427,080	0.00	0	0.00
HEALTHY FAMILIES TRUST	11,825,877	0.00	11,825,877	0.00	11,825,877	0.00	0	0.00
TOTAL - PD	477,850,175	0.00	322,283,483	0.00	407,822,806	0.00	0	0.00
TOTAL	**479,614,606**	**0.00**	**325,904,220**	**0.00**	**411,443,544**	**0.00**	**0**	**0.00**
Year 1 Asset Limit CTC - 0000016								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	1,639,987	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	3,199,170	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	139,321	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	4,978,478	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**4,978,478**	**0.00**	**0**	**0.00**
Year 2 Asset Limit Increase - 0000017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	617,971	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	1,205,493	0.00	0	0.00
THIRD PARTY LIABILITY COLLECT	0	0.00	0	0.00	52,498	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,875,962	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**1,875,962**	**0.00**	**0**	**0.00**

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
NEONATAL ABSTINENCE SYNDROME								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	500,000	0.00	500,000	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	898,993	0.00	898,993	0.00	0	0.00
TOTAL - PD	0	0.00	1,398,993	0.00	1,398,993	0.00	0	0.00
TOTAL	**0**	**0.00**	**1,398,993**	**0.00**	**1,398,993**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$0**	**0.00**	**$1,398,993**	**0.00**	**$1,398,993**	**0.00**	**$0**	**0.00**

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER:	90544C	DEPARTMENT:	Social Services
BUDGET UNIT NAME:	Physician Related Prof		
HOUSE BILL SECTION:	11.455	DIVISION:	MO HealthNet

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.

Department Request

	Total	% Flex	Flex Amount	
$	517,438,342	10%	$ 51,743,834	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, 11.505, 11.510, 11.555, 11.560, 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 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, 11.480, 11.490, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY19

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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PHYSICIAN RELATED PROF								
CORE								
PROFESSIONAL SERVICES	1,266,655	0.00	2,020,739	0.00	2,020,740	0.00	0	0.00
MISCELLANEOUS EXPENSES	497,776	0.00	1,599,998	0.00	1,599,998	0.00	0	0.00
TOTAL - EE	1,764,431	0.00	3,620,737	0.00	3,620,738	0.00	0	0.00
PROGRAM DISTRIBUTIONS	477,850,175	0.00	322,283,483	0.00	407,822,806	0.00	0	0.00
TOTAL - PD	477,850,175	0.00	322,283,483	0.00	407,822,806	0.00	0	0.00
GRAND TOTAL	**$479,614,606**	**0.00**	**$325,904,220**	**0.00**	**$411,443,544**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$145,666,310	0.00	$98,546,943	0.00	$114,849,104	0.00		0.00
FEDERAL FUNDS	$318,687,088	0.00	$213,853,273	0.00	$283,090,436	0.00		0.00
OTHER FUNDS	$15,261,208	0.00	$13,504,004	0.00	$13,504,004	0.00		0.00

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
NEONATAL ABSTINENCE SYNDROME								
CORE								
PROGRAM DISTRIBUTIONS	0	0.00	1,398,993	0.00	1,398,993	0.00	0	0.00
TOTAL - PD	0	0.00	1,398,993	0.00	1,398,993	0.00	0	0.00
GRAND TOTAL	$0	0.00	$1,398,993	0.00	$1,398,993	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$500,000	0.00	$500,000	0.00		0.00
FEDERAL FUNDS	$0	0.00	$898,993	0.00	$898,993	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

HB Sections: 11.455

1a. What strategic priority does this program address?

Quality physician care

1b. 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
- Certified Community Behavioral Health Centers (CCBHC)

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 Statistics

The physician-related program comprises 6.55% of the total Medicaid program dollars. As of June 2017, there were 42,776 physician-related providers enrolled in MO HealthNet. In FY 2017, approximately 87% 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 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.

239

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 (with the exception of RHCs), 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 Managed Care interim payment for the difference between the health plan payment and the applicable MHD interim payment percentage. Beginning January 1, 2016, these requests may only be submitted on a quarterly basis. The Institutional Reimbursement Unit (IRU) performs a review of each MO HealthNet cost report to determine the reasonable costs and a final settlement is made to adjust the interim reimbursement to be 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 Managed Care interim payment for the difference between the health plan payment and the applicable MHD interim payment percentage. Beginning January 1, 2016, these requests may only be submitted on a quarterly basis.   IRU reviews the finalized Medicare cost reports 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 Managed Care interim payment for the difference between the health plan payment and the applicable MHD interim payment. Beginning January 1, 2016, these requests may only be submitted on a quarterly basis. IRU performs a review of each Medicare cost report to determine reasonable costs, which is subject to a limit of the Medicare cost per visit. A final settlement is made to adjust the interim reimbursement to 100% of the reasonable costs to provide MO HealthNet IRHC covered services.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

HB Sections: 11.455

- Certified Community Behavioral Health Centers (CCBHC)
  Missouri is participating in a Medicaid demonstration project under Section 223 of the Protecting Access to Medicare Act designed to demonstrate the cost effectiveness of converting Medicaid reimbursement for community behavioral health services from a fee-for-service reimbursement system to a prospective payment system (PPS) while improving the availability, accessibility, and quality of community behavioral healthcare. There are 15 comprehensive community behavioral health organizations participating in the demonstration program. A prospective payment rate was developed for each of these organizations in accordance with the CMS guidelines. PPS payments are based on "visits." A visit is a day in which there is at least one face-to-face encounter or one eligible telehealth encounter between a qualified practitioner and an eligible participant involving the provision of a CCBHC service. It does not matter how many or how few CCBHC services an individual receives in a given day, the CCBHC is paid the single PPS rate for that day. The demonstration program will begin on July 1, 2017, and will run through June 30, 2019.

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
7/1/17: 3% rate decrease for all physician related services.
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.

Department: Social Services   **HB Sections: 11.455**
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

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.

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.

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 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.

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.

Department: Social Services   **HB Sections: 11.455**
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

<u>Lab & X-Ray</u>
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 venticulograms; imaging services; x-rays; and diagnostic ultra-sounds. These operations are generally directed by a radiologist.

<u>Independent Diagnostic Testing Facility (IDTF)</u>
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.

<u>Ambulatory Surgical Center (ASC)</u>
An Ambulatory Surgical Canter (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.
<u>Rural Health Clinics (RHC)</u>
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.

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

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.

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.

PROGRAM DESCRIPTION

Department: Social Services   **HB Sections: 11.455**
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

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.

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.

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

HB Sections: 11.455

---

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.
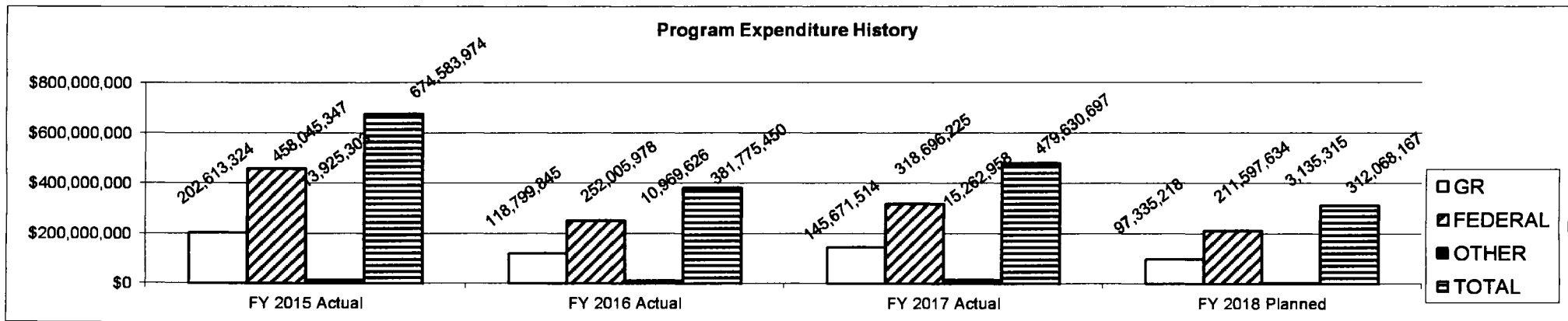
---

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.)

---

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

Program Expenditure History

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Planned
GR	202,613,324	118,799,845	145,671,514	97,335,218
FEDERAL	458,045,347	252,005,978	318,696,225	211,597,634
OTHER	13,925,303	10,969,626	15,262,958	3,135,315
TOTAL	674,583,974	381,775,450	479,630,697	312,068,167

FY 2018 planned is net of reverted, restricted, and reserve.

---

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).

247

PROGRAM DESCRIPTION

Department: Social Services

HB Sections: 11.455

Program Name: Physician Related

Program is found in the following core budget(s): Physician Related

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.
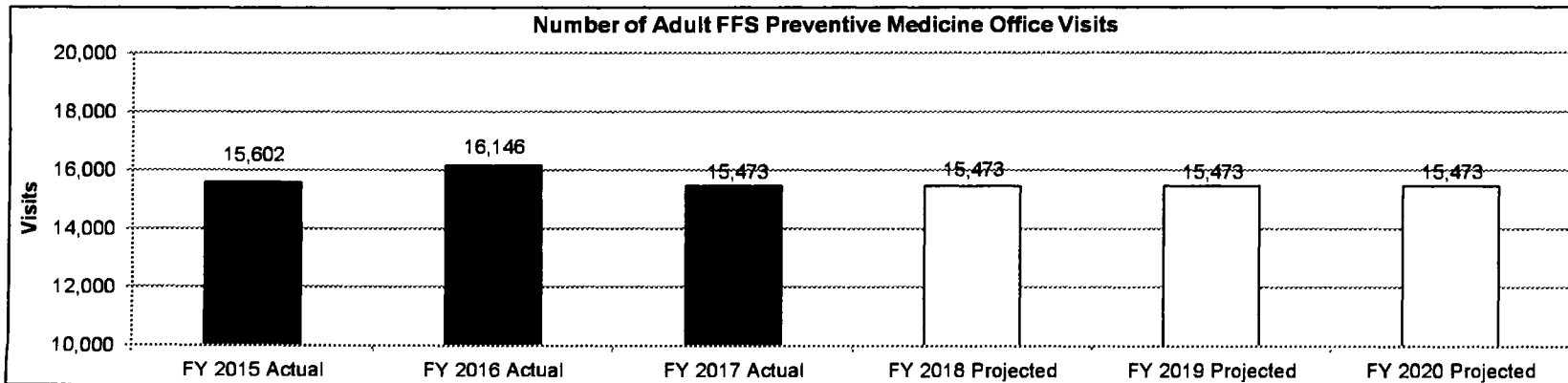
* Federal Fiscal Year	Participants Who Should Have Received a Screening	Participants Who Received At Least One Screening	Percent
2014 Actual	395,881	278,040	70%
2015 Actual	432,703	304,370	70%
2016 Actual	457,831	310,856	68%
2017 Projected	457,831	310,856	68%
2018 Projected	457,831	310,856	68%
2019 Projected	457,831	310,856	68%

*Based on federal Fiscal year in which report was submitted to CMS.
FFY 17 will be available February, 2018.

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.
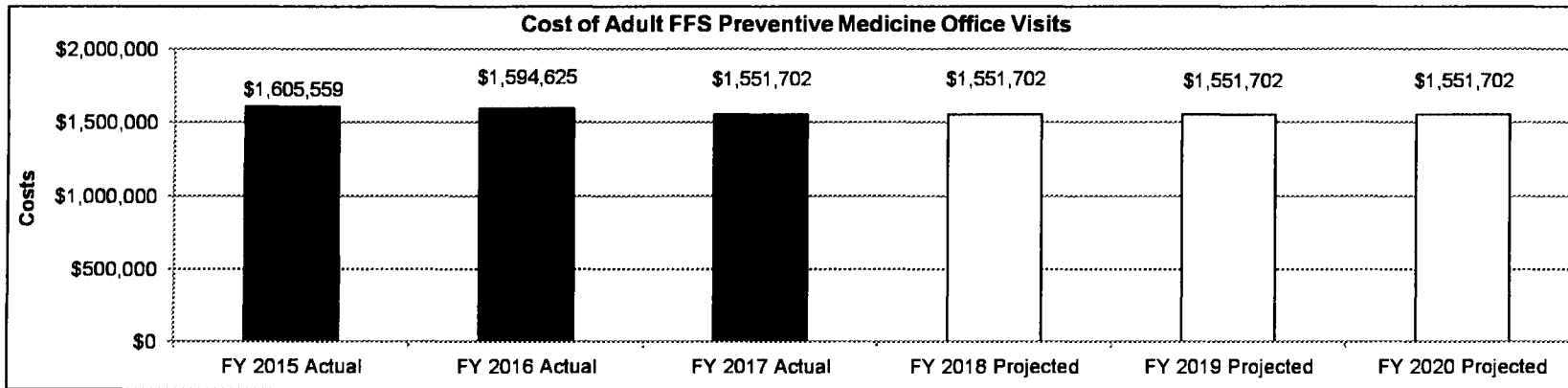

Number of Adult FFS Preventive Medicine Office Visits

FY 2015 Actual	15,602
FY 2016 Actual	16,146
FY 2017 Actual	15,473
FY 2018 Projected	15,473
FY 2019 Projected	15,473
FY 2020 Projected	15,473

PROGRAM DESCRIPTION

Department: Social Services   **HB Sections: 11.455**
Program Name: Physician Related
Program is found in the following core budget(s): Physician Related

Cost of Adult FFS Preventive Medicine Office Visits

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Costs	$1,605,559	$1,594,625	$1,551,702	$1,551,702	$1,551,702	$1,551,702

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.

Average Monthly FFS Users of Physicians and Related Professionals

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
Users	219,765	227,752	225,659	225,659	225,659	225,659

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

N/A

Dental

Department: Social Services
Division: MO HealthNet
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

1. CORE FINANCIAL SUMMARY

	FY 2019 Budget Request						FY 2019 Governor's Recommendation				
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						PS					
EE						EE					
PSD	682,270	3,405,160	919,935	5,007,365		PSD				0	
TRF						TRF					
Total	**682,270**	**3,405,160**	**919,935**	**5,007,365**		**Total**				**0**	
FTE				**0.00**		**FTE**				**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.				

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: Health Initiatives Fund (HIF) (0275)
　　　　　　 Healthly Families Trust Fund (0625)

Other Funds:

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.

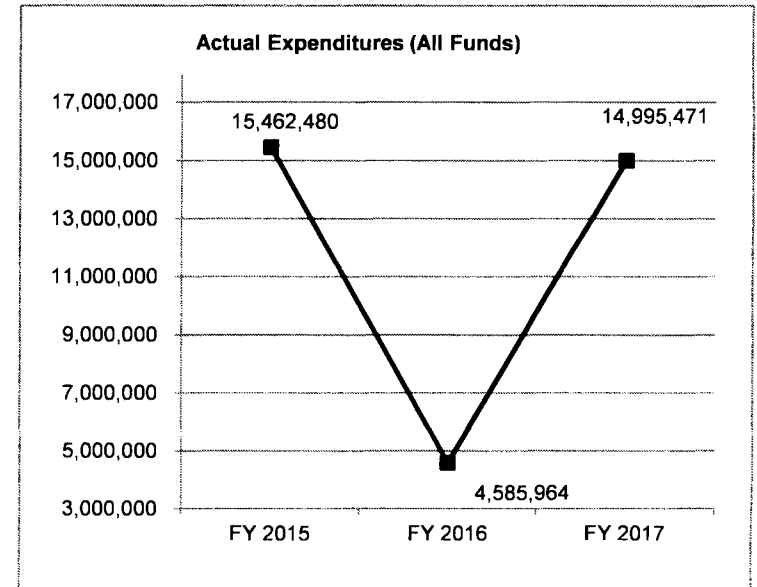## 3. PROGRAM LISTING (list programs included in this core funding)

Dental Services

Department: Social Services
Division: MO HealthNet
Core: Dental

Budget Unit: 90546C

HB Section: 11.460

4. FINANCIAL HISTORY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	66,100,009	15,399,164	15,257,885	3,921,462
Less Reverted (All Funds)	(2,135)	(2,135)	(2,135)	(2,135)
Less Restricted (All Funds)*	(48,231,947)	(500,000)	0	(89,319)
Budget Authority (All Funds)	17,865,927	14,897,029	15,255,750	3,830,008
Actual Expenditures (All Funds)	15,462,480	4,585,964	14,995,471	N/A
Unexpended (All Funds)	2,403,447	10,311,065	260,279	N/A
Unexpended, by Fund:				
General Revenue	18,300,000	702,568	80	N/A
Federal	32,335,394	6,339,800	260,199	N/A
Other	0	3,768,697	0	N/A
	(1)	**(2)**	**(3)**	

Actual Expenditures (All Funds)

*Restricted amount is as of 9/15/17.

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 restriction of $17,800,000 GR and corresponding federal match of $30,431,947 for adult dental benefits.
(2) Lapse in FY16 was attributed to the department not receiving CMS approval until May, 2016. $11,098,804 paid from MC Expansion.
(3) Expenditures of $1,344,069 were paid from Managed Care.

DEPARTMENT OF SOCIAL SERVICES
DENTAL

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	478,690	2,522,837	919,935	3,921,462	
	Total	**0.00**	**478,690**	**2,522,837**	**919,935**	**3,921,462**	
DEPARTMENT CORE ADJUSTMENTS							
Core Reallocation 1652 8199	PD	0.00	0	882,323	0	882,323	MC lapse reall to Dental
Core Reallocation 1652 8198	PD	0.00	203,580	0	0	203,580	MC lapse reall to Dental
NET DEPARTMENT CHANGES		**0.00**	**203,580**	**882,323**	**0**	**1,085,903**	
DEPARTMENT CORE REQUEST							
	PD	0.00	682,270	3,405,160	919,935	5,007,365	
	Total	**0.00**	**682,270**	**3,405,160**	**919,935**	**5,007,365**	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	682,270	3,405,160	919,935	5,007,365	
	Total	**0.00**	**682,270**	**3,405,160**	**919,935**	**5,007,365**	

Budget Unit	FY 2017	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	*************	*************
Decision Item	ACTUAL	ACTUAL	BUDGET	BUDGET	DEPT REQ	DEPT REQ	SECURED	SECURED
Budget Object Summary	DOLLAR	FTE	DOLLAR	FTE	DOLLAR	FTE	COLUMN	COLUMN
Fund								
DENTAL								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	4,346,832	0.00	478,690	0.00	682,270	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	9,918,004	0.00	2,522,837	0.00	3,405,160	0.00	0	0.00
HEALTH INITIATIVES	69,027	0.00	71,162	0.00	71,162	0.00	0	0.00
HEALTHY FAMILIES TRUST	661,608	0.00	848,773	0.00	848,773	0.00	0	0.00
TOTAL - PD	14,995,471	0.00	3,921,462	0.00	5,007,365	0.00	0	0.00
TOTAL	**14,995,471**	**0.00**	**3,921,462**	**0.00**	**5,007,365**	**0.00**	**0**	**0.00**
Year 1 Asset Limit CTC - 0000016								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	20,576	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	36,996	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	57,572	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**57,572**	**0.00**	**0**	**0.00**
Year 2 Asset Limit Increase - 0000017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	7,753	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	13,941	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	21,694	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**21,694**	**0.00**	**0**	**0.00**
MHD COST TO CONTINUE - 1886001								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	643,104	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	634,126	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	1,277,230	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**1,277,230**	**0.00**	**0**	**0.00**
GRAND TOTAL	**$14,995,471**	**0.00**	**$3,921,462**	**0.00**	**$6,363,861**	**0.00**	**$0**	**0.00**

9/26/17 7:07

im_disummary

253

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER:	90546C	DEPARTMENT:	Social Services
BUDGET UNIT NAME:	Dental		
HOUSE BILL SECTION:	11.460	DIVISION:	MO HealthNet

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.

<div align="center">

Department Request

</div>

Total **% Flex** **Flex Amount** $ 6,363,861 10% $ 636,386	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, 11.505, 11.510, 11.555, 11.560, 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 ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED
$1,053,632	HB11 language allows up to 10% flexibility between 11.410, 11.435, 11.455, 11.460, 11.465, 11.470, 11.480, 11.490, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY19

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

PRIOR YEAR EXPLAIN ACTUAL USE	CURRENT YEAR EXPLAIN PLANNED USE
Flexibility was utilized from Dental to Managed Care and Nursing Facilities in FY17.	Flexibility allows continued service without disrupting or delaying benefits and allows the funding of the Medicaid program.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
DENTAL								
CORE								
PROGRAM DISTRIBUTIONS	14,995,471	0.00	3,921,462	0.00	5,007,365	0.00	0	0.00
TOTAL - PD	14,995,471	0.00	3,921,462	0.00	5,007,365	0.00	0	0.00
GRAND TOTAL	$14,995,471	0.00	$3,921,462	0.00	$5,007,365	0.00	$0	0.00
GENERAL REVENUE	$4,346,832	0.00	$478,690	0.00	$682,270	0.00		0.00
FEDERAL FUNDS	$9,918,004	0.00	$2,522,837	0.00	$3,405,160	0.00		0.00
OTHER FUNDS	$730,635	0.00	$919,935	0.00	$919,935	0.00		0.00

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	$3.05	$1,127.90	$2,188.07	0.27%	0.14%
Seniors	$1.74	$406.24	$1,679.11	0.43%	0.10%
Custodial Parents	$0.51	$476.89	$515.48	0.11%	0.10%
Children*	$1.28	$266.90	$297.35	0.48%	0.43%
Pregnant Women	$1.57	$899.91	$916.46	0.17%	0.17%

Source: Table 23 Medical Statistics for Fiscal Year 2017 (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

Pregnant Women, 2.51%
Persons with Disabilities, 32.42%
Children, 52.22%
Seniors, 9.35%
Custodial Parents, 3.50%

Source: Table 23 Medical Statistics for Fiscal Year 2017 (Paid Claims Data)

Department: Social Services   **HB Section: 11.460**
Program Name: Dental
Program is found in the following core budget(s): Dental

1a. What strategic priority does this program address?

Quality dental care

1b. 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 127,050 FY17. The dental program comprises .207% of the total Medicaid program dollars. As of June 2017, there were 871 dental providers enrolled in MO HealthNet. 209 of these providers are employed by a rural health clinic (RHC) or federally qualified health clinic (FQHC). In FY17, 78% 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.

Department: Social Services   **HB Section: 11.460**
Program Name: Dental
Program is found in the following core budget(s): Dental

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.

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
7/1/2017: 3% rate decrease
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.

Department: Social Services   **HB Section: 11.460**
Program Name: Dental
Program is found in the following core budget(s): Dental

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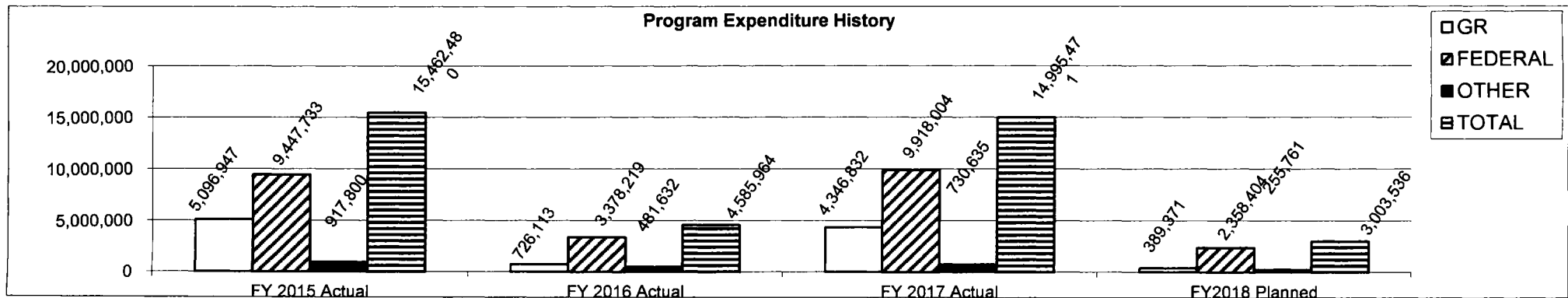
3. Are there federal matching requirements? If yes, please explain.

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.

Program Expenditure History

FY 2018 planned is net of reverted, restricted, and reserve.

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

Health Initiatives Fund (0275) and Healthy Families Trust Fund (0625).

PROGRAM DESCRIPTION

Department: Social Services
Program Name: Dental
Program is found in the following core budget(s): Dental

HB Section: 11.460

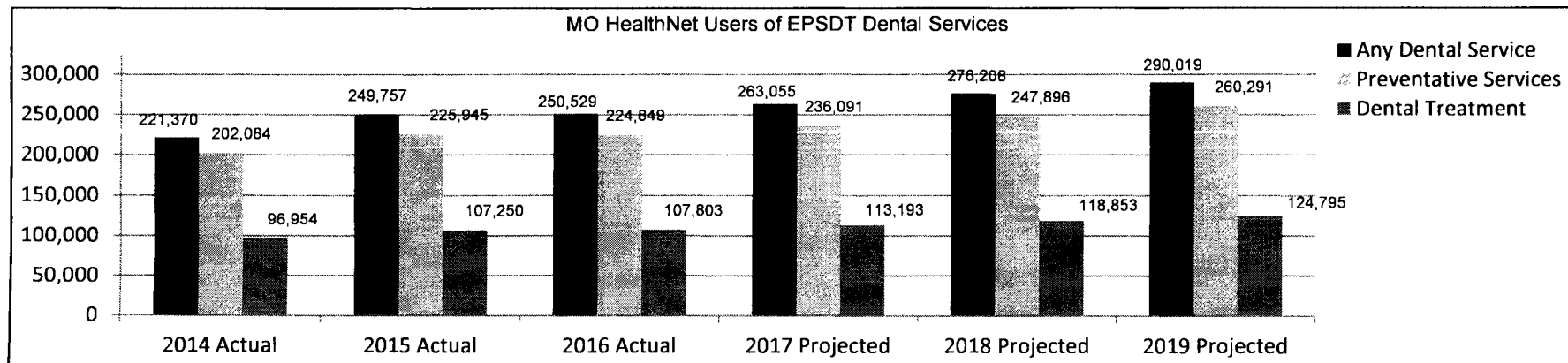## 7a. Provide an effectiveness measure.

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 Actual	457,831	310,856	68%
2017 Projected	457,831	310,856	68%
2018 Projected	457,831	310,856	68%
2019 Projected	457,831	310,856	68%

*Based on federal Fiscal year in which report was submitted to CMS.
FFY 17 will be available February, 2018.

MO HealthNet Users of EPSDT Dental Services

Legend: ■ Any Dental Service, Preventative Services, ■ Dental Treatment

	2014 Actual	2015 Actual	2016 Actual	2017 Projected	2018 Projected	2019 Projected
Any Dental Service	221,370	249,757	250,529	263,055	276,208	290,019
Preventative Services	202,084	225,945	224,849	236,091	247,896	260,291
Dental Treatment	96,954	107,250	107,803	113,193	118,853	124,795

Note: Data includes both fee-for-service and Managed Care. Based on federal fiscal year in which report was submitted to CMS.
FFY 17 will be available February, 2018.
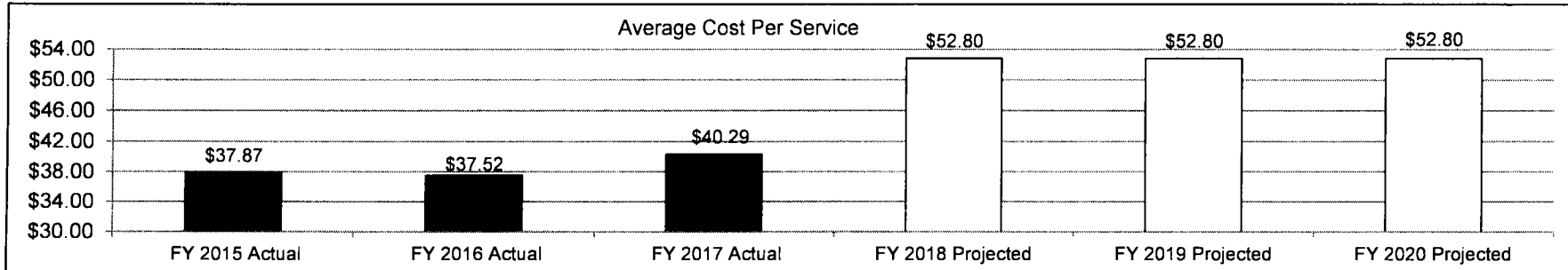
PROGRAM DESCRIPTION

Department: Social Services
Program Name: Dental
Program is found in the following core budget(s): Dental

HB Section: 11.460

7b. Provide an efficiency measure.

Provide adequate dental services to MO HealthNet recipients with the funds appropriated.

Average Cost Per Service

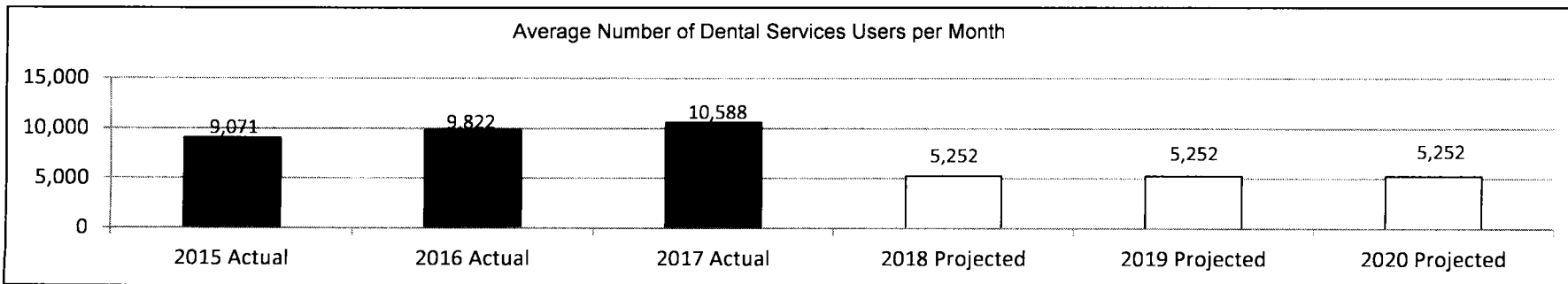| FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected
$37.87	$37.52	$40.29	$52.80	$52.80	$52.80

Projection reflects shift to statewide MC.

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.

Average Number of Dental Services Users per Month

2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Projected	2020 Projected
9,071	9,822	10,588	5,252	5,252	5,252

Projection reflects shift to statewide MC. Source: Table 23 Medical Statistics for Fiscal Year 2017 (Paid Claims Data)

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

N/A

261

Premium Payments

Department: Social Services   **Budget Unit: 90547C**
Division: MO HealthNet
Core: Premium Payments   **HB Section: 11.465**

1. CORE FINANCIAL SUMMARY

| | FY 2019 Budget Request | | | | | | FY 2019 Governor's Recommendation | | | | |
	GR	Federal	Other	Total	E		GR	Federal	Other	Total	E
PS						**PS**					
EE						**EE**					
PSD	88,605,500	172,608,746		261,214,246		**PSD**				0	
TRF						**TRF**					
Total	88,605,500	172,608,746		261,214,246		**Total**				0	
FTE				0.00		**FTE**				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.				

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: N/A   Other Funds:

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 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Current Yr.
Appropriation (All Funds)	200,219,496	220,826,138	243,555,400	261,214,246
Less Reverted (All Funds)	(600,000)	(1,120,966)	(2,347,111)	(2,658,165)
Less Restricted (All Funds)	0	0	0	0
Budget Authority (All Funds)	199,619,496	219,705,172	241,208,289	258,556,081
Actual Expenditures (All Funds)	194,572,404	216,635,043	232,135,129	N/A
Unexpended (All Funds)	5,047,092	3,070,129	9,073,160	N/A
Unexpended, by Fund:				
General Revenue	0	72,560	113	N/A
Federal	5,047,092	2,997,569	9,073,048	N/A
Other	0			N/A
(1)				

Actual Expenditures (All Funds)

Graph showing actual expenditures:
- 240,000,000
- 230,000,000
- 220,000,000
- 210,000,000
- 200,000,000
- 190,000,000
- 180,000,000
- 170,000,000

FY 2015: 194,572,404
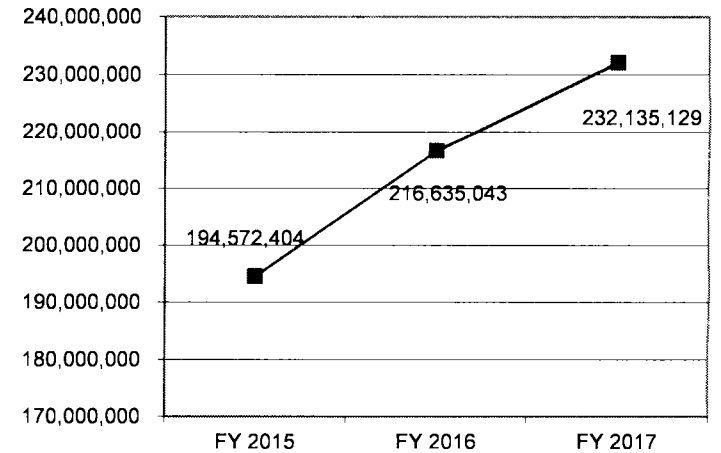FY 2016: 216,635,043
FY 2017: 232,135,129

Reverted includes statutory reserve amounts (when applicable).
Restricted includes Governor's expenditure restrictions which remained at the end of the fiscal year.

NOTES:
(1) Expenditures of $37,773 were paid from Premium for Blind Medical and $30,244 were paid from Managed Care for Premium.

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	$64.29	$1,127.90	$2,188.07	5.70%	2.94%
Seniors	$114.26	$406.24	$1,679.11	28.13%	6.80%
Custodial Parents	$0.06	$476.89	$515.48	0.01%	0.01%
Children*	$0.00	$266.90	$297.35	0.00%	0.00%
Pregnant Women	$0.00	$899.91	$916.46	0.00%	0.00%

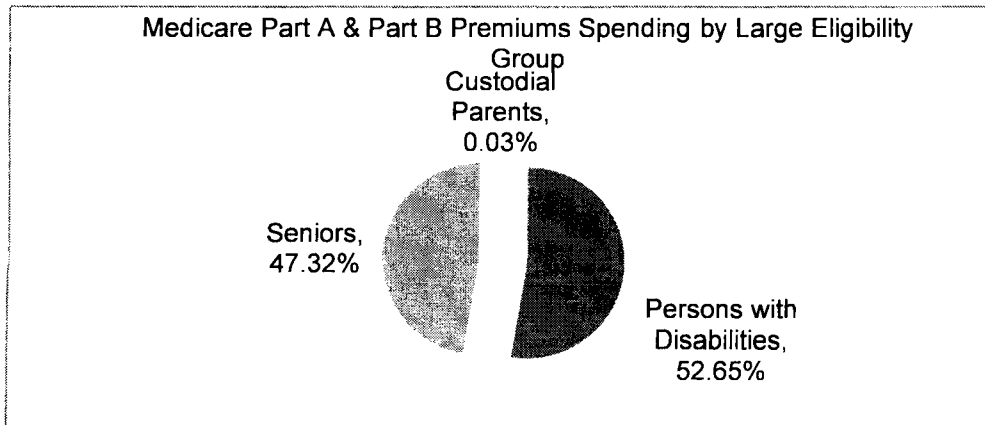*Source: Table 23 Medical Statistics for Fiscal Year 2017 (Paid Claims Data).*
* CHIP eligibles not included

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 Group
Custodial Parents, 0.03%
Seniors, 47.32%
Persons with Disabilities, 52.65%

Source: Table 23 Medical Statistics for Fiscal Year 2017 (Paid Claims Data).

DEPARTMENT OF SOCIAL SERVICES
PREMIUM PAYMENTS

5. CORE RECONCILIATION DETAIL

	Budget Class	FTE	GR	Federal	Other	Total	Explanation
TAFP AFTER VETOES							
	PD	0.00	88,605,500	172,608,746	0	261,214,246	
	Total	**0.00**	**88,605,500**	**172,608,746**	**0**	**261,214,246**	
DEPARTMENT CORE REQUEST							
	PD	0.00	88,605,500	172,608,746	0	261,214,246	
	Total	**0.00**	**88,605,500**	**172,608,746**	**0**	**261,214,246**	
GOVERNOR'S RECOMMENDED CORE							
	PD	0.00	88,605,500	172,608,746	0	261,214,246	
	Total	**0.00**	**88,605,500**	**172,608,746**	**0**	**261,214,246**	

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PREMIUM PAYMENTS								
CORE								
PROGRAM-SPECIFIC								
GENERAL REVENUE	77,999,990	0.00	88,605,500	0.00	88,605,500	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	154,135,138	0.00	172,608,746	0.00	172,608,746	0.00	0	0.00
TOTAL - PD	232,135,128	0.00	261,214,246	0.00	261,214,246	0.00	0	0.00
TOTAL	**232,135,128**	**0.00**	**261,214,246**	**0.00**	**261,214,246**	**0.00**	**0**	**0.00**
Year 1 Asset Limit CTC - 0000016								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	872,868	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	1,569,404	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	2,442,272	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**2,442,272**	**0.00**	**0**	**0.00**
Year 2 Asset Limit Increase - 0000017								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	328,909	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	591,374	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	920,283	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**920,283**	**0.00**	**0**	**0.00**
MHD COST TO CONTINUE - 1886001								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	3,980,393	0.00	0	0.00
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	2,296,680	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	6,277,073	0.00	0	0.00
TOTAL	**0**	**0.00**	**0**	**0.00**	**6,277,073**	**0.00**	**0**	**0.00**
Medicare Premium Increase - 1886003								
PROGRAM-SPECIFIC								
GENERAL REVENUE	0	0.00	0	0.00	9,142,886	0.00	0	0.00

DECISION ITEM SUMMARY

Budget Unit Decision Item Budget Object Summary Fund	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PREMIUM PAYMENTS								
Medicare Premium Increase - 1886003								
PROGRAM-SPECIFIC								
TITLE XIX-FEDERAL AND OTHER	0	0.00	0	0.00	17,802,993	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	26,945,879	0.00	0	0.00
TOTAL	0	0.00	0	0.00	26,945,879	0.00	0	0.00
GRAND TOTAL	$232,135,128	0.00	$261,214,246	0.00	$297,799,753	0.00	$0	0.00

FLEXIBILITY REQUEST FORM

BUDGET UNIT NUMBER:	90547C	**DEPARTMENT:**	Social Services
BUDGET UNIT NAME:	Premium Payments		
HOUSE BILL SECTION:	11.465	**DIVISION:**	MO HealthNet

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.

Department Request

Total % Flex Flex Amount	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, 11.505, 11.510, 11.555, 11.560, and 11.600.
$ 297,799,753 10% $ 29,779,975	

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 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, 11.480, 11.490, 11.510, 11.555, and 11.600	10% flexibility is being requested for FY19

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.

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************* SECURED COLUMN	************* SECURED COLUMN
PREMIUM PAYMENTS								
CORE								
PROGRAM DISTRIBUTIONS	232,135,128	0.00	261,214,246	0.00	261,214,246	0.00	0	0.00
TOTAL - PD	232,135,128	0.00	261,214,246	0.00	261,214,246	0.00	0	0.00
GRAND TOTAL	**$232,135,128**	**0.00**	**$261,214,246**	**0.00**	**$261,214,246**	**0.00**	**$0**	**0.00**
GENERAL REVENUE	$77,999,990	0.00	$88,605,500	0.00	$88,605,500	0.00		0.00
FEDERAL FUNDS	$154,135,138	0.00	$172,608,746	0.00	$172,608,746	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00

Department: Social Services
Program Name: Premium Payments
Program is found in the following core budget(s): Premium Payments

HB Section: 11.465

1a. What strategic priority does this program address?

Cost-effective coverage

1b. 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 17, MO HealthNet made monthly Medicare Part B and QI premium payments for 138,427 dual recipients. Of this population, MO HealthNet funded Medicare Part A premiums for 1,236 individuals. MO HealthNet also paid private health insurance premiums for an additional 1,812 individuals on average in FY 17. The Premium program comprises almost 2.60% 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.

270

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

*CY18 will not be available until October, 2017

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   271

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.
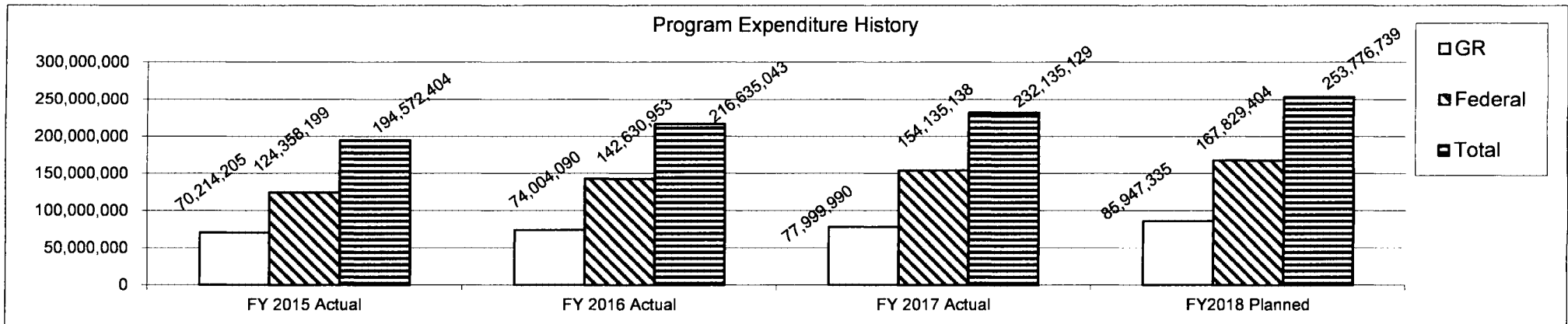
PROGRAM DESCRIPTION

Department: Social Services
Program Name: Premium Payments
Program is found in the following core budget(s): Premium Payments

HB Section: 11.465

---

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.

Program Expenditure History

	GR	Federal	Total
FY 2015 Actual	70,214,205	124,358,199	194,572,404
FY 2016 Actual	74,004,090	142,630,953	216,635,043
FY 2017 Actual	77,999,990	154,135,138	232,135,129
FY2018 Planned	85,947,335	167,829,404	253,776,739

FY 2017 planned is net of reverted.

---

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

N/A

PROGRAM DESCRIPTION

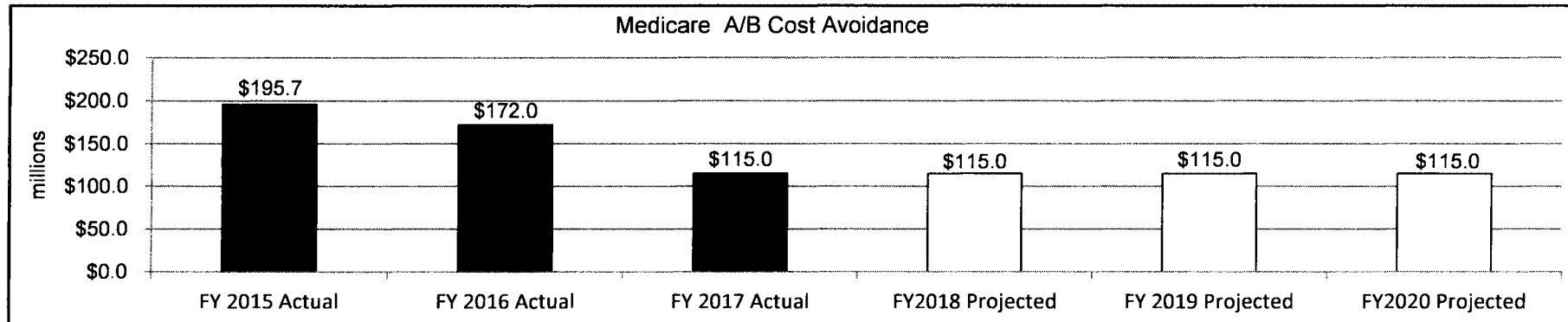**Department: Social Services**   **HB Section: 11.465**
Program Name: Premium Payments
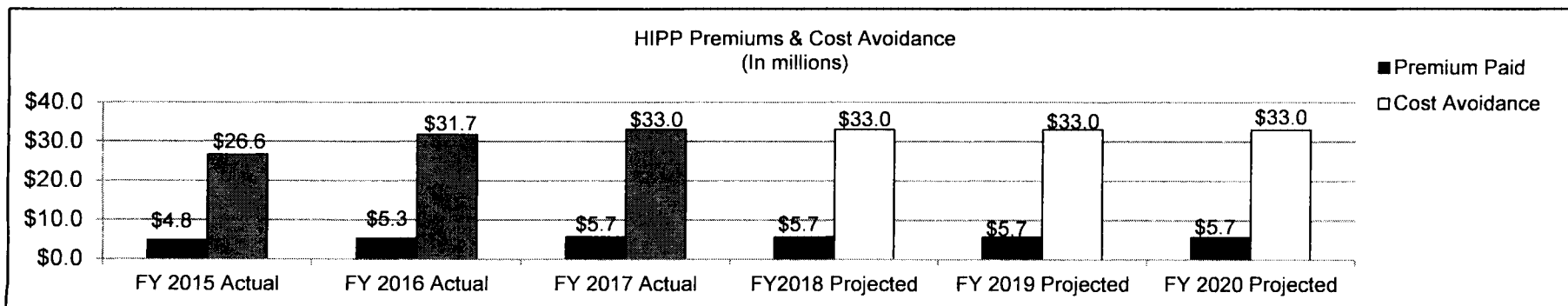**Program is found in the following core budget(s): Premium Payments**

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 $115.0 million
in SFY 2017 as shown in the chart below

Medicare A/B Cost Avoidance

$195.7	$172.0	$115.0	$115.0	$115.0	$115.0
FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY2018 Projected	FY 2019 Projected	FY2020 Projected

(y-axis: millions, $0.0 to $250.0)

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 FY17, the
MO HealthNet Division paid $5.7 million for health insurance premiums, coinsurance and deductibles and avoided $33.0 million in costs.
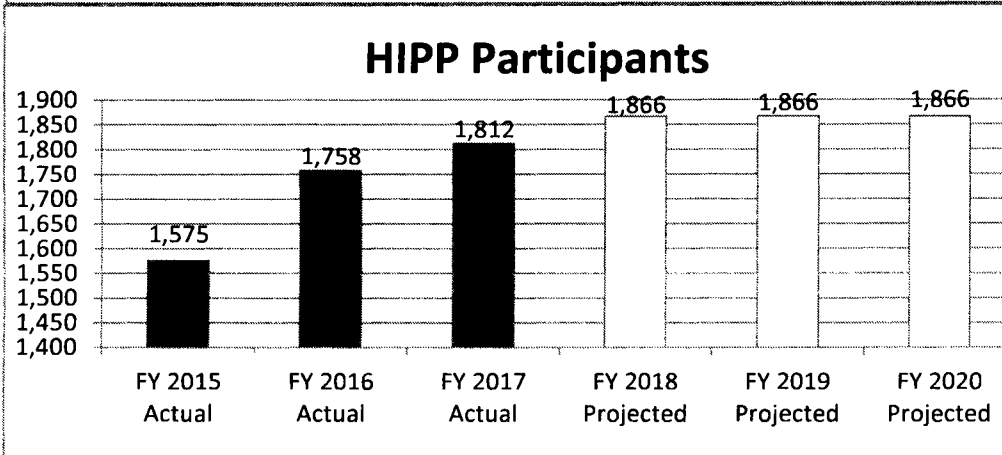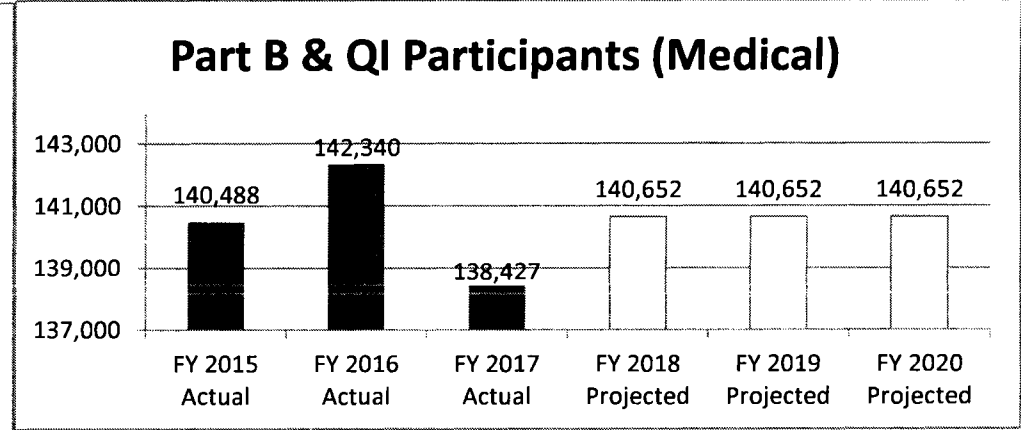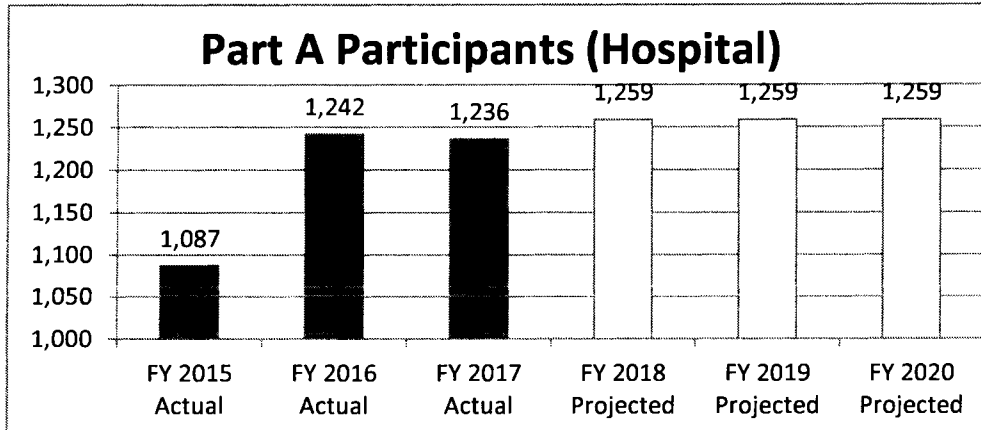
HIPP Premiums & Cost Avoidance
(In millions)

■ Premium Paid
□ Cost Avoidance

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY2018 Projected	FY 2019 Projected	FY 2020 Projected
Premium Paid	$4.8	$5.3	$5.7	$5.7	$5.7	$5.7
Cost Avoidance	$26.6	$31.7	$33.0	$33.0	$33.0	$33.0

(y-axis: $0.0 to $40.0)

274

Department: Social Services
Program Name: Premium Payments
Program is found in the following core budget(s): Premium Payments

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

Part A Participants (Hospital)

FY 2015 Actual: 1,087
FY 2016 Actual: 1,242
FY 2017 Actual: 1,236
FY 2018 Projected: 1,259
FY 2019 Projected: 1,259
FY 2020 Projected: 1,259

Part B & QI Participants (Medical)

FY 2015 Actual: 140,488
FY 2016 Actual: 142,340
FY 2017 Actual: 138,427
FY 2018 Projected: 140,652
FY 2019 Projected: 140,652
FY 2020 Projected: 140,652

HIPP Participants

FY 2015 Actual: 1,575
FY 2016 Actual: 1,758
FY 2017 Actual: 1,812
FY 2018 Projected: 1,866
FY 2019 Projected: 1,866
FY 2020 Projected: 1,866

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

Department: Social Services | Budget Unit: 90547C
Division: MO HealthNet
DI Name: Medicare Premium Increases   DI# 1886003   HB Section: 11.465

1. AMOUNT OF REQUEST

	FY 2019 Budget Request						FY 2019 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	9,142,886	17,802,993	0	26,945,879		PSD	0	0	0	0	
TRF	0	0	0	0		TRF	0	0	0	0	
Total	9,142,886	17,802,993	0	26,945,879		Total	0	0	0	0	
FTE	0.00	0.00	0.00	0.00		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.				

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: N/A

Other Funds:

2. THIS REQUEST CAN BE CATEGORIZED AS:

	New Legislation		New Program		Fund Switch
X	Federal Mandate		Program Expansion		Cost to Continue
	GR Pick-Up		Space Request		Equipment Replacement
	Pay Plan		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 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 2017) are $413 per month for Part A and $134 per month for Part B. Part A rates are assumed to increase $5 and Part B premium rates are assumed to increase $15 beginning January 2018. This request is for six months of funding for the calendar year 2018 premium increase and six months of funding for the expected premium increase for calendar year 2019.

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.

Department - Social Services   Budget Unit: 90547C

Division - MO HealthNet

DI Name - Medicare Premium Increases   DI# 1886003

---

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 64.26%. States are only required to pay the federal share for Qualified Individuals (QIs). 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 the Consumer Price Index.

Department Request:	Part A	Part B	QI
Eligibles per month (FY18)	1,276	141,695	7,579
Premium Increase (1/18)	$5.00	$15.00	$15.00
Premium Increase (1/19)	$5.00	$15.00	$15.00

Calendar Year 2018 Increase:

Average eligibles per month	1,276	141,695	7,579
Premium increase for 2018	$5.00	$15.00	$15.00
Number of months to increase	6	6	6
Projected increase 7/18 - 6/19	**38,280**	**12,752,550**	**682,110**

Calendar Year 2019 Increase:

Average eligibles per month	1,276	141,695	7,579
Premium increase for 2019	$5.00	$15.00	$15.00
Number of months to increase	6	6	6
Projected increase 1/19 - 6/19	**38,280**	**12,752,550**	**682,110**

Total Projected Increase SFY19	**$76,560**	**$25,505,099**	**$1,364,220**

	Total	GR	Federal	
Part A Request	76,560	27,363	49,197	
Part B Request	25,505,099	9,115,523	16,389,576	
Part B QI	1,364,220		1,364,220	QI Federal only
	$26,945,879	$9,142,886	$17,802,993	

Department - Social Services

Budget Unit: 90547C

Division - MO HealthNet

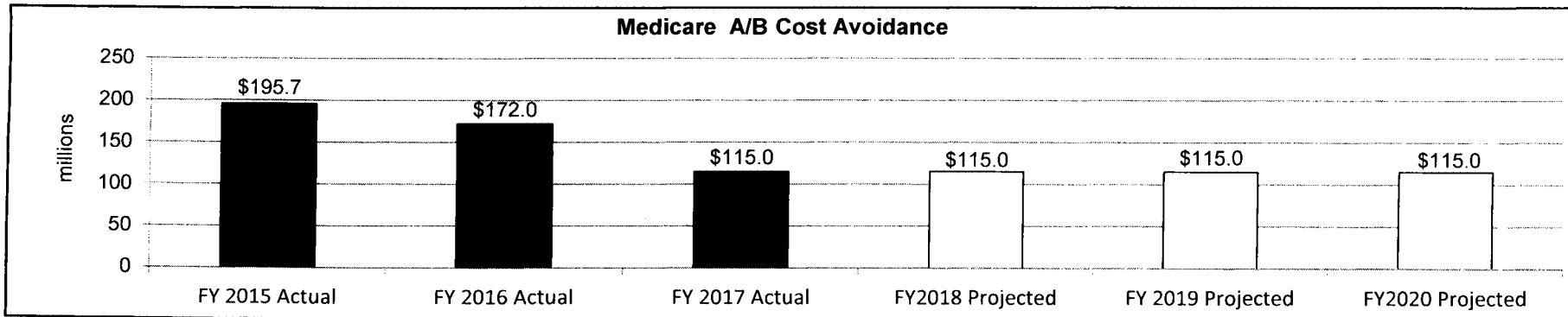DI Name - Medicare Premium Increases   DI# 1886003

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	Req TOTAL FTE	Dept Req One-Time DOLLARS	E
Program Distributions	9,142,886		17,802,993				26,945,879			
Total PSD	**9,142,886**		**17,802,993**			0	**26,945,879**		0	
Grand Total	**9,142,886**	**0.0**	**17,802,993**	**0.0**	**0**	**0.0**	**26,945,879**	**0.0**	**0**	

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

6a. Provide an effectiveness measure.

Effectiveness Measure: Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, the MO HealthNet avoided over $115 million in FY2017 as shown in the chart below.

Medicare A/B Cost Avoidance

Bar chart "Medicare A/B Cost Avoidance" (y-axis in millions, 0 to 250):
- FY 2015 Actual: $195.7
- FY 2016 Actual: $172.0
- FY 2017 Actual: $115.0
- FY2018 Projected: $115.0
- FY 2019 Projected: $115.0
- FY2020 Projected: $115.0

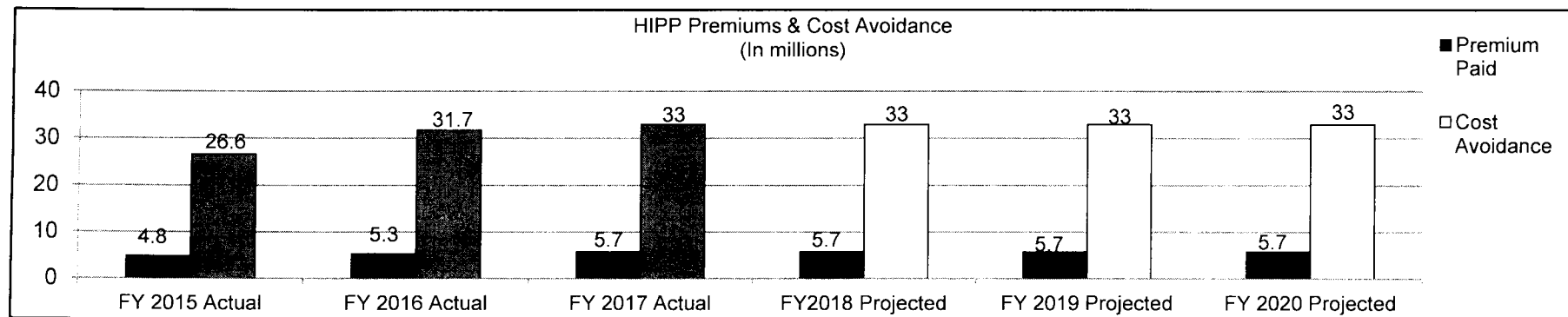**Department - Social Services**

Budget Unit: 90547C

Division - MO HealthNet

DI Name - Medicare Premium Increases   **DI# 1886003**

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 FY17, the MO HealthNet Division paid $5.7 million for health insurance premiums, coinsurance, and deductibles and avoided $33 million in costs.
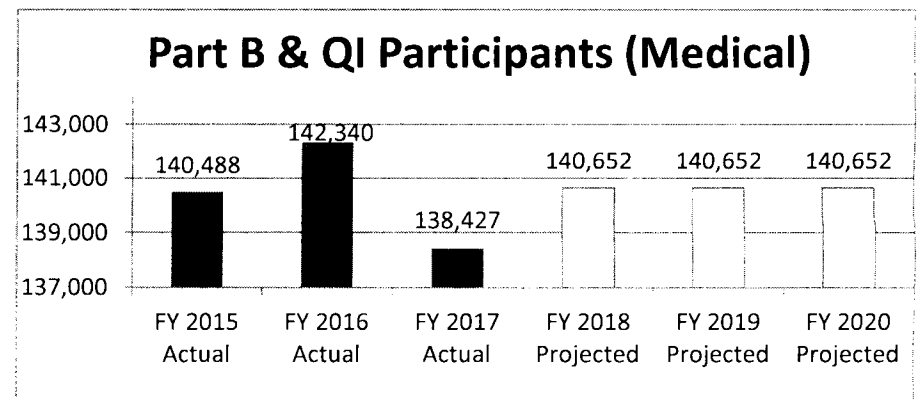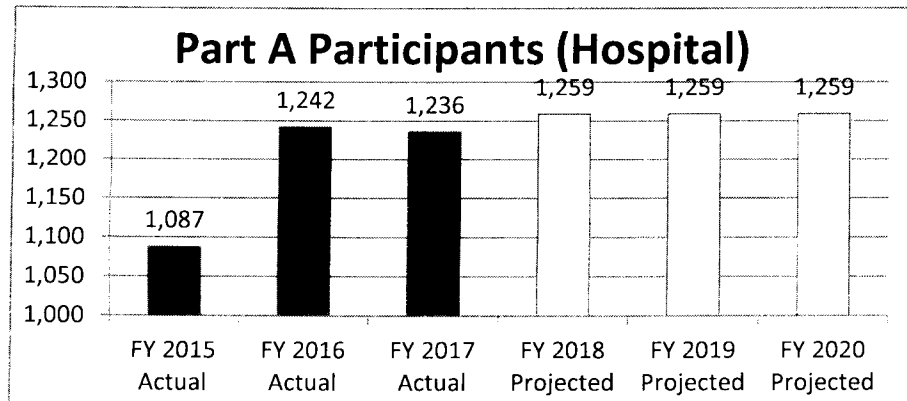

HIPP Premiums & Cost Avoidance (In millions)

Department - Social Services
Budget Unit: 90547C

Division - MO HealthNet

DI Name - Medicare Premium Increases   DI# 1886003

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

Part A Participants (Hospital)

FY 2015 Actual: 1,087; FY 2016 Actual: 1,242; FY 2017 Actual: 1,236; FY 2018 Projected: 1,259; FY 2019 Projected: 1,259; FY 2020 Projected: 1,259

Part B & QI Participants (Medical)

FY 2015 Actual: 140,488; FY 2016 Actual: 142,340; FY 2017 Actual: 138,427; FY 2018 Projected: 140,652; FY 2019 Projected: 140,652; FY 2020 Projected: 140,652

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.

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

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

Budget Unit Decision Item Budget Object Class	FY 2017 ACTUAL DOLLAR	FY 2017 ACTUAL FTE	FY 2018 BUDGET DOLLAR	FY 2018 BUDGET FTE	FY 2019 DEPT REQ DOLLAR	FY 2019 DEPT REQ FTE	************ SECURED COLUMN	************ SECURED COLUMN
PREMIUM PAYMENTS								
Medicare Premium Increase - 1886003								
PROGRAM DISTRIBUTIONS	0	0.00	0	0.00	26,945,879	0.00	0	0.00
TOTAL - PD	0	0.00	0	0.00	26,945,879	0.00	0	0.00
GRAND TOTAL	$0	0.00	$0	0.00	$26,945,879	0.00	$0	0.00
GENERAL REVENUE	$0	0.00	$0	0.00	$9,142,886	0.00		0.00
FEDERAL FUNDS	$0	0.00	$0	0.00	$17,802,993	0.00		0.00
OTHER FUNDS	$0	0.00	$0	0.00	$0	0.00		0.00