# Department of Social Services
# MO HealthNet Division

## Fiscal Year 2019 Budget Request
## Book 5 of 6

**Steve Corsi, Psy.D., Director**

**Printed with Governor's Recommendation**

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DEPARTMENT OF SOCIAL SERVICES
FISCAL YEAR 2019 BRASS SECTION SUMMARY

| Decision Item Name | 2019 DEPARTMENT REQUEST | | | | | 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| **MO HealthNet Administration** | | | | | | | | | | |
| Core | 225.70 | 3,337,196 | 8,882,773 | 2,484,619 | 14,704,588 | 225.70 | 3,337,196 | 8,882,773 | 2,484,619 | 14,704,588 |
| NDI- Pay Plan | | | | | | 0.00 | 34,791 | 62,726 | 22,872 | 120,389 |
| NDI- Electronic Visit Verification | | | | | | 1.00 | 41,669 | 41,669 | 0 | 83,338 |
| NDI- Advancing MMIS Technology | | | | | | 7.00 | 236,407 | 236,407 | 0 | 472,814 |
| *Total* | 225.70 | 3,337,196 | 8,882,773 | 2,484,619 | 14,704,588 | 233.70 | 3,650,063 | 9,223,575 | 2,507,491 | 15,381,129 |
| **Clinical Services Program Management** | | | | | | | | | | |
| Core | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| *Total* | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | 0.00 | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 |
| **Women & Minority Health Care Outreach** | | | | | | | | | | |
| Core | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 |
| *Total* | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 | 0.00 | 529,796 | 568,625 | 0 | 1,098,421 |
| **TPL Contracts** | | | | | | | | | | |
| Core | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 | 0.00 | 0 | 3,000,000 | 3,000,000 | 6,000,000 |
| NDI - TPL Contracts Inc. | 0.00 | 0 | 1,250,000 | 1,250,000 | 2,500,000 | 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 | 0.00 | 0 | 4,250,000 | 4,250,000 | 8,500,000 |
| **Information Systems** | | | | | | | | | | |
| Core | 0.00 | 11,777,149 | 53,664,294 | 2,021,687 | 67,463,130 | 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 | 0.00 | 395,881 | 876,085 | 0 | 1,271,966 |
| NDI- Electronic Visit Verification | | | | | | 0.00 | 59,500 | 535,500 | 0 | 595,000 |
| NDI- Advancing MMIS Technology | | | | | | 0.00 | 6,385,003 | 2,700,000 | 0 | 9,085,003 |
| *Total* | 0.00 | 12,173,030 | 54,540,379 | 2,021,687 | 68,735,096 | 0.00 | 18,617,533 | 57,775,879 | 2,021,687 | 78,415,099 |
| **Electronic Health Records Incentives** | | | | | | | | | | |
| Core | 0.00 | 0 | 35,000,000 | 0 | 35,000,000 | 0.00 | 0 | 28,000,000 | 0 | 28,000,000 |
| *Total* | 0.00 | 0 | 35,000,000 | 0 | 35,000,000 | 0.00 | 0 | 28,000,000 | 0 | 28,000,000 |
| **Money Follows the Person** | | | | | | | | | | |
| Core | 0.00 | 0 | 532,549 | 0 | 532,549 | 0.00 | 0 | 532,549 | 0 | 532,549 |
| *Total* | 0.00 | 0 | 532,549 | 0 | 532,549 | 0.00 | 0 | 532,549 | 0 | 532,549 |
| **Pharmacy** | | | | | | | | | | |
| Core | 0.00 | 110,609,884 | 802,636,344 | 323,690,613 | 1,236,936,841 | 0.00 | 93,224,439 | 795,398,811 | 323,690,613 | 1,212,313,863 |
| NDI - Year 1 Asset Limits | 0.00 | 935,369 | 6,069,272 | 2,440,228 | 9,444,869 | 0.00 | 377,587 | 2,553,349 | 985,064 | 3,916,000 |
| NDI - Year 2 Asset Limits | 0.00 | 352,460 | 2,286,989 | 919,513 | 3,558,962 | 0.00 | 240,202 | 1,624,316 | 626,650 | 2,491,168 |
| NDI - MHD GR Pickup | 0.00 | 13,107,337 | 0 | 0 | 13,107,337 | 0.00 | 13,107,337 | 0 | 0 | 13,107,337 |
| NDI - Pharmacy PMPM-Speciality | 0.00 | 19,524,645 | 35,105,029 | 0 | 54,629,674 | 0.00 | 18,853,984 | 35,328,801 | 0 | 54,182,785 |
| NDI - Pharmacy PMPM-Non - Speciality | 0.00 | 2,294,165 | 4,124,876 | 0 | 6,419,041 | 0.00 | 0 | 0 | 0 | 0 |
| NDI- FMAP adjustment | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 13,522,978 | 0 | 13,522,978 |
| *Total* | 0.00 | 146,823,860 | 850,222,510 | 327,050,354 | 1,324,096,724 | 0.00 | 125,803,549 | 848,428,255 | 325,302,327 | 1,299,534,131 |
| **Pharmacy - Medicare Part D Clawback** | | | | | | | | | | |
| Core | 0.00 | 226,750,733 | 0 | 0 | 226,750,733 | 0.00 | 226,750,733 | 0 | 0 | 226,750,733 |
| NDI - Clawback Increase | 0.00 | 3,224,870 | 0 | 0 | 3,224,870 | 0.00 | 0 | 0 | 0 | 0 |
| *Total* | 0.00 | 229,975,603 | 0 | 0 | 229,975,603 | 0.00 | 226,750,733 | 0 | 0 | 226,750,733 |

**DEPARTMENT OF SOCIAL SERVICES**
**FISCAL YEAR 2019 BRASS SECTION SUMMARY**

| Decision Item Name | 2019 DEPARTMENT REQUEST | | | | | 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| **Missouri Rx Plan** | | | | | | | | | | |
| Core | 0.00 | 6,907,477 | 0 | 4,655,326 | 11,562,803 | 0.00 | 6,715,564 | 0 | 4,655,326 | 11,370,890 |
| NDI - Year 1 Asset Limits | 0.00 | 66,662 | 0 | 0 | 66,662 | 0.00 | 27,639 | 0 | 0 | 27,639 |
| NDI - Year 2 Asset Limits | 0.00 | 25,120 | 0 | 0 | 25,120 | 0.00 | 17,583 | 0 | 0 | 17,583 |
| *Total* | 0.00 | 6,999,259 | 0 | 4,655,326 | 11,654,585 | 0.00 | 6,760,786 | 0 | 4,655,326 | 11,416,112 |
| **Pharmacy FRA** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 |
| *Total* | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 | 0.00 | 0 | 0 | 108,308,926 | 108,308,926 |
| **GR Pharmacy FRA Transfer** | | | | | | | | | | |
| Core | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 |
| *Total* | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 | 0.00 | 38,737,111 | 0 | 0 | 38,737,111 |
| **Pharmacy FRA Transfer** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 |
| *Total* | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 | 0.00 | 0 | 0 | 38,737,111 | 38,737,111 |
| **Physician Related Prof** | | | | | | | | | | |
| Core | 0.00 | 114,849,104 | 283,090,436 | 13,504,004 | 411,443,544 | 0.00 | 100,858,120 | 275,255,617 | 13,504,004 | 389,617,741 |
| NDI - Year 1 Asset Limit | 0.00 | 1,639,987 | 3,199,170 | 139,321 | 4,978,478 | 0.00 | 662,025 | 1,345,894 | 56,241 | 2,064,160 |
| NDI - Year 2 Asset Limit | 0.00 | 617,971 | 1,205,493 | 52,498 | 1,875,962 | 0.00 | 421,148 | 856,192 | 35,778 | 1,313,118 |
| NDI - MHD Cost to Continue | 0.00 | 57,667,549 | 41,472,809 | 0 | 99,140,358 | 0.00 | 53,946,028 | 36,383,192 | 0 | 90,329,220 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 7,986,374 | 0 | 7,986,374 |
| NDI-Health Home Expansion | | | | | | 0.00 | 377,130 | 678,074 | 0 | 1,055,204 |
| *Total* | 0.00 | 174,774,611 | 328,967,908 | 13,695,823 | 517,438,342 | 0.00 | 156,264,451 | 322,505,343 | 13,596,023 | 492,365,817 |
| **Neonatal Abstinence Syndrome** | | | | | | | | | | |
| Core | 0.00 | 500,000 | 898,993 | 0 | 1,398,993 | 0.00 | 486,808 | 898,993 | 0 | 1,385,801 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 13,192 | 0 | 13,192 |
| *Total* | 0.00 | 500,000 | 898,993 | 0 | 1,398,993 | 0.00 | 486,808 | 912,185 | 0 | 1,398,993 |
| **Dental** | | | | | | | | | | |
| Core | 0.00 | 682,270 | 3,405,160 | 919,935 | 5,007,365 | 0.00 | 537,686 | 3,693,400 | 919,935 | 5,151,021 |
| NDI - Year 1 Asset Limits | 0.00 | 20,576 | 36,996 | 0 | 57,572 | 0.00 | 8,306 | 15,564 | 0 | 23,870 |
| NDI - Year 2 Asset Limits | 0.00 | 7,753 | 13,941 | 0 | 21,694 | 0.00 | 5,284 | 9,901 | 0 | 15,185 |
| NDI - MHD Cost to Continue | 0.00 | 643,104 | 634,126 | 0 | 1,277,230 | 0.00 | 785,876 | 484,339 | 0 | 1,270,215 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 73,519 | 0 | 73,519 |
| *Total* | 0.00 | 710,599 | 3,456,097 | 919,935 | 5,086,631 | 0.00 | 1,337,152 | 4,276,723 | 919,935 | 6,533,810 |
| **Premium Payments** | | | | | | | | | | |
| Core | 0.00 | 88,605,500 | 172,608,746 | 0 | 261,214,246 | 0.00 | 84,267,486 | 166,371,124 | 0 | 250,638,610 |
| NDI - Year 1 Asset Limits | 0.00 | 872,868 | 1,569,404 | 0 | 2,442,272 | 0.00 | 352,357 | 660,250 | 0 | 1,012,607 |
| NDI - Year 2 Asset Limits | 0.00 | 328,909 | 591,374 | 0 | 920,283 | 0.00 | 224,152 | 420,019 | 0 | 644,171 |
| NDI - MHD Cost to Continue | 0.00 | 3,980,393 | 2,296,680 | 0 | 6,277,073 | 0.00 | 0 | 0 | 0 | 0 |
| NDI - MediCare Premium Inc | 0.00 | 8,142,886 | 17,802,993 | 0 | 26,945,879 | 0.00 | 2,995,668 | 6,067,956 | 0 | 9,063,624 |
| NDI- FMAP adjustment | | | | | | | 0 | 4,338,014 | 0 | 4,338,014 |
| *Total* | 0.00 | 89,807,277 | 174,769,524 | 0 | 264,576,801 | 0.00 | 87,839,663 | 177,857,363 | 0 | 265,697,026 |
| **Nursing Facilities** | | | | | | | | | | |
| Core | 0.00 | 134,380,603 | 378,476,928 | 65,527,432 | 578,384,963 | 0.00 | 131,024,656 | 373,884,434 | 65,527,432 | 570,436,522 |
| NDI - MHD Cost to Continue | 0.00 | 7,072,488 | 0 | 0 | 7,072,488 | 0.00 | 4,816,334 | 0 | 0 | 4,816,334 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 3,355,947 | 0 | 3,355,947 |
| *Total* | 0.00 | 141,453,091 | 378,476,928 | 65,527,432 | 585,457,451 | 0.00 | 135,840,990 | 377,240,381 | 65,527,432 | 578,608,803 |

**DEPARTMENT OF SOCIAL SERVICES**

**FISCAL YEAR 2019 BRASS SECTION SUMMARY**

| Decision Item Name | 2019 DEPARTMENT REQUEST | | | | | 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| **Home Health** | | | | | | | | | | |
| Core | 0.00 | 1,836,459 | 3,603,380 | 159,305 | 5,599,144 | 0.00 | 1,650,874 | 3,341,333 | 159,305 | 5,151,512 |
| NDI - Year 1 Asset Limits | 0.00 | 22,742 | 40,890 | 0 | 63,632 | 0.00 | 9,181 | 17,203 | 0 | 26,384 |
| NDI - Year 2 Asset Limits | 0.00 | 8,570 | 15,408 | 0 | 23,978 | 0.00 | 5,840 | 10,944 | 0 | 16,784 |
| NDI - FMAP adjustment | | | | | | 0.00 | 0 | 42,008 | 0 | 42,008 |
| *Total* | 0.00 | 1,867,771 | 3,659,678 | 159,305 | 5,686,754 | 0.00 | 1,665,895 | 3,411,488 | 159,305 | 5,236,688 |
| **Long Term Support Payments** | | | | | | | | | | |
| Core | 0.00 | 0 | 7,036,964 | 3,913,804 | 10,950,768 | 0.00 | 0 | 7,036,964 | 3,810,539 | 10,847,503 |
| NDI - FMAP adjustment | | | | | | | 0 | 103,265 | 0 | 103,265 |
| *Total* | 0.00 | 0 | 7,036,964 | 3,913,804 | 10,950,768 | 0.00 | 0 | 7,140,229 | 3,810,539 | 10,950,768 |
| **Rehab & Specialty Services** | | | | | | | | | | |
| Core | 0.00 | 84,145,779 | 162,275,790 | 26,620,851 | 273,042,420 | 0.00 | 85,429,726 | 175,134,503 | 26,620,851 | 287,185,080 |
| NDI - Year 1 Asset Limits | 0.00 | 612,162 | 1,419,474 | 177,318 | 2,208,954 | 0.00 | 247,116 | 597,174 | 71,579 | 915,869 |
| NDI - Year 2 Asset Limits | 0.00 | 230,672 | 534,878 | 66,816 | 832,366 | 0.00 | 157,203 | 379,893 | 45,535 | 582,631 |
| NDI - MHD Cost to continue | 0.00 | 6,056,600 | 3,750,548 | 0 | 9,807,148 | 0.00 | 10,231,309 | 8,606,781 | 0 | 18,838,090 |
| NDI - Hospice Rate Increase | 0.00 | 105,373 | 192,373 | 0 | 297,746 | 0.00 | 94,493 | 177,061 | 0 | 271,554 |
| NDI- FMAP adjustment | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 146,582 | 0 | 146,582 |
| *Total* | 0.00 | 91,150,586 | 168,173,063 | 26,864,985 | 286,188,634 | 0.00 | 96,159,847 | 185,041,994 | 26,737,965 | 307,939,806 |
| **NEMT** | | | | | | | | | | |
| Core | 0.00 | 13,752,044 | 34,509,279 | 0 | 48,261,323 | 0.00 | 13,372,596 | 31,558,732 | 0 | 44,931,328 |
| NDI - Year 1 Asset Limits | 0.00 | 157,030 | 282,337 | 0 | 439,367 | 0.00 | 63,389 | 118,779 | 0 | 182,168 |
| NDI - Year 2 Asset Limits | 0.00 | 59,171 | 106,389 | 0 | 165,560 | 0.00 | 40,325 | 75,562 | 0 | 115,887 |
| NDI - MHD Cost to continue | 0.00 | 316,687 | 0 | 0 | 316,687 | 0.00 | 224,336 | 0 | 0 | 224,336 |
| NDI - NEMT Actuarial Increase | 0.00 | 789,522 | 1,419,550 | 0 | 2,209,072 | 0.00 | 768,691 | 1,440,381 | 0 | 2,209,072 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 379,448 | 0 | 379,448 |
| *Total* | 0.00 | 13,968,245 | 34,898,005 | 0 | 48,866,250 | 0.00 | 14,469,337 | 33,572,902 | 0 | 48,042,239 |
| **Community Health Access Progrms** | | | | | | | | | | |
| Core | 0.00 | 500,000 | 898,993 | 0 | 1,398,993 | 0.00 | 0 | 0 | 0 | 0 |
| *Total* | 0.00 | 500,000 | 898,993 | 0 | 1,398,993 | 0.00 | 0 | 0 | 0 | 0 |
| **Ground Emer Med Transport** | | | | | | | | | | |
| Core | 0.00 | 0 | 53,084,513 | 30,875,733 | 83,960,246 | 0.00 | 0 | 53,084,513 | 29,215,647 | 82,300,160 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 1,660,086 | 0 | 1,660,086 |
| *Total* | 0.00 | 0 | 53,084,513 | 30,875,733 | 83,960,246 | 0.00 | 0 | 54,744,599 | 29,215,647 | 83,960,246 |
| **Complex Rehab Technology Products** | | | | | | | | | | |
| Core | 0.00 | 4,184,510 | 7,563,641 | 0 | 11,748,151 | 0.00 | 3,845,450 | 7,097,286 | 0 | 10,942,736 |
| NDI - Year 1 Asset Limits | 0.00 | 37,904 | 68,150 | 0 | 106,054 | 0.00 | 15,301 | 28,671 | 0 | 43,972 |
| NDI - Year 2 Asset Limits | 0.00 | 14,283 | 25,680 | 0 | 39,963 | 0.00 | 9,734 | 18,239 | 0 | 27,973 |
| NDI - MHD Cost to Continue | 0.00 | 54,415 | 55,694 | 0 | 110,109 | 0.00 | 0 | 0 | 0 | 0 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 108,358 | 0 | 108,358 |
| *Total* | 0.00 | 4,236,697 | 7,657,471 | 0 | 11,894,168 | 0.00 | 3,870,485 | 7,252,554 | 0 | 11,123,039 |
| **Ambulance SRV Reim. Allow Transfer** | | | | | | | | | | |
| Core | 0.00 | 20,837,332 | 0 | 0 | 20,837,332 | 0.00 | 20,837,332 | 0 | 0 | 20,837,332 |
| *Total* | 0.00 | 20,837,332 | 0 | 0 | 20,837,332 | 0.00 | 20,837,332 | 0 | 0 | 20,837,332 |

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 BRASS SECTION SUMMARY

| Decision Item Name | 2019 DEPARTMENT REQUEST | | | | | 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| **GR Ambulance SRV Reim. Allow Transfer** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 20,837,332 | 20,837,332 | 0.00 | 0 | 0 | 20,837,332 | 20,837,332 |
| *Total* | 0.00 | 0 | 0 | 20,837,332 | 20,837,332 | 0.00 | 0 | 0 | 20,837,332 | 20,837,332 |
| **Managed Care** | | | | | | | | | | |
| Core | 0.00 | 404,941,912 | 1,257,976,949 | 253,057,203 | 1,915,976,064 | 0.00 | 386,948,777 | 1,248,503,642 | 249,387,220 | 1,885,839,639 |
| NDI - MCO GR Pickup | 0.00 | 44,862,793 | 0 | 0 | 44,862,793 | 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 | 0.00 | 12,380,514 | 23,198,743 | 0 | 35,579,257 |
| NDI - MCO Hlth Insurer Fee | 0.00 | 21,698,626 | 39,013,813 | 0 | 60,712,439 | 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 | 0.00 | 11,495,060 | 21,539,568 | 0 | 33,034,628 |
| NDI- FMAP adjustment | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 23,393,776 | 0 | 23,393,776 |
| NDI- Medicare Parity Maternal CTC | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 1,460,422 | 2,736,556 | 0 | 4,196,978 |
| *Total* | 0.00 | 496,871,147 | 1,342,601,725 | 253,057,203 | 2,092,530,075 | 0.00 | 478,846,192 | 1,359,386,098 | 249,387,220 | 2,087,619,510 |
| **FFS Claims Runout** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| *Total* | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| **Hospital Care** | | | | | | | | | | |
| Core | 0.00 | 30,739,410 | 341,161,905 | 128,702,369 | 500,603,684 | 0.00 | 26,743,694 | 344,199,142 | 128,702,369 | 499,645,205 |
| NDI - Year 1 Asset Limits | 0.00 | 475,956 | 6,742,987 | 3,274,345 | 10,493,288 | 0.00 | 192,133 | 2,836,781 | 1,321,777 | 4,350,691 |
| NDI - Year 2 Asset Limits | 0.00 | 165,508 | 2,554,693 | 1,233,820 | 3,954,021 | 0.00 | 122,225 | 1,804,622 | 840,850 | 2,767,697 |
| NDI - MHD Cost to Continue | 0.00 | 45,311,577 | 90,401,911 | 53,546,430 | 189,259,918 | 0.00 | 8,151,584 | 49,141,449 | 57,216,413 | 114,509,446 |
| NDI- FMAP adjustment | | | | | | | 0 | 544,657 | 0 | 544,657 |
| *Total* | 0.00 | 76,692,451 | 440,861,496 | 186,756,964 | 704,310,911 | 0.00 | 35,209,636 | 398,526,651 | 188,081,409 | 621,817,696 |
| **Physician Payments for Safety Net** | | | | | | | | | | |
| Core | 0.00 | 0 | 13,722,792 | 0 | 13,722,792 | 0.00 | 0 | 13,722,792 | 0 | 13,722,792 |
| NDI - MHD Cost to Continue | | | | | | 0.00 | 0 | 1,632,113 | 0 | 1,632,113 |
| *Total* | 0.00 | 0 | 13,722,792 | 0 | 13,722,792 | 0.00 | 0 | 15,354,905 | 0 | 15,354,905 |
| **FQHC Distribution** | | | | | | | | | | |
| Core | 0.00 | 6,165,350 | 6,203,372 | 0 | 12,368,722 | 0.00 | 6,075,017 | 6,203,372 | 0 | 12,278,389 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 52,698 | 0 | 52,698 |
| NDI-Health Home Expansion | | | | | | 0.00 | 273,282 | 491,358 | 0 | 764,640 |
| *Total* | 0.00 | 6,165,350 | 6,203,372 | 0 | 12,368,722 | 0.00 | 6,348,299 | 6,747,428 | 0 | 13,095,727 |
| **FRA Health Care Home** | | | | | | | | | | |
| Core | 0.00 | 0 | 5,208,568 | 2,896,598 | 8,105,166 | 0.00 | 0 | 5,208,568 | 2,820,355 | 8,028,923 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 76,243 | 0 | 76,243 |
| NDI-Health Home Expansion | | | | | | 0.00 | 0 | 2,270,072 | 1,262,564 | 3,532,636 |
| *Total* | 0.00 | 0 | 5,208,568 | 2,896,598 | 8,105,166 | 0.00 | 0 | 7,554,883 | 4,082,919 | 11,637,802 |
| **Federal Reimbursement Allowance E** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 1,280,818,734 | 1,280,818,734 | 0.00 | 0 | 0 | 1,280,818,734 | 1,280,818,734 |
| NDI - MHD Cost to Continue | 0.00 | 0 | 0 | 114,528,895 | 114,528,895 | 0.00 | 0 | 0 | 89,308,321 | 89,308,321 |
| *Total* | 0.00 | 0 | 0 | 1,395,347,629 | 1,395,347,629 | 0.00 | 0 | 0 | 1,370,127,055 | 1,370,127,055 |
| **IGT Transfer** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 |
| *Total* | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 | 0.00 | 0 | 0 | 96,885,215 | 96,885,215 |

DEPARTMENT OF SOCIAL SERVICES
FISCAL YEAR 2019 BRASS SECTION SUMMARY

| Decision Item Name | 2019 DEPARTMENT REQUEST | | | | | 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| **IGT Safety Net Hospitals** | | | | | | | | | | |
| Core | 0.00 | 0 | 41,182,649 | 23,348,801 | 64,531,450 | 0.00 | 0 | 41,182,649 | 23,348,801 | 64,531,450 |
| *Total* | 0.00 | 0 | 41,182,649 | 23,348,801 | 64,531,450 | 0.00 | 0 | 41,182,649 | 23,348,801 | 64,531,450 |
| **IGT DMH Medicaid Programs** | | | | | | | | | | |
| Core | 0.00 | 0 | 277,048,873 | 147,977,007 | 425,025,880 | 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 | 0.00 | 0 | 223,028,773 | 32,592,341 | 255,621,114 |
| *Total* | 0.00 | 0 | 283,050,254 | 157,426,332 | 440,476,586 | 0.00 | 0 | 500,077,646 | 180,569,348 | 680,646,994 |
| **CHIP** | | | | | | | | | | |
| Core | 0.00 | 11,939,043 | 60,780,571 | 7,719,204 | 80,438,818 | 0.00 | 11,362,448 | 60,780,571 | 7,719,204 | 79,862,223 |
| NDI - MHD GR Pickup | 0.00 | 567,663 | 0 | 0 | 567,663 | 0.00 | 567,663 | 0 | 0 | 567,663 |
| NDI - Pharmacy PMPM - Speciality | 0.00 | 201,621 | 604,380 | 0 | 806,001 | 0.00 | 194,712 | 604,696 | 0 | 799,408 |
| NDI - Pharmacy PMPM-Non- Speciality | 0.00 | 23,691 | 71,015 | 0 | 94,706 | 0.00 | 0 | 0 | 0 | 0 |
| NDI - Mgd Care Actuarial | 0.00 | 247,223 | 741,078 | 0 | 988,301 | 0.00 | 240,578 | 747,137 | 0 | 987,715 |
| NDI - MCO Hlth Insurer Fee | 0.00 | 403,088 | 1,208,299 | 0 | 1,611,387 | 0.00 | 403,088 | 1,208,299 | 0 | 1,611,387 |
| NDI - MCO Withhold Release | 0.00 | 183,091 | 548,835 | 0 | 731,926 | 0.00 | 161,772 | 502,400 | 0 | 664,172 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 576,595 | 0 | 576,595 |
| *Total* | 0.00 | 13,565,420 | 63,954,178 | 7,719,204 | 85,238,802 | 0.00 | 12,930,261 | 64,419,698 | 7,719,204 | 85,069,163 |
| **Show Me Babies** | | | | | | | | | | |
| Core | 0.00 | 3,481,649 | 10,396,644 | 0 | 13,878,293 | 0.00 | 3,282,970 | 10,396,644 | 0 | 13,679,614 |
| NDI - Cost to Continue | 0.00 | 3,653,700 | 10,943,412 | 0 | 14,597,112 | 0.00 | 3,616,454 | 10,789,388 | 0 | 14,405,842 |
| NDI - Mgd Care Actuarial Rate Inc | 0.00 | 193,575 | 580,262 | 0 | 773,837 | 0.00 | 168,747 | 524,058 | 0 | 692,805 |
| NDI - MCO Hlth Insurer Fee | | 201,832 | 605,011 | 0 | 806,843 | 0.00 | 201,832 | 605,011 | 0 | 806,843 |
| NDI - MCO Withhold Release | 0.00 | 91,546 | 274,417 | 0 | 365,963 | 0.00 | 78,450 | 243,636 | 0 | 322,086 |
| NDI- FMAP adjustment | | | | | | 0.00 | 0 | 198,679 | 0 | 198,679 |
| *Total* | 0.00 | 7,622,302 | 22,799,746 | 0 | 30,422,048 | 0.00 | 7,348,453 | 22,757,416 | 0 | 30,105,869 |
| **GR FRA Transfer** | | | | | | | | | | |
| Core | 0.00 | 653,701,378 | 0 | 0 | 653,701,378 | 0.00 | 653,701,378 | 0 | 0 | 653,701,378 |
| *Total* | 0.00 | 653,701,378 | 0 | 0 | 653,701,378 | 0.00 | 653,701,378 | 0 | 0 | 653,701,378 |
| **FRA Transfer** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 653,701,378 | 653,701,378 | 0.00 | 0 | 0 | 653,701,378 | 653,701,378 |
| *Total* | 0.00 | 0 | 0 | 653,701,378 | 653,701,378 | 0.00 | 0 | 0 | 653,701,378 | 653,701,378 |
| **GR NFRA Transfer** | | | | | | | | | | |
| Core | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 |
| *Total* | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 | 0.00 | 210,950,510 | 0 | 0 | 210,950,510 |
| **Nursing Facility Reimbursment Transfer** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 |
| *Total* | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 | 0.00 | 0 | 0 | 210,950,510 | 210,950,510 |
| **Nursing Facility Quality Transfer** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 |
| *Total* | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 | 0.00 | 0 | 0 | 1,500,000 | 1,500,000 |
| **Nursing Facility FRA** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 351,448,765 | 351,448,765 | 0.00 | 0 | 0 | 351,448,765 | 351,448,765 |
| NDI - MHD Cost to Continue | 0.00 | 0 | 0 | 9,506,238 | 9,506,238 | 0.00 | 0 | 0 | 6,859,814 | 6,859,814 |
| *Total* | 0.00 | 0 | 0 | 360,955,003 | 360,955,003 | 0.00 | 0 | 0 | 358,308,579 | 358,308,579 |

DEPARTMENT OF SOCIAL SERVICES

FISCAL YEAR 2019 BRASS SECTION SUMMARY

| Decision Item Name | 2019 DEPARTMENT REQUEST | | | | | 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FTE | GR | FF | OF | Total | FTE | GR | FF | OF | Total |
| **School District Medicaid Claiming** | | | | | | | | | | |
| Core | 0.00 | 242,525 | 34,653,770 | 0 | 34,896,295 | 0.00 | 242,525 | 34,653,770 | 0 | 34,896,295 |
| *Total* | 0.00 | 242,525 | 34,653,770 | 0 | 34,896,295 | 0.00 | 242,525 | 34,653,770 | 0 | 34,896,295 |
| **Blind Pension Medical Benefits** | | | | | | | | | | |
| Core | 0.00 | 26,672,798 | 0 | 0 | 26,672,798 | 0.00 | 24,655,738 | 0 | 0 | 24,655,738 |
| NDI - MHD Cost to Continue | 0.00 | 208,635 | 0 | 0 | 208,635 | 0.00 | 0 | 0 | 0 | 0 |
| NDI - Pharmacy PMPM - Speciality | 0.00 | 250,493 | 0 | 0 | 250,493 | 0.00 | 248,444 | 0 | 0 | 248,444 |
| NDI - Pharmacy PMPM-Non - Speciality | 0.00 | 29,433 | 0 | 0 | 29,433 | 0.00 | 0 | 0 | 0 | 0 |
| *Total* | 0.00 | 27,161,359 | 0 | 0 | 27,161,359 | 0.00 | 24,904,182 | 0 | 0 | 24,904,182 |
| **DSS Legal Expense Fund TRF** | | | | | | | | | | |
| Core | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| *Total* | 0.00 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 |
| *MHD Core Total* | 225.70 | 1,287,993,108 | 3,795,238,660 | 2,636,159,415 | 7,719,391,183 | 225.70 | 1,223,581,365 | 3,765,469,133 | 2,630,649,838 | 7,619,700,336 |
| *MHD NDI Total* | 0.00 | 274,523,991 | 326,347,684 | 187,135,422 | 788,007,097 | 8.00 | 222,757,188 | 320,063,041 | 159,903,458 | 702,723,687 |
| *MHD Non Count Total:* | 0.00 | 924,226,331 | 283,050,254 | 1,180,037,878 | 2,387,314,463 | 0.00 | 924,226,331 | 500,077,646 | 1,203,180,894 | 2,627,484,871 |
| *Total MHD* | 225.70 | 2,486,743,430 | 4,404,636,598 | 4,003,332,715 | 10,894,712,743 | 233.70 | 2,370,564,884 | 4,585,609,820 | 3,993,734,190 | 10,949,908,894 |

**NEW DECISION ITEM**
**RANK: 6 OF 22**

**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
**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**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 124,965,148 | 149,555,180 | 177,581,563 | 452,101,891 | |
| TRF | | | | | |
| **Total** | **124,965,148** | **149,555,180** | **177,581,563** | **452,101,891** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds:
Nursing Facility Reimbursement Allowance Fund (0196) - $9,506,238
Federal Reimbursement Allowance Fund (0142) - $168,075,325

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 81,771,921 | 107,037,262 | 153,384,548 | 342,193,731 | |
| TRF | | | | | |
| **Total** | **81,771,921** | **107,037,262** | **153,384,548** | **342,193,731** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds:
Nursing Facility Reimbursement Allowance Fund (0196) - $6,859,814
Federal Reimbursement Allowance Fund (0142) - $146,524,734

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

## 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 November 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, Nursing Facilities, Nursing Facilities Reimbursement Allowance, Hospital Federal Reimbursement Allowance, Show-Me Healthy Babies, Rehabilitation and Specialty Services, Non-Emergency Medical Transportation (NEMT), and Hospital.

NEW DECISION ITEM

RANK: 6 OF 22

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 November 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:

| | | Department Request | | | | Governor's Recommendation | | | |
|---|---|---|---|---|---|---|---|---|---|
| HB | Program | GR | Federal | Other | Total | GR | Federal | Other | Total |
| 11.455 | PHYSICIAN | $57,667,549 | $41,472,809 | | **$99,140,358** | $53,946,028 | $36,383,192 | | **$90,329,220** |
| 11.460 | DENTAL | $643,104 | $634,126 | | **$1,277,230** | $785,876 | $484,339 | | **$1,270,215** |
| 11.465 | PREMIUM PAYMENTS | $3,980,393 | $2,296,680 | | **$6,277,073** | $0 | $0 | | **$0** |
| 11.470 | NURSING FACILITIES | $7,072,488 | | | **$7,072,488** | $4,816,334 | | | **$4,816,334** |
| 11.480 | REHAB & SPECIALTY | $6,056,600 | $3,750,548 | | **$9,807,148** | $10,231,309 | $8,606,781 | | **$18,838,090** |
| 11.480 | NEMT | $316,687 | | | **$316,687** | $224,336 | | | **$224,336** |
| 11.490 | COMPLEX REHAB TEC | $54,415 | $55,694 | | **$110,109** | | | | **$0** |
| 11.510 | HOSPITAL | $45,311,577 | $90,401,911 | $53,546,430 | **$189,259,918** | $8,151,584 | $49,141,449 | $57,216,413 | **$114,509,446** |
| 11.515 | PHYSICIAN SAFE NET | | | | | | $1,632,113 | | **$1,632,113** |
| 11.530 | HOSPITAL FRA | | | $114,528,895 | **$114,528,895** | | | $89,308,321 | **$89,308,321** |
| 11.560 | SMHB | $3,653,700 | $10,943,412 | | **$14,597,112** | $3,616,454 | $10,789,388 | | **$14,405,842** |
| 11.590 | NFRA | | | $9,506,238 | **$9,506,238** | | | $6,859,814 | **$6,859,814** |
| 11.600 | BLIND MEDICAL | $208,635 | | | **$208,635** | | | | **$0** |
| | Cost to Continue Total | **$124,965,148** | **$149,555,180** | **$177,581,563** | **$452,101,891** | **$81,771,921** | **$107,037,262** | **$153,384,548** | **$342,193,731** |

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

NEW DECISION ITEM

RANK: 6 OF 22

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

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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 0 | 0.0 | | |
| **Total PS** | **0** | **0.0** | **0** | **0.0** | **0** | **0.0** | **0** | **0.0** | **0** | |
| **Total EE** | **0** | | **0** | | **0** | | **0** | | **0** | |
| Program Distributions | 81,771,921 | | 107,037,262 | | 153,384,548 | | 342,193,731 | | | |
| **Total PSD** | **81,771,921** | | **107,037,262** | | **153,384,548** | | **342,193,731** | | **0** | |
| **Grand Total** | **81,771,921** | **0.0** | **107,037,262** | **0.0** | **153,384,548** | **0.0** | **342,193,731** | **0.0** | **0** | |

NEW DECISION ITEM

RANK: 6 OF 22

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

## 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHYSICIAN RELATED PROF | | | | | | | | |
| MHD COST TO CONTINUE - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 99,140,358 | 0.00 | 90,329,220 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 99,140,358 | 0.00 | 90,329,220 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $99,140,358 | 0.00 | $90,329,220 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $57,667,549 | 0.00 | $53,946,028 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $41,472,809 | 0.00 | $36,383,192 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| DENTAL | | | | | | | | |
| MHD COST TO CONTINUE - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 1,277,230 | 0.00 | 1,270,215 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 1,277,230 | 0.00 | 1,270,215 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $1,277,230 | 0.00 | $1,270,215 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $643,104 | 0.00 | $785,876 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $634,126 | 0.00 | $484,339 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **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** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NURSING FACILITIES** | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 7,072,488 | 0.00 | 4,816,334 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **7,072,488** | **0.00** | **4,816,334** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$7,072,488** | **0.00** | **$4,816,334** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$7,072,488** | **0.00** | **$4,816,334** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| REHAB AND SPECIALTY SERVICES | | | | | | | | |
| MHD COST TO CONTINUE - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 9,807,148 | 0.00 | 18,838,090 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 9,807,148 | 0.00 | 18,838,090 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $9,807,148 | 0.00 | $18,838,090 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $6,056,600 | 0.00 | $10,231,309 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $3,750,548 | 0.00 | $8,606,781 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NON-EMERGENCY TRANSPORT** | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 316,687 | 0.00 | 224,336 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **316,687** | **0.00** | **224,336** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$316,687** | **0.00** | **$224,336** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$316,687** | **0.00** | **$224,336** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **HOSPITAL CARE** | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 189,259,918 | 0.00 | 114,509,446 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **189,259,918** | **0.00** | **114,509,446** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$189,259,918** | **0.00** | **$114,509,446** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$45,311,577** | **0.00** | **$8,151,584** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$90,401,911** | **0.00** | **$49,141,449** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$53,546,430** | **0.00** | **$57,216,413** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHYSICIAN PAYMENTS SAFETY NET** | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,632,113 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **1,632,113** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$1,632,113** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$1,632,113** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **FED REIMB ALLOWANCE** | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 114,528,895 | 0.00 | 89,308,321 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **114,528,895** | **0.00** | **89,308,321** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$114,528,895** | **0.00** | **$89,308,321** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$114,528,895** | **0.00** | **$89,308,321** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| SHOW-ME BABIES | | | | | | | | |
| MHD COST TO CONTINUE - 1886001 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 14,597,112 | 0.00 | 14,405,842 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 14,597,112 | 0.00 | 14,405,842 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $14,597,112 | 0.00 | $14,405,842 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $3,653,700 | 0.00 | $3,616,454 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $10,943,412 | 0.00 | $10,789,388 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NURSING FACILITY FED REIMB AL** | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 9,506,238 | 0.00 | 6,859,814 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **9,506,238** | **0.00** | **6,859,814** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$9,506,238** | **0.00** | **$6,859,814** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$9,506,238** | **0.00** | **$6,859,814** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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 |

NEW DECISION ITEM
RANK: 7 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: MO HealthNet GR Pickup DI# 1886018

Budget Unit 90541C, 90551C, 90556C
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 | | | | | | PS | | | | | |
| EE | | | | | | EE | | | | | |
| PSD | 58,537,793 | 0 | 0 | 58,537,793 | | PSD | 58,537,793 | 0 | 0 | 58,537,793 | |
| TRF | | | | | | TRF | | | | | |
| Total | 58,537,793 | 0 | 0 | 58,537,793 | | Total | 58,537,793 | 0 | 0 | 58,537,793 | |
| 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.*

Other Funds: N/A

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

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | 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.

**NEW DECISION ITEM**

**RANK: 7 OF 22**

**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 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 | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | |

NEW DECISION ITEM

RANK: 7 OF 22

Department: Social Services

Division: MO HealthNet

DI Name: MO HealthNet GR Pickup DI# 1886018

Budget Unit 90541C, 90551C, 90556C

## 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHARMACY | | | | | | | | |
| MO HEALTHNET GR PICKUP - 1886018 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 13,107,337 | 0.00 | 13,107,337 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 13,107,337 | 0.00 | 13,107,337 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $13,107,337 | 0.00 | $13,107,337 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $13,107,337 | 0.00 | $13,107,337 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MANAGED CARE** | | | | | | | | |
| **MO HEALTHNET GR PICKUP - 1886018** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 44,862,793 | 0.00 | 44,862,793 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **44,862,793** | **0.00** | **44,862,793** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$44,862,793** | **0.00** | **$44,862,793** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$44,862,793** | **0.00** | **$44,862,793** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| MO HEALTHNET GR PICKUP - 1886018 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 567,663 | 0.00 | 567,663 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 567,663 | 0.00 | 567,663 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $567,663 | 0.00 | $567,663 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $567,663 | 0.00 | $567,663 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

**NEW DECISION ITEM**
**RANK: 4 OF 22**

| | |
|---|---|
| **Department: Social Services** | **Budget Unit** 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C, 90561C, 90577C, 90552C |
| **Division: MO HealthNet** | |
| **DI Name: Asset Limit Increase FY18 Cost to Cont. DI# 0000016** | **HB Section:** 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.510, 11.605 |

**1. AMOUNT OF REQUEST**

| | FY 2019 Budget Request | | | | | | FY 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E | | GR | Federal | Other | Total | E |
| PS | | | | | | PS | | | | | |
| EE | | | | | | EE | | | | | |
| PSD | 4,841,256 | 19,428,680 | 6,031,212 | 30,301,148 | | PSD | 1,955,034 | 8,173,665 | 2,434,661 | 12,563,360 | |
| TRF | | | | | | TRF | | | | | |
| **Total** | **4,841,256** | **19,428,680** | **6,031,212** | **30,301,148** | | **Total** | **1,955,034** | **8,173,665** | **2,434,661** | **12,563,360** | |
| **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.*

Other Funds:
Pharmacy Rebates Fund (0114) - $1,180,308
Third Party Liability Fund (0120) - $139,321
Federal Reimbursement Allowance Fund (0142) - $3,274,345
Pharmacy Reimbursement Allowance Fund (0144) - $1,259,920
Ambulance Reimbursement Fund (0958) - $177,318

*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) - $476,463
Third Party Liability Fund (0120) - $56,241
Federal Reimbursement Allowance Fund (0142) - $1,321,777
Pharmacy Reimbursement Allowance Fund (0144) - $508,601
Ambulance Reimbursement Fund (0958) - $71,579

**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 starting in SFY18. 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.

**NEW DECISION ITEM**

**RANK: 4 OF 22**

**Department: Social Services**
**Division: MO HealthNet**
**DI Name: Asset Limit Increase FY18 Cost to Cont. DI# 0000016**

**Budget Uni** 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.

Based on SFY 18 actual enrollment, MHD estimates 2,865 new cases in SFY 18:

1) 2,033 new cases (374 rejections + 1 closing + 1,658 unknown population)
2) 358 Qualified Medicare Beneficiary (QMB) and 473 Specified Low-Income Medicare Beneficiary (SLMB)

| SFY18 | July Actual | August Actual | September Actual | October Actual | November Projected | December Projected | January Projected | Febuary Projected | March Projected | April Projected | May Projected | June Projected | SFY18 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Participants | 160 | 226 | 228 | 251 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 2,865 |

An annual cost per person was calculated for persons with disabilities and seniors using SFY 15 expenditures. Using the annual cost per person, a total cost of $41,578,577 and $2,824,133 was calculated for persons with disabilities and seniors respectively for a total cost of $44,402,710. With the 358 QMB and 473 SLMB eligibles receiving full benefits, the total cost is reduced by the current premium payments for these eligibles ($3,140,700) for a total cost of $41,262,010. This bill raised the MO HealthNet asset limits for MO HealthNet claimants from $1,000 to $2,000 for individuals and $2,000 to $4,000 for married couples in SFY18. Resource limits shall be increased annually by $1,000 and $2,000 respectively until the sum of resources reach the amount of $5,000 and $10,000 respectively by SFY21.
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.

| FY18 Dept Req Cost to Continue into FY19 | | | | | | | FY18 Gov Rec Cost to Continue into FY19 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| HB | Program | GR | Fed | Other* | Total | | GR | Fed | Other* | Total |
| 11.435 | Pharmacy | $ 935,369 | $ 6,069,272 | $2,440,228 | $ 9,444,869 | | $ 377,587 | $2,553,349 | $ 985,064 | $ 3,916,000 |
| 11.436 | MORx | $ 66,662 | $ - | $ - | $ 66,662 | | $ 27,639 | $ - | $ - | $ 27,639 |
| 11.455 | Physician | $ 1,639,987 | $ 3,199,170 | $ 139,321 | $ 4,978,478 | | $ 662,025 | $1,345,894 | $ 56,241 | $ 2,064,160 |
| 11.460 | Dental | $ 20,576 | $ 36,996 | $ - | $ 57,572 | | $ 8,306 | $ 15,564 | $ - | $ 23,870 |
| 11.465 | Premium | $ 872,868 | $ 1,569,404 | $ - | $ 2,442,272 | | $ 352,357 | $ 660,250 | $ - | $ 1,012,607 |
| 11.470 | Home Health | $ 22,742 | $ 40,890 | $ - | $ 63,632 | | $ 9,181 | $ 17,203 | $ - | $ 26,383 |
| 11.480 | Rehab | $ 612,162 | $ 1,419,474 | $ 177,318 | $ 2,208,954 | | $ 247,116 | $ 597,174 | $ 71,579 | $ 915,869 |
| 11.480 | NEMT | $ 157,030 | $ 282,337 | $ - | $ 439,367 | | $ 63,389 | $ 118,779 | $ - | $ 182,169 |
| 11.490 | Complex Rehab | $ 37,904 | $ 68,150 | $ - | $ 106,054 | | $ 15,301 | $ 28,671 | $ - | $ 43,972 |
| 11.510 | Hospital | $ 475,956 | $ 6,742,987 | $3,274,345 | $10,493,288 | | $ 192,133 | $2,836,781 | $1,321,777 | $ 4,350,691 |
| **MHD Total** | | **$ 4,841,256** | **$19,428,680** | **$6,031,212** | **$30,301,148** | | **$1,955,034** | **$8,173,665** | **$2,434,661** | **$12,563,360** |

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

NEW DECISION ITEM

RANK: 4 OF 22

Department: Social Services

Division: MO HealthNet

DI Name: Asset Limit Increase FY18 Cost to Cont. DI# 0000016

Budget Uni 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 | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 4,841,256 | | 19,428,680 | | 6,031,212 | | 30,301,148 | | 0 | |
| **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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 1,955,034 | | 8,173,665 | | 2,434,661 | | 12,563,360 | | 0 | |
| **Total PSD** | **1,955,034** | | **8,173,665** | | **2,434,661** | | **12,563,360** | | **0** | |
| **Grand Total** | **1,955,034** | **0.0** | **8,173,665** | **0.0** | **2,434,661** | **0.0** | **12,563,360** | **0.0** | **0** | |

NEW DECISION ITEM

RANK: 4 OF 22

| | |
|---|---|
| Department: Social Services | Budget Unit 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C, 90561C, 90577C, 90552C |
| Division: MO HealthNet | |
| DI Name: Asset Limit Increase FY18 Cost to Cont. DI# 0000016 | |

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

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

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

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

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

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

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

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

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

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

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHARMACY | | | | | | | | |
| Year 1 Asset Limit CTC - 0000016 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 9,444,869 | 0.00 | 3,916,000 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 9,444,869 | 0.00 | 3,916,000 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $9,444,869 | 0.00 | $3,916,000 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $935,369 | 0.00 | $377,587 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $6,069,272 | 0.00 | $2,553,349 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $2,440,228 | 0.00 | $985,064 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MISSOURI RX PLAN** | | | | | | | | |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 66,662 | 0.00 | 27,639 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **66,662** | **0.00** | **27,639** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$66,662** | **0.00** | **$27,639** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$66,662** | **0.00** | **$27,639** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHYSICIAN RELATED PROF | | | | | | | | |
| Year 1 Asset Limit CTC - 0000016 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 4,978,478 | 0.00 | 2,064,160 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 4,978,478 | 0.00 | 2,064,160 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $4,978,478 | 0.00 | $2,064,160 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $1,639,987 | 0.00 | $662,025 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $3,199,170 | 0.00 | $1,345,894 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $139,321 | 0.00 | $56,241 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| DENTAL | | | | | | | | |
| Year 1 Asset Limit CTC - 0000016 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 57,572 | 0.00 | 23,870 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 57,572 | 0.00 | 23,870 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $57,572 | 0.00 | $23,870 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $20,576 | 0.00 | $8,306 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $36,996 | 0.00 | $15,564 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 2,442,272 | 0.00 | 1,012,607 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **2,442,272** | **0.00** | **1,012,607** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$2,442,272** | **0.00** | **$1,012,607** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$872,868** | **0.00** | **$352,357** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$1,569,404** | **0.00** | **$660,250** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **HOME HEALTH** | | | | | | | | |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 63,632 | 0.00 | 26,384 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **63,632** | **0.00** | **26,384** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$63,632** | **0.00** | **$26,384** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$22,742** | **0.00** | **$9,181** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$40,890** | **0.00** | **$17,203** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **REHAB AND SPECIALTY SERVICES** | | | | | | | | |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 2,208,954 | 0.00 | 915,869 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **2,208,954** | **0.00** | **915,869** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$2,208,954** | **0.00** | **$915,869** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$612,162** | **0.00** | **$247,116** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$1,419,474** | **0.00** | **$597,174** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$177,318** | **0.00** | **$71,579** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| NON-EMERGENCY TRANSPORT | | | | | | | | |
| Year 1 Asset Limit CTC - 0000016 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 439,367 | 0.00 | 182,168 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 439,367 | 0.00 | 182,168 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $439,367 | 0.00 | $182,168 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $157,030 | 0.00 | $63,389 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $282,337 | 0.00 | $118,779 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| COMPLEX REHAB TECHNLGY PRDUCTS | | | | | | | | |
| Year 1 Asset Limit CTC - 0000016 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 106,054 | 0.00 | 43,972 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 106,054 | 0.00 | 43,972 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $106,054 | 0.00 | $43,972 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $37,904 | 0.00 | $15,301 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $68,150 | 0.00 | $28,671 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| HOSPITAL CARE | | | | | | | | |
| Year 1 Asset Limit CTC - 0000016 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 10,493,288 | 0.00 | 4,350,691 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 10,493,288 | 0.00 | 4,350,691 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $10,493,288 | 0.00 | $4,350,691 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $475,956 | 0.00 | $192,133 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $6,742,987 | 0.00 | $2,836,781 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $3,274,345 | 0.00 | $1,321,777 | 0.00 |

**NEW DECISION ITEM**
**RANK: 4 OF 22**

| | |
|---|---|
| **Department: Social Services** | **Budget Unit** 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, 90550C, 90561C, 90577C, 90552C |
| **Division: MO HealthNet** | |
| **DI Name: Asset Limit Increase FY19 Phase In** **DI# 0000017** | **HB Section:** 11.435, 11.455, 11.460, 11.465, 11.470, 11.485, 11.490, 11.510, 11.605 |

**1. AMOUNT OF REQUEST**

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| **PS** | | | | | |
| **EE** | | | | | |
| **PSD** | 1,810,417 | 7,334,845 | 2,272,647 | 11,417,909 | |
| **TRF** | | | | | |
| **Total** | **1,810,417** | **7,334,845** | **2,272,647** | **11,417,909** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds:
Federal Reimbursement Allowance Fund (0142) - $1,233,820
Pharmacy Reimbursement Allowance Fund (0144) - $474,756
Pharmacy Rebates Fund (0114) - $444,757
Ambulance Service Reimbursement Allowance Fund (0958) - $66,816
Third Party Liability Fund (0120) - $52,498

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| **PS** | | | | | |
| **EE** | | | | | |
| **PSD** | 1,243,696 | 5,199,688 | 1,548,813 | 7,992,197 | |
| **TRF** | | | | | |
| **Total** | **1,243,696** | **5,199,688** | **1,548,813** | **7,992,197** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds:
Federal Reimbursement Allowance Fund (0142) - $840,850
Pharmacy Reimbursement Allowance Fund (0144) - $323,547
Pharmacy Rebates Fund (0114) - $303,103
Ambulance Service Reimbursement Allowance Fund (0958) - $45,535
Third Party Liability Fund (0120) - $35,778

**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 starting in SFY19. MHD estimates 992 new participants will be added in SFY19 due to this asset limit increase.

**NEW DECISION ITEM**

**RANK: 4 OF 22**

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

**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.

HB 1565 (2016) raised the MO HealthNet asset limits for MO HealthNet claimants from $1,000 to $2,000 for individuals and $2,000 to $4,000 for married couples in SFY18. Resource limits shall be increased annually by $1,000 and $2,000 respectively until the sum of resources reach the amount of $5,000 and $10,000 respectively by SFY21. 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. Based on SFY 18 actual enrollment, MHD estimates 992 new participants will be added in FY19 due to this asset limit increase:

1) 748 New Cases (97 rejections + 651 unknown population)
2) 110 Qualified Medical Beneficiary (QMB) and 134 Specified Low-Income Medicare Beneficiary (SLMB) eligibles

| SFY19 | July Projected | August Projected | September Projected | October Projected | November Projected | December Projected | January Projected | February Projected | March Projected | April Projected | May Projected | June Projected | SFY19 Projected Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Participants | 124 | 233 | 312 | 389 | 466 | 543 | 618 | 693 | 768 | 843 | 918 | 992 | 992 |

An annual cost per person was calculated for persons with disabilities and seniors using SFY 15 expenditures. Using the annual cost per person, a total cost of $18,672,477 and $1,362,222 was calculated for persons with disabilities and seniors respectively for a total cost of $20,034,699. With the 110 QMB and 134 SLMB eligibles receiving full benefits, the total cost is reduced by the current premium payments for these eligibles ($1,078,116) for a total cost of $18,956,583. The expenditures listed

| FY19 Dept Req Cost to Continue | | | | | | | FY19 Gov Rec Cost to Continue | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| HB | Program | GR | Fed | Other* | Total | | GR | Fed | Other* | Total |
| 11.435 | **Pharmacy** | $ 352,460 | $ 2,286,989 | $ 919,513 | $ 3,558,962 | | $ 240,202 | $ 1,624,316 | $ 626,650 | $ 2,491,168 |
| 11.436 | **MORx** | $ 25,120 | $ - | $ - | $ 25,120 | | $ 17,583 | $ - | $ - | $ 17,583 |
| 11.455 | **Physician** | $ 617,971 | $ 1,205,493 | $ 52,498 | $ 1,875,962 | | $ 421,148 | $ 856,192 | $ 35,778 | $ 1,313,118 |
| 11.460 | **Dental** | $ 7,753 | $ 13,941 | $ - | $ 21,694 | | $ 5,284 | $ 9,901 | $ - | $ 15,185 |
| 11.465 | **Premium** | $ 328,909 | $ 591,374 | $ - | $ 920,283 | | $ 224,152 | $ 420,019 | $ - | $ 644,171 |
| 11.470 | **Home Health** | $ 8,570 | $ 15,408 | $ - | $ 23,978 | | $ 5,840 | $ 10,944 | $ - | $ 16,784 |
| 11.480 | **Rehab** | $ 230,672 | $ 534,878 | $ 66,816 | $ 832,366 | | $ 157,203 | $ 379,893 | $ 45,535 | $ 582,631 |
| 11.480 | **NEMT** | $ 59,171 | $ 106,389 | $ - | $ 165,560 | | $ 40,325 | $ 75,562 | $ - | $ 115,887 |
| 11.490 | **Complex Rehab** | $ 14,283 | $ 25,680 | $ - | $ 39,963 | | $ 9,734 | $ 18,239 | $ - | $ 27,973 |
| 11.510 | **Hospital** | $ 165,508 | $ 2,554,693 | $ 1,233,820 | $ 3,954,021 | | $ 122,225 | $ 1,804,622 | $ 840,850 | $ 2,767,697 |
| **MHD Total** | | **$ 1,810,417** | **$ 7,334,845** | **$ 2,272,647** | **$ 11,417,909** | | **$ 1,243,696** | **$ 5,199,688** | **$ 1,548,813** | **$ 7,992,197** |

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

NEW DECISION ITEM

RANK: 4 OF 22

| | | | |
|---|---|---|---|
| Department: Social Services | | Budget Unit | 90541C, 90538C, 90544C, 90546C, 90547C, 90564C, |
| Division: MO HealthNet | | | 90550C, 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 1,810,417 | | 7,334,845 | | 2,272,647 | | 11,417,909 | | 0 | |
| **Total PSD** | **1,810,417** | | **7,334,845** | | **2,272,647** | | **11,417,909** | | **0** | |
| **Grand Total** | **1,810,417** | **0.0** | **7,334,845** | **0.0** | **2,272,647** | **0.0** | **11,417,909** | **0.0** | **0** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 1,243,696 | | 5,199,688 | | 1,548,813 | | 7,992,197 | | 0 | |
| **Total PSD** | **1,243,696** | | **5,199,688** | | **1,548,813** | | **7,992,197** | | **0** | |
| **Grand Total** | **1,243,696** | **0.0** | **5,199,688** | **0.0** | **1,548,813** | **0.0** | **7,992,197** | **0.0** | **0** | |

NEW DECISION ITEM

RANK: 4 OF 22

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

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

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

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

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

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

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

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

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

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

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

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHARMACY** | | | | | | | | |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 3,558,962 | 0.00 | 2,491,168 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **3,558,962** | **0.00** | **2,491,168** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$3,558,962** | **0.00** | **$2,491,168** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$352,460** | **0.00** | **$240,202** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$2,286,989** | **0.00** | **$1,624,316** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$919,513** | **0.00** | **$626,650** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| MISSOURI RX PLAN | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 25,120 | 0.00 | 17,583 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 25,120 | 0.00 | 17,583 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $25,120 | 0.00 | $17,583 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $25,120 | 0.00 | $17,583 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHYSICIAN RELATED PROF | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 1,875,962 | 0.00 | 1,313,118 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 1,875,962 | 0.00 | 1,313,118 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $1,875,962 | 0.00 | $1,313,118 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $617,971 | 0.00 | $421,148 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $1,205,493 | 0.00 | $856,192 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $52,498 | 0.00 | $35,778 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| DENTAL | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 21,694 | 0.00 | 15,185 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 21,694 | 0.00 | 15,185 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $21,694 | 0.00 | $15,185 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $7,753 | 0.00 | $5,284 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $13,941 | 0.00 | $9,901 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 920,283 | 0.00 | 644,171 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 920,283 | 0.00 | 644,171 | 0.00 |
| **GRAND TOTAL** | $0 | 0.00 | $0 | 0.00 | $920,283 | 0.00 | $644,171 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $328,909 | 0.00 | $224,152 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $591,374 | 0.00 | $420,019 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| HOME HEALTH | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 23,978 | 0.00 | 16,784 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 23,978 | 0.00 | 16,784 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $23,978 | 0.00 | $16,784 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $8,570 | 0.00 | $5,840 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $15,408 | 0.00 | $10,944 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| REHAB AND SPECIALTY SERVICES | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 832,366 | 0.00 | 582,631 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 832,366 | 0.00 | 582,631 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $832,366 | 0.00 | $582,631 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $230,672 | 0.00 | $157,203 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $534,878 | 0.00 | $379,893 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $66,816 | 0.00 | $45,535 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| NON-EMERGENCY TRANSPORT | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 165,560 | 0.00 | 115,887 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 165,560 | 0.00 | 115,887 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $165,560 | 0.00 | $115,887 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $59,171 | 0.00 | $40,325 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $106,389 | 0.00 | $75,562 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| COMPLEX REHAB TECHNLGY PRDUCTS | | | | | | | | |
| Year 2 Asset Limit Increase - 0000017 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 39,963 | 0.00 | 27,973 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 39,963 | 0.00 | 27,973 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $39,963 | 0.00 | $27,973 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $14,283 | 0.00 | $9,734 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $25,680 | 0.00 | $18,239 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **HOSPITAL CARE** | | | | | | | | |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 3,954,021 | 0.00 | 2,767,697 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **3,954,021** | **0.00** | **2,767,697** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$3,954,021** | **0.00** | **$2,767,697** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$165,508** | **0.00** | **$122,225** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$2,554,693** | **0.00** | **$1,804,622** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$1,233,820** | **0.00** | **$840,850** | **0.00** |

**NEW DECISION ITEM**
**RANK: 8 OF 22**

**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**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 19,976,759 | 35,709,409 | 0 | 55,686,168 | |
| TRF | | | | | |
| **Total** | **19,976,759** | **35,709,409** | **0** | **55,686,168** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 19,297,140 | 35,933,497 | 0 | 55,230,637 | |
| TRF | | | | | |
| **Total** | **19,297,140** | **35,933,497** | **0** | **55,230,637** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

## 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

**NEW DECISION ITEM**

**RANK: 8 OF 22**

**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.

NEW DECISION ITEM

RANK: 8 OF 22

Department: Social Services

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty DI# 1886011

Budget Unit 90541C,90556C, 90573C

| Specialty Drugs | | |
|---|---|---|
| | Dept Req | Gov Rec |
| FY18 Trend | 10.140% | 9.169% |
| FY19 Trend | 7.820% | 7.820% |

| | Department Request | | | | Governor's Recommendation | | | |
|---|---|---|---|---|---|---|---|---|
| | OAA Specialty | PTD Specialty | Others Specialty | Total | OAA Specialty | PTD Specialty | Others Specialty | Total |
| FY17 PMPM | $319.48 | $631.23 | $57.61 | | $319.48 | $631.23 | $57.61 | |
| Specialty Rate | 53.20% | 53.20% | 53.20% | | 53.20% | 53.20% | 53.20% | |
| Subtotal | $169.96 | $335.81 | $30.65 | | $169.96 | $335.81 | $30.65 | |
| FY18 PMPM Trend Rate | 10.140% | 10.140% | 10.140% | | 9.169% | 9.169% | 9.169% | |
| Increase in PMPM | $17.23 | $34.05 | $3.11 | | $15.58 | $30.79 | $2.81 | |
| FY18 Estimate | $187.19 | $369.86 | $33.76 | | $185.54 | $366.60 | $33.46 | |
| FY19 PMPM Trend Rate | 7.820% | 7.820% | 7.820% | | 7.820% | 7.820% | 7.820% | |
| FY19 Estimate | $14.64 | $28.92 | $2.64 | | $14.51 | $28.67 | $2.62 | |
| Members | 9,676 | 84,772 | 775,476 | | 9,676 | 84,772 | 775,476 | |
| Monthly Cost | $141,660 | $2,451,597 | $2,047,257 | | $140,402 | $2,430,404 | $2,031,747 | |
| 12 Months | 12 | 12 | 12 | | 12 | 12 | 12 | |
| **Yearly Cost** | **$1,699,920** | **$29,419,164** | **$24,567,084** | **$55,686,168** | **$1,684,824** | **$29,164,848** | **$24,380,964** | **$55,230,636** |

| | | Department Request | | | Governor's Recommendation | | |
|---|---|---|---|---|---|---|---|
| **Pharmacy expenditures by program:** | FMAP | Total | GR | FF | Total | GR | FF |
| Blind Pension Medical | | **$250,493** | $250,493 | $0 | **$248,444** | $248,444 | $0 |
| CHIP | 74.985% | **$806,001** | $201,621 | $604,380 | **$799,408** | $199,972 | $599,436 |
| Pharmacy | 64.260% | **$54,629,674** | $19,524,645 | $35,105,029 | **$54,182,784** | $19,364,927 | $34,817,857 |
| | | **$55,686,168** | **$19,976,759** | **$35,709,409** | **$55,230,636** | **$19,813,343** | **$35,417,293** |

**The difference between the Governor recommended amount and the department request is due to a change in the FY18 PMPM trend rate.**

NEW DECISION ITEM

RANK: 8 OF 22

Department: Social Services

Budget Unit 90541C,90556C, 90573C

Division: MO HealthNet

DI Name: Pharmacy PMPM Increase-Specialty DI# 1886011

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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 19,297,140 | | 35,933,497 | | | | 55,230,637 | | | |
| **Total PSD** | **19,297,140** | | **35,933,497** | | **0** | | **55,230,637** | | **0** | |
| **Grand Total** | **19,297,140** | **0.0** | **35,933,497** | **0.0** | **0** | **0.0** | **55,230,637** | **0.0** | **0** | |

NEW DECISION ITEM

RANK: 8 OF 22

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.**

Please see the Pharmacy core section for performance measures.

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

Please see the Pharmacy core section for performance measures.

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

Please see the Pharmacy core section for performance measures.

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

Please see the Pharmacy core section for performance measures.

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

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHARMACY** | | | | | | | | |
| **Pharmacy PMPM Inc-Specialty - 1886011** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 54,629,674 | 0.00 | 54,182,785 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **54,629,674** | **0.00** | **54,182,785** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$54,629,674** | **0.00** | **$54,182,785** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$19,524,645** | **0.00** | **$18,853,984** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$35,105,029** | **0.00** | **$35,328,801** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| Pharmacy PMPM Inc-Specialty - 1886011 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 806,001 | 0.00 | 799,408 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 806,001 | 0.00 | 799,408 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $806,001 | 0.00 | $799,408 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $201,621 | 0.00 | $194,712 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $604,380 | 0.00 | $604,696 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **BLIND PENSION MEDICAL BENEFITS** | | | | | | | | |
| **Pharmacy PMPM Inc-Specialty - 1886011** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 250,493 | 0.00 | 248,444 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 250,493 | 0.00 | 248,444 | 0.00 |
| **GRAND TOTAL** | $0 | 0.00 | $0 | 0.00 | $250,493 | 0.00 | $248,444 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $250,493 | 0.00 | $248,444 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

**NEW DECISION ITEM**
**RANK: 9 OF 22**

**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**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 2,347,289 | 4,195,891 | 0 | 6,543,180 | |
| TRF | | | | | |
| **Total** | **2,347,289** | **4,195,891** | **0** | **6,543,180** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 0 | 0 | 0 | 0 | |
| TRF | | | | | |
| **Total** | **0** | **0** | **0** | **0** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

## 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

NEW DECISION ITEM

RANK: 9 OF 22

Department: Social Services

Division: MO HealthNet

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

Budget Unit 90541C, 90556C, 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.)**

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.

***The Governor's Recommended budget assumes no increase for non-specialty drugs. This is based on the non-specialty drug PMPMs experienced by MHD in Fiscal Years 2014, 2015, 2016, and 2018.**

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

| | OAA | PTD | Others | Total |
|---|---|---|---|---|
| | | | | Department Request |
| 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 | 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** |

NEW DECISION ITEM

RANK: 9 OF 22

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** | |

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

NEW DECISION ITEM
RANK: 9 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Pharmacy PMPM Increase-Non-Specialty DI# 1886012

Budget Unit 90541C, 90556C, 90573C

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

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

Please see the Pharmacy core section for performance measures.

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

Please see the Pharmacy core section for performance measures.

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

Please see the Pharmacy core section for performance measures.

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

Please see the Pharmacy core section for performance measures.

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

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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 |

NEW DECISION ITEM
RANK: 17 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Advancing MMIS Technology DI # 1886025

Budget Unit: 90522C
HB Section: 11.400, 11.420

## 1. AMOUNT OF REQUEST

| | FY 2019 Budget Request | | | | | | FY 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E | | GR | Federal | Other | Total | E |
| PS | | | | | | PS | 217,724 | 217,724 | | 435,448 | |
| EE | 0 | 0 | 0 | 0 | | EE | 6,403,686 | 2,718,683 | 0 | 9,122,369 | |
| PSD | | | | | | PSD | | | | | |
| TRF | | | | | | TRF | | | | | |
| Total | 0 | 0 | 0 | 0 | | Total | 6,621,410 | 2,936,407 | 0 | 9,557,817 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | | FTE | 3.50 | 3.50 | 0.00 | 7.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | | *Est. Fringe* | *95,517* | *95,517* | *0* | *191,033* | |

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

Other Funds: N/A

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

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | New Legislation | | New Program | | Fund Switch |
| | Federal Mandate | X | 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.

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

NEW DECISION ITEM

RANK: 17 OF 22

Department: Social Services

Budget Unit: 90522C

Division: MO HealthNet

DI Name: Advancing MMIS Technology 1886025

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

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

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

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

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

| | GR | FED | Other | Total | FTE |
|---|---|---|---|---|---|
| Staff | $217,724 | $217,724 | $0 | $435,448 | 7.00 |
| E&E Staffing Costs | $18,683 | $18,683 | $0 | $37,366 | |
| HIPPA Mandated Transactions Upgrade | $300,000 | $2,700,000 | $0 | $3,000,000 | |
| GR need for Conduent Pharmacy Monthly Operations and Inpatient Certification | $2,900,000 | $0 | $0 | $2,900,000 | |
| GR need for Infocrossing Monthly Operations | $3,185,003 | | $0 | $3,185,003 | |
| **Advancing MO Health Net Technology Total** | **$6,621,410** | **$2,936,407** | **$0** | **$9,557,817** | **7.00** |

NEW DECISION ITEM

RANK: 17 OF 22

Department: Social Services

Budget Unit: 90522C

Division: MO HealthNet

DI Name: Advancing MMIS Technology 1886025

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

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Total PS | 0 | 0.0 | 0 | 0.0 | 0 | 0 | 0 | 0.0 | 0 | 0 |
| | 0 | | 0 | | 0 | | 0 | | | |
| Total EE | 0 | | 0 | | 0 | | 0 | | 0 | |
| Grand Total | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| | 217,724 | 3.50 | 217,724 | 3.50 | | 0.0 | 435,448 | 7.0 | | |
| Total PS | 217,724 | 3.50 | 217,724 | 3.50 | 0 | 0.0 | 435,448 | 7.0 | 0 | |
| | 6,403,686 | 0.00 | 2,718,683 | 0.00 | | 0.00 | 9,122,369 | 0.00 | 0 | |
| Total EE | 6,403,686 | 0.00 | 2,718,683 | 0.00 | 0 | 0.00 | 9,122,369 | 0.00 | 0 | |
| Grand Total | 6,621,410 | 3.50 | 2,936,407 | 3.50 | 0 | 0.0 | 9,557,817 | 7.00 | 0 | |

NEW DECISION ITEM

RANK: 17 OF 22

Department: Social Services

Division: MO HealthNet

DI Name: Advancing MMIS Technology 1886025

Budget Unit: 90522C

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

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

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

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

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

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

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

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

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

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

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN PS-0101** | | | | | | | | |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| MANAGEMENT ANALYSIS SPEC II | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 64,170 | 1.50 |
| SOCIAL SERVICES MGR, BAND 1 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 20,592 | 0.50 |
| MISCELLANEOUS PROFESSIONAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 96,698 | 1.50 |
| SPECIAL ASST PROFESSIONAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,264 | 0.00 |
| **TOTAL - PS** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **217,724** | **3.50** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$217,724** | **3.50** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$217,724** | **3.50** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN PS-0610** | | | | | | | | |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| MANAGEMENT ANALYSIS SPEC II | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 64,170 | 1.50 |
| SOCIAL SERVICES MGR, BAND 1 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 20,592 | 0.50 |
| MISCELLANEOUS PROFESSIONAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 96,698 | 1.50 |
| SPECIAL ASST PROFESSIONAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 36,264 | 0.00 |
| **TOTAL - PS** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **217,724** | **3.50** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$217,724** | **3.50** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$217,724** | **3.50** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN E&E-0101** | | | | | | | | |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| SUPPLIES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,028 | 0.00 |
| COMPUTER EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,847 | 0.00 |
| OFFICE EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 15,808 | 0.00 |
| **TOTAL - EE** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **18,683** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$18,683** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$18,683** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN E&E-0610** | | | | | | | | |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| SUPPLIES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,027 | 0.00 |
| COMPUTER EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,848 | 0.00 |
| OFFICE EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 15,808 | 0.00 |
| **TOTAL - EE** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **18,683** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$18,683** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$18,683** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **INFORMATION SYSTEMS-0101** | | | | | | | | |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| PROFESSIONAL SERVICES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,385,003 | 0.00 |
| **TOTAL - EE** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **6,385,003** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$6,385,003** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$6,385,003** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| INFORMATION SYSTEMS-0610 | | | | | | | | |
| Advancing MMIS Technology - 1886025 | | | | | | | | |
| PROFESSIONAL SERVICES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,700,000 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,700,000 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $2,700,000 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $2,700,000 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

NEW DECISION ITEM
RANK: 10 OF 22

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 | | | | | | FY 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E | | GR | Federal | Other | Total | E |
| PS | | | | | | PS | | | | | |
| EE | | | | | | EE | | | | | |
| PSD | 13,384,986 | 24,594,801 | 0 | 37,979,787 | | PSD | 12,789,839 | 24,469,938 | 0 | 37,259,777 | |
| TRF | | | | | | TRF | | | | | |
| Total | 13,384,986 | 24,594,801 | 0 | 37,979,787 | | Total | 12,789,839 | 24,469,938 | 0 | 37,259,777 | |
| 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.*

Other Funds: N/A

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

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | 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: Funding is needed to fund an increase for managed care medical, newborn delivery, and Neonatal Intensive Care Unit (NICU) services to ensure that managed care payments are actuarially sound. 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.

NEW DECISION ITEM
RANK: 10 OF 22

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

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

The chart below indicates the projected need for all medical services as well as the births of children and Neonatal Intensive Care Unit (NICU) care for newborns in need of specialized care. Pharmacy benefits were carved out of managed care beginning October 1, 2009; therefore, participants receive their pharmacy benefits through the fee-for-service program. The 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. The total cost is estimated at $37,259,777 as follows:

| Program | Region | FY18 | FY19 | Difference | Participants | Contract Months in FY19 | Total |
|---|---|---|---|---|---|---|---|
| Medical-Managed Care | Eastern | $209.08 | $212.54 | $3.46 | 226,153 | 12 | $9,383,343 |
| Medical-Managed Care | Central | $206.40 | $210.12 | $3.72 | 185,275 | 12 | $8,266,065 |
| Medical-Managed Care | Western | $237.95 | $242.71 | $4.76 | 155,771 | 12 | $8,900,782 |
| Medical-Managed Care | Southwest | $165.38 | $167.75 | $2.37 | 126,372 | 12 | $3,592,573 |
| | | | | | *subtotal Managed Care* | | $30,142,763 |
| Medical TIXXI CHIP-Child | Eastern | $190.58 | $192.49 | $1.91 | 6,823 | 12 | $156,033 |
| Medical TIXXI CHIP-Child | Central | $169.43 | $170.11 | $0.68 | 7,303 | 12 | $59,390 |
| Medical TIXXI CHIP-Child | Western | $228.08 | $238.57 | $10.49 | 5,331 | 12 | $671,232 |
| Medical TIXXI CHIP-Child | Southwest | $122.91 | $124.63 | $1.72 | 4,894 | 12 | $101,060 |
| | | | | | *subtotal TIXXI CHIP Children* | | $987,715 |
| Medical Prenatal Services for Unborn-Show Me Healthy Babies | Eastern | $575.01 | $589.96 | $14.95 | 233 | 12 | $41,754 |
| Medical Prenatal Services for Unborn-Show Me Healthy Babies | Central | $455.43 | $463.63 | $8.20 | 201 | 12 | $19,779 |
| Medical Prenatal Services for Unborn-Show Me Healthy Babies | Western | $471.31 | $482.62 | $11.31 | 158 | 12 | $21,493 |
| Medical Prenatal Services for Unborn-Show Me Healthy Babies | Southwest | $344.06 | $346.47 | $2.41 | 148 | 12 | $4,273 |
| Medical First Year following birth-Show Me Healthy Babies | Eastern | $729.39 | $753.46 | $24.07 | 429 | 12 | $123,822 |
| Medical First Year following birth-Show Me Healthy Babies | Central | $570.69 | $590.09 | $19.40 | 362 | 12 | $84,264 |
| Medical First Year following birth-Show Me Healthy Babies | Western | $648.54 | $676.42 | $27.89 | 296 | 12 | $98,918 |
| Medical First Year following birth-Show Me Healthy Babies | Southwest | $412.66 | $416.79 | $4.13 | 250 | 12 | $12,371 |
| | | | | | *subtotal SMHB* | | $406,674 |
| | | | | | Total Need Medical Trend | | $31,537,152 |

NEW DECISION ITEM

RANK: 10 OF 22

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

**Division: MO HealthNet**

**DI Name: Managed Care Actuarial Increase** **DI# 1886007** **HB Section 11.505, 11.555 and 11.560**

| 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* | | | | **$37,259,777** |

| | Total | GR | Federal |
|---|---|---|---|
| Managed Care | 35,579,257 | 12,380,514 | 23,198,743 |
| CHIP | 987,715 | 240,578 | 747,137 |
| SMHB | 692,805 | 168,747 | 524,059 |
| | $37,259,777 | $12,789,838 | $24,469,939 |

NEW DECISION ITEM

RANK: 10 OF 22

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

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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 12,789,839 | | 24,469,938 | | | | 37,259,777 | | | |
| **Total PSD** | **12,789,839** | | **24,469,938** | | **0** | | **37,259,777** | | **0** | |
| **Grand Total** | **12,789,839** | **0.0** | **24,469,938** | **0.0** | **0** | **0.0** | **37,259,777** | **0.0** | **0** | |

NEW DECISION ITEM
RANK: 10 OF 22

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

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

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

*Please see the Managed Care core section for performance measures.*

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

Please see the Managed Care core section for performance mea

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

## 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MANAGED CARE** | | | | | | | | |
| **Mngd Care Actuarial Rate Inc - 1886007** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 36,217,649 | 0.00 | 35,579,257 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **36,217,649** | **0.00** | **35,579,257** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$36,217,649** | **0.00** | **$35,579,257** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$12,944,188** | **0.00** | **$12,380,514** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$23,273,461** | **0.00** | **$23,198,743** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **CHILDREN'S HEALTH INS PROGRAM** | | | | | | | | |
| **Mngd Care Actuarial Rate Inc - 1886007** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 988,301 | 0.00 | 987,715 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **988,301** | **0.00** | **987,715** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$988,301** | **0.00** | **$987,715** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$247,223** | **0.00** | **$240,578** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$741,078** | **0.00** | **$747,137** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **SHOW-ME BABIES** | | | | | | | | |
| **Mngd Care Actuarial Rate Inc - 1886007** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 773,837 | 0.00 | 692,805 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **773,837** | **0.00** | **692,805** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$773,837** | **0.00** | **$692,805** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$193,575** | **0.00** | **$168,747** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$580,262** | **0.00** | **$524,058** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

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
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 | | | | | | PS | | | | | |
| EE | | | | | | EE | | | | | |
| PSD | 22,303,546 | 40,827,123 | 0 | 63,130,669 | | PSD | 22,303,546 | 40,827,123 | 0 | 63,130,669 | |
| TRF | | | | | | TRF | | | | | |
| Total | 22,303,546 | 40,827,123 | 0 | 63,130,669 | | Total | 22,303,546 | 40,827,123 | 0 | 63,130,669 | |
| 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.*

Other Funds: N/A

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

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | 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. The ACA imposes a fee on each covered entity engaged in the business of providing health insurance. In Calendar Year (CY) 2017, there was a Federal moratorium for the Health Insurer Fee. This moratorium did not impact the filing requirement and payment of the Health Insurer Fee for 2016 or 2018.*

NEW DECISION ITEM

RANK: 13 OF 22

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** |

NEW DECISION ITEM

RANK: 13 OF 22

Department: Social Services

Budget Unit 90551C, 90556C, 88855C

Division: MO HealthNet

DI Name: Managed Care Health Insurer Fee DI# 1886008

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** |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS |
|---|---|---|---|---|---|---|---|---|---|
| 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** |

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

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

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

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

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

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

NEW DECISION ITEM
RANK: 12 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Withhold Release DI# 1886009

Budget Unit: 90551C, 90556C, 88855C
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 | | | | | | PS | | | | | |
| EE | | | | | | EE | | | | | |
| PSD | 12,698,265 | 23,160,754 | 0 | 35,859,019 | | PSD | 11,735,282 | 22,285,604 | 0 | 34,020,886 | |
| TRF | | | | | | TRF | | | | | |
| Total | 12,698,265 | 23,160,754 | 0 | 35,859,019 | | Total | 11,735,282 | 22,285,604 | 0 | 34,020,886 | |
| 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.*

Other Funds: N/A

Other Funds: N/A

## 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: Funding is needed to pay for 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 mentioned in the SFY18 budget request as a New Decision Item related to the Transition to Statewide Managed Care and assumes full release of amount withheld.*

NEW DECISION ITEM

RANK: 12 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Withhold Release DI# 1886009

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

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

The 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. In SFY18, Statewide Managed Care Transition NDI total was offset by a 5% payment deferment to be paid in SFY19. This NDI provides authorization to release the withhold to the Managed Care companies if performance measures in the contract are met. This deferment was mentioned in the SFY18 budget request as a New Decision Item related to the Transition to Statewide Managed Care which assumed the full release of the withheld amount. The estimated cost is $34,020,886.

| | Total | Managed Care | CHIP | Show Me Healthy Babies |
|---|---|---|---|---|
| Projected SFY 18 Withhold Release | $59,855,652 | $ 58,084,705 | $ 1,180,631 | $ 590,316 |
| Projected SFY 19 Withhold Release | $93,876,538 | $ 91,109,334 | $ 1,844,803 | $ 922,401 |
| Deferment | $34,020,886 | $ 33,024,629 | $ 664,172 | $ 332,085 |

| | Total | GR | Federal |
|---|---|---|---|
| Managed Care | 33,024,629 | 11,492,624 | 21,532,005 |
| CHIP | 664,172 | 161,772 | 502,400 |
| SMHB | 332,085 | 80,886 | 251,199 |
| | $34,020,886 | $11,735,282 | $22,285,604 |

NEW DECISION ITEM

RANK: 12 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Withhold Release DI# 1886009

Budget Unit 90551C, 90556C, 88855C

HB Section 11.505, 11.555 and 11.560

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

| Budget Object Class/Job Class | Dept Req GR DOLLARS | Dept Req GR FTE | Dept Req FED DOLLARS | Dept Req FED FTE | Dept Req OTHER DOLLARS | Dept Req OTHER FTE | Dept Req TOTAL DOLLARS | Dept Req TOTAL FTE | Dept Req One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| 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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 11,735,282 | | 22,285,604 | | | | 34,020,886 | | | |
| **Total PSD** | **11,735,282** | | **22,285,604** | | **0** | | **34,020,886** | | **0** | |
| **Grand Total** | **11,735,282** | **0.0** | **22,285,604** | **0.0** | **0** | **0.0** | **34,020,886** | **0.0** | **0** | |

NEW DECISION ITEM

RANK: 12 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Managed Care Withhold Release DI# 1886009

Budget Unit : 90551C, 90556C, 88855C

HB Section 11.505, 11.555 and 11.560

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

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

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

Please see the Managed Care core section for performance measures.

## 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **CHILDREN'S HEALTH INS PROGRAM** | | | | | | | | |
| **Managed Care Withhold Release - 1886009** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 731,926 | 0.00 | 664,172 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **731,926** | **0.00** | **664,172** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$731,926** | **0.00** | **$664,172** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$183,091** | **0.00** | **$161,772** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$548,835** | **0.00** | **$502,400** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **SHOW-ME BABIES** | | | | | | | | |
| **Managed Care Withhold Release - 1886009** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 365,963 | 0.00 | 322,086 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **365,963** | **0.00** | **322,086** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$365,963** | **0.00** | **$322,086** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$91,546** | **0.00** | **$78,450** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$274,417** | **0.00** | **$243,636** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MANAGED CARE** | | | | | | | | |
| **Managed Care Withhold Release - 1886009** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 34,761,130 | 0.00 | 33,034,628 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **34,761,130** | **0.00** | **33,034,628** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$34,761,130** | **0.00** | **$33,034,628** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$12,423,628** | **0.00** | **$11,495,060** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$22,337,502** | **0.00** | **$21,539,568** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

NEW DECISION ITEM
RANK: 999

| | | | |
|---|---|---|---|
| Department: Social Services | | Budget Unit | Various |
| Division: MO HealthNet | | | |
| DI Name: FMAP Adjustment | DI#: 1886022 | HB Section | Various |

## 1. AMOUNT OF REQUEST

| | FY 2019 Budget Request | | | | | | FY 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E | | GR | Federal | Other | Total | E |
| PS | | | | | | PS | | | | | |
| EE | | | | | | EE | | | | | |
| PSD | 0 | 0 | 0 | 0 | | PSD | 0 | 56,572,419 | 0 | 56,572,419 | |
| TRF | | | | | | TRF | | | | | |
| Total | 0 | 0 | 0 | 0 | | Total | 0 | 56,572,419 | 0 | 56,572,419 | |
| 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.*

Other Funds: N/A

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

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | 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 to address the change in the Federal Medical Assistance Percentage (FMAP). This changes the regular rate from 64.26% blended to 65.203% blended and enhanced rate from 74.985% blended to 75.643% blended.*

This funding is requested to compensate for the change in the Federal Medical Assistance Percentage (FMAP). Each year the Centers for Medicare and Medicaid Services (CMS) revises the percentage of Medicaid costs that the federal government will reimburse to each state. FMAP varies by state and is based on criteria such as per capita income. Effective October 1, 2018, the blended FMAP rate will increase from 64.26% to 65.203%. The enhanced FMAP rate for the CHIP children and the Women with Breast or Cervical Cancer program will increase from 74.985% to 75.643%. As a result, the MO HealthNet Division seeks to continue program core funding at current levels by compensating for this change in federal funding levels. The increased costs of this decision item have an equal offset in the affected program cores as core reductions. The Federal Authority is Social Security Act 1905(b).

NEW DECISION ITEM

RANK: 999

Department: Social Services

Division: MO HealthNet

DI Name: FMAP Adjustment DI#: 1886022

Budget Unit Various

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

Since the federal fiscal year (FFY) does not begin until the second quarter of the state fiscal year (SFY), a SFY blended rate is applied to the SFY core funding. This blended rate is derived by adding the old FFY rate (64.61%) for three months (July thru September) and the new FFY rate (65.40%) for nine months (October thru June) and dividing by 12 months, resulting in a SFY blended rate of 65.203%. This same procedure is applied to the enhanced federal match for the CHIP program and the women with Breast or Cervical Cancer program. The enhanced old FFY rate of 75.23% for three months (July thru September) and the new FFY rate of 75.78% for nine months (October thru June) results in an enhanced SFY blended rate of 75.643%. In order to continue current core funding, these blended rates are applied to the SFY17 core funding resulting in a revised mix of funding sources while maintaining the same total. Based on the review of all program cores and the change in FMAP, the below increases are needed to maintain total funding at the correct level.

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

| | | FMAP NDI | | | | Corresponding Core Reductions | | | |
|---|---|---|---|---|---|---|---|---|---|
| HB | Program | GR | Federal | Other | Total | GR | Federal | Other | Total |
| 11.435 | Pharmacy | | $13,522,978 | | **$13,522,978** | ($13,522,978) | | | **($13,522,978)** |
| 11.455 | Physician | | $7,999,566 | | **$7,999,566** | ($7,999,566) | | | **($7,999,566)** |
| 11.460 | Dental | | $73,519 | | **$73,519** | ($73,519) | | | **($73,519)** |
| 11.465 | Premium Payments | | $4,338,014 | | **$4,338,014** | ($4,338,014) | | | **($4,338,014)** |
| 11.470 | Home Health | | $42,008 | | **$42,008** | ($42,008) | | | **($42,008)** |
| 11.470 | Nursing Facility | | $3,355,947 | | **$3,355,947** | ($3,355,947) | | | **($3,355,947)** |
| 11.475 | Public Passthrough | | $103,265 | | **$103,265** | | | ($103,265) | **($103,265)** |
| 11.480 | Rehab & Specialty | | $146,582 | | **$146,582** | ($146,582) | | | **($146,582)** |
| 11.480 | NEMT | | $379,448 | | **$379,448** | ($379,448) | | | **($379,448)** |
| 11.482 | GEMT | | $1,660,086 | | **$1,660,086** | | | ($1,660,086) | **($1,660,086)** |
| 11.490 | Complex Rehab Tech | | $108,358 | | **$108,358** | ($108,358) | | | **($108,358)** |
| 11.505 | Managed Care | | $23,393,776 | | **$23,393,776** | ($23,393,776) | | | **($23,393,776)** |
| 11.510 | Hospital | | $544,657 | | **$544,657** | ($544,657) | | | **($544,657)** |
| 11.520 | FQHC | | $52,698 | | **$52,698** | ($52,698) | | | **($52,698)** |
| 11.525 | Health Home FRA | | $76,243 | | **$76,243** | | | ($76,243) | **($76,243)** |
| 11.555 | CHIP | | $576,595 | | **$576,595** | ($576,595) | | | **($576,595)** |
| 11.560 | Show-Me Healthy Babies | | $198,679 | | **$198,679** | ($198,679) | | | **($198,679)** |
| | | **$0** | **$56,572,419** | **$0** | **$56,572,419** | **($54,732,825)** | **$0** | **($1,839,594)** | **($56,572,419)** |

NEW DECISION ITEM

RANK: 999

Department: Social Services

Budget Unit Various

Division: MO HealthNet

DI Name: FMAP Adjustment DI#: 1886022

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 | 0 | | 0 | | 0 | | 0 | | | |
| **Total PSD** | **0** | | **0** | | **0** | | **0** | | **0** | |
| **Grand Total** | **0** | **0.0** | **0** | **0.0** | **0** | **0.0** | **0** | **0.0** | **0** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 0 | | 56,572,419 | | 0 | | 56,572,419 | | | |
| **Total PSD** | **0** | | **56,572,419** | | **0** | | **56,572,419** | | **0** | |
| **Grand Total** | **0** | **0.0** | **56,572,419** | **0.0** | **0** | **0.0** | **56,572,419** | **0.0** | **0** | |

NEW DECISION ITEM
RANK: 999

Department: Social Services
Division: MO HealthNet
DI Name: FMAP Adjustment DI#: 1886022

Budget Unit Various

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

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

| Year | Regular FFP Rates | | Enhanced FFP Rates (CHIP Program) | |
|---|---|---|---|---|
| | FFY | SFY | FFY | SFY |
| 2010 | 64.510% | 64.180% | 75.160% | 74.930% |
| 2011 | 63.290% | 63.595% | 74.300% | 74.515% |
| 2012 | 63.450% | 63.410% | 74.420% | 74.390% |
| 2013 | 61.370% | 61.890% | 72.960% | 73.325% |
| 2014 | 62.030% | 61.865% | 73.420% | 73.305% |
| 2015 | 63.450% | 63.095% | 74.420% | 74.170% |
| 2016 | 63.280% | 63.323% | 74.300% | 74.330% |
| 2017 | 63.210% | 63.228% | 74.250% | 74.263% |
| 2018 | 64.610% | 64.260% | 75.230% | 74.985% |
| 2019 | 65.400% | 65.203% | 75.780% | 75.643% |

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

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

N/A

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

N/A

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

N/A

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

- Maintain flow of federal financial participation in the healthcare arena. (Beyond DSS)
- The MO HealthNet Division performs detailed projections for all program cores. These projections include adjusting the federal participation level to the percentage in effect for SFY19.

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHARMACY** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,522,978 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **13,522,978** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$13,522,978** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$13,522,978** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHYSICIAN RELATED PROF | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7,986,374 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7,986,374 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $7,986,374 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $7,986,374 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NEONATAL ABSTINENCE SYNDROME** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,192 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **13,192** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$13,192** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$13,192** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| DENTAL | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 73,519 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 73,519 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $73,519 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $73,519 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,338,014 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **4,338,014** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$4,338,014** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$4,338,014** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **HOME HEALTH** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 42,008 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **42,008** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$42,008** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$42,008** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| NURSING FACILITIES | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,355,947 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,355,947 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $3,355,947 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $3,355,947 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| LONG TERM SUPPORT PAYMENTS | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 103,265 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 103,265 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $103,265 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $103,265 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **REHAB AND SPECIALTY SERVICES** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 146,582 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **146,582** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$146,582** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$146,582** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NON-EMERGENCY TRANSPORT** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 379,448 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **379,448** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$379,448** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$379,448** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **GROUND EMER MED TRANSPORT** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,660,086 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **1,660,086** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$1,660,086** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$1,660,086** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **COMPLEX REHAB TECHNLGY PRDUCTS** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 108,358 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **108,358** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$108,358** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$108,358** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MANAGED CARE** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 23,393,776 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **23,393,776** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$23,393,776** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$23,393,776** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| HOSPITAL CARE | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 544,657 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 544,657 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $544,657 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $544,657 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| FQHC DISTRIBUTION | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 52,698 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 52,698 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $52,698 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $52,698 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| FRA HEALTH CARE HOME | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 76,243 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 76,243 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $76,243 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $76,243 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| CHILDREN'S HEALTH INS PROGRAM | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 576,595 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 576,595 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $576,595 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $576,595 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **SHOW-ME BABIES** | | | | | | | | |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 198,679 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 198,679 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $198,679 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $198,679 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

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

**Department: Social Services** | **Budget Unit** 90512C, 90522C
**Division: MO HealthNet**
**DI Name: Electronic Visit Verification** **DI# 1886024** | **HB Section** 11.400, 11.420

## 1. AMOUNT OF REQUEST

**FY 2019 Budget Request**

| | GR | Federal | Other | Total |
|---|---|---|---|---|
| PS | 0 | 0 | 0 | 0 |
| EE | 0 | 0 | 0 | 0 |
| PSD | | | | |
| TRF | | | | |
| **Total** | **0** | **0** | **0** | **0** |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total |
|---|---|---|---|---|
| PS | 39,000 | 39,000 | 0 | 78,000 |
| EE | 62,169 | 538,169 | 0 | 600,338 |
| PSD | | | | |
| TRF | | | | |
| **Total** | **101,169** | **577,169** | **0** | **678,338** |
| **FTE** | **0.50** | **0.50** | **0.00** | **1.00** |
| ***Est. Fringe*** | *16,977* | *16,977* | *0* | *33,954* |

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

Other Funds: N/A

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | New Legislation | X | 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.

The 21st Century CURES Act is designed to improve the quality of care provided to individuals through enhanced quality control, through obtaining data for research and action, and is designed to strengthen mental health parity. Section 12006 of the CURES Act requires states to implement an Electronic Visit Verification (EVV) system for Personal Care services (PC) by 01/01/2019 and for Home Health Care Services (HH) by 01/01/2023. (Public Law 114-255).

The CURES Act (Section 12006(a)(1)(A)) requires that states that do not comply with the CURES Act by the applicable deadlines will have their Federal Medical Assistance Percentage (FMAP) reduced.

Current Missouri statutory requirements align with the time and documentation requirements of the CURES Act, except for the requirement for the state to assimilate the data. Currently, providers and vendors are allowed to use an EVV vendor of their choice (open system). The CURES Act requires the state to either acquire a state system, or an aggregator to assimilate the data, or both.

NEW DECISION ITEM
RANK: 999

| | |
|---|---|
| Department: Social Services | Budget Unit 90512C, 90522C |
| Division: MO HealthNet | |
| DI Name: Electronic Visit Verification DI# 1886024 | HB Section 11.400, 11.420 |

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

The 21st Century CURES Act is designed to improve the quality of care provided to individuals through enhanced quality control, through obtaining data for research and action, and is designed to strengthen mental health parity. Section 12006 of the CURES Act requires states to implement an Electronic Visit Verification (EVV) system for Personal Care services (PC) by 01/01/2019 and for Home Health Care Services (HH) by 01/01/2023. (Public Law 114-255).

The CURES Act (Section 12006(a)(1)(A)) requires that states that do not comply with the CURES Act by the applicable deadlines will have their Federal Medical Assistance Percentage (FMAP) reduced.

Current Missouri statutory requirements align with the time and documentation requirements of the CURES Act, except for the requirement for the state to assimilate the data. Currently, providers and vendors are allowed to use an EVV vendor of their choice (open system.) The CURES Act will require the state either acquire a state system, or acquire an aggregator to assimilate the data, or both. This new EVV system or aggregator will more quickly identify fraudulent billing.

One FTE is required for this request in order to manage the aqcuisition and management of the procurement and implementation of a state system, aggregator, or both, and for ongoing management of the project. Other FTE will be utilized from existing resources.

| | FTE | GR | Fed | Other | Total |
|---|---|---|---|---|---|
| **EVV Contract** | | $62,169 | $538,169 | $0 | $600,338 |
| **Social Services Manager** | 1.0 | $39,000 | $39,000 | $0 | $78,000 |
| | | $101,169 | $577,169 | | $678,338 |

NEW DECISION ITEM
RANK: 999

Department: Social Services
Division: MO HealthNet
DI Name: Electronic Visit Verification DI# 1886024

Budget Unit 90512C, 90522C
HB Section 11.400, 11.420

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

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

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| | 39,000 | 0.5 | 39,000 | 0.5 | | | 78,000 | 1.0 | | |
| **Total PS** | **39,000** | **0.5** | **39,000** | **0.5** | **0** | **0.0** | **78,000** | **1.0** | **0** | |
| | 62,169 | | 538,169 | | | | 600,338 | | | |
| **Total EE** | **62,169** | | **538,169** | | **0** | | **600,338** | | **0** | |
| Program Distributions | | | | | | | 0 | | | |
| **Total PSD** | **0** | | **0** | | **0** | | **0** | | **0** | |
| **Grand Total** | **101,169** | **0.5** | **577,169** | **0.5** | **0** | **0.0** | **678,338** | **1.0** | **0** | |

NEW DECISION ITEM
RANK: 999

| | |
|---|---|
| Department: Social Services | Budget Unit 90512C, 90522C |
| Division: MO HealthNet | |
| DI Name: Electronic Visit Verification DI# 1886024 | HB Section 11.400, 11.420 |

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

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

N/A - measures will be provided once program is devoloped.

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

N/A - measures will be provided once program is devoloped.

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

N/A - measures will be provided once program is devoloped.

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

N/A - measures will be provided once program is devoloped.

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

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN** | | | | | | | | |
| **Electronic Visit Verification - 1886024** | | | | | | | | |
| SOCIAL SERVICES MNGR, BAND 2 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 78,000 | 1.00 |
| **TOTAL - PS** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **78,000** | **1.00** |
| SUPPLIES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 294 | 0.00 |
| COMPUTER EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 528 | 0.00 |
| OFFICE EQUIPMENT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,516 | 0.00 |
| **TOTAL - EE** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **5,338** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$83,338** | **1.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$41,669** | **0.50** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$41,669** | **0.50** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| INFORMATION SYSTEMS | | | | | | | | |
| Electronic Visit Verification - 1886024 | | | | | | | | |
| PROFESSIONAL SERVICES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 595,000 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 595,000 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $595,000 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $59,500 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $535,500 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

NEW DECISION ITEM

RANK: 999 OF 999

| | |
|---|---|
| Department: Social Services | Budget Unit 90544C, 90559C, 90574C |
| Division: MO HealthNet | |
| DI Name: Health Home Expansion DI#1886026 | HB Section 11.455, 11.520, 11.525 |

## 1. AMOUNT OF REQUEST

**FY 2019 Budget Request**

| | GR | Federal | Other | Total |
|---|---|---|---|---|
| PS | | | | |
| EE | | | | |
| PSD | 0 | 0 | 0 | 0 |
| TRF | | | | |
| Total | 0 | 0 | 0 | 0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| *Est. Fringe* | *0* | *0* | *0* | *0* |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total |
|---|---|---|---|---|
| PS | | | | |
| EE | | | | |
| PSD | 650,412 | 3,439,504 | 1,262,564 | 5,352,480 |
| TRF | | | | |
| Total | 650,412 | 3,439,504 | 1,262,564 | 5,352,480 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |
| *Est. Fringe* | *0* | *0* | *0* | *0* |

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

Other Funds: Federal Reimbursement Allowance Fund (0142) - $1,262,564

## 2. THIS REQUEST CAN BE CATEGORIZED AS:

| | | | | | |
|---|---|---|---|---|---|
| | New Legislation | | New Program | | Fund Switch |
| | Federal Mandate | X | 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.

The MO HealthNet' Division is expanding the Primary Care Health Home (PCHH) initiative in Missouri by up to 5,000 new participants. This expansion is proposed to occur on or after July 1, 2018.

A review of Medicaid claims data shows there are areas in Missouri where there are significant numbers of individuals who are potentially eligible for enrollment in PCHH (based on qualifying diagnoses and type of Medicaid coverage) and who are receiving their primary care from providers who do not currently participate in the PCHH. The most recent data show a statewide total of just under 190,000 people who potentially qualify for PCHH enrollment, but are not currently enrolled.

Section 2703 of the ACA provides MO HealthNet the option to pay providers to coordinate care through a "health home" for individuals with chronic conditions. State statute: RSMo. 208.153, 208.201, 660.026; Federal law: Social Security Act Section 1905(a)(2); Federal regulation: 42 CFR 440.210

NEW DECISION ITEM
RANK: 999 OF 999

| | | | |
|---|---|---|---|
| Department: Social Services | | Budget Unit | 90544C, 90559C, 90574C |
| Division: MO HealthNet | | | |
| DI Name: Health Home Expansion | DI#1886026 | HB Section | 11.455, 11.520, 11.525 |

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

The MO HealthNet Division is expanding the Primary Care Health Home (PCHH) initiative in Missouri by up to 5,000 new participants. This expansion is proposed to occur on or after July 1, 2018.

A review of Medicaid claims data shows there are areas in Missouri where there are significant numbers of individuals who are potentially eligible for enrollment in PCHH (based on qualifying diagnoses and type of Medicaid coverage) and who are receiving their primary care from providers who do not currently participate in the PCHH. The most recent data shows a statewide total of just under 190,000 people who potentially qualify for PCHH enrollment, but are not currently enrolled.

Section 2703 of the ACA provides MO HealthNet the option to pay providers to coordinate care through a "health home" for individuals with chronic conditions. State statute: RSMo. 208.153, 208.201, 660.026; Federal law: Social Security Act Section 1905(a)(2); Federal regulation: 42 CFR 440.210

| | GR | FF | Other | Total |
|---|---|---|---|---|
| **Additional 5,000 Health Home Payments** | **$650,412** | **$3,439,504** | **$1,262,564** | **$5,352,480** |

NEW DECISION ITEM
RANK: 999 OF 999

| | | | |
|---|---|---|---|
| Department: Social Services | | Budget Unit | 90544C, 90559C, 90574C |
| Division: MO HealthNet | | | |
| DI Name: Health Home Expansion | DI#1886026 | HB Section | 11.455, 11.520, 11.525 |

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 | | | | | | | 0 | | | |
| Total PSD | 0 | | 0 | | 0 | | 0 | | 0 | |
| Grand Total | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 650,412 | | 3,439,504 | | 1,262,564 | | 5,352,480 | | | |
| Total PSD | 650,412 | | 3,439,504 | | 1,262,564 | | 5,352,480 | | 0 | |
| Grand Total | 650,412 | 0.0 | 3,439,504 | 0.0 | 1,262,564 | 0.0 | 5,352,480 | 0.0 | 0 | |

NEW DECISION ITEM
RANK: 999 OF 999

| | | | |
|---|---|---|---|
| Department: Social Services | | Budget Unit | 90544C, 90559C, 90574C |
| Division: MO HealthNet | | | |
| DI Name: Health Home Expansion | DI#1886026 | HB Section | 11.455, 11.520, 11.525 |

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

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

MHD is working on projected savings assoicated with expanding the Health Home program.

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

MHD is working on projected savings assoicated with expanding the Health Home program.

**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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHYSICIAN RELATED PROF | | | | | | | | |
| Health Home Expansion - 1886026 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,055,204 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,055,204 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $1,055,204 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $377,130 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $678,074 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **FQHC DISTRIBUTION** | | | | | | | | |
| **Health Home Expansion - 1886026** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 764,640 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **764,640** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$764,640** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$273,282** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$491,358** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **FRA HEALTH CARE HOME** | | | | | | | | |
| **Health Home Expansion - 1886026** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 3,532,636 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **3,532,636** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$3,532,636** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$2,270,072** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$1,262,564** | **0.00** |

## CORE DECISION ITEM

**Department: Social Services** | **Budget Unit: 90512C**
**Division: MO HealthNet**
**Core: MO HealthNet Administration** | **HB Section: 11.400**

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | 2,643,430 | 5,548,030 | 1,877,457 | 10,068,917 | |
| EE | 693,067 | 3,333,713 | 607,162 | 4,633,942 | |
| PSD | 699 | 1,030 | 0 | 1,729 | |
| TRF | | | | | |
| Total | 3,337,196 | 8,882,773 | 2,484,619 | 14,704,588 | |
| FTE | 64.12 | 115.97 | 45.61 | 225.70 | |
| *Est. Fringe* | *1,369,284* | *2,686,091* | *973,217* | *5,028,593* | |

*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) - $26,958
Health Initiatives Fund (HIF) (0275) - $471,717
Nursing Facility Quality of Care Fund (NFQC) (0271) - $96,313
Third Party Liability Collections Fund (TPL) (0120) - $886,469
MO Rx Plan Fund (0779) - $355,804
Federal Reimbursement Allowance Fund (FRA) (0142) - $105,369
Ambulance Service Reimbursement Allowance Fund (0958) - $21,845
Ground Emergency Medical Transportation Fund (GEMT) (0422) - $45,189
Pharmacy Rebates Fund (0114) - $474,955

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | 2,643,430 | 5,548,030 | 1,877,457 | 10,068,917 | |
| EE | 693,067 | 3,333,713 | 607,162 | 4,633,942 | |
| PSD | 699 | 1,030 | 0 | 1,729 | |
| TRF | | | | | |
| Total | 3,337,196 | 8,882,773 | 2,484,619 | 14,704,588 | |
| FTE | 64.12 | 115.97 | 45.61 | 225.70 | |
| *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) - $26,958
Health Initiatives Fund (HIF) (0275) - $471,717
Nursing Facility Quality of Care Fund (NFQC) (0271) - $96,313
Third Party Liability Collections Fund (TPL) (0120) - $886,469
MO Rx Plan Fund (0779) - $355,804
Federal Reimbursement Allowance Fund (FRA) (0142) - $105,369
Ambulance Service Reimbursement Allowance Fund (0958) - $21,845
Ground Emergency Medical Transportation Fund (GEMT) (0422) - $45,189
Pharmacy Rebates Fund (0114) - $474,955

### 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)

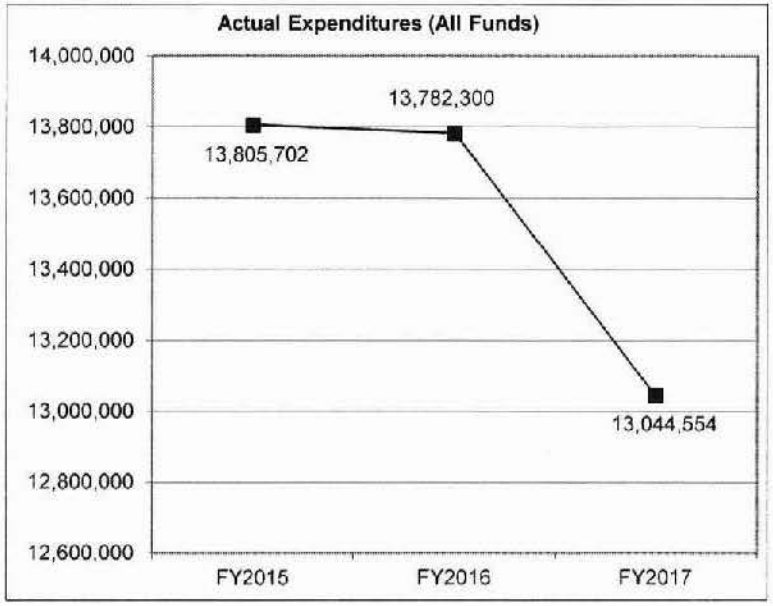
MO HealthNet Administration

## CORE DECISION ITEM

**Department: Social Services** | **Budget Unit: 90512C**
**Division: MO HealthNet**
**Core: MO HealthNet Administration** | **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) | |




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** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN** | | | | | | | | |
| **CORE** | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | |
| GENERAL REVENUE | 2,593,084 | 56.14 | 2,651,172 | 64.28 | 2,643,430 | 64.12 | 2,643,430 | 64.12 |
| DEPT OF SOC SERV FEDERAL & OTH | 5,444,863 | 120.50 | 5,548,030 | 115.97 | 5,548,030 | 115.97 | 5,548,030 | 115.97 |
| PHARMACY REBATES | 0 | 0.00 | 0 | 0.00 | 419,402 | 9.04 | 419,402 | 9.04 |
| THIRD PARTY LIABILITY COLLECT | 398,522 | 8.85 | 398,428 | 12.29 | 398,428 | 12.29 | 398,428 | 12.29 |
| FEDERAL REIMBURSMENT ALLOWANCE | 97,517 | 2.15 | 97,661 | 2.00 | 97,661 | 2.00 | 97,661 | 2.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 26,602 | 0.50 | 26,602 | 0.50 | 26,602 | 0.50 |
| NURSING FAC QUALITY OF CARE | 52,368 | 1.19 | 86,032 | 2.45 | 86,032 | 2.45 | 86,032 | 2.45 |
| HEALTH INITIATIVES | 417,419 | 9.24 | 430,332 | 9.87 | 430,332 | 9.87 | 430,332 | 9.87 |
| GROUND EMERG MEDICAL TRANSPRT | 0 | 0.00 | 44,817 | 1.00 | 44,817 | 1.00 | 44,817 | 1.00 |
| MISSOURI RX PLAN FUND | 588,281 | 12.21 | 775,206 | 17.00 | 355,804 | 7.96 | 355,804 | 7.96 |
| AMBULANCE SERVICE REIMB ALLOW | 18,376 | 0.37 | 18,379 | 0.50 | 18,379 | 0.50 | 18,379 | 0.50 |
| TOTAL - PS | 9,610,430 | 210.65 | 10,076,659 | 225.86 | 10,068,917 | 225.70 | 10,068,917 | 225.70 |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 672,955 | 0.00 | 693,067 | 0.00 | 693,067 | 0.00 | 693,067 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 2,211,531 | 0.00 | 3,338,643 | 0.00 | 3,333,713 | 0.00 | 3,333,713 | 0.00 |
| PHARMACY REBATES | 0 | 0.00 | 0 | 0.00 | 55,553 | 0.00 | 55,553 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 488,040 | 0.00 | 488,041 | 0.00 | 488,041 | 0.00 | 488,041 | 0.00 |
| FEDERAL REIMBURSMENT ALLOWANCE | 7,708 | 0.00 | 7,708 | 0.00 | 7,708 | 0.00 | 7,708 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 356 | 0.00 | 356 | 0.00 | 356 | 0.00 |
| NURSING FAC QUALITY OF CARE | 10,281 | 0.00 | 10,281 | 0.00 | 10,281 | 0.00 | 10,281 | 0.00 |
| HEALTH INITIATIVES | 40,143 | 0.00 | 41,385 | 0.00 | 41,385 | 0.00 | 41,385 | 0.00 |
| GROUND EMERG MEDICAL TRANSPRT | 0 | 0.00 | 5,302 | 0.00 | 372 | 0.00 | 372 | 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 | 3,466 | 0.00 |
| TOTAL - EE | 3,434,124 | 0.00 | 4,643,802 | 0.00 | 4,633,942 | 0.00 | 4,633,942 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 699 | 0.00 | 699 | 0.00 | 699 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 1,030 | 0.00 | 1,030 | 0.00 | 1,030 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 | 1,729 | 0.00 |
| **TOTAL** | **13,044,554** | **210.65** | **14,722,190** | **225.86** | **14,704,588** | **225.70** | **14,704,588** | **225.70** |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN** | | | | | | | | |
| **Pay Plan - 0000012** | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 34,791 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 62,726 | 0.00 |
| PHARMACY REBATES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,344 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,366 | 0.00 |
| FEDERAL REIMBURSMENT ALLOWANCE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 918 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 325 | 0.00 |
| NURSING FAC QUALITY OF CARE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,296 | 0.00 |
| HEALTH INITIATIVES | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,722 | 0.00 |
| GROUND EMERG MEDICAL TRANSPRT | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 650 | 0.00 |
| MISSOURI RX PLAN FUND | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,043 | 0.00 |
| AMBULANCE SERVICE REIMB ALLOW | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 208 | 0.00 |
| TOTAL - PS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 120,389 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **120,389** | **0.00** |
| **Electronic Visit Verification - 1886024** | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 39,000 | 0.50 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 39,000 | 0.50 |
| TOTAL - PS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 78,000 | 1.00 |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,669 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,669 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 5,338 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **83,338** | **1.00** |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| PERSONAL SERVICES | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 217,724 | 3.50 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 217,724 | 3.50 |
| TOTAL - PS | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 435,448 | 7.00 |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 18,683 | 0.00 |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MO HEALTHNET ADMIN** | | | | | | | | |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 18,683 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 37,366 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **472,814** | **7.00** |
| **GRAND TOTAL** | **$13,044,554** | **210.65** | **$14,722,190** | **225.86** | **$14,704,588** | **225.70** | **$15,381,129** | **233.70** |

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

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

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

## PROGRAM DESCRIPTION

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

### 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

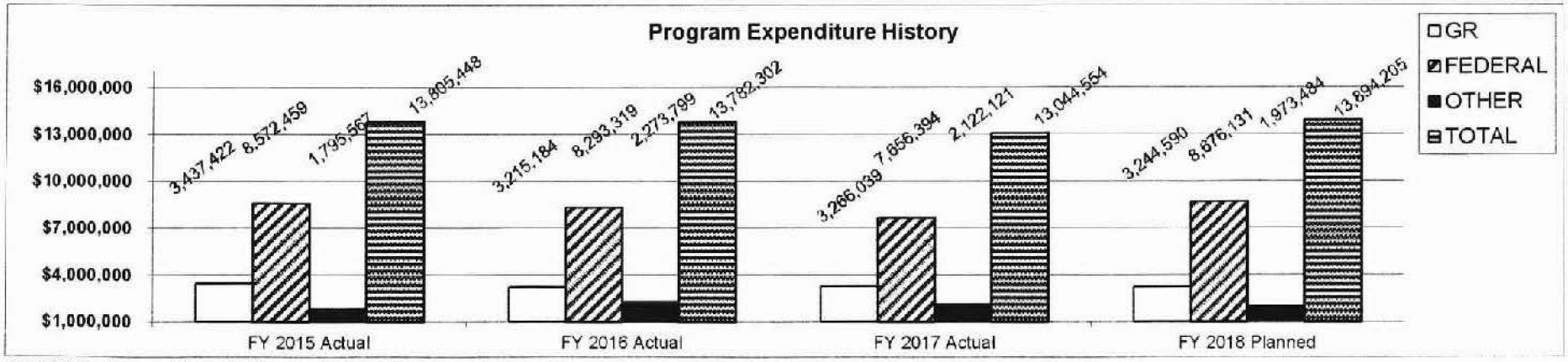
**3. Are there federal matching requirements? If yes, please explain.**

General Medicaid administrative expenditures earn a 50% federal match. However, certified medical staff credential positions earn 75% federal match. 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.**




FY 2018 planned is net of reverted and reserved.

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

**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).

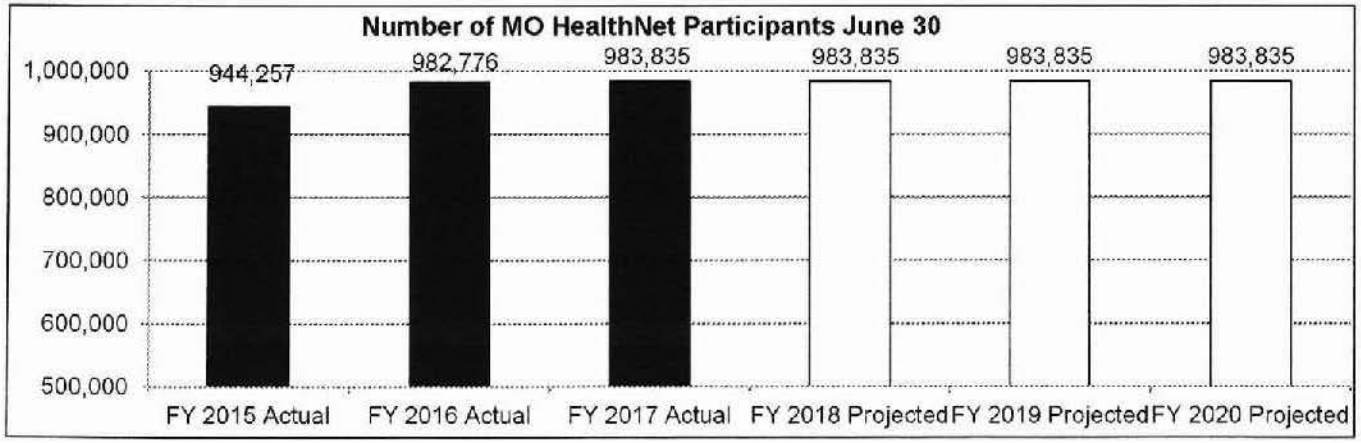
**7a. Provide an effectiveness measure.**

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

**7b. Provide an efficiency measure.**

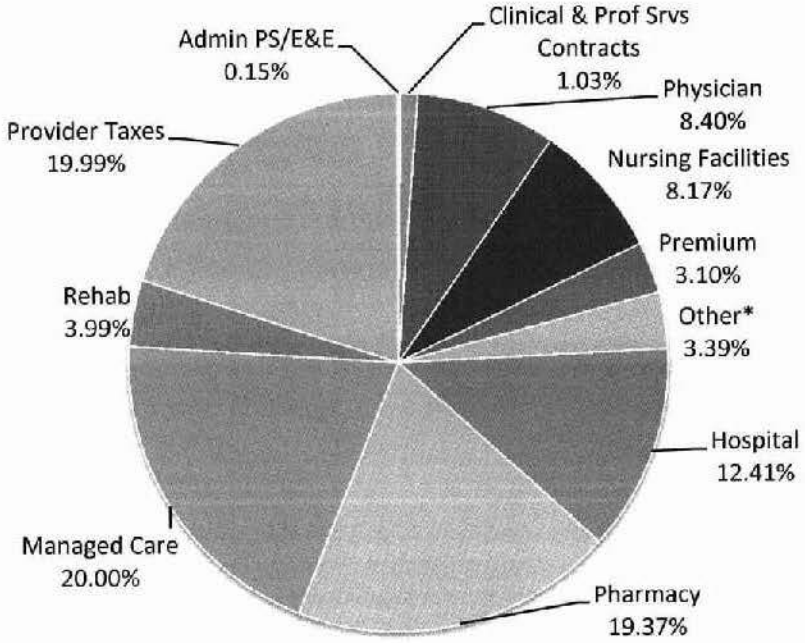
MO HealthNet Administration supports all division programs. Efficiency measures can be found in the Program sections.

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



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

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




*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

## CORE DECISION ITEM

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

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| PSD | | | | | |
| TRF | | | | | |
| Total | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Third Party Liability Collections (TPL) Fund (0120) - $924,911
MO Rx Plan Fund (0779) - $62,947
Pharmacy Rebates Fund (0114) - $1,497,648

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| PSD | | | | | |
| TRF | | | | | |
| Total | 461,917 | 12,214,032 | 2,485,506 | 15,161,455 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Third Party Liability Collections (TPL) Fund (0120) - $924,911
MO Rx Plan Fund (0779) - $62,947
Pharmacy Rebates Fund (0114) - $1,497,648

### 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)

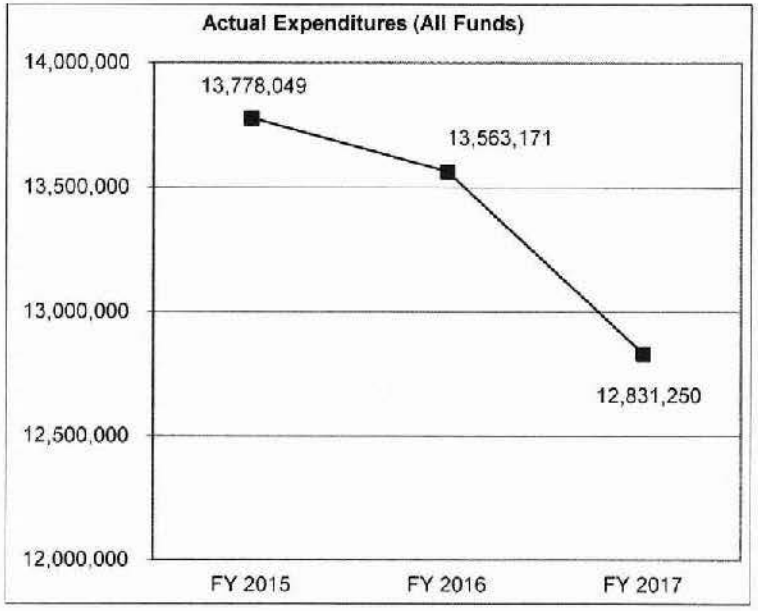
Clinical Services Program Management
Missouri Rx Program

CORE DECISION ITEM

**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) | | |




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** | |

## DECISION ITEM SUMMARY

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

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

## 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**

### 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*℠ 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*℠ 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℠ tool to access electronic health records for MO HealthNet patients. MHD has also implemented a connection between the statewide HIN and CyberAccess℠. This connection allows CyberAccess℠ 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℠ 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*℠) 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

**Department: Social Services** **HB Section: 11.405**
**Program Name: Clinical Services Program Management**
**Program is found in the following core budget(s): Clinical Services Program Management**

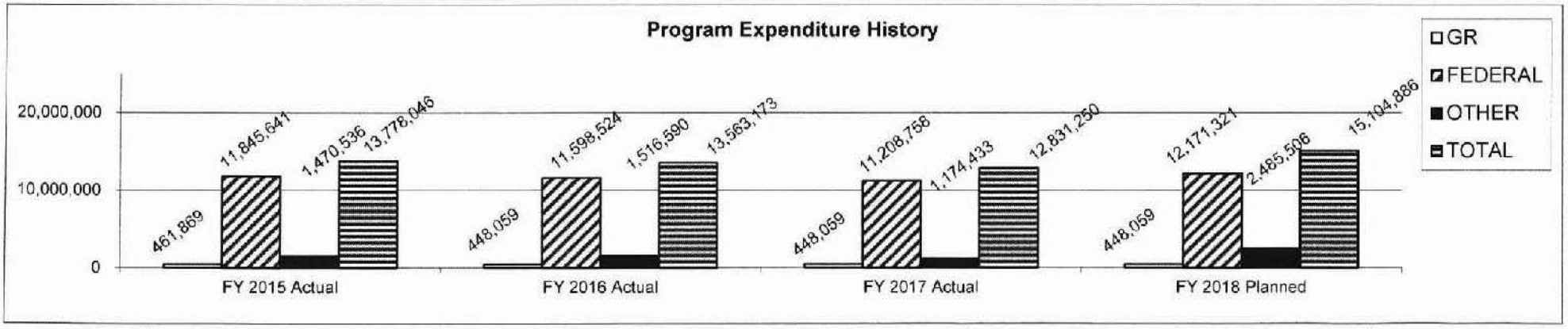
**3. Are there federal matching requirements? If yes, please explain.**

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

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

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

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




FY 2018 planned is net of reverted and reserve.

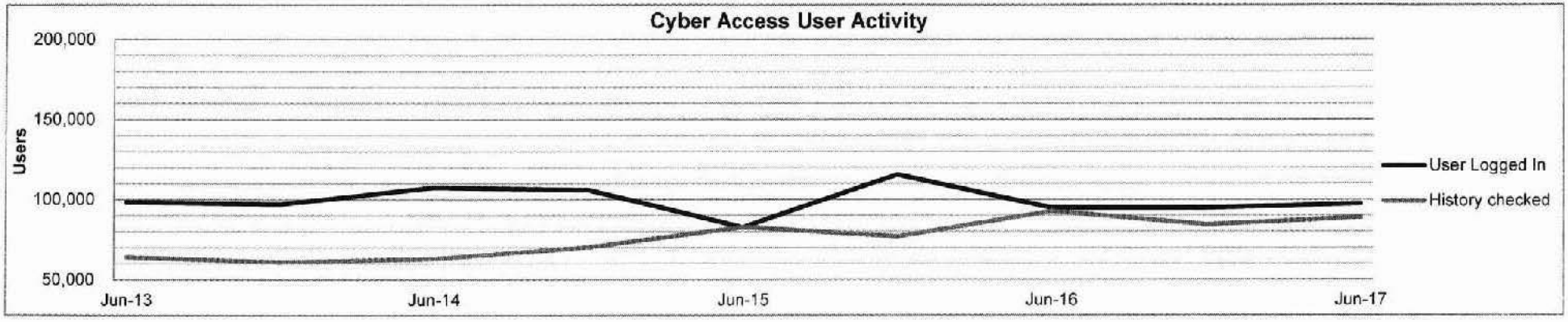
**6. What are the sources of the "Other " funds?**

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

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

HB Section: 11.405

## 7a. Provide an effectiveness measure.




## 7b. Provide an efficiency measure.

N/A

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

Number of Pharmacy Claims

| SFY | Projected | Actual |
|---|---|---|
| 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

## CORE DECISION ITEM

**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**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 529,796 | 568,625 | 0 | 1,098,421 | |
| PSD | | | | | |
| TRF | | | | | |
| **Total** | **529,796** | **568,625** | **0** | **1,098,421** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 529,796 | 568,625 | 0 | 1,098,421 | |
| PSD | | | | | |
| TRF | | | | | |
| **Total** | **529,796** | **568,625** | **0** | **1,098,421** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

### 2. CORE DESCRIPTION

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

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

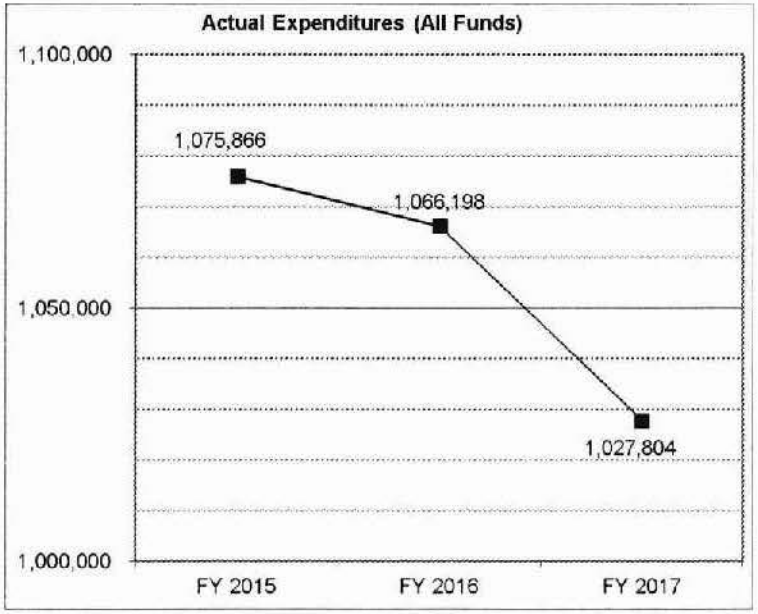
Women and Minority Health Care Outreach Program

CORE DECISION ITEM

**Department: Social Services** **Budget Unit: 90513C**
**Division: MO HealthNet**
**Core: Women & Minority Health Care Outreach** **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) | |




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.

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** | |

## DECISION ITEM SUMMARY

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

## 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.**

**Governor's Recommendation**

| 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, 11.550, 11.555, and 11.595.

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

## PROGRAM DESCRIPTION

**Department: Social Services** **HB Section: 11.410**
**Program Name: Women and Minority Health Care Outreach**
**Program is found in the following core budget(s): Women and Minority Health Care Outreach**

### 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) and promote health and wellness 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

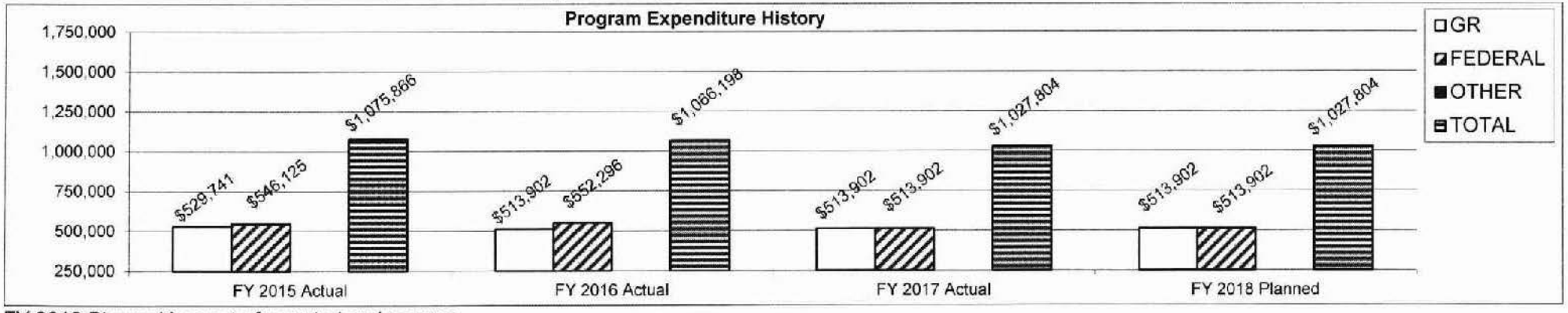
**3. Are there federal matching requirements? If yes, please explain.**

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.**




FY 2018 Planned is a net of reverted and reserve.

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

N/A

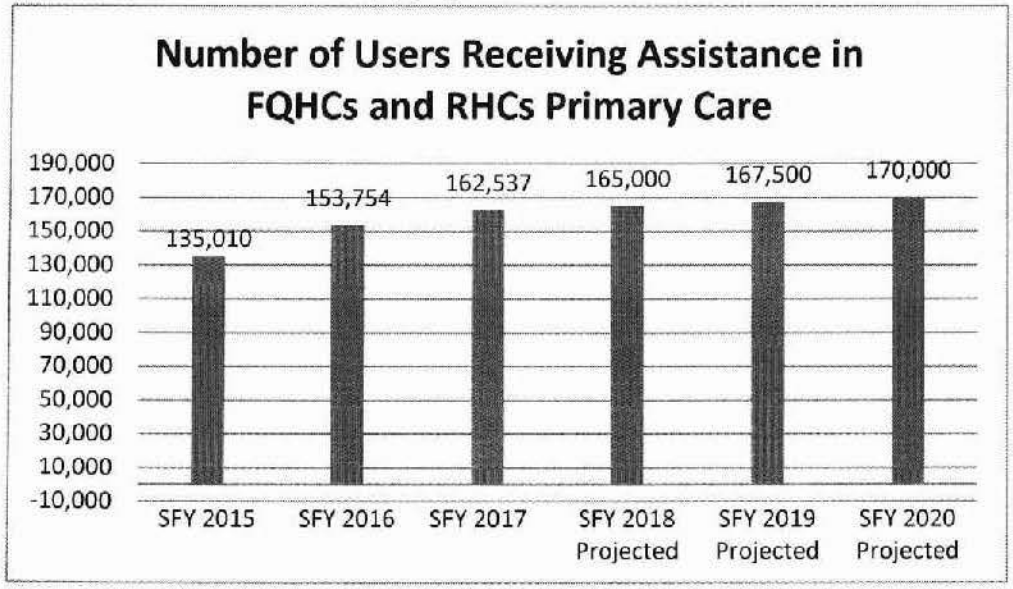
**7a. Provide an effectiveness measure.**

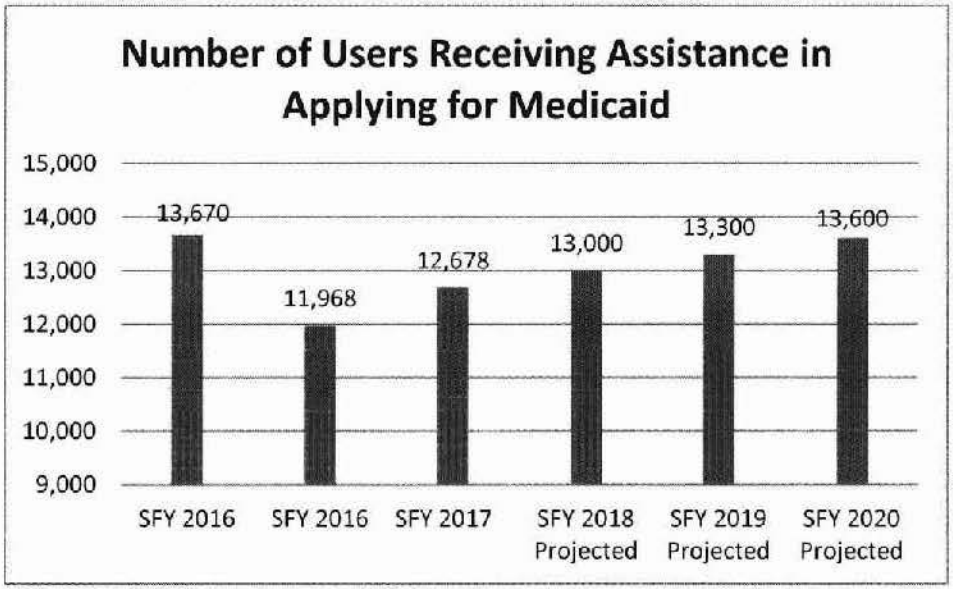
N/A

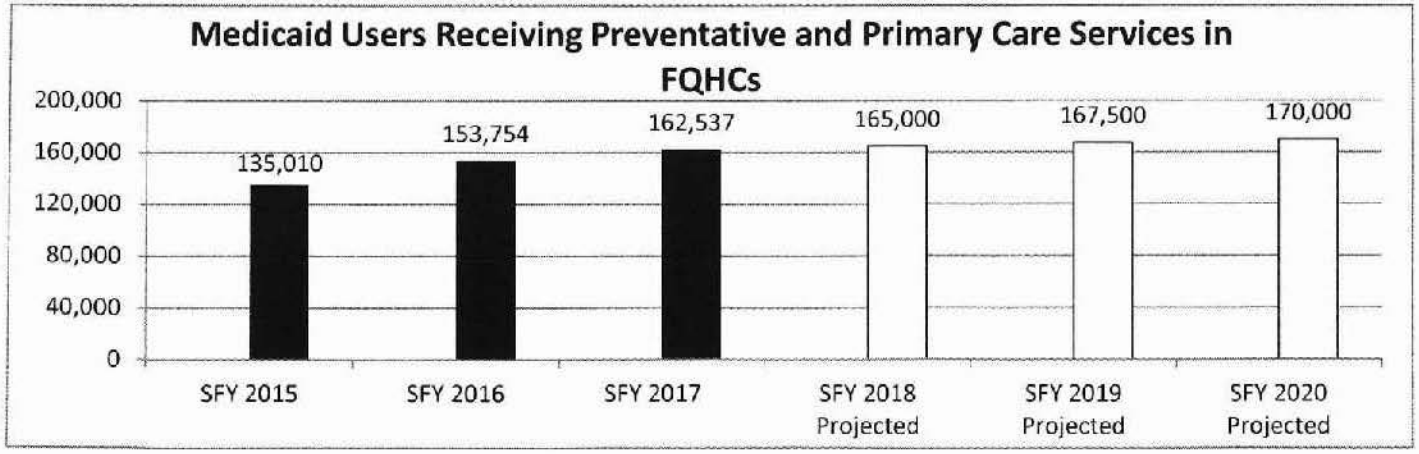
**Department: Social Services** **HB Section: 11.410**
**Program Name: Women and Minority Health Care Outreach**
**Program is found in the following core budget(s): Women and Minority Health Care Outreach**

**7b. Provide an efficiency measure.**

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



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

N/A

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

N/A

## CORE DECISION ITEM

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

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| PSD | | | | | |
| TRF | | | | | |
| Total | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Third Party Liability Collections Fund (TPL) (0120) - $3,000,000

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| PSD | | | | | |
| TRF | | | | | |
| Total | 0 | 3,000,000 | 3,000,000 | 6,000,000 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Third Party Liability Collections Fund (TPL) (0120) - $3,000,000

### 2. CORE DESCRIPTION

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

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

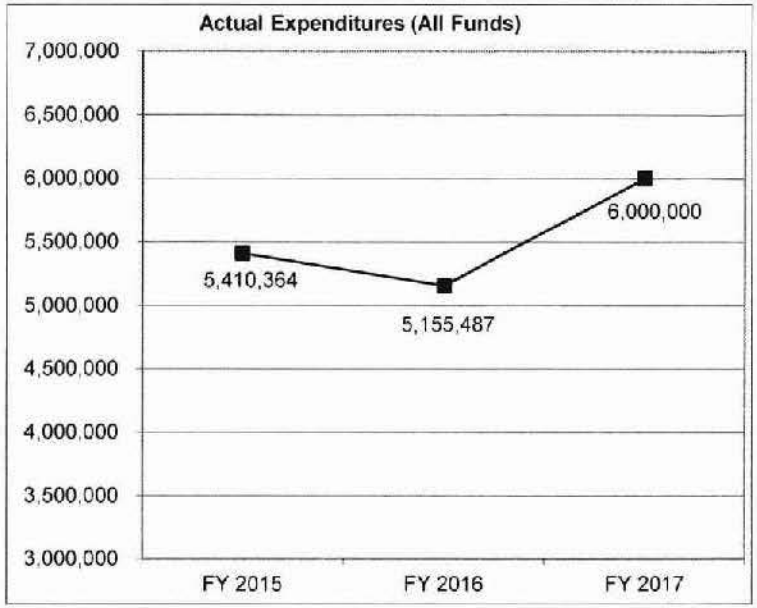
Third Party Liability Contracts

CORE DECISION ITEM

**Department: Social Services** **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 |




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** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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 | 3,000,000 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 3,000,000 | 0.00 | 3,000,000 | 0.00 | 3,000,000 | 0.00 | 3,000,000 | 0.00 |
| TOTAL - EE | 6,000,000 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 | 6,000,000 | 0.00 |
| **TOTAL** | **6,000,000** | **0.00** | **6,000,000** | **0.00** | **6,000,000** | **0.00** | **6,000,000** | **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 | 1,250,000 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 0 | 0.00 | 0 | 0.00 | 1,250,000 | 0.00 | 1,250,000 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,500,000 | 0.00 | 2,500,000 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **2,500,000** | **0.00** | **2,500,000** | **0.00** |
| **GRAND TOTAL** | **$6,000,000** | **0.00** | **$6,000,000** | **0.00** | **$8,500,000** | **0.00** | **$8,500,000** | **0.00** |

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

## PROGRAM DESCRIPTION

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

### 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.

## 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**

**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.

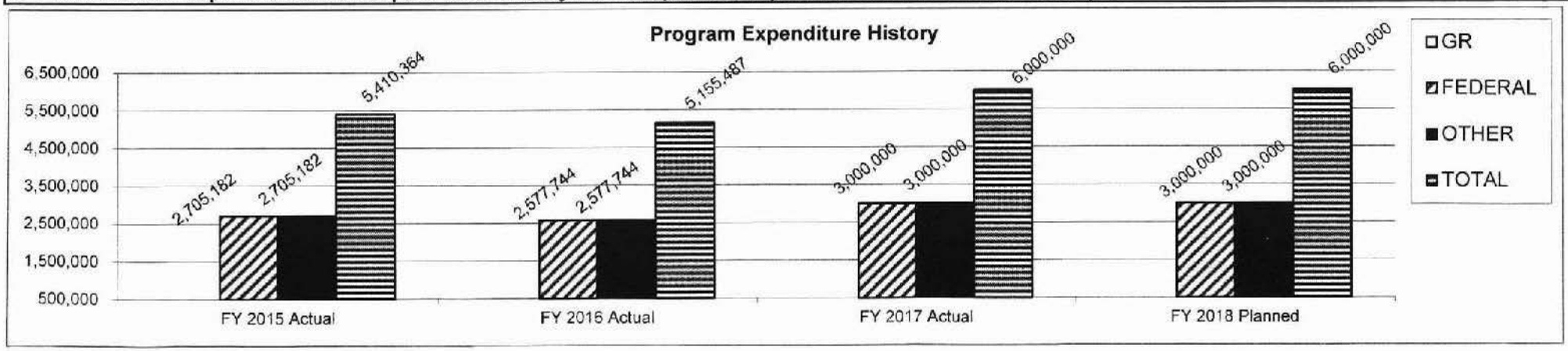
**3. Are there federal matching requirements? If yes, please explain.**

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.**



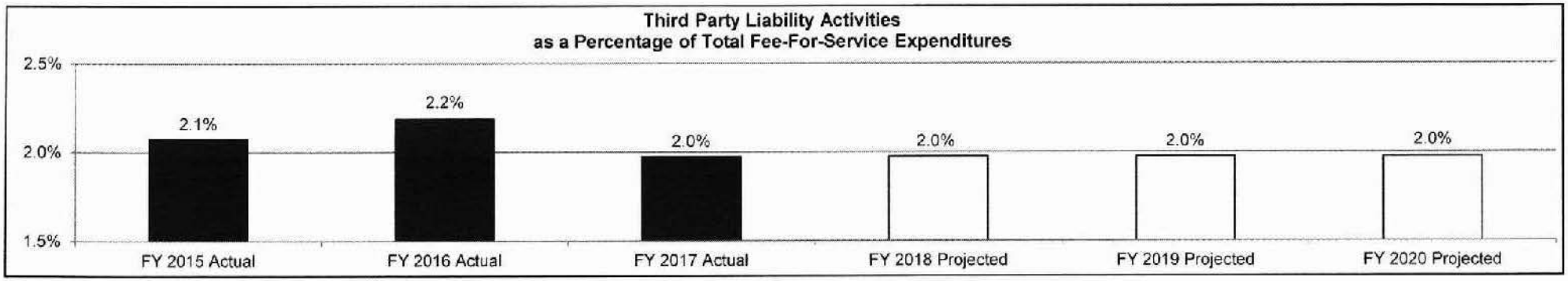
**Department: Social Services** **HB Section: 11.415**
**Program Name: Third Party Liability (TPL) Contracts**
**Program is found in the following core budget(s): Third Party Liability (TPL) Contracts**

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

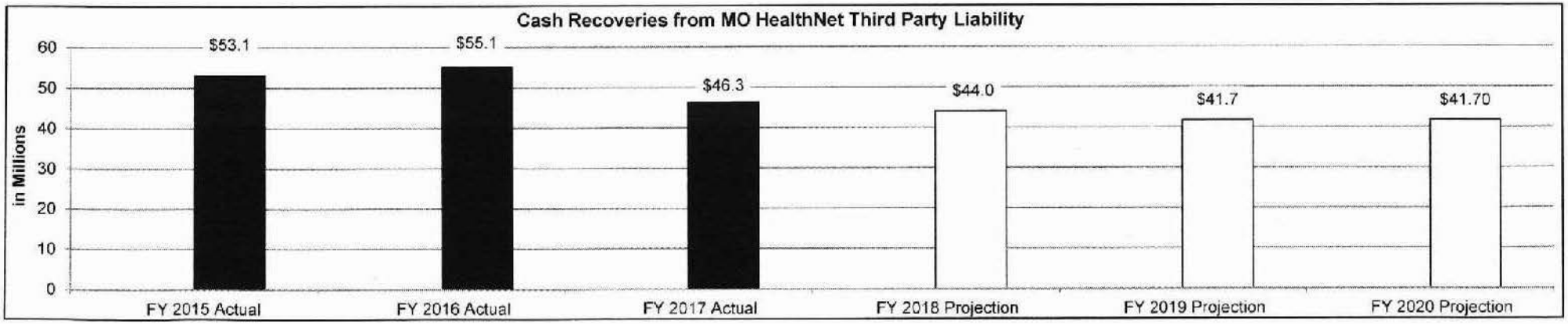
Third Party Liability Collections Fund (0120)

**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.




**7b. Provide an efficiency measure.**



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

**Cash Recoveries by Contractor**

| SFY | Projected | Actual |
|---|---|---|
| 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 | $16.9 mil | |
| 2019 | $16.9 mil | |
| 2020 | $17.5 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

NEW DECISION ITEM
RANK: 18 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: TPL Contract Increase DI# 1886006

Budget Unit: 90515C
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 | | | | | | PS | | | | | |
| EE | | 1,250,000 | 1,250,000 | 2,500,000 | | EE | | 1,250,000 | 1,250,000 | 2,500,000 | |
| PSD | | | | | | PSD | | | | | |
| TRF | | | | | | TRF | | | | | |
| Total | 0 | 1,250,000 | 1,250,000 | 2,500,000 | | Total | 0 | 1,250,000 | 1,250,000 | 2,500,000 | |
| 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.*

Other Funds:
Third Party Liabilities (TPL) Collections Fund (0120) - $1,250,000

*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) - $1,250,000

## 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 | | |

## 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.

NEW DECISION ITEM

RANK: 18 OF 22

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 | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| | 0 | | 1,250,000 | | 1,250,000 | | 2,500,000 | | 0 | |
| 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 | |

NEW DECISION ITEM

RANK: 18 OF 22

Department: Social Services

Budget Unit: 90515C

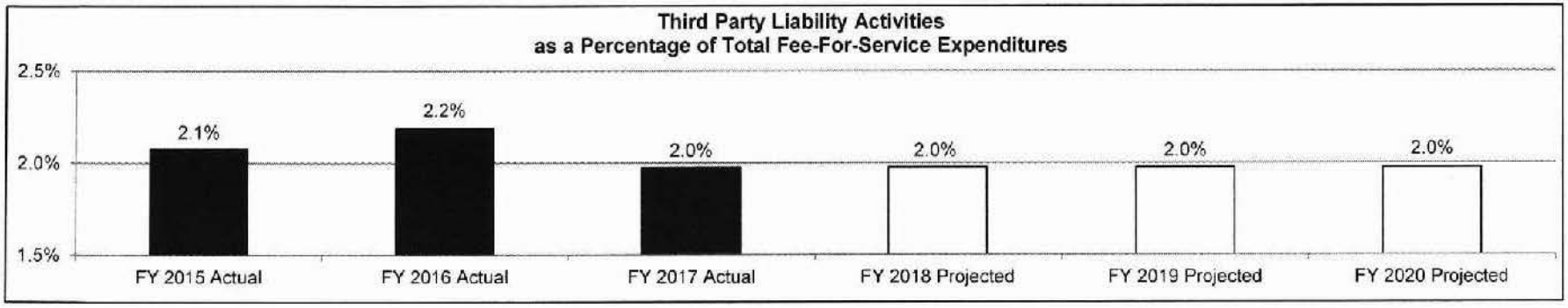
Division: MO HealthNet

DI Name: TPL Contract Increase DI# 1886006

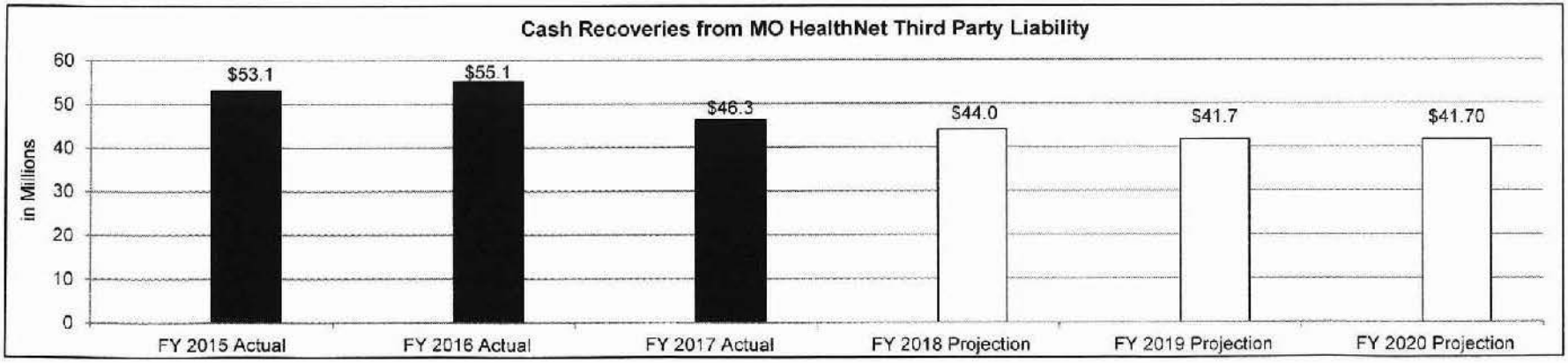
**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

**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.




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



NEW DECISION ITEM

RANK: 18 OF 22

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 | $16.9 mil | |
| 2019 | $25.0 mil | | 2019 | $16.9 mil | |
| 2020 | $25.0 mil | | 2020 | $17.5 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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| TPL CONTRACTS | | | | | | | | |
| TPL Contracts Increase - 1886006 | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 2,500,000 | 0.00 | 2,500,000 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,500,000 | 0.00 | 2,500,000 | 0.00 |
| GRAND TOTAL | $0 | 0.00 | $0 | 0.00 | $2,500,000 | 0.00 | $2,500,000 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $1,250,000 | 0.00 | $1,250,000 | 0.00 |
| OTHER FUNDS | $0 | 0.00 | $0 | 0.00 | $1,250,000 | 0.00 | $1,250,000 | 0.00 |

## CORE DECISION ITEM

**Department: Social Services** | **Budget Unit:** **90522C**
**Division: MO HealthNet**
**Core: Information Systems** | **HB Section:** **11.420**

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| **PS** | | | | | |
| **EE** | 11,777,149 | 53,664,294 | 2,021,687 | 67,463,130 | |
| **PSD** | | | | | |
| **TRF** | | | | | |
| **Total** | **11,777,149** | **53,664,294** | **2,021,687** | **67,463,130** | |
| **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.*

Other Funds Uncompensated Care Fund (0108) - $430,000
Health Initiatives Fund (0275) - $1,591,687

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| **PS** | | | | | |
| **EE** | 11,777,149 | 53,664,294 | 2,021,687 | 67,463,130 | |
| **PSD** | | | | | |
| **TRF** | | | | | |
| **Total** | **11,777,149** | **53,664,294** | **2,021,687** | **67,463,130** | |
| **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.*

Other Funds: Uncompensated Care Fund (0108) - $430,000
Health Initiatives Fund (0275) - $1,591,687

### 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 and managed care encounter data and and calculates provider and health plan payments. 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

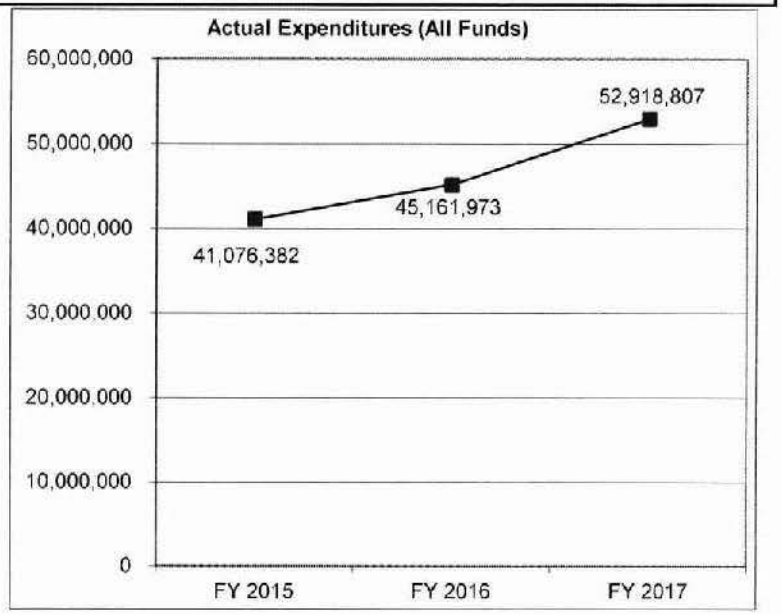
**Department: Social Services**
**Division: MO HealthNet**
**Core: Information Systems**

**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) | | |




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.

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** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| INFORMATION SYSTEMS | | | | | | | | |
| CORE | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 11,044,695 | 0.00 | 11,777,149 | 0.00 | 11,777,149 | 0.00 | 11,777,149 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 39,900,176 | 0.00 | 53,664,294 | 0.00 | 53,664,294 | 0.00 | 53,664,294 | 0.00 |
| UNCOMPENSATED CARE FUND | 430,000 | 0.00 | 430,000 | 0.00 | 430,000 | 0.00 | 430,000 | 0.00 |
| HEALTH INITIATIVES | 1,543,936 | 0.00 | 1,591,687 | 0.00 | 1,591,687 | 0.00 | 1,591,687 | 0.00 |
| TOTAL - EE | 52,918,807 | 0.00 | 67,463,130 | 0.00 | 67,463,130 | 0.00 | 67,463,130 | 0.00 |
| **TOTAL** | **52,918,807** | **0.00** | **67,463,130** | **0.00** | **67,463,130** | **0.00** | **67,463,130** | **0.00** |
| **MMIS Contract Extension - 1886005** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 395,881 | 0.00 | 395,881 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 876,085 | 0.00 | 876,085 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 1,271,966 | 0.00 | 1,271,966 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **1,271,966** | **0.00** | **1,271,966** | **0.00** |
| **Electronic Visit Verification - 1886024** | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 59,500 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 535,500 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 595,000 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **595,000** | **0.00** |
| **Advancing MMIS Technology - 1886025** | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 6,385,003 | 0.00 |
| DEPT OF SOC SERV FEDERAL & OTH | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2,700,000 | 0.00 |
| TOTAL - EE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 9,085,003 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **9,085,003** | **0.00** |
| **GRAND TOTAL** | **$52,918,807** | **0.00** | **$67,463,130** | **0.00** | **$68,735,096** | **0.00** | **$78,415,099** | **0.00** |

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im_disummary

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

## PROGRAM DESCRIPTION

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

### 1a. What strategic priority does this program address?

Timely automated processing and reporting

### 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.
- Access for providers and users to updated program and eligibility information required to support services provided to program participants.
- 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.
- Comprehensive and accurate 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.
- Effective technical support to ensure maximum use and benefit of the systems by all user groups.
- Ongoing system modifications to support new program initiatives, meet changing federal and state program requirements, and further business automation.

**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 and encounter processing, management and analysis reporting, reference, fee-for-service claim data, participant encounter data, third party liability, drug rebate, federal financial reporting, and payment calculation. 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 and encounters 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 automated prior authorizations of services provided to program participants and provide professional review services for prior authorizations as needed.
- Perform manual tasks associated with processing MO HealthNet claims.
- Calculate payments to providers and health plans for services.
- Provide capabilities and/or communications with the Department, the Division, and OA-ITSD to facilitate exchanges of data
- Operate call centers to support participants and providers and to support prior authorization activities.
- Provide technical support to providers and managed care health plans to facilitate exchanges of 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.

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

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

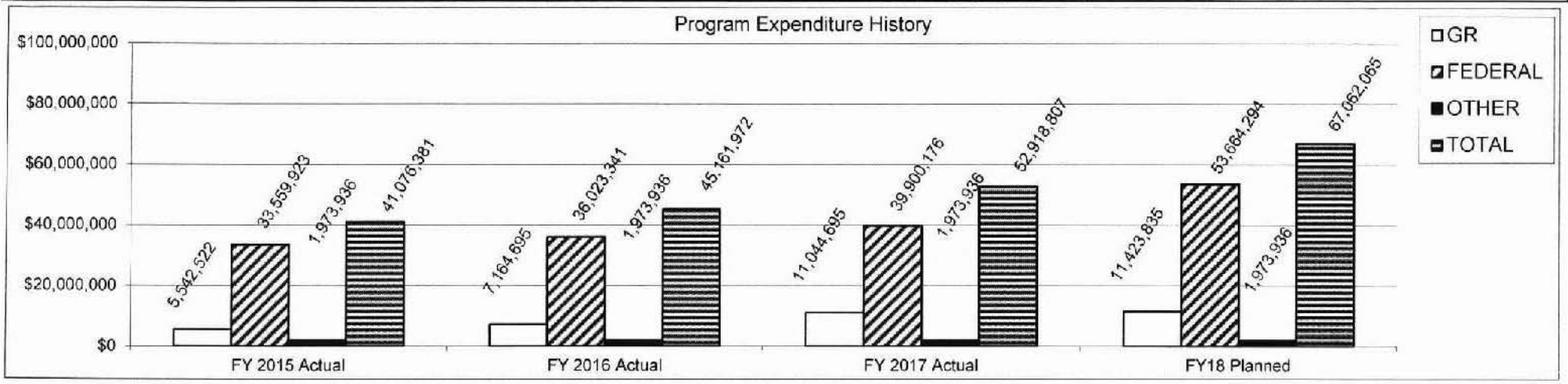
The MMIS supports the program through the automation of business processes allowing the program to complete millions of transactions with providers and health plans utilizing a minimal number of staff. During FY17, the systems completed the following:

- Processed over 111 million fee-for-service claim transactions
- Processed over 5.8 million managed care encounters
- Calculated over 214,000 payments to providers.
- Completed over 1.2 million provider inquiries through use of an Interactive Voice Response System.
- Completed claim submissions, participant eligibility verifications, and other functions during 16.7 million sessions on the system web portals.
- Implemented 23 small to medium system enhancements and 4 large system enhancements.
- Completed over 5,000 trouble tickets submitted by system users.
- Received over 12,500 calls from users to the system technical help desk.
- Supported almost 85,000 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**

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




FY 2018 is net of reverted and reserved.

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

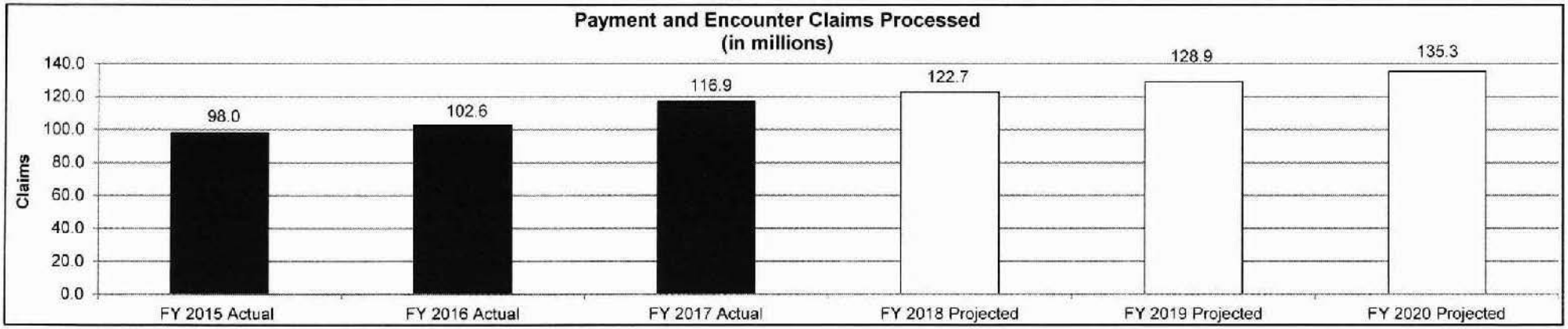
Health Initiatives Fund (0275)
Uncompensated Care Fund (0108)

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

## 7b. Provide an efficiency measure.

Efficiency Measure: Promptly process "clean" claims in less than one day and pay adjudicated and approved claims within thirty days of receipt. 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 111 million fee-for-services claims were processed and 98.5 percent of the approved claims were paid within thirty days of receipt.

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




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

N/A

**NEW DECISION ITEM**
**RANK: 17 OF 22**

**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**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 395,881 | 876,085 | 0 | 1,271,966 | |
| PSD | | | | | |
| TRF | | | | | |
| Total | 395,881 | 876,085 | 0 | 1,271,966 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 395,881 | 876,085 | 0 | 1,271,966 | |
| PSD | | | | | |
| TRF | | | | | |
| Total | 395,881 | 876,085 | 0 | 1,271,966 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

## 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.

NEW DECISION ITEM

RANK: 17 OF 22

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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| | 395,881 | | 876,085 | | | | 1,271,966 | | 0 | |
| **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** | |

NEW DECISION ITEM
RANK: 17 OF 22

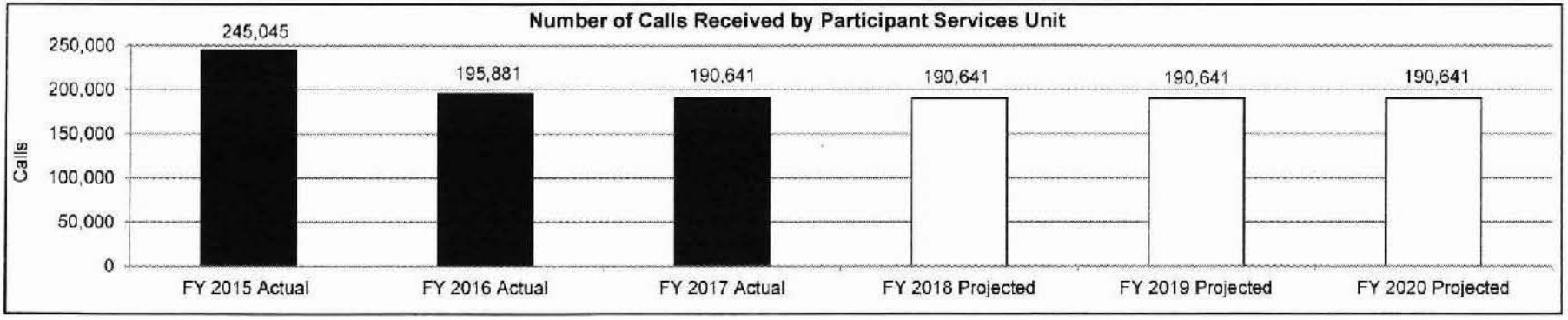
Department: Social Services
Division: MO HealthNet
DI Name: MMIS Contract Extensions DI# 1886005

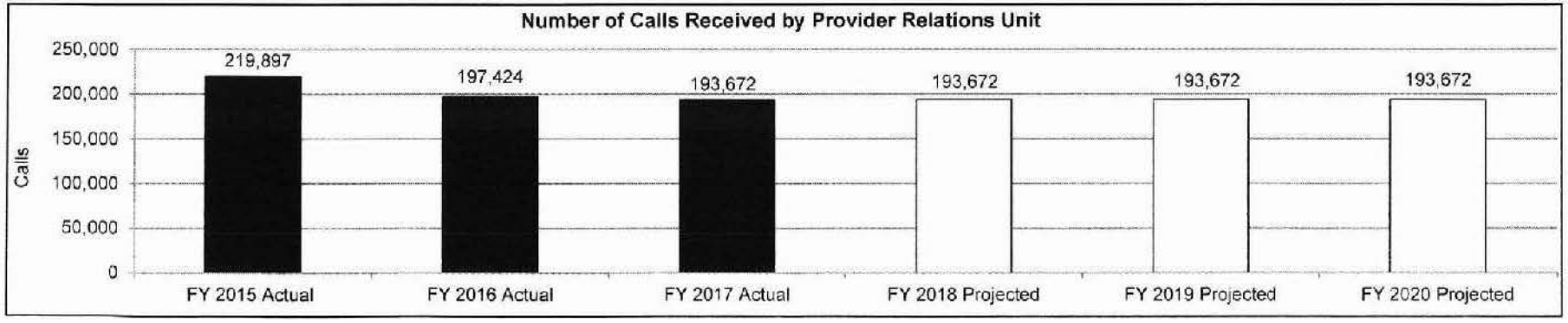
Budget Unit: 90522C

**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.

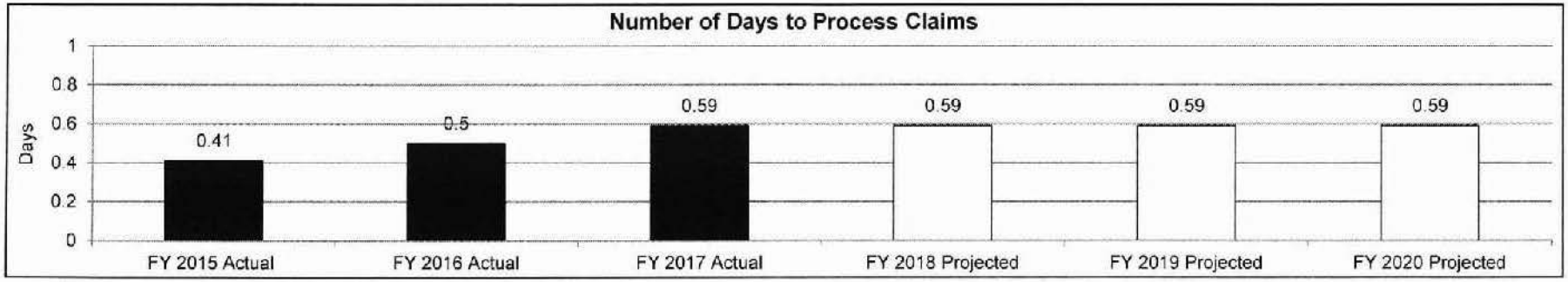


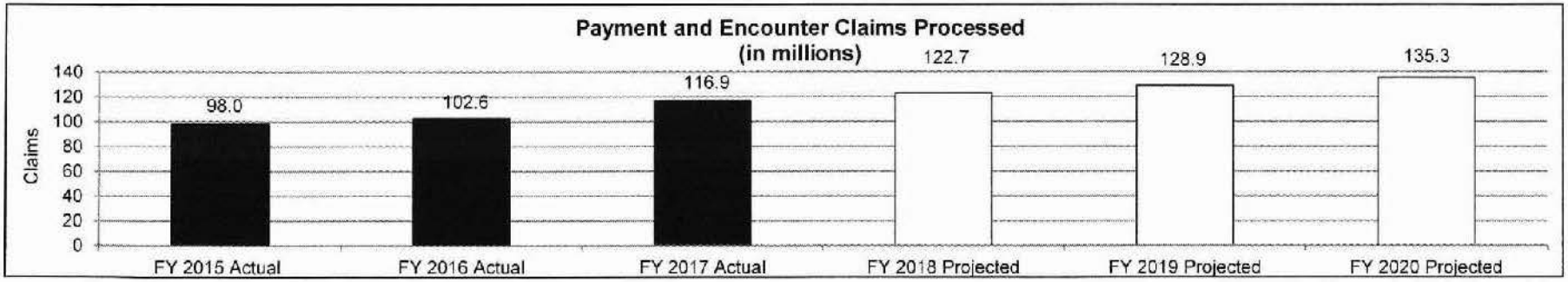
**Department: Social Services** **Budget Unit:** 90522C
**Division: MO HealthNet**
**DI Name: MMIS Contract Extensions** **DI# 1886005**

**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.




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




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

**7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:**
N/A

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

## 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

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 0 | 1,303,000 | 0 | 1,303,000 | |
| PSD | 0 | 33,697,000 | 0 | 33,697,000 | |
| TRF | | | | | |
| **Total** | **0** | **35,000,000** | **0** | **35,000,000** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Fed | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 0 | 1,504,200 | 0 | 1,504,200 | |
| PSD | 0 | 26,495,800 | 0 | 26,495,800 | |
| TRF | | | | | |
| **Total** | **0** | **28,000,000** | **0** | **28,000,000** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

### 2. CORE DESCRIPTION

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

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

Electronic Health Records Incentives

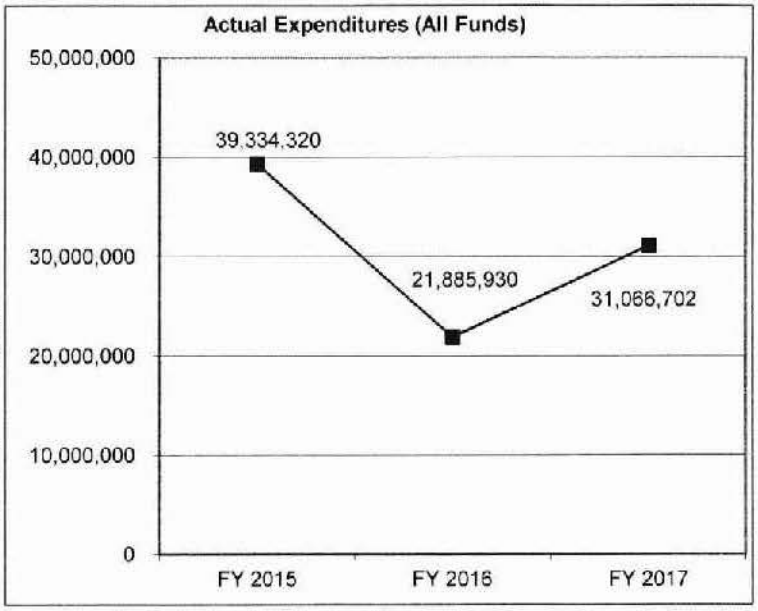
## CORE DECISION ITEM

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

**Budget Unit:** 90523C
**HB Section:** 11.425

### 4. FINANCIAL HISTORY

| | FY 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 |




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**
**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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | |
| Core Reduction | 2051 7962 | PD | 0.00 | 0 | (7,000,000) | 0 | (7,000,000) | |
| **NET GOVERNOR CHANGES** | | | **0.00** | **0** | **(7,000,000)** | **0** | **(7,000,000)** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | | |
| | | EE | 0.00 | 0 | 1,504,200 | 0 | 1,504,200 | |
| | | PD | 0.00 | 0 | 26,495,800 | 0 | 26,495,800 | |
| | | **Total** | **0.00** | **0** | **28,000,000** | **0** | **28,000,000** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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 | 1,504,200 | 0.00 |
| TOTAL - EE | 1,365,058 | 0.00 | 1,303,000 | 0.00 | 1,504,200 | 0.00 | 1,504,200 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| FEDERAL STIMULUS-DSS | 29,701,644 | 0.00 | 33,697,000 | 0.00 | 33,495,800 | 0.00 | 26,495,800 | 0.00 |
| TOTAL - PD | 29,701,644 | 0.00 | 33,697,000 | 0.00 | 33,495,800 | 0.00 | 26,495,800 | 0.00 |
| **TOTAL** | **31,066,702** | **0.00** | **35,000,000** | **0.00** | **35,000,000** | **0.00** | **28,000,000** | **0.00** |
| **GRAND TOTAL** | **$31,066,702** | **0.00** | **$35,000,000** | **0.00** | **$35,000,000** | **0.00** | **$28,000,000** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| ELECTRONIC HLTH RECORDS INCNTV | | | | | | | | |
| CORE | | | | | | | | |
| TRAVEL, IN-STATE | 2,484 | 0.00 | 0 | 0.00 | 1,000 | 0.00 | 1,000 | 0.00 |
| TRAVEL, OUT-OF-STATE | 0 | 0.00 | 2,000 | 0.00 | 3,000 | 0.00 | 3,000 | 0.00 |
| PROFESSIONAL DEVELOPMENT | 125 | 0.00 | 1,000 | 0.00 | 200 | 0.00 | 200 | 0.00 |
| PROFESSIONAL SERVICES | 1,362,449 | 0.00 | 1,300,000 | 0.00 | 1,500,000 | 0.00 | 1,500,000 | 0.00 |
| **TOTAL - EE** | **1,365,058** | **0.00** | **1,303,000** | **0.00** | **1,504,200** | **0.00** | **1,504,200** | **0.00** |
| PROGRAM DISTRIBUTIONS | 29,701,644 | 0.00 | 33,697,000 | 0.00 | 33,495,800 | 0.00 | 26,495,800 | 0.00 |
| **TOTAL - PD** | **29,701,644** | **0.00** | **33,697,000** | **0.00** | **33,495,800** | **0.00** | **26,495,800** | **0.00** |
| **GRAND TOTAL** | **$31,066,702** | **0.00** | **$35,000,000** | **0.00** | **$35,000,000** | **0.00** | **$28,000,000** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |
| **FEDERAL FUNDS** | **$31,066,702** | **0.00** | **$35,000,000** | **0.00** | **$35,000,000** | **0.00** | **$28,000,000** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

## PROGRAM DESCRIPTION

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

### 1a. What strategic priority does this program address?

Increase provider use of EHRs

### 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 use certified electronic health record technology (CEHRT) to meet meaningful use measures and objectives that require increasing thresholds each year.
- 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 (EHR) 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

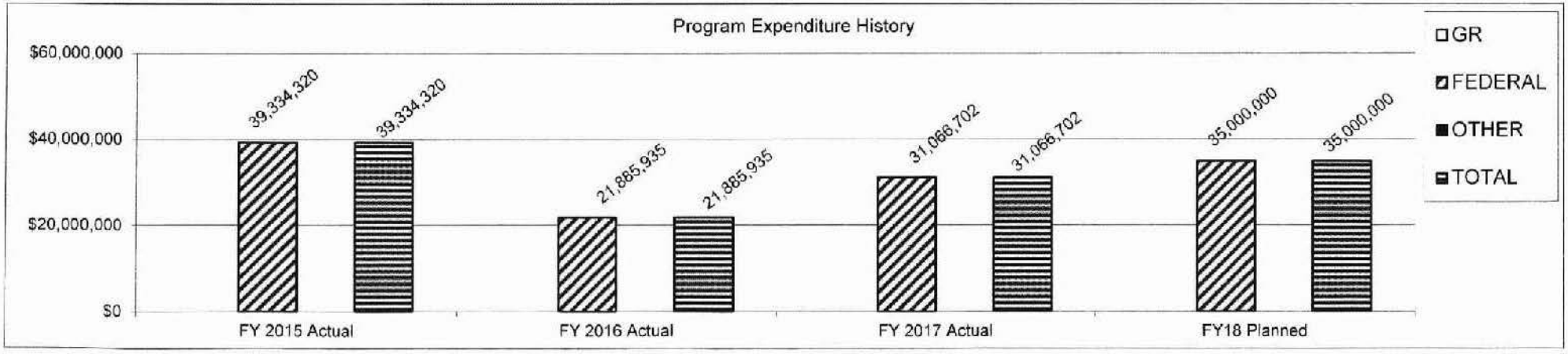
**3. Are there federal matching requirements? If yes, please explain.**

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 DESCRIPTION

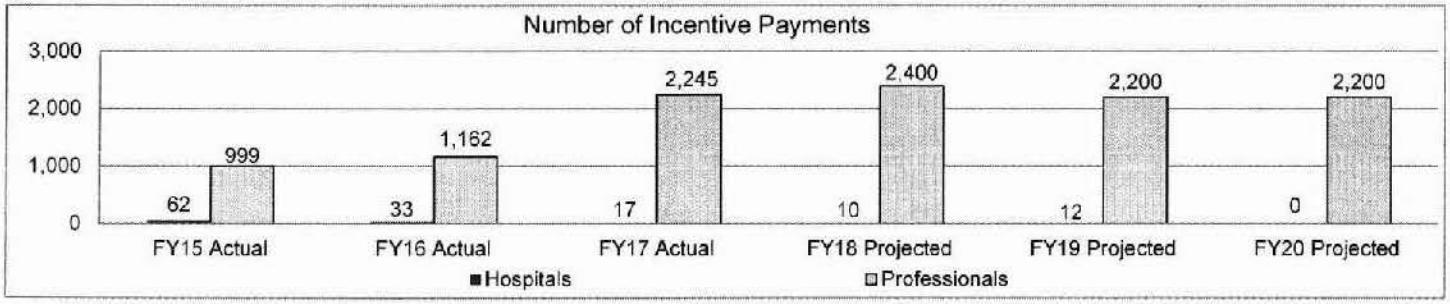
**Department: Social Services** **HB Section: 11.425**
**Program Name: Electronic Health Records (EHR) Incentive**
**Program is found in the following core budget(s): Electronic Health Records Incentive**

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

N/A

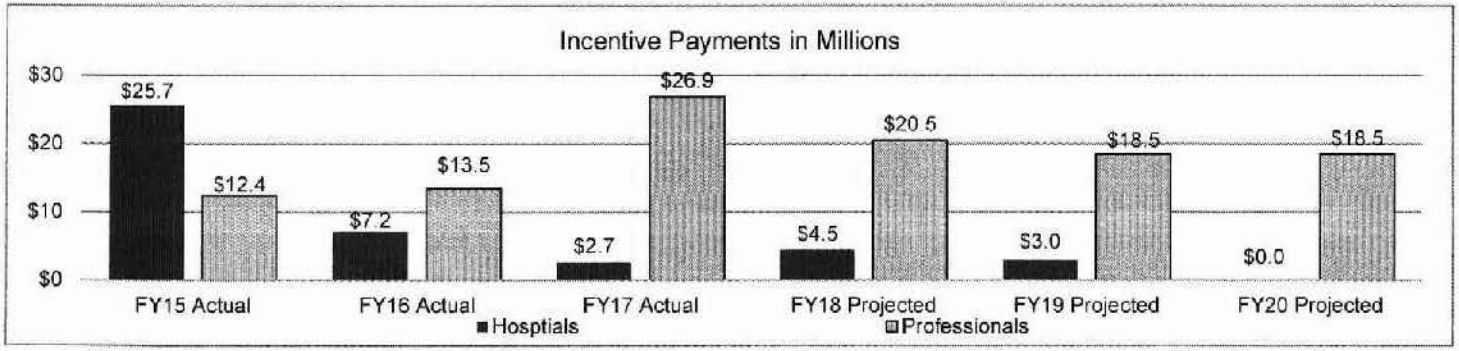
### 7a. Provide an effectiveness measure.

Increase the number of hospitals and eligible professionals demonstrating meaningful use of EHR technology.




### 7b. Provide an efficiency measure.

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




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

N/A

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

N/A

## CORE DECISION ITEM

**Department: Social Services** | **Budget Unit: 90524C**
**Division: MO HealthNet**
**Core: Money Follows the Person** | **HB Section: 11.430**

### 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 | 0 | 532,549 | 0 | 532,549 | | EE | 0 | 532,549 | 0 | 532,549 | |
| PSD | | | | | | PSD | | | | | |
| TRF | | | | | | TRF | | | | | |
| **Total** | **0** | **532,549** | **0** | **532,549** | | **Total** | **0** | **532,549** | **0** | **532,549** | |
| **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.*

Other Funds: N/A

Other Funds: N/A

### 2. CORE DESCRIPTION

This item funds administration of the Money Follows the Person Demonstration (MFP) program which transitions individuals who are elderly, disabled, or who have developmental disabilities from nursing facilities or state-owned habilitation centers to Home and Community Based Services.

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

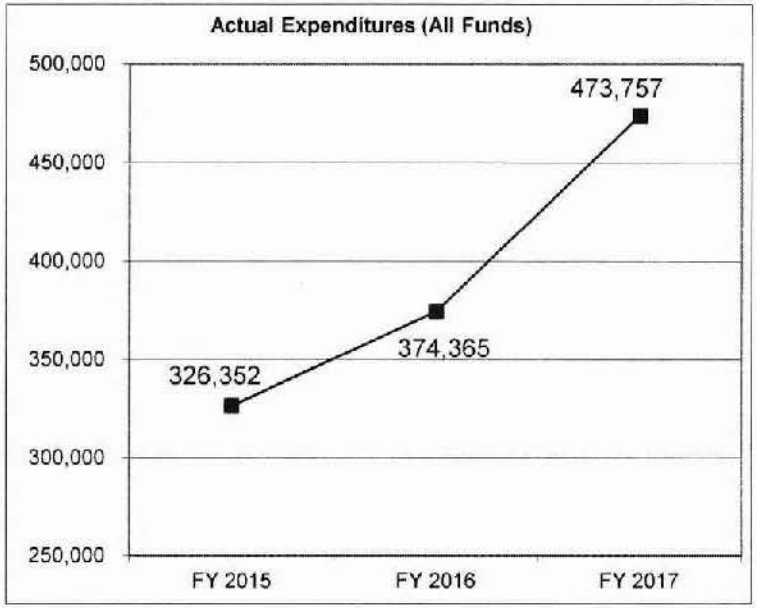
Money Follows the Person

CORE DECISION ITEM

**Department: Social Services** **Budget Unit: 90524C**
**Division: MO HealthNet**
**Core: Money Follows the Person** **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 |




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** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| 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 | 507,549 | 0.00 |
| TOTAL - EE | 450,440 | 0.00 | 532,549 | 0.00 | 507,549 | 0.00 | 507,549 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| DEPT OF SOC SERV FEDERAL & OTH | 23,317 | 0.00 | 0 | 0.00 | 25,000 | 0.00 | 25,000 | 0.00 |
| TOTAL - PD | 23,317 | 0.00 | 0 | 0.00 | 25,000 | 0.00 | 25,000 | 0.00 |
| **TOTAL** | **473,757** | **0.00** | **532,549** | **0.00** | **532,549** | **0.00** | **532,549** | **0.00** |
| **GRAND TOTAL** | **$473,757** | **0.00** | **$532,549** | **0.00** | **$532,549** | **0.00** | **$532,549** | **0.00** |

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

## 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**

### 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.

## 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.

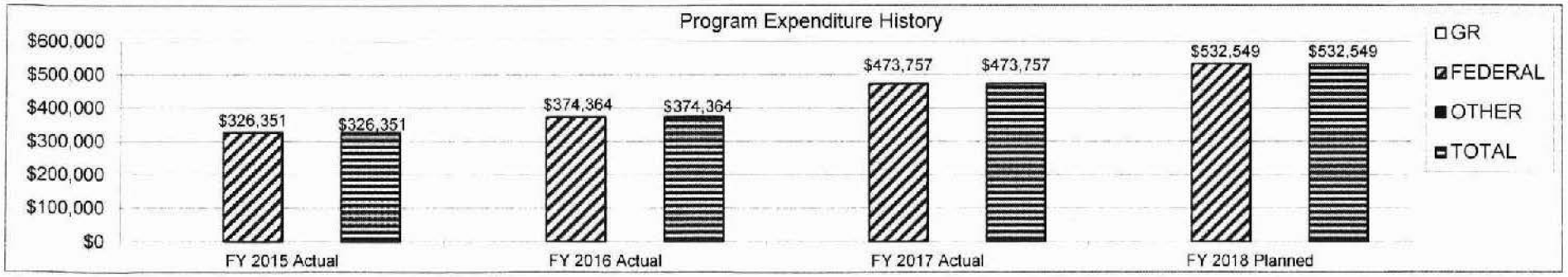
**3. Are there federal matching requirements? If yes, please explain.**

MFP administrative expenditures earn 100% federal matching funds.

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

No.

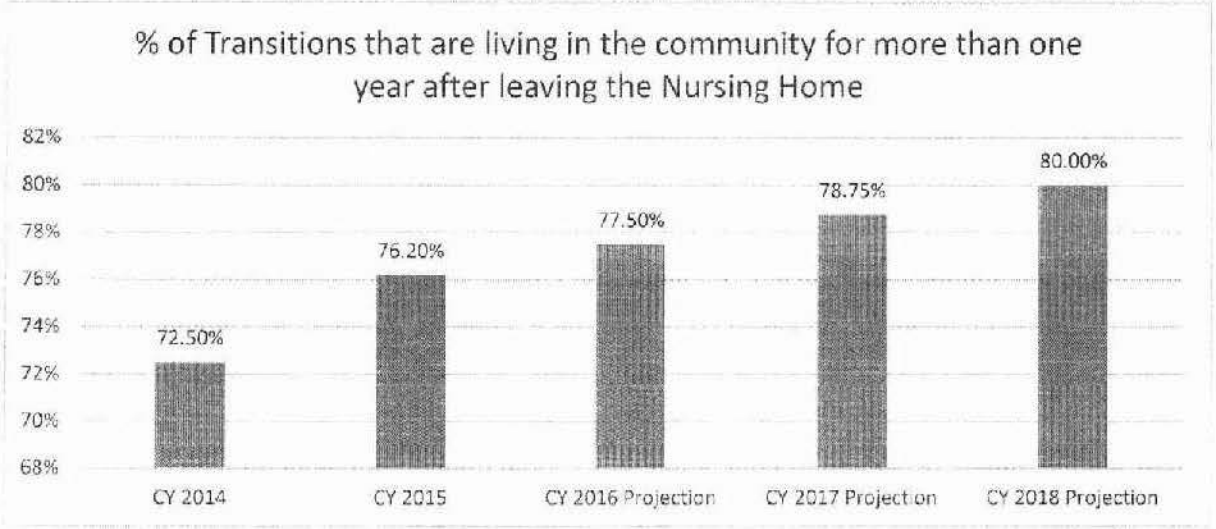
**5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.**



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

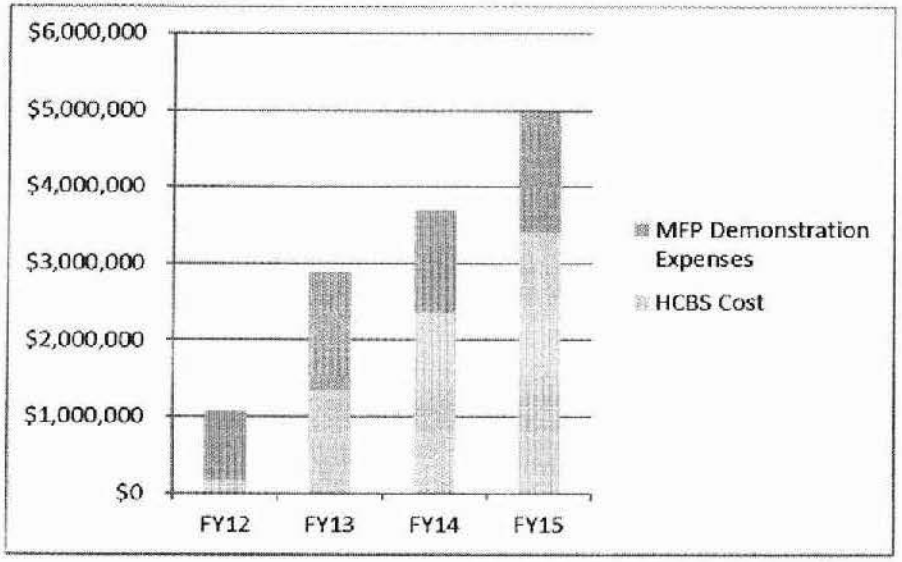
N/A

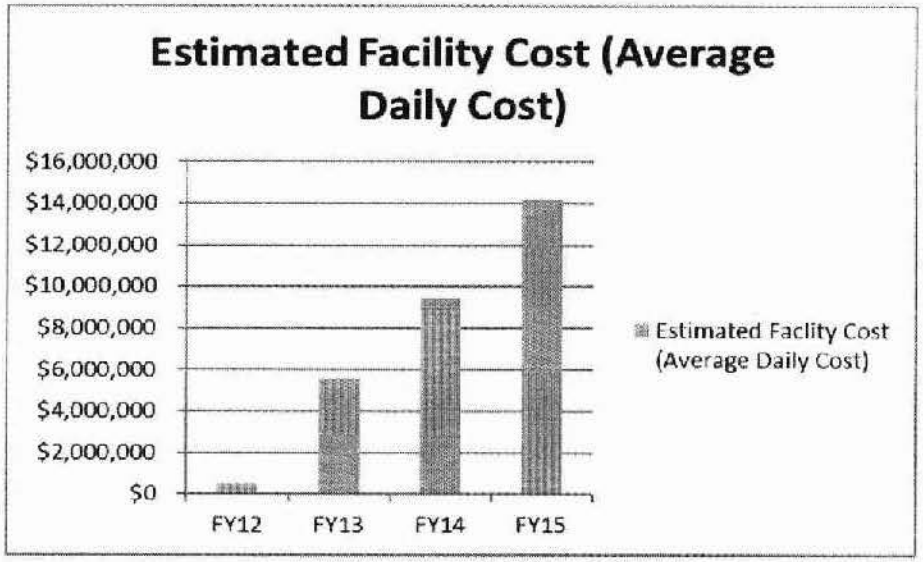
**7a. Provide an effectiveness measure.**




As part of HB343, the Department of Health and Senior Services estimated the overall MFP program cost savings for the 525 MFP participants with Physical Disabilities or who were Aged and transitioned between State FY12 through State FY15. They compared *Estimated Skilled Nursing Facility Costs* to the combined *Home and Community Based Service Costs/MFP Service Costs* for the individuals. The average estimated MFP savings per participant was $32,489.

**7b. Provide an efficiency measure.**




Total estimated facility costs (based on the average daily cost estimate) for the period would have totaled $29,695,757 ($11,029,429 GR). Total costs combining Home and Community Based Service (HCBS) Costs and MFP Demonstration Expenses for the period totaled $12,638,846 ($4,683,606 GR). Overall cost savings through the comparison for the four fiscal years totaled $17,056,911 ($6,345,823 GR), which equals $1,586,455 average GR for each state fiscal year

**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

## 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**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 200,000 | 207,578 | 0 | 407,578 | |
| PSD | 110,409,884 | 802,428,766 | 323,690,613 | 1,236,529,263 | |
| TRF | | | | | |
| **Total** | **110,609,884** | **802,636,344** | **323,690,613** | **1,236,936,841** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Pharmacy Rebates Fund (0114) - $236,745,912
Third Party Liability Collections Fund (TPL) (0120) - $4,217,574
Pharmacy Reimbursement Allowance Fund (0144) - $64,827,527
Health Initiatives Fund (HIF) (0275) - $3,543,350
Premium Fund (0885) - $3,800,000
Life Sciences Research Trust Fund (0763) - $10,556,250

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | 200,000 | 207,578 | 0 | 407,578 | |
| PSD | 93,024,439 | 795,191,233 | 323,690,613 | 1,211,906,285 | |
| TRF | | | | | |
| **Total** | **93,224,439** | **795,398,811** | **323,690,613** | **1,212,313,863** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Pharmacy Rebates Fund (0114) - $236,745,912
Third Party Liability Collections Fund (TPL) (0120) - $4,217,574
Pharmacy Reimbursement Allowance Fund (0144) - $64,827,527
Health Initiatives Fund (HIF) (0275) - $3,543,350
Premium Fund (0885) - $3,800,000
Life Sciences Research Trust Fund (0763) - $10,556,250

### 2. CORE DESCRIPTION

This item funds the pharmacy program which is necessary to maintain pharmacy reimbursement at a sufficient level to ensure quality health care and provider participation. Funding provides pharmacy services for both managed care and fee-for-service populations. Beginning on October 1, 2009, pharmacy services were carved-out of the managed care capitation rates and the state began administering the pharmacy benefit for participants enrolled in managed care as well as participants enrolled in fee-for-service.

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

Pharmacy

CORE DECISION ITEM

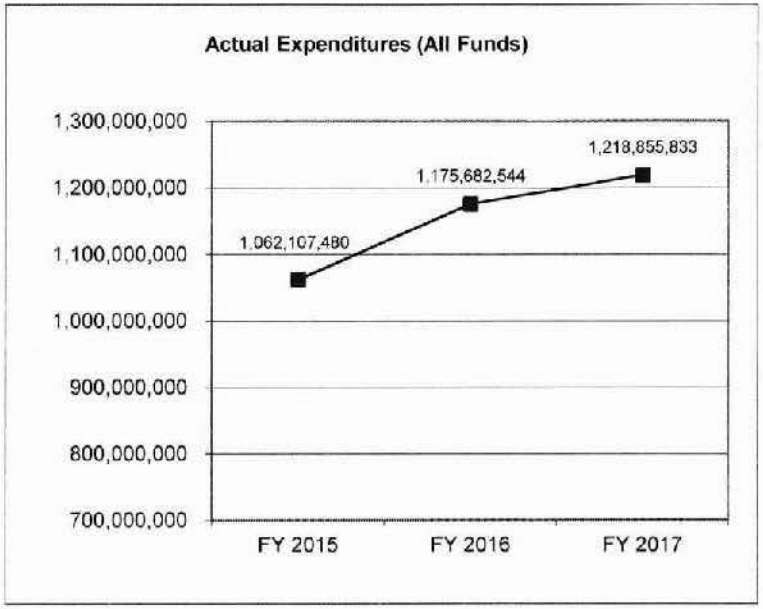
**Department: Social Services**
**Division: MO HealthNet**
**Core: Pharmacy**

**Budget Unit: 90541C**

**HB Section: 11.435**

## 4. FINANCIAL HISTORY

| | FY 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) | |




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.

**Department: Social Services**
**Division: MO HealthNet**
**Core: Pharmacy**

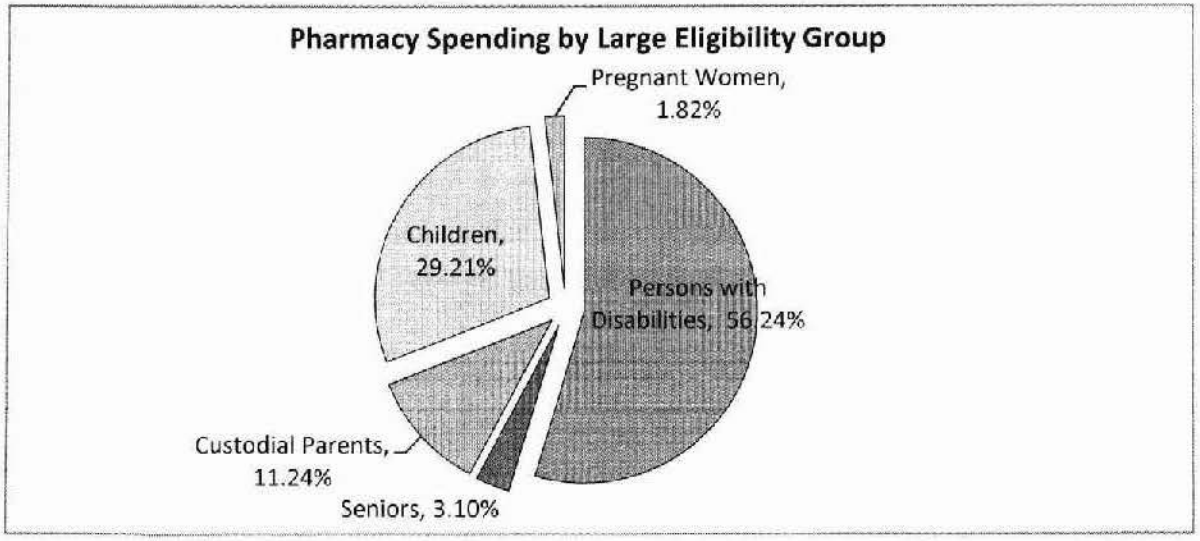
**Budget Unit: 90541C**

**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*




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

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides 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.

**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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | | |
| Core Reduction | 2040 | 2526 | PD | 0.00 | 0 | (978,045) | 0 | (978,045) | |
| Core Reduction | 2040 | 2525 | PD | 0.00 | (521,955) | 0 | 0 | (521,955) | |

**DEPARTMENT OF SOCIAL SERVICES**
**PHARMACY**

## 5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|---|---|---|---|---|---|---|---|
| **GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | |
| Core Reduction | 2041 2525 | PD | 0.00 | (3,340,512) | 0 | 0 | (3,340,512) | |
| Core Reduction | 2041 2526 | PD | 0.00 | 0 | (6,259,488) | 0 | (6,259,488) | |
| Core Reduction | 2053 2525 | PD | 0.00 | (13,522,978) | 0 | 0 | (13,522,978) | |
| **NET GOVERNOR CHANGES** | | | **0.00** | **(17,385,445)** | **(7,237,533)** | **0** | **(24,622,978)** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | | |
| | | EE | 0.00 | 200,000 | 207,578 | 0 | 407,578 | |
| | | PD | 0.00 | 93,024,439 | 795,191,233 | 323,690,613 | 1,211,906,285 | |
| | | **Total** | **0.00** | **93,224,439** | **795,398,811** | **323,690,613** | **1,212,313,863** | |

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHARMACY | | | | | | | | |
| CORE | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 200,000 | 0.00 | 200,000 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 1,389,739 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 | 207,578 | 0.00 |
| TOTAL - EE | 1,389,739 | 0.00 | 207,578 | 0.00 | 407,578 | 0.00 | 407,578 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 33,903,608 | 0.00 | 124,739,301 | 0.00 | 110,409,884 | 0.00 | 93,024,439 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 839,959,150 | 0.00 | 848,001,020 | 0.00 | 802,428,766 | 0.00 | 795,191,233 | 0.00 |
| PHARMACY REBATES | 261,807,650 | 0.00 | 236,745,912 | 0.00 | 236,745,912 | 0.00 | 236,745,912 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 4,217,574 | 0.00 | 4,217,574 | 0.00 | 4,217,574 | 0.00 | 4,217,574 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 59,678,512 | 0.00 | 64,827,527 | 0.00 | 64,827,527 | 0.00 | 64,827,527 | 0.00 |
| HEALTH INITIATIVES | 3,543,350 | 0.00 | 3,543,350 | 0.00 | 3,543,350 | 0.00 | 3,543,350 | 0.00 |
| LIFE SCIENCES RESEARCH TRUST | 10,556,250 | 0.00 | 10,556,250 | 0.00 | 10,556,250 | 0.00 | 10,556,250 | 0.00 |
| PREMIUM | 3,800,000 | 0.00 | 3,800,000 | 0.00 | 3,800,000 | 0.00 | 3,800,000 | 0.00 |
| TOTAL - PD | 1,217,466,094 | 0.00 | 1,296,430,934 | 0.00 | 1,236,529,263 | 0.00 | 1,211,906,285 | 0.00 |
| **TOTAL** | **1,218,855,833** | **0.00** | **1,296,638,512** | **0.00** | **1,236,936,841** | **0.00** | **1,212,313,863** | **0.00** |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 935,369 | 0.00 | 377,587 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 6,069,272 | 0.00 | 2,553,349 | 0.00 |
| PHARMACY REBATES | 0 | 0.00 | 0 | 0.00 | 1,180,308 | 0.00 | 476,463 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 0 | 0.00 | 1,259,920 | 0.00 | 508,601 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 9,444,869 | 0.00 | 3,916,000 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **9,444,869** | **0.00** | **3,916,000** | **0.00** |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 352,460 | 0.00 | 240,202 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 2,286,989 | 0.00 | 1,624,316 | 0.00 |
| PHARMACY REBATES | 0 | 0.00 | 0 | 0.00 | 444,757 | 0.00 | 303,103 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHARMACY** | | | | | | | | |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| PHARMACY REIMBURSEMENT ALLOWAN | 0 | 0.00 | 0 | 0.00 | 474,756 | 0.00 | 323,547 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 3,558,962 | 0.00 | 2,491,168 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **3,558,962** | **0.00** | **2,491,168** | **0.00** |
| **MO HEALTHNET GR PICKUP - 1886018** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 13,107,337 | 0.00 | 13,107,337 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 13,107,337 | 0.00 | 13,107,337 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **13,107,337** | **0.00** | **13,107,337** | **0.00** |
| **Pharmacy PMPM Inc-Specialty - 1886011** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 19,524,645 | 0.00 | 18,853,984 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 35,105,029 | 0.00 | 35,328,801 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 54,629,674 | 0.00 | 54,182,785 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **54,629,674** | **0.00** | **54,182,785** | **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** |

# 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.**

**Governor's Recommended**

| Total | % Flex | Flex Amount |
|---|---|---|
| $ 1,212,313,863 | 10% | $ 121,231,386 |

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, 11.550, 11.555, and 11.595.

**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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHARMACY | | | | | | | | |
| CORE | | | | | | | | |
| PROFESSIONAL SERVICES | 1,389,739 | 0.00 | 207,578 | 0.00 | 407,578 | 0.00 | 407,578 | 0.00 |
| TOTAL - EE | 1,389,739 | 0.00 | 207,578 | 0.00 | 407,578 | 0.00 | 407,578 | 0.00 |
| PROGRAM DISTRIBUTIONS | 1,217,466,094 | 0.00 | 1,296,430,934 | 0.00 | 1,236,529,263 | 0.00 | 1,211,906,285 | 0.00 |
| TOTAL - PD | 1,217,466,094 | 0.00 | 1,296,430,934 | 0.00 | 1,236,529,263 | 0.00 | 1,211,906,285 | 0.00 |
| GRAND TOTAL | $1,218,855,833 | 0.00 | $1,296,638,512 | 0.00 | $1,236,936,841 | 0.00 | $1,212,313,863 | 0.00 |
| GENERAL REVENUE | $33,903,608 | 0.00 | $124,739,301 | 0.00 | $110,609,884 | 0.00 | $93,224,439 | 0.00 |
| FEDERAL FUNDS | $841,348,889 | 0.00 | $848,208,598 | 0.00 | $802,636,344 | 0.00 | $795,398,811 | 0.00 |
| OTHER FUNDS | $343,603,336 | 0.00 | $323,690,613 | 0.00 | $323,690,613 | 0.00 | $323,690,613 | 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 safe/cost 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.

**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.

**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.

**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.

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

- Edits - Dose Optimization: Effective for dates of service on or after April 16, 2002, claims submitted to the MO HealthNet Pharmacy Program are subject to edits to identify claims for pharmacy services that fall outside expected patterns of use for certain products. Overrides to these edit denials can be processed through the Pharmacy hotline. Justification for utilization outside expected patterns, such as Food and Drug Administration (FDA) approved labeling, is required for approval of such an override.
- Generic Incentives: Effective for dates of service January 1, 2010 and beyond, the MO HealthNet Pharmacy Program began paying pharmacy providers a generic product preferred incentive fee. This program initiative will continue to emphasize the preference for generic utilization within the MO HealthNet pharmacy program by paying pharmacy providers an enhanced incentive fee of $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.
- 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.

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

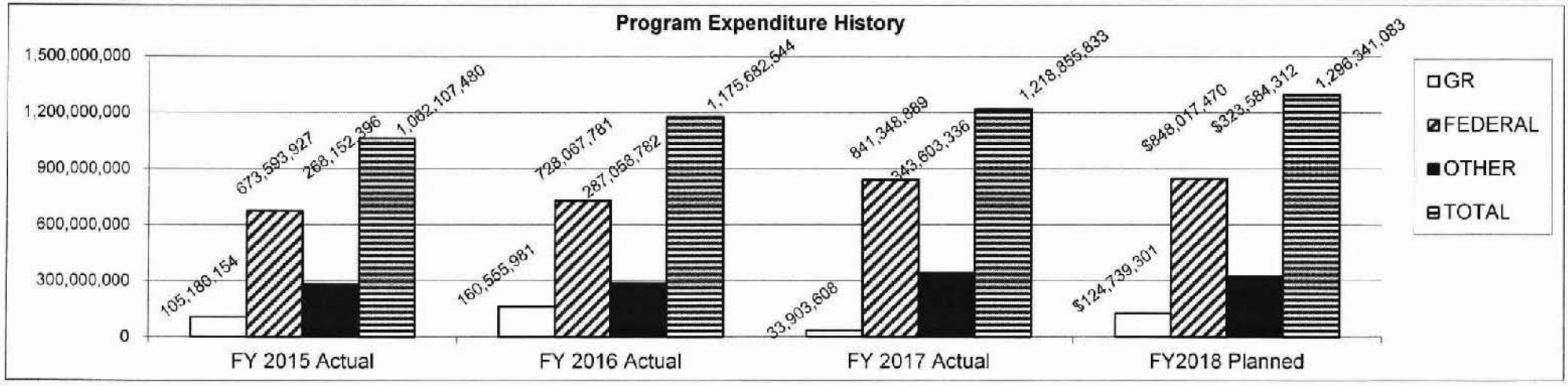
**3. Are there federal matching requirements? If yes, please explain.**

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.

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



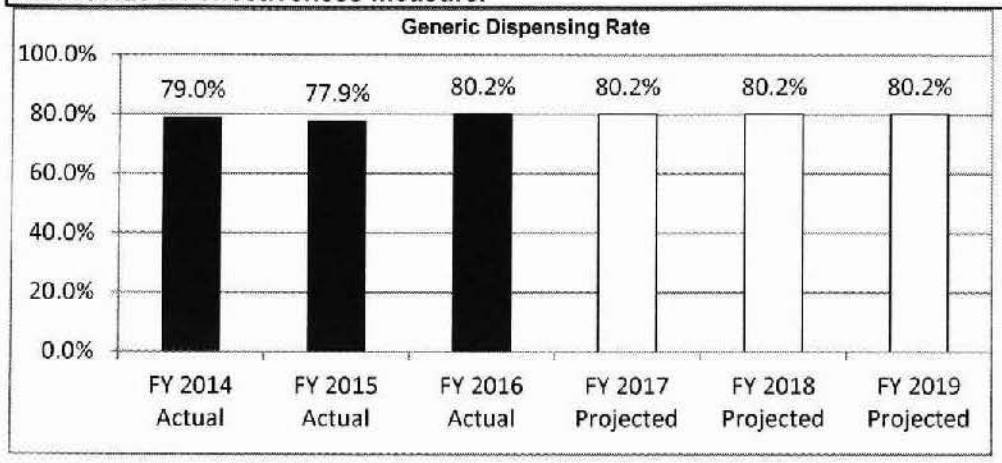

FY 2018 planned is net of reverted and reserve.

**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).

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

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

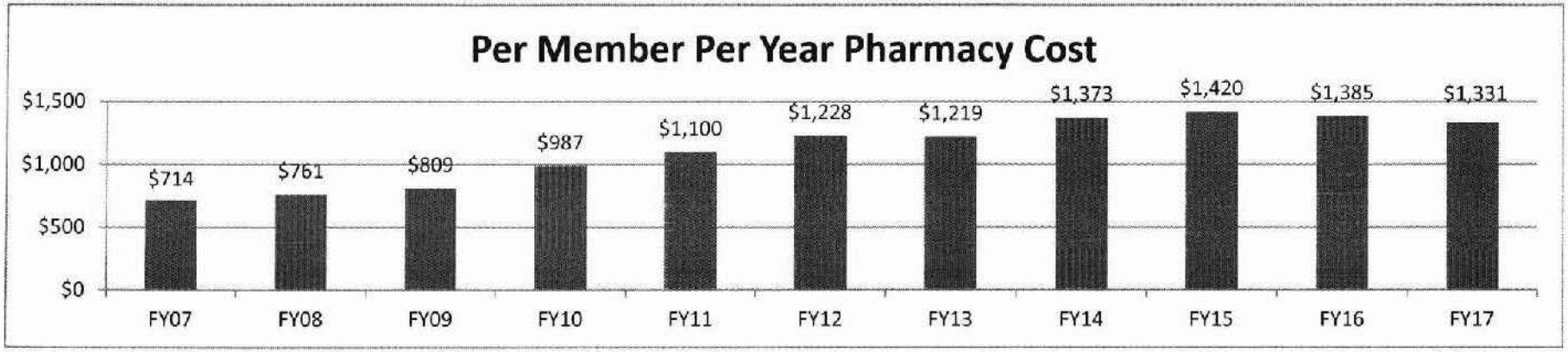



The generic dispensing rate is a measure of the percent of prescriptions filled with a generic medication.
*The Pharmacy Program within the MO HealthNet Division will implement a medication safety approach modeled after CMS' launch of the Overutilization Monitoring System (OMS) for Medicare Part D. Similar to the OMS, MHD's approach involves implementation of prospective claim controls at the point-of-sale (POS) for opioids, use of retrospective drug utilization review to identify participants at high risk for adverse events due opioids, case management with prescribers, followed by beneficiary-specific POS edits to address overutilization as necessary. The performance measure for the MHD-OMS will involve tracking a reduction in the total number of MHD participants identified at the greatest risk of harm from opioids. Additionally, future performance measures may include a reduction in medical-related costs for MHD participants with opioid use disorder diagnosis, compared to the ongoing cost of claims for Buprenorphine therapy.*

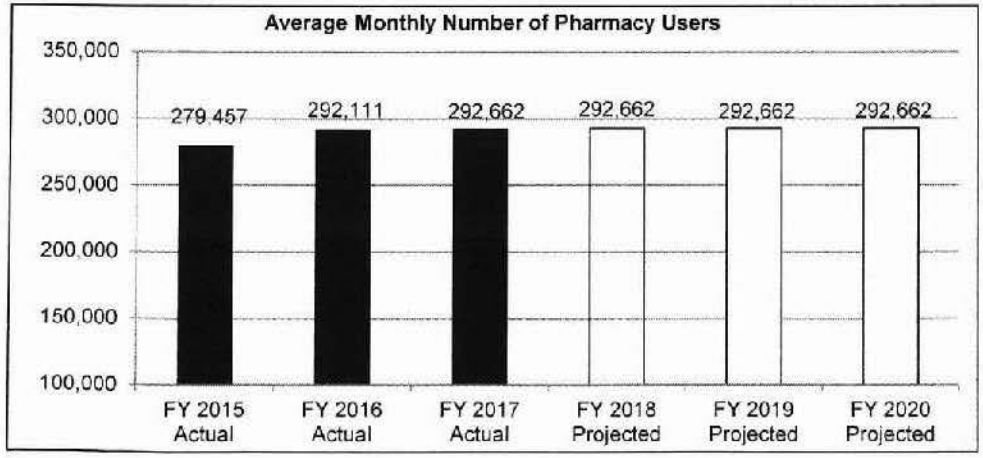
**Department: Social Services** **HB Section: 11.435**
**Program Name: Pharmacy**
**Program is found in the following core budget(s): Pharmacy**

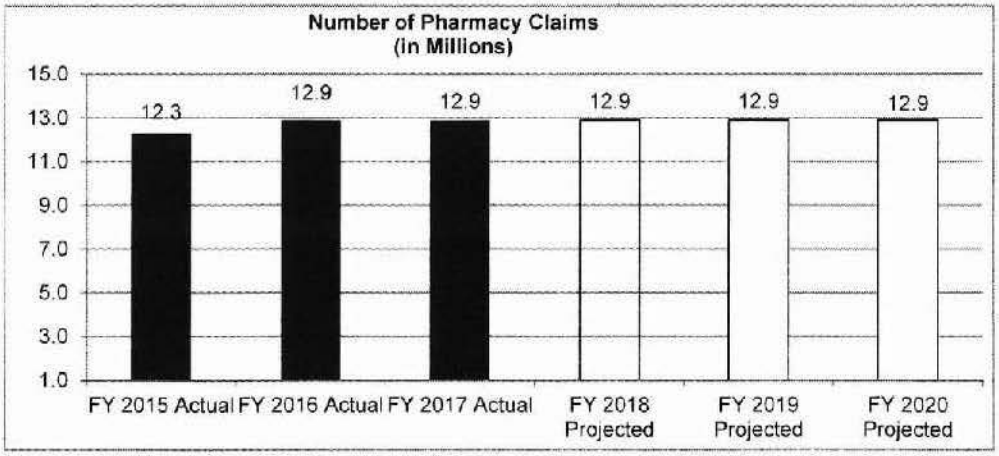
**7b. Provide an efficiency measure.**

*In the future MHD will monitor fiscal stewardship of the pharmacy program by developing efficiency measures around PMPM drug cost trends and cost per claim, generic dispensing, and cost avoidance.*




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




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

N/A

## CORE DECISION ITEM

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

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 226,750,733 | 0 | 0 | 226,750,733 | |
| TRF | | | | | |
| **Total** | **226,750,733** | **0** | **0** | **226,750,733** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 226,750,733 | 0 | 0 | 226,750,733 | |
| TRF | | | | | |
| **Total** | **226,750,733** | | | **226,750,733** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other funds: N/A

### 2. CORE DESCRIPTION

This core request is for the continued funding of the Medicare Part D "Clawback". "Clawback" refers to that portion of the Medicare Prescription Drug Act which requires states to pay Medicare a portion of the cost of Part D drugs attributable to what would have been paid for by the state absent the Part D drug benefit.

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

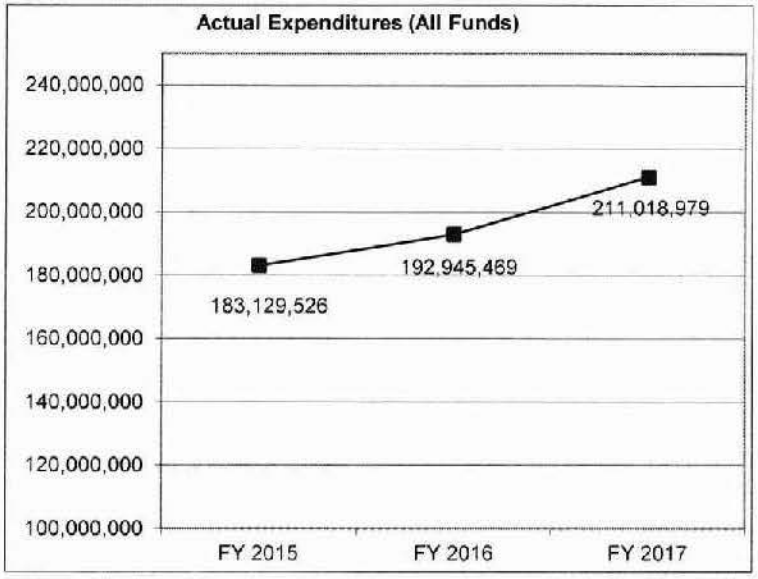
Pharmacy-Medicare Part D "Clawback"

## CORE DECISION ITEM

**Department: Social Services** | **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) | |




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** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **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 | 226,750,733 | 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 | 226,750,733 | 0.00 |
| **TOTAL** | **211,018,979** | **0.00** | **228,376,331** | **0.00** | **226,750,733** | **0.00** | **226,750,733** | **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** | **$226,750,733** | **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.**

**Governor's Recommended**

| Total | % Flex | Flex Amount |
|---|---|---|
| $ 226,750,733 | 10% | $ 22,675,073 |

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, 11.550, 11.555, and 11.595.

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

## 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"**

### 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 18 | $138.18 | ($3.16) |
| Jan-Sept 18 | $141.34 | $1.70 |
| Oct-Dec 17 | $139.63 | ($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. 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.

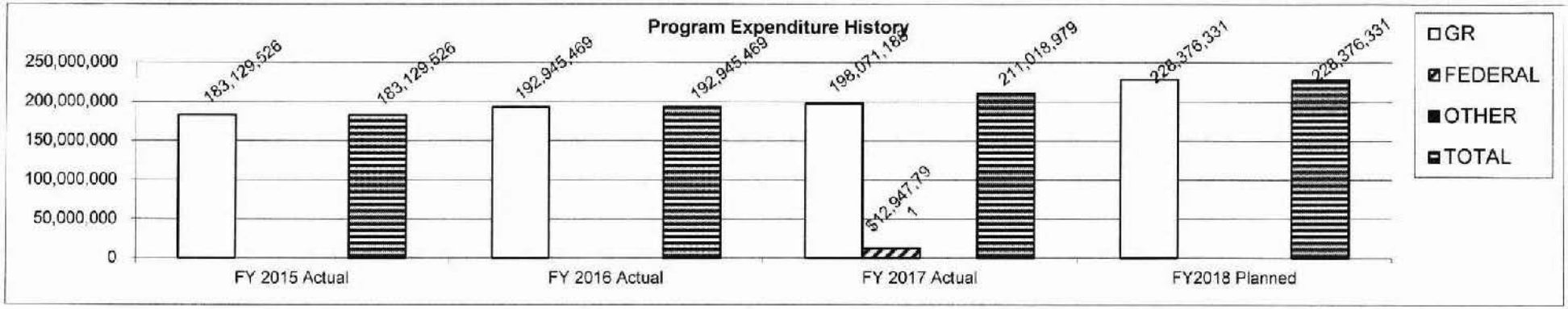
**4. Is this a federally mandated program? If yes, please explain.**

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.**




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

N/A

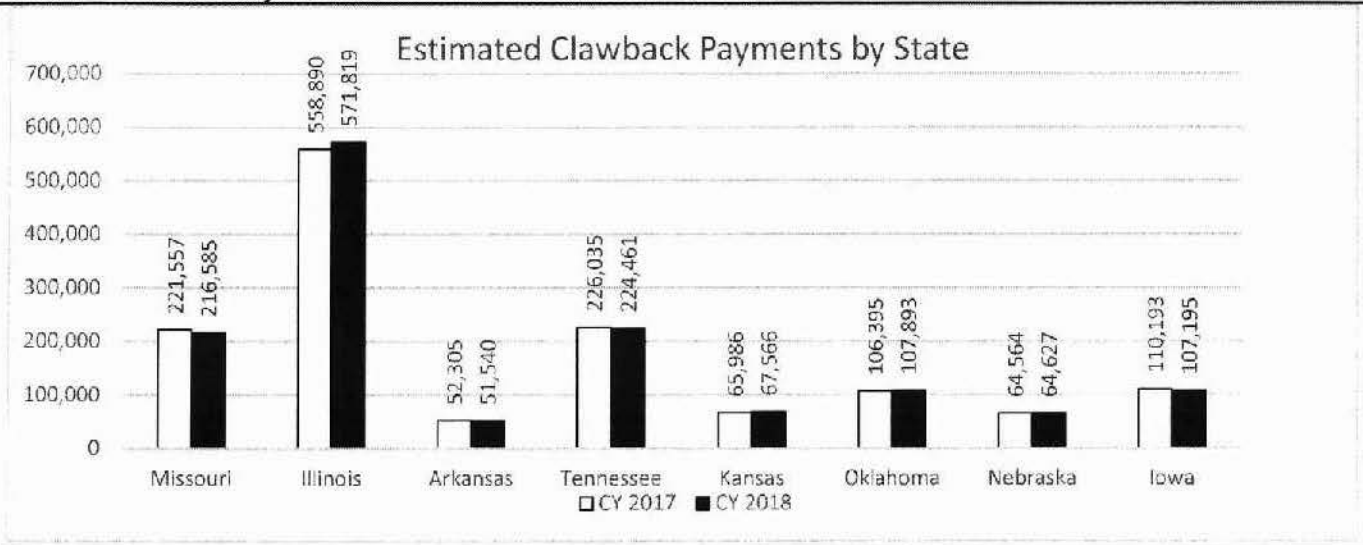
**7a. Provide an effectiveness measure.**

**FY17 Clawback Payments**

| Billing Period | Member Mos Billed @monthly rate | Monthly Rate | Retros Pd | Total Paid w/retros |
|---|---|---|---|---|
| May 16 | 132,340 | 129.44 | $ 923 | $ 17,131,013 |
| Jun 16 | 134,764 | 129.44 | $ 604 | $ 17,444,456 |
| Jul 16 | 133,785 | 129.44 | $ - | $ 17,317,130 |
| Aug 16 | 133,017 | 129.44 | $ 231 | $ 17,217,952 |
| Sep 16 | 131,813 | 129.44 | $ - | $ 17,061,875 |
| Oct 16 | 127,788 | 129.44 | $ 619,085 | $ 17,190,633 |
| Nov 16 | 129,519 | 129.68 | $ 228,850 | $ 17,024,874 |
| Dec 16 | 131,555 | 129.68 | $ 126,981 | $ 17,187,033 |
| Jan 17 | 127,535 | 129.68 | $ 645,676 | $ 19,158,657 |
| Feb 17 | 129,912 | 145.16 | $ 257,673 | $ 19,115,699 |
| Mar 17 | 132,901 | 145.16 | $ 141,611 | $ 19,433,520 |
| April 17 | 135,438 | 145.16 | $ 960 | $ 19,661,140 |
| May 17 | 135,439 | 145.16 | $ 960 | $ 12,844,369 |
| | | | | **$ 227,788,351** |

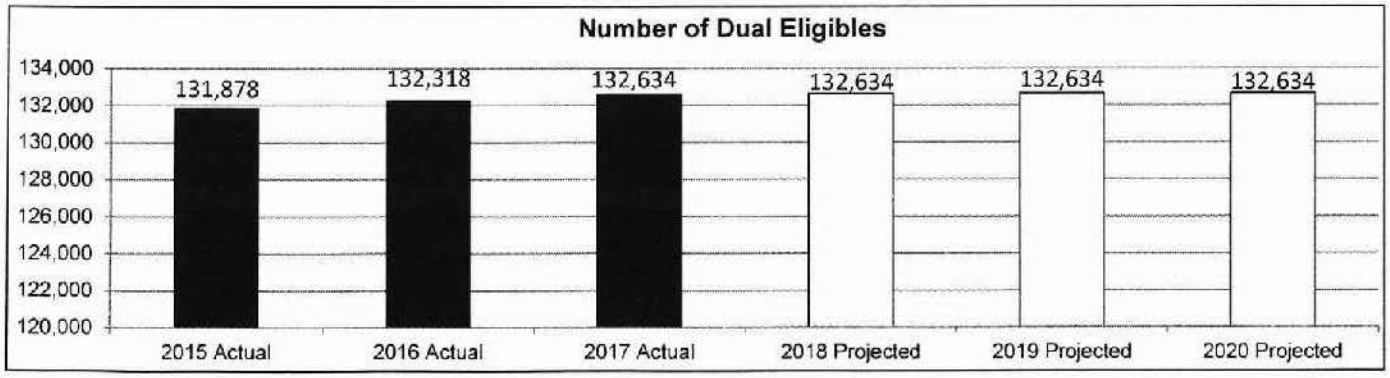
**Department: Social Services** **HB Section: 11.435**
**Program Name: Pharmacy - Medicare Part D "Clawback"**
**Program is found in the following core budget(s): Pharmacy - Medicare Part D "Clawback"**

**7b. Provide an efficiency measure.**




| March 2017 Enrollments | |
|---|---|
| Missouri | 128,414 |
| Illinois | 298,368 |
| Arkansas | 62,969 |
| Tennessee | 148,081 |
| Kansas | 37,355 |
| Oklahoma | 90,464 |
| Nebraska | 33,559 |
| Iowa | 63,547 |

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




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

N/A

NEW DECISION ITEM
RANK: 16 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Clawback Increase DI# 1886013

Budget Un 90543C
HB Section 11.435

## 1. AMOUNT OF REQUEST

FY 2019 Budget Request

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 3,224,870 | 0 | 0 | 3,224,870 | |
| TRF | | | | | |
| Total | 3,224,870 | 0 | 0 | 3,224,870 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| Est. Fringe | 0 | 0 | 0 | 0 | |

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

Other Funds: N/A

FY 2019 Governor's Recommendation

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 0 | 0 | 0 | 0 | |
| TRF | | | | | |
| Total | 0 | 0 | 0 | 0 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| Est. Fringe | 0 | 0 | 0 | 0 | |

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

Other Funds: N/A

## 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.

NEW DECISION ITEM

RANK: 16 OF 22

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

**The Governor's Recommended budget did not inlcude funding for Clawback due to a decrease in the clawback rate.**

| | | #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) |

NEW DECISION ITEM

RANK: 16 OF 22

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** | |

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

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

NEW DECISION ITEM

RANK: 16 OF 22

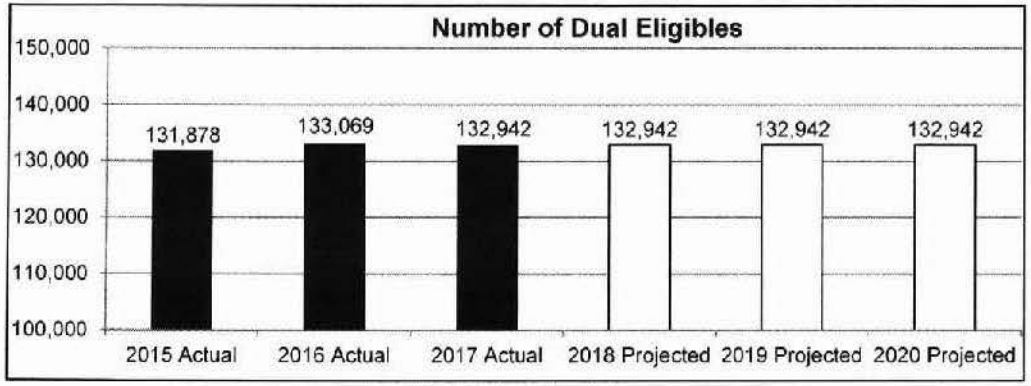
Department: Social Services

Budget Unit 90543C

Division: MO HealthNet

DI Name: Clawback Increase DI# 1886013

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




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

N/A

7. STRATEGIES TO ACHIEVE THE PERFORMANCE MEASUREMENT TARGETS:

N/A

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **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** |

## CORE DECISION ITEM

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

**Budget Unit: 90538C**

**HB Section: 11.435**

### 1. CORE FINANCIAL SUMMARY

| | FY 2019 Budget Request | | | | |
|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E |
| PS | | | | | |
| EE | | | | | |
| PSD | 6,907,477 | 0 | 4,655,326 | 11,562,803 | |
| TRF | | | | | |
| Total | 6,907,477 | 0 | 4,655,326 | 11,562,803 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | 0 | 0 | 0 | 0 | |

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

Other Funds: Missouri Rx Plan Fund (0779) - $4,655,326

| | FY 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E |
| PS | | | | | |
| EE | | | | | |
| PSD | 6,715,564 | 0 | 4,655,326 | 11,370,890 | |
| TRF | | | | | |
| Total | 6,715,564 | 0 | 4,655,326 | 11,370,890 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | 0 | 0 | 0 | 0 | |

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

Other Funds: Missouri Rx Plan Fund (0779) - $4,655,326

### 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

CORE DECISION ITEM

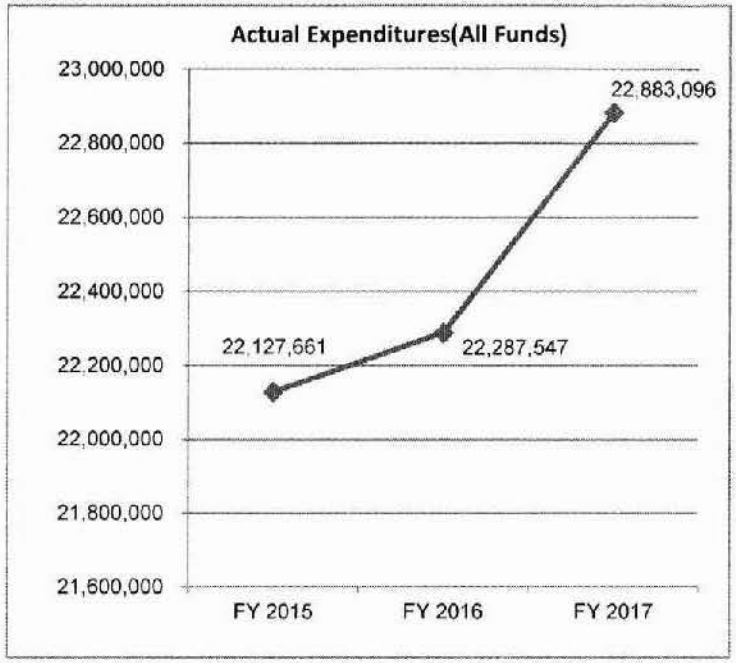
**Department: Social Services**
**Division: MO HealthNet**
**Core: Missouri Rx Plan**

**Budget Unit: 90538C**

**HB Section: 11.435**

## 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) | |




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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | |
| Core Reduction 2042 4235 | PD | 0.00 | (191,913) | 0 | 0 | (191,913) | |
| **NET GOVERNOR CHANGES** | | **0.00** | **(191,913)** | **0** | **0** | **(191,913)** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | |
| | PD | 0.00 | 6,715,564 | 0 | 4,655,326 | 11,370,890 | |
| | **Total** | **0.00** | **6,715,564** | **0** | **4,655,326** | **11,370,890** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **MISSOURI RX PLAN** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 16,499,693 | 0.00 | 6,907,477 | 0.00 | 6,907,477 | 0.00 | 6,715,564 | 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 | 4,655,326 | 0.00 |
| TOTAL - PD | 22,883,096 | 0.00 | 11,562,803 | 0.00 | 11,562,803 | 0.00 | 11,370,890 | 0.00 |
| **TOTAL** | **22,883,096** | **0.00** | **11,562,803** | **0.00** | **11,562,803** | **0.00** | **11,370,890** | **0.00** |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 66,662 | 0.00 | 27,639 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 66,662 | 0.00 | 27,639 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **66,662** | **0.00** | **27,639** | **0.00** |
| **Year 2 Asset Limit increase - 0000017** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 25,120 | 0.00 | 17,583 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 25,120 | 0.00 | 17,583 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **25,120** | **0.00** | **17,583** | **0.00** |
| **GRAND TOTAL** | **$22,883,096** | **0.00** | **$11,562,803** | **0.00** | **$11,654,585** | **0.00** | **$11,416,112** | **0.00** |

## FLEXIBILITY REQUEST FORM

| | | | |
|---|---|---|---|
| **BUDGET UNIT NUMBER:** | 90541C | **DEPARTMENT:** | Social Services |
| **BUDGET UNIT NAME:** | MO Rx | | |
| **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.**

**Governor's Recommended**

| Total | % Flex | Flex Amount |
|---|---|---|
| $ 11,416,112 | 10% | $ 1,141,611 |

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, 11.550, 11.555, and 11.595.

**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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| MISSOURI RX PLAN | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 22,883,096 | 0.00 | 11,562,803 | 0.00 | 11,562,803 | 0.00 | 11,370,890 | 0.00 |
| TOTAL - PD | 22,883,096 | 0.00 | 11,562,803 | 0.00 | 11,562,803 | 0.00 | 11,370,890 | 0.00 |
| GRAND TOTAL | $22,883,096 | 0.00 | $11,562,803 | 0.00 | $11,562,803 | 0.00 | $11,370,890 | 0.00 |
| GENERAL REVENUE | $16,499,693 | 0.00 | $6,907,477 | 0.00 | $6,907,477 | 0.00 | $6,715,564 | 0.00 |
| FEDERAL FUNDS | $728,077 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| OTHER FUNDS | $5,655,326 | 0.00 | $4,655,326 | 0.00 | $4,655,326 | 0.00 | $4,655,326 | 0.00 |

## PROGRAM DESCRIPTION

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

### 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: 11.435**
**Program Name: Missouri Rx Plan**
**Program is found in the following core budget(s): Missouri Rx Plan**

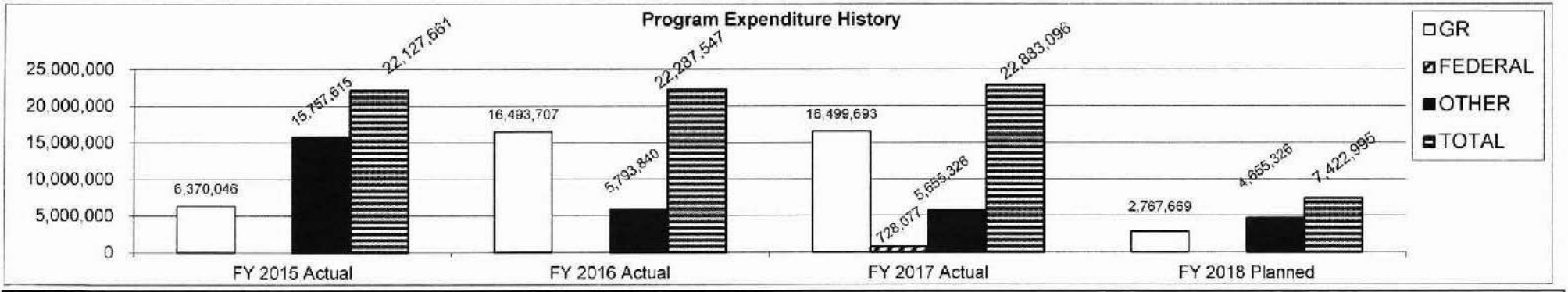
**3. Are there federal matching requirements? If yes, please explain.**

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.**



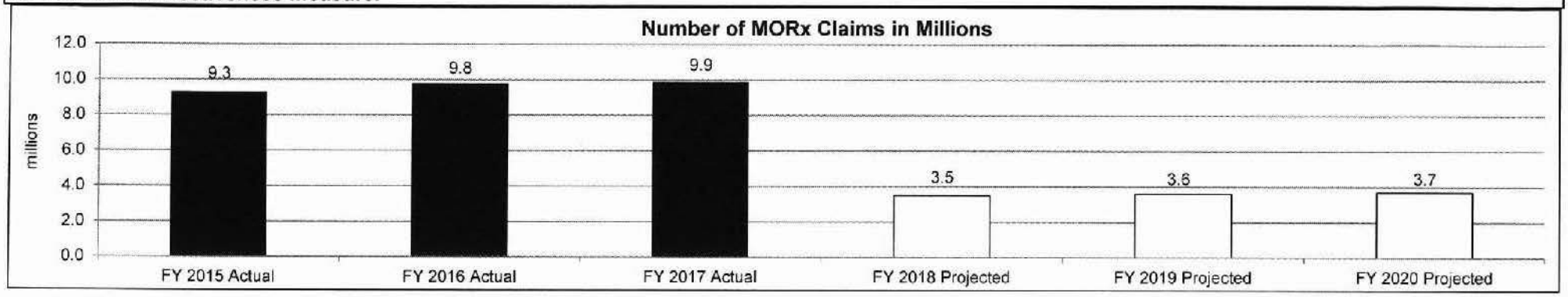

**6. What are the sources of the "Other " funds?**

Missouri Rx Plan Fund (0779)

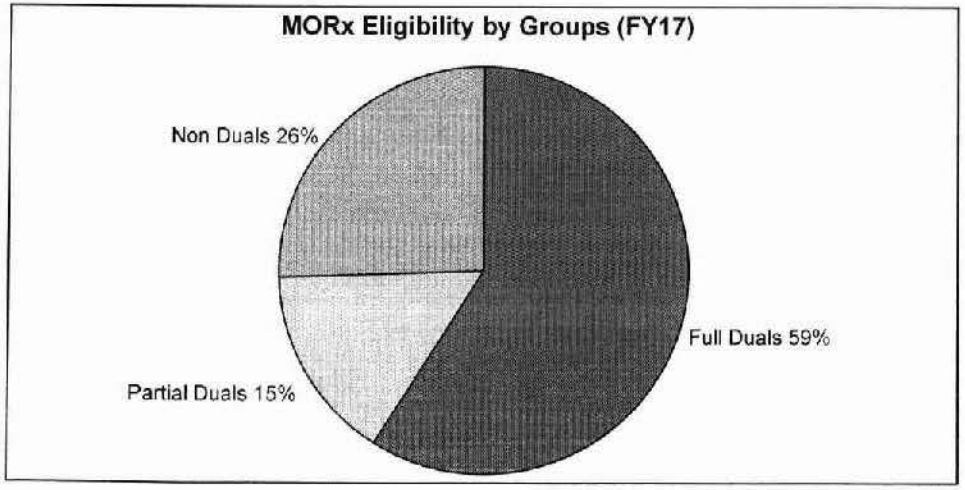
## PROGRAM DESCRIPTION

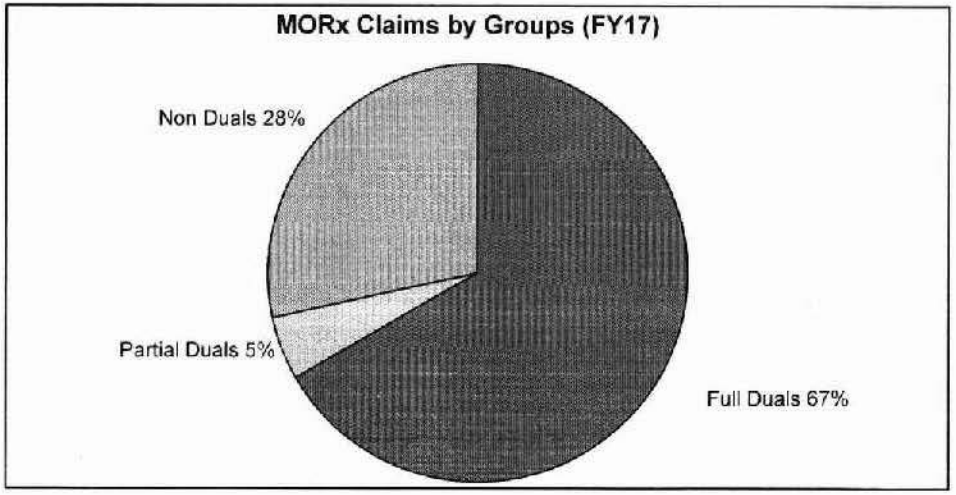
**Department: Social Services** **HB Section: 11.435**
**Program Name: Missouri Rx Plan**
**Program is found in the following core budget(s): Missouri Rx Plan**

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



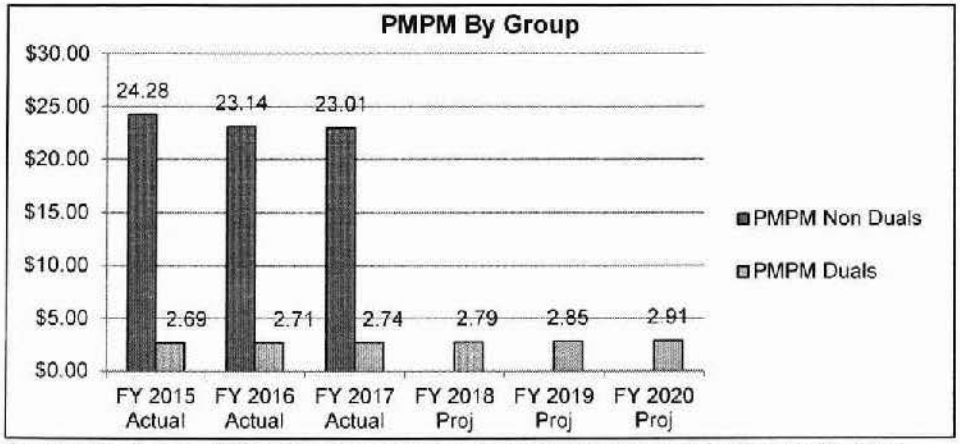

Beginning July 1, 2017 MO Rx covers only dual (Medicare/Medicaid) eligibles.

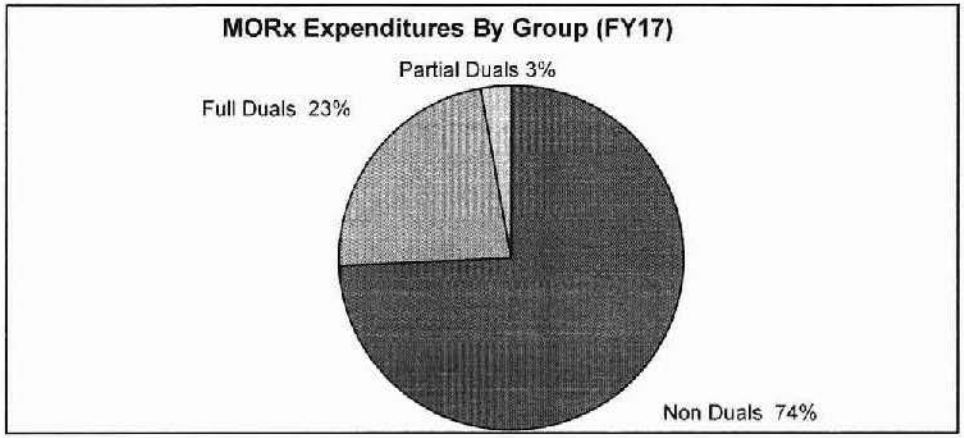


**Department: Social Services** **HB Section: 11.435**
**Program Name: Missouri Rx Plan**
**Program is found in the following core budget(s): Missouri Rx Plan**

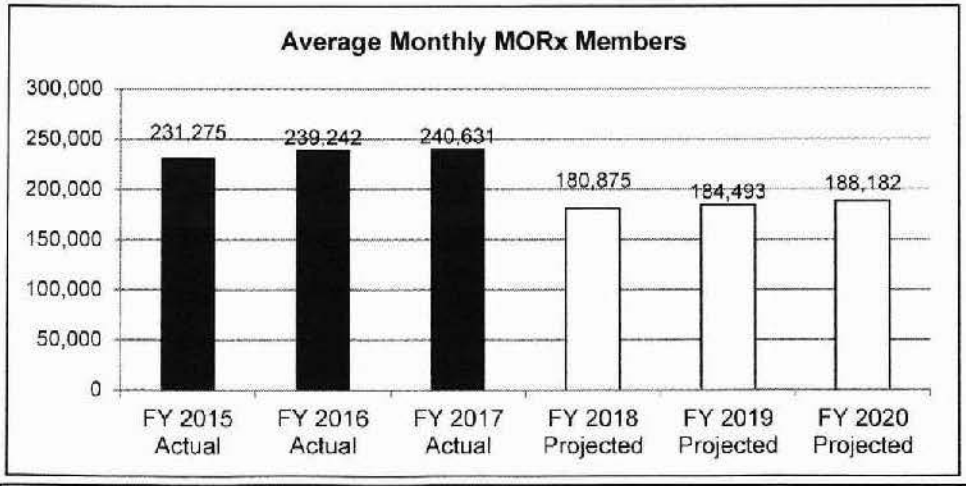
## 7b. Provide an efficiency measure.




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

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




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

N/A

## CORE DECISION ITEM

**Department: Social Services** | **Budget Unit: 90542C**
**Division: MO HealthNet**
**Core: Pharmacy Reimbursement Allowance (PFRA) Payments** | **HB Section: 11.440**

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 0 | 0 | 108,308,926 | 108,308,926 | |
| TRF | | | | | |
| Total | 0 | 0 | 108,308,926 | 108,308,926 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Pharmacy Reimbursement Allowance Fund (0144) - $108,308,926

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 0 | 0 | 108,308,926 | 108,308,926 | |
| TRF | | | | | |
| Total | 0 | 0 | 108,308,926 | 108,308,926 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: Pharmacy Reimbursement Allowance Fund (0144) - $108,308,926

### 2. CORE DESCRIPTION

This item funds payments for pharmacy services provided to MO HealthNet participants. Funds from this core are used to provide enhanced dispensing fee payment rates using the Pharmacy Reimbursement Allowance under the Title XIX of the Social Security Act as a General Revenue equivalent.

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

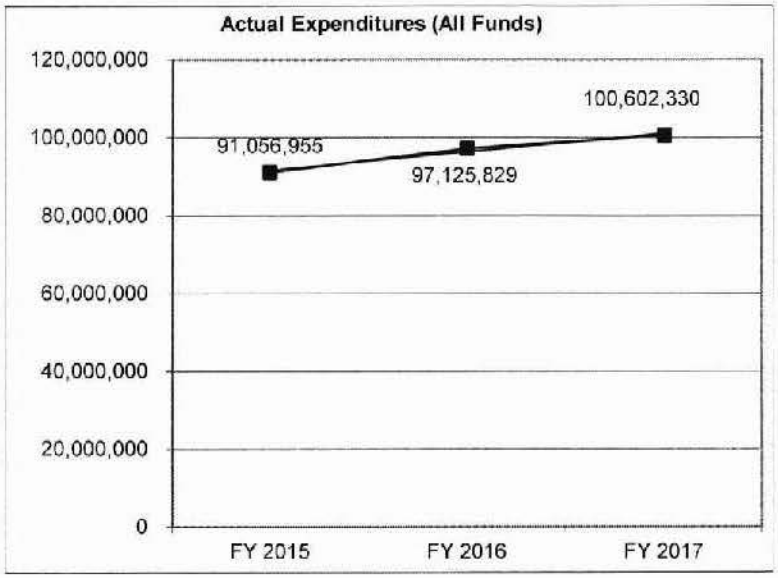
Pharmacy Reimbursement Allowance (PFRA) Program

CORE DECISION ITEM

**Department: Social Services** | **Budget Unit: 90542C**
**Division: MO HealthNet**
**Core: Pharmacy Reimbursement Allowance (PFRA) Payments** | **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 |




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** | |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHARMACY FRA | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| PHARMACY REIMBURSEMENT ALLOWAN | 100,602,330 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| TOTAL - PD | 100,602,330 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| TOTAL | 100,602,330 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| GRAND TOTAL | $100,602,330 | 0.00 | $108,308,926 | 0.00 | $108,308,926 | 0.00 | $108,308,926 | 0.00 |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHARMACY FRA | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 100,602,330 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| TOTAL - PD | 100,602,330 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 | 108,308,926 | 0.00 |
| GRAND TOTAL | $100,602,330 | 0.00 | $108,308,926 | 0.00 | $108,308,926 | 0.00 | $108,308,926 | 0.00 |
| GENERAL REVENUE | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| FEDERAL FUNDS | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 | $0 | 0.00 |
| OTHER FUNDS | $100,602,330 | 0.00 | $108,308,926 | 0.00 | $108,308,926 | 0.00 | $108,308,926 | 0.00 |

## PROGRAM DESCRIPTION

**Department: Social Services** **HB Section: 11.440**
**Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments**
**Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)**

### 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%. Starting 7/1/17, the PFRA tax rate is 1.59%. 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%.

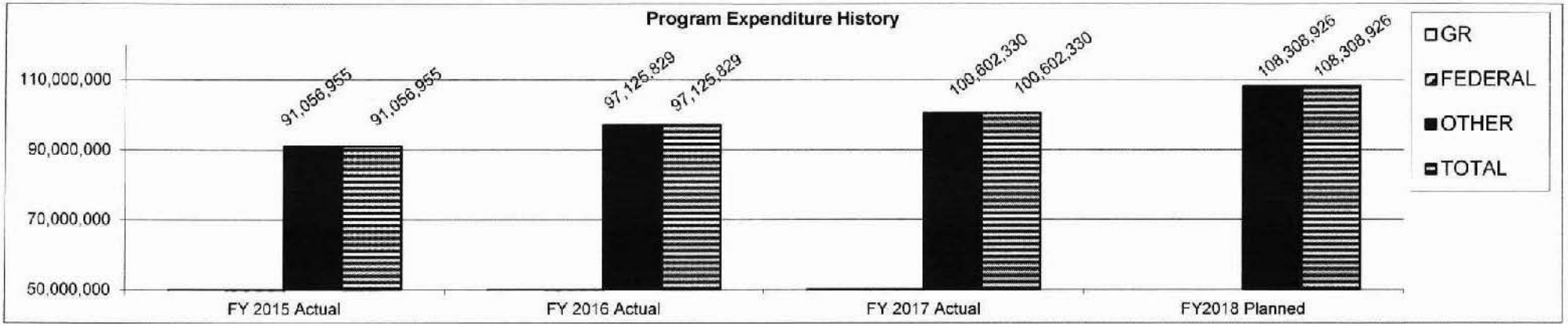
## PROGRAM DESCRIPTION

**Department: Social Services** **HB Section: 11.440**
**Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments**
**Program is found in the following core budget(s): Pharmacy Reimbursement Allowance (PFRA)**

**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.**




**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 |
| 2015 | $89.1 mil |
| 2016 | $98.1 mil |
| 2017 | $96.9 mil |
| 2018 | $96.9 mil estimated |
| 2019 | $96.9 mil estimated |
| 2020 | $96.9 mil estimated |

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

N/A

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

N/A

## CORE DECISION ITEM

**Department: Social Services**
**Division: MO HealthNet**
**Core: Physician Related**

**Budget Unit: 90544C, 90842C**

**HB Section: 11.455**

### 1. CORE FINANCIAL SUMMARY

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

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

Other Funds: Health Initiatives Fund (HIF) (0275) - $1,427,081
Healthy Families Trust Fund (0625) - $11,825,877
Pharmacy Reimbursement Allowance Fund (0144) - $10,000
Third Party Liability Collections Fund (0120) - $241,046

| | FY 2019 Governor's Recommendation | | | | |
|---|---|---|---|---|---|
| | GR | Federal | Other | Total | E |
| PS | | | | | |
| EE | 1,705,342 | 1,915,395 | 1 | 3,620,738 | |
| PSD | 99,639,586 | 274,239,215 | 13,504,003 | 387,382,804 | |
| TRF | | | | 0 | |
| **Total** | **101,344,928** | **276,154,610** | **13,504,004** | **391,003,542** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: Health Initiatives Fund (HIF) (0275) - $1,427,081
Healthy Families Trust Fund (0625) - $11,825,877
Pharmacy Reimbursement Allowance Fund (0144) - $10,000
Third Party Liability Collections Fund (0120) - $241,046

### 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

CORE DECISION ITEM

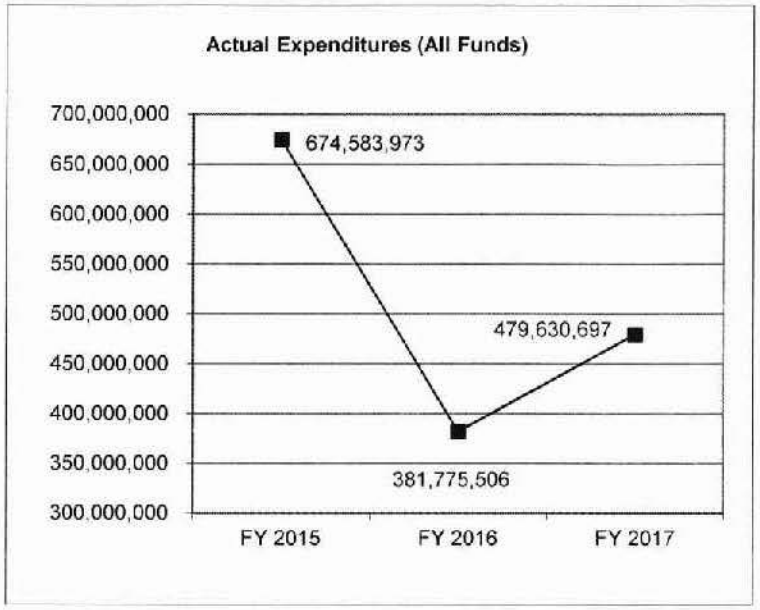
**Department: Social Services**
**Division: MO HealthNet**
**Core: Physician Related**

**Budget Unit: 90544C**

**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) | |




*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.

**Department: Social Services**
**Division: MO HealthNet**
**Core: Physician Related**

**Budget Unit: 90544C**

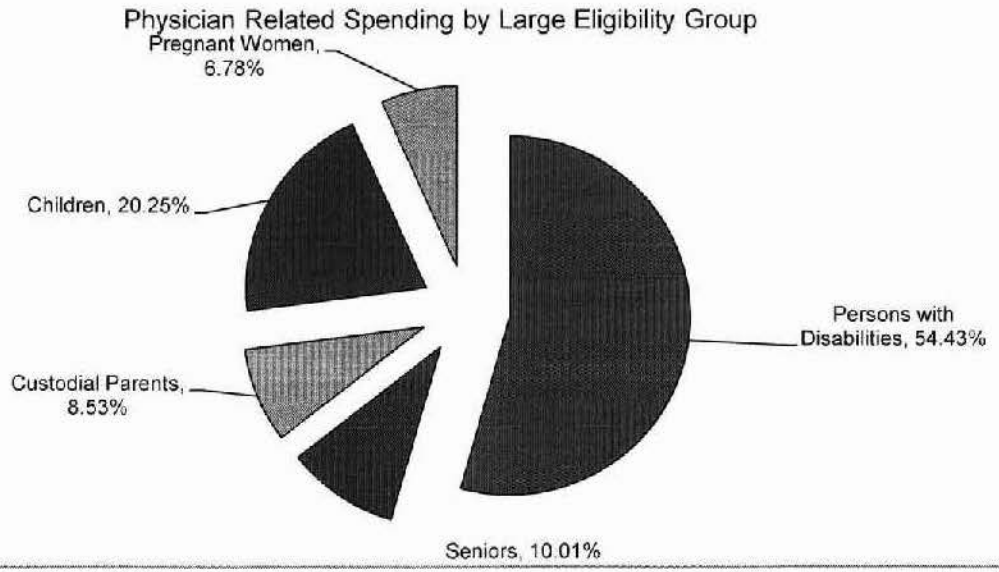
**HB Section: 11.455**

**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*




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

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides MO HealthNet management with a high level aggregate spending metric.

PMPM is calculated by dividing costs by the number of eligibles enrolled. Since caseload growth is accounted for when determining PMPM, the PMPM provides management with a better tool than just comparing overall increases in spending.

The PMPM table reflects the PMPM amounts for managed care, acute care, and total. The acute care PMPM is made up of payments for the following services: inpatient, physician/lab/x-ray, outpatient/clinic, pharmacy, managed care payments, Medicare co-pay/deductibles, dental and other acute services administered by MO HealthNet. It does not include nursing facilities, in-home services, mental health services and state institutions. By comparing the managed care PMPM to the acute care PMPM, MO HealthNet management can monitor the progress of interventions controlled by MO HealthNet management.

The Spending by Large Eligibility Group (left) shows the percentage of spending by each eligibility group for managed care. It provides a snapshot of what eligibility groups are enrolled in managed care, as well as the populations impacted by program changes.

**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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | | |
| Core Reduction | 1958 | 8196 | PD | 0.00 | (1,696,725) | 0 | 0 | (1,696,725) | |

**DEPARTMENT OF SOCIAL SERVICES**
**PHYSICIAN RELATED PROF**

## 5. CORE RECONCILIATION DETAIL

| | | Budget Class | FTE | GR | Federal | Other | Total | Explanation |
|---|---|---|---|---|---|---|---|---|
| **GOVERNOR'S ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | |
| Core Reduction | 2057 8196 | PD | 0.00 | (7,986,374) | 0 | 0 | (7,986,374) | |
| Core Reallocation | 1651 8197 | PD | 0.00 | 0 | (7,834,819) | 0 | (7,834,819) | MC lapse reallocated to Physician |
| Core Reallocation | 1651 8196 | PD | 0.00 | (4,307,885) | 0 | 0 | (4,307,885) | MC lapse reallocated to Physician |
| **NET GOVERNOR CHANGES** | | | **0.00** | **(13,990,984)** | **(7,834,819)** | **0** | **(21,825,803)** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | | |
| | | EE | 0.00 | 1,705,342 | 1,915,395 | 1 | 3,620,738 | |
| | | PD | 0.00 | 99,152,778 | 273,340,222 | 13,504,003 | 385,997,003 | |
| | | **Total** | **0.00** | **100,858,120** | **275,255,617** | **13,504,004** | **389,617,741** | |

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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | |
| Core Reduction 2059 3954 | PD | 0.00 | (13,192) | 0 | 0 | (13,192) | |
| **NET GOVERNOR CHANGES** | | **0.00** | **(13,192)** | **0** | **0** | **(13,192)** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | |
| | PD | 0.00 | 486,808 | 898,993 | 0 | 1,385,801 | |
| | **Total** | **0.00** | **486,808** | **898,993** | **0** | **1,385,801** | |

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHYSICIAN RELATED PROF** | | | | | | | | |
| **CORE** | | | | | | | | |
| EXPENSE & EQUIPMENT | | | | | | | | |
| GENERAL REVENUE | 1,367,984 | 0.00 | 1,705,342 | 0.00 | 1,705,342 | 0.00 | 1,705,342 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 267,697 | 0.00 | 1,915,395 | 0.00 | 1,915,395 | 0.00 | 1,915,395 | 0.00 |
| HEALTH INITIATIVES | 128,750 | 0.00 | 0 | 0.00 | 1 | 0.00 | 1 | 0.00 |
| TOTAL - EE | 1,764,431 | 0.00 | 3,620,737 | 0.00 | 3,620,738 | 0.00 | 3,620,738 | 0.00 |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 144,298,326 | 0.00 | 96,841,601 | 0.00 | 113,143,762 | 0.00 | 99,152,778 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 318,419,391 | 0.00 | 211,937,878 | 0.00 | 281,175,041 | 0.00 | 273,340,222 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 0 | 0.00 | 241,046 | 0.00 | 241,046 | 0.00 | 241,046 | 0.00 |
| PHARMACY REIMBURSEMENT ALLOWAN | 8,250 | 0.00 | 10,000 | 0.00 | 10,000 | 0.00 | 10,000 | 0.00 |
| HEALTH INITIATIVES | 3,298,331 | 0.00 | 1,427,081 | 0.00 | 1,427,080 | 0.00 | 1,427,080 | 0.00 |
| HEALTHY FAMILIES TRUST | 11,825,877 | 0.00 | 11,825,877 | 0.00 | 11,825,877 | 0.00 | 11,825,877 | 0.00 |
| TOTAL - PD | 477,850,175 | 0.00 | 322,283,483 | 0.00 | 407,822,806 | 0.00 | 385,997,003 | 0.00 |
| **TOTAL** | **479,614,606** | **0.00** | **325,904,220** | **0.00** | **411,443,544** | **0.00** | **389,617,741** | **0.00** |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 1,639,987 | 0.00 | 662,025 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 3,199,170 | 0.00 | 1,345,894 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 0 | 0.00 | 0 | 0.00 | 139,321 | 0.00 | 56,241 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 4,978,478 | 0.00 | 2,064,160 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **4,978,478** | **0.00** | **2,064,160** | **0.00** |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 617,971 | 0.00 | 421,148 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 1,205,493 | 0.00 | 856,192 | 0.00 |
| THIRD PARTY LIABILITY COLLECT | 0 | 0.00 | 0 | 0.00 | 52,498 | 0.00 | 35,778 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 1,875,962 | 0.00 | 1,313,118 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **1,875,962** | **0.00** | **1,313,118** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| PHYSICIAN RELATED PROF | | | | | | | | |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 57,667,549 | 0.00 | 53,946,028 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 41,472,809 | 0.00 | 36,383,192 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 99,140,358 | 0.00 | 90,329,220 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **99,140,358** | **0.00** | **90,329,220** | **0.00** |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7,986,374 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 7,986,374 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **7,986,374** | **0.00** |
| **Health Home Expansion - 1886026** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 377,130 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 678,074 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1,055,204 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **1,055,204** | **0.00** |
| **GRAND TOTAL** | **$479,614,606** | **0.00** | **$325,904,220** | **0.00** | **$517,438,342** | **0.00** | **$492,365,817** | **0.00** |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NEONATAL ABSTINENCE SYNDROME** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 500,000 | 0.00 | 500,000 | 0.00 | 486,808 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 898,993 | 0.00 | 898,993 | 0.00 | 898,993 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 1,398,993 | 0.00 | 1,398,993 | 0.00 | 1,385,801 | 0.00 |
| **TOTAL** | **0** | **0.00** | **1,398,993** | **0.00** | **1,398,993** | **0.00** | **1,385,801** | **0.00** |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,192 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 13,192 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **13,192** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$1,398,993** | **0.00** | **$1,398,993** | **0.00** | **$1,398,993** | **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.**

**Governor's Recommended**

| Total | % Flex | Flex Amount |
|---|---|---|
| $ 493,764,810 | 10% | $ 49,376,481 |

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, 11.550, 11.555, and 11.595.

**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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PHYSICIAN RELATED PROF** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROFESSIONAL SERVICES | 1,266,655 | 0.00 | 2,020,739 | 0.00 | 2,020,740 | 0.00 | 2,020,740 | 0.00 |
| MISCELLANEOUS EXPENSES | 497,776 | 0.00 | 1,599,998 | 0.00 | 1,599,998 | 0.00 | 1,599,998 | 0.00 |
| **TOTAL - EE** | **1,764,431** | **0.00** | **3,620,737** | **0.00** | **3,620,738** | **0.00** | **3,620,738** | **0.00** |
| PROGRAM DISTRIBUTIONS | 477,850,175 | 0.00 | 322,283,483 | 0.00 | 407,822,806 | 0.00 | 385,997,003 | 0.00 |
| **TOTAL - PD** | **477,850,175** | **0.00** | **322,283,483** | **0.00** | **407,822,806** | **0.00** | **385,997,003** | **0.00** |
| **GRAND TOTAL** | **$479,614,606** | **0.00** | **$325,904,220** | **0.00** | **$411,443,544** | **0.00** | **$389,617,741** | **0.00** |
| **GENERAL REVENUE** | **$145,666,310** | **0.00** | **$98,546,943** | **0.00** | **$114,849,104** | **0.00** | **$100,858,120** | **0.00** |
| **FEDERAL FUNDS** | **$318,687,088** | **0.00** | **$213,853,273** | **0.00** | **$283,090,436** | **0.00** | **$275,255,617** | **0.00** |
| **OTHER FUNDS** | **$15,261,208** | **0.00** | **$13,504,004** | **0.00** | **$13,504,004** | **0.00** | **$13,504,004** | **0.00** |

| Budget Unit<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **NEONATAL ABSTINENCE SYNDROME** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 1,398,993 | 0.00 | 1,398,993 | 0.00 | 1,385,801 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **1,398,993** | **0.00** | **1,398,993** | **0.00** | **1,385,801** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$1,398,993** | **0.00** | **$1,398,993** | **0.00** | **$1,385,801** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$500,000** | **0.00** | **$500,000** | **0.00** | **$486,808** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$898,993** | **0.00** | **$898,993** | **0.00** | **$898,993** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

## PROGRAM DESCRIPTION

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

### 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)
  - 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)
- Community Mental Health Centers (CMHC)

## 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 quality health care 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
- 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).

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.

**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.

- 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.

## PROGRAM DESCRIPTION

**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.

## PROGRAM DESCRIPTION

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

Lab & X-Ray

Laboratory and x-ray facilities provide examination and radiology services under the physician program. Laboratories perform examinations of body fluids, tissues or organs by the use of various methods employing specialized equipment such as electron microscopes and radio-immunoassay. A clinical laboratory is a laboratory where microbiological, serological, chemical, hematological, radio bioassay, cytological, immunohematological or pathological examinations are performed on material derived from the human body to provide information for the diagnosis, prevention or treatment of a disease or assessment of a medical condition. Operations of a laboratory are generally directed by a pathologist.

X-ray facilities offer radiological services in which x-rays or rays from radioactive substances are used for diagnostic or therapeutic purposes. Such services include, but are not limited to, radium therapy; radioisotopes for diagnostic or therapeutic purposes (e.g., in nuclear medicine); diagnostic tests such as aortograms, pyelograms, myelograms, arteriograms and venticulograms; imaging services; x-rays; and diagnostic ultra-sounds. These operations are generally directed by a radiologist.

Independent Diagnostic Testing Facility (IDTF)

These providers are independent of a hospital or a physician's office and offer medically necessary diagnostic tests. The IDTF may be a fixed location or a mobile entity. An IDTF must have one or more supervising physicians who are responsible for the direct and ongoing oversight of the quality of the testing performed, the proper operation and calibration of the equipment used to perform tests, and the qualification of non-physician personnel who use the equipment.

Ambulatory Surgical Center (ASC)

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.

Rural Health Clinics (RHC)

The Rural Health Clinic Services Act of 1977, designating rural health clinics as health care providers, extended benefits to cover health care services to under-served rural areas where access to traditional physician care had been difficult. In those areas, specifically trained practitioners furnish the health care services needed by the community. Rural health clinics must be located in a rural area that is designated a shortage area for primary care. To be eligible for this designation, a clinic must be located in an area not identified as "urbanized" by the Bureau of the Census and designated as a shortage or under-served area. RHCs must meet the additional staffing and health and safety requirements set forth by the Rural Health Clinic Services Act; be certified by the Public Health Service; be certified for participation in Medicare; and be enrolled as a MO HealthNet provider.

An RHC must be designated as either an independent or a provider-based RHC.

- Provider-based RHC: must be an integral and subordinate part of a hospital, skilled nursing facility, or home health agency and under common licensure, governance, and professional supervision with its parent provider.
- Independent RHC: has no financial, organizational or administrative connection to a hospital, skilled nursing facility or home health agency.

## 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.

## PROGRAM DESCRIPTION

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

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

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.

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

**Additional Details**
Copayment Exemptions
The following participants and services are exempt from copays:

- participants under age 19;
- participants residing in a skilled nursing home, an intermediate care nursing home, a residential care home, an adult boarding home or a psychiatric hospital;
- participants who have both Medicare and Medicaid if Medicare covers the service and provides payment;
- participants who receive a transfer inpatient hospital admission;
- emergency services provided in an outpatient clinic or emergency room after the sudden onset of a medical condition if the absence of treatment could be expected to result in placing the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any bodily organ
- certain therapy services, except when provided as an inpatient hospital service;
- services provided to pregnant women, blind recipients, managed care enrollees and foster care recipients;
- services identified as medically necessary through an Early Periodic Screening, Diagnostic and Treatment (EPSDT) screen;
- mental health services provided by community mental health facilities operated by the Department of Mental Health;
- family planning services;
- hospice services; and
- some personal care services.

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

State statute: RSMo. 208.153, 208.166; Federal law: Social Security Act Sections 1905(a)(2), (3), (5), (6), (9), (17), (21); 1905(r) and 1915(d);
Federal regulations: 42 CFR 440.210, 440.500, 412.113(c) and 441 Subpart B.

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

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Missouri's FMAP for FY19 is a blended 65.203% federal match. The state matching requirement is 34.797%.

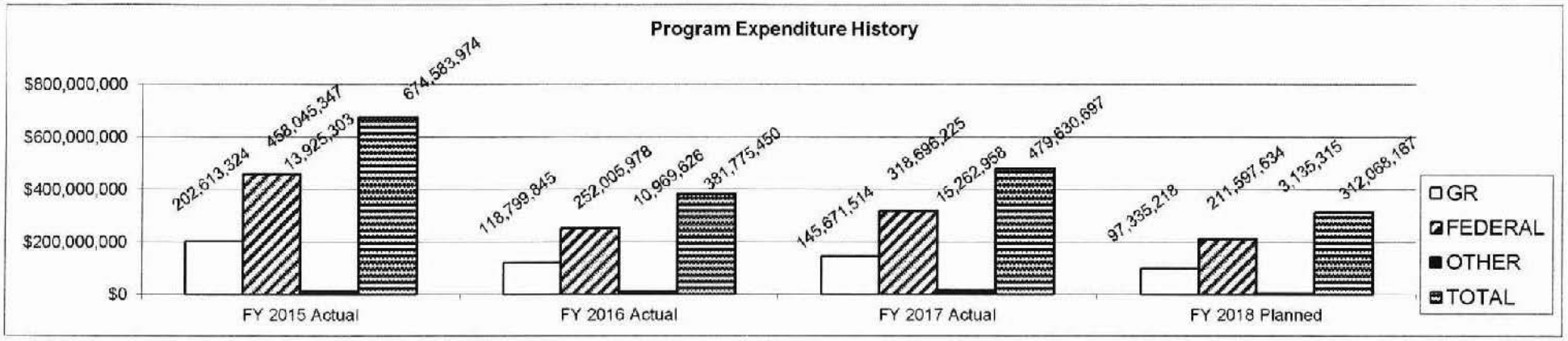
**4. Is this a federally mandated program? If yes, please explain.**

Yes, if the state elects to have a Medicaid program. (Some services are optional: podiatry; clinics; nurse practitioners; CRNA; Psychologist; and LCSW)

## PROGRAM DESCRIPTION

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

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




FY 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).

## 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 according to the periodicity schedule. Currently MHD and Department of Health and Senior Services provide outreach to increase EPSDT participation. The Omnibus Budget Reconciliation Act of 1989 (OBRA 1989) strengthened EPSDT by establishing State reporting requirements and mandating that the Secretary of Health and Human Services (the Secretary) set participation goals for the States. In response to OBRA 1989, the Secretary required annual reporting via the Annual EPSDT Participation Report Form CMS-416 (which is referred to as the CMS-416) and established an overall goal of 80 percent beneficiary participation in EPSDT for each state annually.

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. The measure is based on federal Fiscal year in which report was submitted to CMS. FFY 17 will be available February, 2018.

| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening <1 | Participants who received at least one screening < 1 | Participant Ratio (National Target is 80%) |
| 2012 | 30,583 | 29,128 | 95% |
| 2013 | 30,133 | 28,803 | 96% |
| 2014 | 29,334 | 26,110 | 89% |
| 2015 | 30,514 | 28,694 | 94% |
| 2016 | 29,978 | 27,837 | 93% |
| **2017 Projected | 30,278 | 28,394 | 94% |

| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening 1-2 | Participants who received at least one screening 1-2 | Participant Ratio (National Target is 80%) |
| 2012 | 81,371 | 65,996 | 81% |
| 2013 | 79,435 | 64,619 | 81% |
| 2014 | 75,311 | 59,894 | 80% |
| 2015 | 82,707 | 64,082 | 77% |
| 2016 | 85,498 | 60,210 | 70% |
| **2017 Projected | 86,353 | 61,414 | 71% |

## PROGRAM DESCRIPTION

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

| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening 3-5 | Participants who received at least one screening 3-5 | Participant Ratio (National Target is 80%) |
| 2012 | 107,223 | 72,058 | 67% |
| 2013 | 101,712 | 70,186 | 69% |
| 2014 | 95,469 | 60,651 | 64% |
| 2015 | 102,522 | 64,274 | 63% |
| 2016 | 108,042 | 60,210 | 56% |
| **2017 Projected | 109,122 | 61,414 | 56% |

| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening 6-9 | Participants who received at least one screening 6-9 | Participant Ratio (National Target is 80%) |
| 2012 | 62,656 | 46,732 | 75% |
| 2013 | 63,949 | 48,505 | 76% |
| 2014 | 63,938 | 45,883 | 72% |
| 2015 | 68,681 | 51,202 | 75% |
| 2016 | 73,589 | 55,836 | 76% |
| **2017 Projected | 74,325 | 56,953 | 77% |

| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening 10-14 | Participants who received at least one screening 10-14 | Participant Ratio (National Target is 80%) |
| 2012 | 80,024 | 53,419 | 67% |
| 2013 | 80,011 | 53,970 | 67% |
| 2014 | 79,160 | 50,431 | 64% |
| 2015 | 87,500 | 56,666 | 65% |
| 2016 | 94,484 | 62,786 | 66% |
| **2017 Projected | 95,429 | 64,042 | 67% |

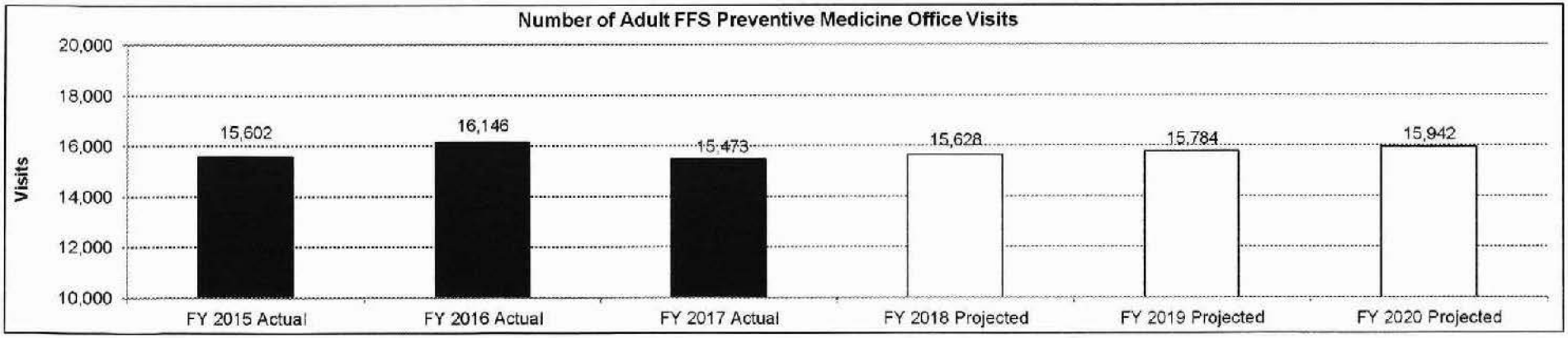
| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening 15-18 | Participants who received at least one screening 15- | Participant Ratio (National Target is 80%) |
| 2012 | 45,253 | 32,437 | 72% |
| 2013 | 44,962 | 31,753 | 71% |
| 2014 | 44,401 | 29,870 | 67% |
| 2015 | 50,003 | 33,546 | 67% |
| 2016 | 11,967 | 6,151 | 51% |
| **2017 Projected | 12,087 | 6,274 | 52% |

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

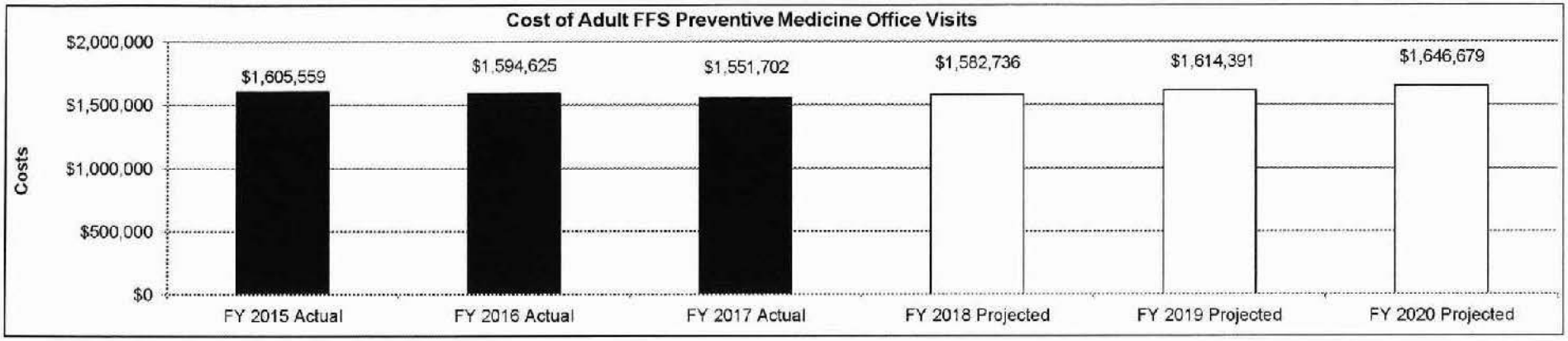
| EPSDT Participant Ratio | | | |
|---|---|---|---|
| Federal Fiscal Year | Participants who should have received a screening 19-20 | Participants who received at least one screening 19-20 | Participant Ratio (National Target is 80%) |
| 2012 | 10,473 | 7,415 | 71% |
| 2013 | 9,931 | 6,735 | 68% |
| 2014 | 8,268 | 5,201 | 63% |
| 2015 | 10,765 | 5,906 | 55% |
| 2016 | 10,765 | 5,906 | 55% |
| **2017 Projected | 10,873 | 6,024 | 55% |

**7b. Provide an efficiency measure.**

Increase the number of adult preventive office visits. MO HealthNet pays for one "preventive" examination/physical per year. 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.

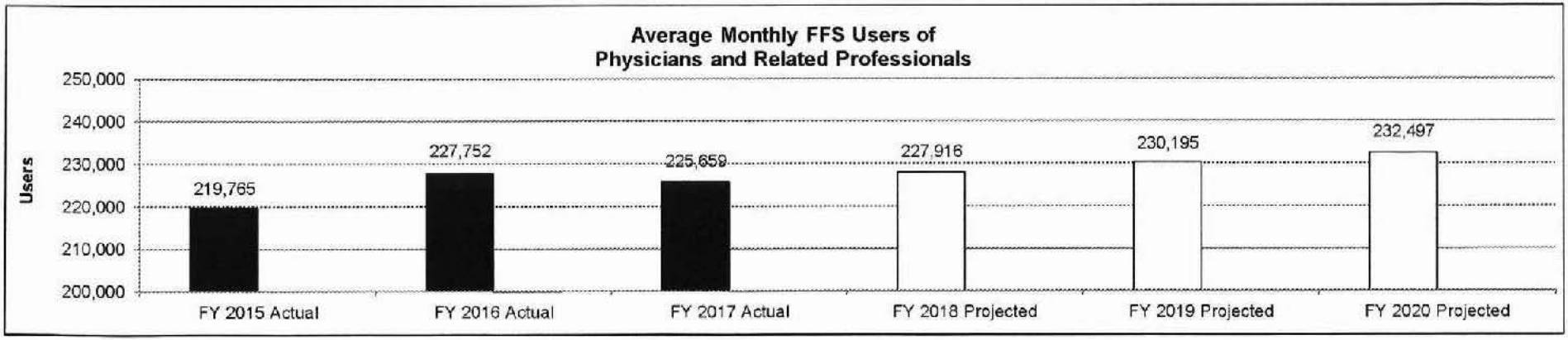


**Department: Social Services** **HB Sections: 11.455**
**Program Name: Physician Related**
**Program is found in the following core budget(s): Physician Related**




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

Proper health care is essential to the general health and well-being of MO HealthNet participants. Physician related services are typically the front line where MO HealthNet participants enter the state's health care system. Services are provided by physicians, psychologists, nurse practitioners, podiatrists, clinics, and x-ray and lab facilities.




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

N/A

## CORE DECISION ITEM

**Department: Social Services**
**Division: MO HealthNet**
**Core: Dental**

**Budget Unit: 90546C**

**HB Section: 11.460**

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 682,270 | 3,405,160 | 919,935 | 5,007,365 | |
| TRF | | | | | |
| **Total** | **682,270** | **3,405,160** | **919,935** | **5,007,365** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: Health Initiatives Fund (HIF) (0275) - $71,162
Healthly Families Trust Fund (0625) - $848,773

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 537,686 | 3,693,400 | 919,935 | 5,151,021 | |
| TRF | | | | | |
| **Total** | **537,686** | **3,693,400** | **919,935** | **5,151,021** | |
| **FTE** | **0.00** | **0.00** | **0.00** | **0.00** | |
| ***Est. Fringe*** | *0* | *0* | *0* | *0* | |

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

Other Funds: Health Initiatives Fund (HIF) (0275) - $71,162
Healthly Families Trust Fund (0625) - $848,773

### 2. CORE DESCRIPTION

This item funds the dental fee-for-service program. Comprehensive dental services are available for children, pregnant women, the blind and nursing facility residents (including Independent Care Facilities for individuals with Intellectual Disabilities-ICF/ID). As of January 2016, MO HealthNet began offering limited dental services for adults ages 21 and over.

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

Dental Services

CORE DECISION ITEM

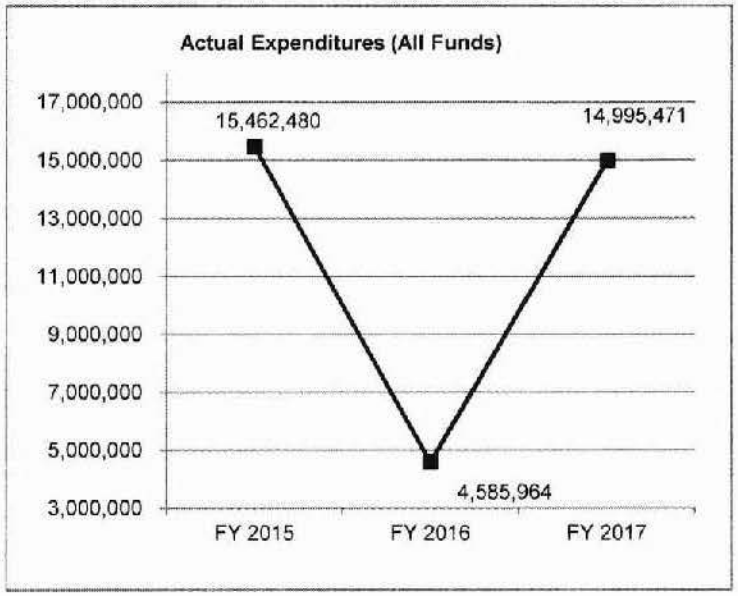
**Department: Social Services**
**Division: MO HealthNet**
**Core: Dental**

**Budget Unit: 90546C**

**HB Section: 11.460**

## 4. FINANCIAL HISTORY

| | FY 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) | |




*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: Social Services**
**Division: MO HealthNet**
**Core: Dental**

**Budget Unit: 90546C**

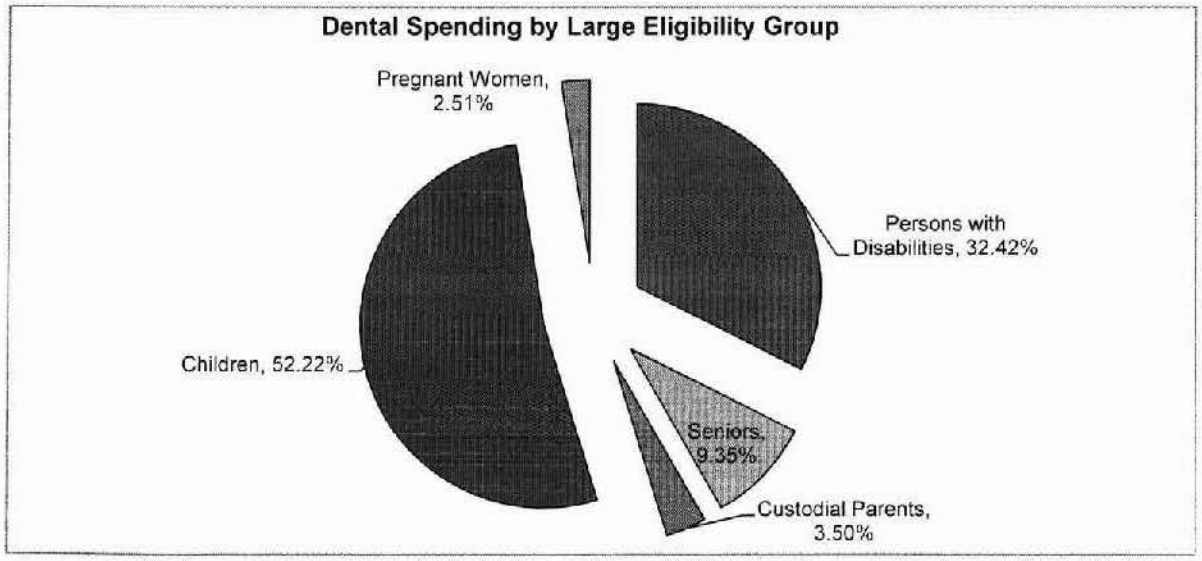
**HB Section: 11.460**

**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*




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

The Cost per Eligible - Per Member Per Month (PMPM) table provides the total PMPM for each large eligibility group. Health care entities use per member per month calculations as a benchmark to monitor, assess, and manage health care costs. The PMPM metric provides 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.

**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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | |
| Core Reduction | 1959 8198 | PD | 0.00 | (89,319) | 0 | 0 | (89,319) | |
| Core Reduction | 2060 8198 | PD | 0.00 | (73,519) | 0 | 0 | (73,519) | |
| Core Reallocation | 1652 8199 | PD | 0.00 | 0 | 288,240 | 0 | 288,240 | MC lapse reall to Dental |
| Core Reallocation | 1652 8198 | PD | 0.00 | 18,254 | 0 | 0 | 18,254 | MC lapse reall to Dental |
| **NET GOVERNOR CHANGES** | | | **0.00** | **(144,584)** | **288,240** | **0** | **143,656** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | | |
| | | PD | 0.00 | 537,686 | 3,693,400 | 919,935 | 5,151,021 | |
| | | **Total** | **0.00** | **537,686** | **3,693,400** | **919,935** | **5,151,021** | |

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **DENTAL** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 4,346,832 | 0.00 | 478,690 | 0.00 | 682,270 | 0.00 | 537,686 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 9,918,004 | 0.00 | 2,522,837 | 0.00 | 3,405,160 | 0.00 | 3,693,400 | 0.00 |
| HEALTH INITIATIVES | 69,027 | 0.00 | 71,162 | 0.00 | 71,162 | 0.00 | 71,162 | 0.00 |
| HEALTHY FAMILIES TRUST | 661,608 | 0.00 | 848,773 | 0.00 | 848,773 | 0.00 | 848,773 | 0.00 |
| TOTAL - PD | 14,995,471 | 0.00 | 3,921,462 | 0.00 | 5,007,365 | 0.00 | 5,151,021 | 0.00 |
| **TOTAL** | **14,995,471** | **0.00** | **3,921,462** | **0.00** | **5,007,365** | **0.00** | **5,151,021** | **0.00** |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 20,576 | 0.00 | 8,306 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 36,996 | 0.00 | 15,564 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 57,572 | 0.00 | 23,870 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **57,572** | **0.00** | **23,870** | **0.00** |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 7,753 | 0.00 | 5,284 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 13,941 | 0.00 | 9,901 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 21,694 | 0.00 | 15,185 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **21,694** | **0.00** | **15,185** | **0.00** |
| **MHD COST TO CONTINUE - 1886001** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 643,104 | 0.00 | 785,876 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 634,126 | 0.00 | 484,339 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 1,277,230 | 0.00 | 1,270,215 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **1,277,230** | **0.00** | **1,270,215** | **0.00** |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| DENTAL | | | | | | | | |
| FMAP Adjustment - 1886022 | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 73,519 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 73,519 | 0.00 |
| TOTAL | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 73,519 | 0.00 |
| GRAND TOTAL | $14,995,471 | 0.00 | $3,921,462 | 0.00 | $6,363,861 | 0.00 | $6,533,810 | 0.00 |

## 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.**

**Governor's Recommended**

| Total | % Flex | Flex Amount |
|---|---|---|
| $ 6,533,810 | 10% | $ 653,381 |

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, 11.550, 11.555, and 11.595.

**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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| DENTAL | | | | | | | | |
| CORE | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 14,995,471 | 0.00 | 3,921,462 | 0.00 | 5,007,365 | 0.00 | 5,151,021 | 0.00 |
| TOTAL - PD | 14,995,471 | 0.00 | 3,921,462 | 0.00 | 5,007,365 | 0.00 | 5,151,021 | 0.00 |
| GRAND TOTAL | $14,995,471 | 0.00 | $3,921,462 | 0.00 | $5,007,365 | 0.00 | $5,151,021 | 0.00 |
| GENERAL REVENUE | $4,346,832 | 0.00 | $478,690 | 0.00 | $682,270 | 0.00 | $537,686 | 0.00 |
| FEDERAL FUNDS | $9,918,004 | 0.00 | $2,522,837 | 0.00 | $3,405,160 | 0.00 | $3,693,400 | 0.00 |
| OTHER FUNDS | $730,635 | 0.00 | $919,935 | 0.00 | $919,935 | 0.00 | $919,935 | 0.00 |

## PROGRAM DESCRIPTION

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

### 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.

## PROGRAM DESCRIPTION

**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.

## PROGRAM DESCRIPTION

**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

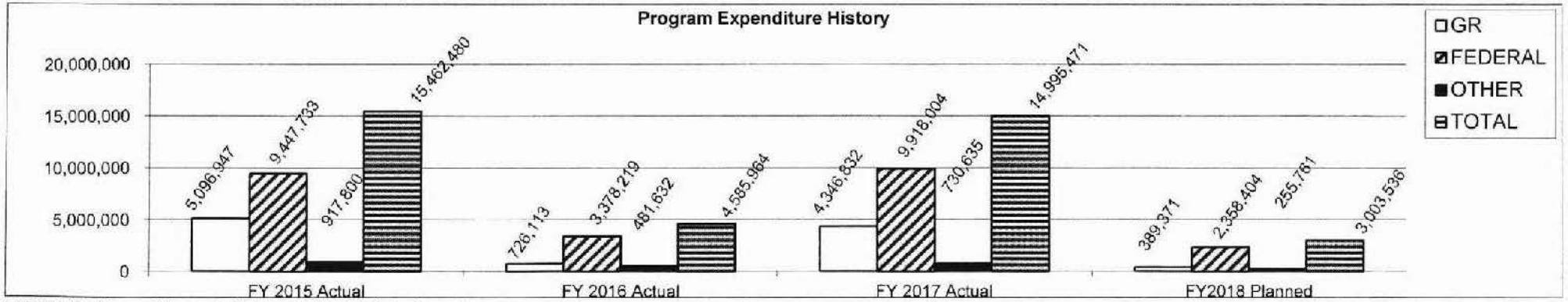
**3. Are there federal matching requirements? If yes, please explain.**

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.**




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

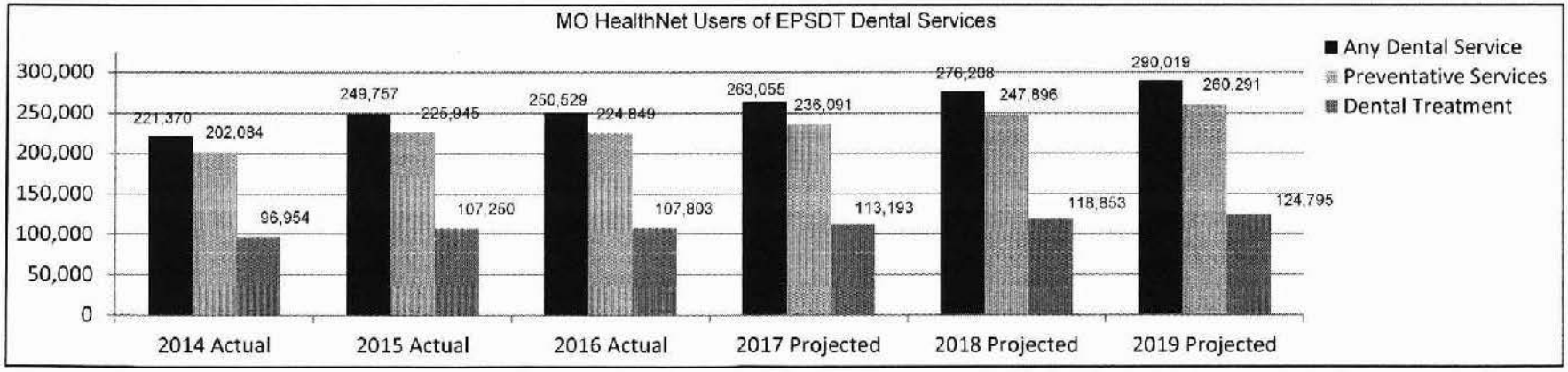
### 7a. Provide an effectiveness measure.

Maintain or increase the ratio of participants who receive EPSDT screenings. The purpose of the Early Periodic Screening Diagnosis and Treatment/ Healthy Children and Youth (EPSDT/HCY) program is to ensure a comprehensive, preventive health care program for Missouri. The HCY program provides early and periodic medical, dental, vision, and hearing screening, diagnosis and treatment to ameliorate defects and chronic conditions found during the screening. A dental screening is available to children from birth until they become 21 years of age.

**EPSDT Participant Ratio**

| * Federal Fiscal Year | Participants Who Should Have Received a Screening | Participants Who Received At Least One Screening | Percent |
|---|---|---|---|
| 2014 Actual | 395,881 | 278,040 | 70% |
| 2015 Actual | 432,703 | 304,370 | 70% |
| 2016 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% |

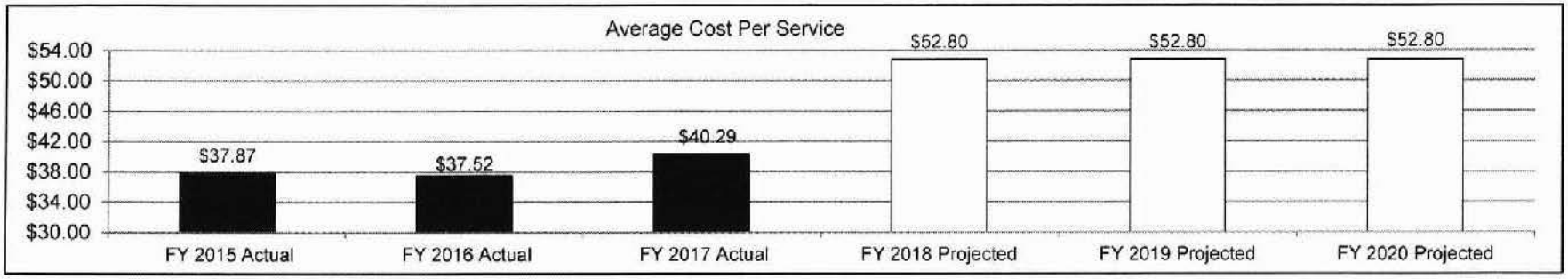
*Based on federal Fiscal year in which report was submitted to CMS.
FFY 17 will be available February, 2018.




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.

**7b. Provide an efficiency measure.**

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

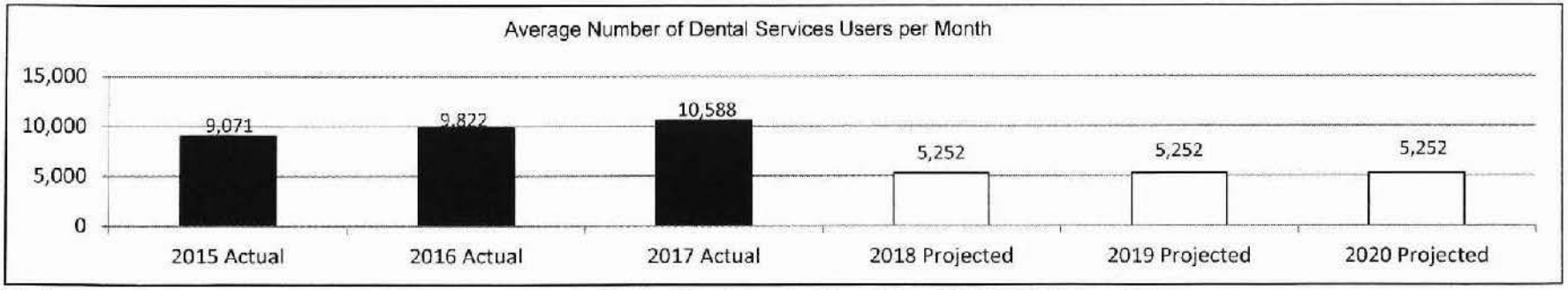



**Projection reflects shift to statewide MC.**

**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.




**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

## CORE DECISION ITEM

**Department: Social Services**
**Division: MO HealthNet**
**Core: Premium Payments**

**Budget Unit: 90547C**

**HB Section: 11.465**

### 1. CORE FINANCIAL SUMMARY

**FY 2019 Budget Request**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 88,605,500 | 172,608,746 | 0 | 261,214,246 | |
| TRF | | | | | |
| **Total** | **88,605,500** | **172,608,746** | **0** | **261,214,246** | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

**FY 2019 Governor's Recommendation**

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 84,267,486 | 166,371,124 | 0 | 250,638,610 | |
| TRF | | | | | |
| **Total** | **84,267,486** | **166,371,124** | **0** | **250,638,610** | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| *Est. Fringe* | *0* | *0* | *0* | *0* | |

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

Other Funds: N/A

### 2. CORE DESCRIPTION

This item funds premium payments for health insurance through the following MO HealthNet programs:
1) Medicare Buy-In program for individuals dually enrolled in MO HealthNet and Medicare; and
2) Health Insurance Premium Payment (HIPP) program for individuals enrolled in MO HealthNet and commercial or employer-sponsored health insurance.
Payment of these premiums allows for MO HealthNet to transfer medical costs from the MO HealthNet program to Medicare and other payers.

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

Premium Payments Program:
Medicare Part A and Part B Buy-In
Health Insurance Premium Payment (HIPP) Program

CORE DECISION ITEM

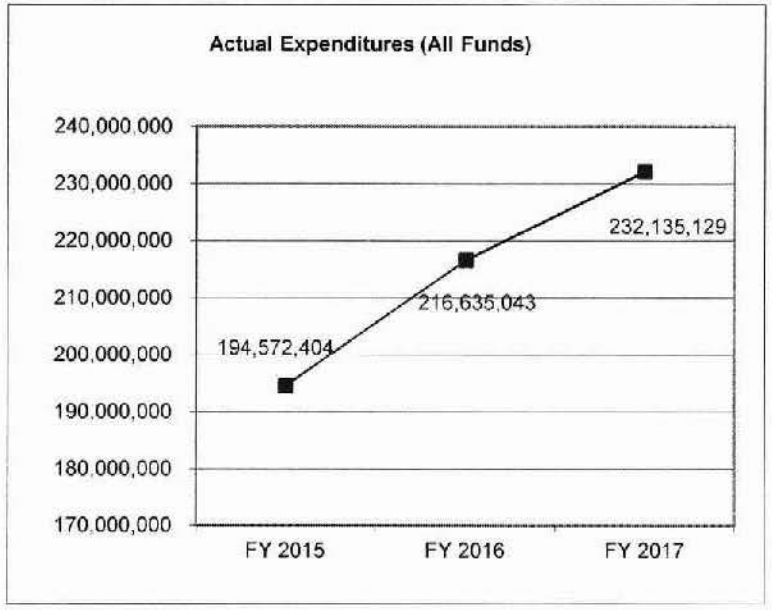
**Department: Social Services**
**Division: MO HealthNet**
**Core: Premium Payments**

**Budget Unit: 90547C**

**HB Section: 11.465**

## 4. FINANCIAL HISTORY

| | FY 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) | | | |




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% |

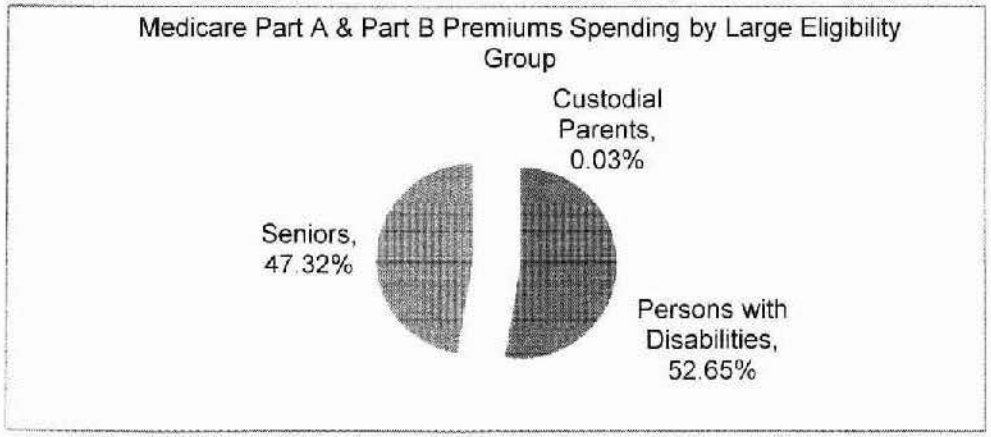
*Source: Table 23 Medical Statistics for Fiscal Year 2017 (Paid Claims Data).*

** 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.




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

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.

**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 ADDITIONAL CORE ADJUSTMENTS** | | | | | | | | |
| Core Reduction | 2043 8201 | PD | 0.00 | 0 | (6,237,622) | 0 | (6,237,622) | |
| Core Reduction | 2061 8200 | PD | 0.00 | (4,338,014) | 0 | 0 | (4,338,014) | |
| **NET GOVERNOR CHANGES** | | | **0.00** | **(4,338,014)** | **(6,237,622)** | **0** | **(10,575,636)** | |
| **GOVERNOR'S RECOMMENDED CORE** | | | | | | | | |
| | | PD | 0.00 | 84,267,486 | 166,371,124 | 0 | 250,638,610 | |
| | | **Total** | **0.00** | **84,267,486** | **166,371,124** | **0** | **250,638,610** | |

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 77,999,990 | 0.00 | 88,605,500 | 0.00 | 88,605,500 | 0.00 | 84,267,486 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 154,135,138 | 0.00 | 172,608,746 | 0.00 | 172,608,746 | 0.00 | 166,371,124 | 0.00 |
| TOTAL - PD | 232,135,128 | 0.00 | 261,214,246 | 0.00 | 261,214,246 | 0.00 | 250,638,610 | 0.00 |
| **TOTAL** | **232,135,128** | **0.00** | **261,214,246** | **0.00** | **261,214,246** | **0.00** | **250,638,610** | **0.00** |
| **Year 1 Asset Limit CTC - 0000016** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 872,868 | 0.00 | 352,357 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 1,569,404 | 0.00 | 660,250 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 2,442,272 | 0.00 | 1,012,607 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **2,442,272** | **0.00** | **1,012,607** | **0.00** |
| **Year 2 Asset Limit Increase - 0000017** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| GENERAL REVENUE | 0 | 0.00 | 0 | 0.00 | 328,909 | 0.00 | 224,152 | 0.00 |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 591,374 | 0.00 | 420,019 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 920,283 | 0.00 | 644,171 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **920,283** | **0.00** | **644,171** | **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 | 2,995,668 | 0.00 |

## DECISION ITEM SUMMARY

| Budget Unit<br>Decision Item<br>Budget Object Summary<br>Fund | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| **Medicare Premium Increase - 1886003** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 17,802,993 | 0.00 | 6,067,956 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 26,945,879 | 0.00 | 9,063,624 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **26,945,879** | **0.00** | **9,063,624** | **0.00** |
| **FMAP Adjustment - 1886022** | | | | | | | | |
| PROGRAM-SPECIFIC | | | | | | | | |
| TITLE XIX-FEDERAL AND OTHER | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,338,014 | 0.00 |
| TOTAL - PD | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4,338,014 | 0.00 |
| **TOTAL** | **0** | **0.00** | **0** | **0.00** | **0** | **0.00** | **4,338,014** | **0.00** |
| **GRAND TOTAL** | **$232,135,128** | **0.00** | **$261,214,246** | **0.00** | **$297,799,753** | **0.00** | **$265,697,026** | **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.**

**Governor's Recommended**

| Total | % Flex | Flex Amount |
|---|---|---|
| $ 265,697,026 | 10% | $ 26,569,703 |

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, 11.550, 11.555, and 11.595.

**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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| **CORE** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 232,135,128 | 0.00 | 261,214,246 | 0.00 | 261,214,246 | 0.00 | 250,638,610 | 0.00 |
| **TOTAL - PD** | **232,135,128** | **0.00** | **261,214,246** | **0.00** | **261,214,246** | **0.00** | **250,638,610** | **0.00** |
| **GRAND TOTAL** | **$232,135,128** | **0.00** | **$261,214,246** | **0.00** | **$261,214,246** | **0.00** | **$250,638,610** | **0.00** |
| **GENERAL REVENUE** | **$77,999,990** | **0.00** | **$88,605,500** | **0.00** | **$88,605,500** | **0.00** | **$84,267,486** | **0.00** |
| **FEDERAL FUNDS** | **$154,135,138** | **0.00** | **$172,608,746** | **0.00** | **$172,608,746** | **0.00** | **$166,371,124** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |

## PROGRAM DESCRIPTION

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

### 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.

## 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

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

Partial Dual Beneficiary Categories:

QMB Only
- MO HealthNet pays both Part A (if applicable) and Part B premiums
- Individuals below 100% FPL
- No MO HealthNet wrap-around benefits

SLMB Only
- MO HealthNet pays only Part B premiums
- Individuals from 100-120% FPL
- No Medicaid wrap-around benefits

Qualified Individuals (QI)
- MO HealthNet pays only Part B premiums
- Individuals from 120-135% FPL
- Federal Funding 100%
- No MO HealthNet wrap-around benefits

Partial "Undesignated"
Partial duals with income 135% FPL or greater
Can include the following individuals:
- Recipients of supplemental nursing care payments
- SSI recipients
- Individuals on spenddown

MO HealthNet pays only Part B premiums
Individuals receive full MO HealthNet benefits

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

State statute: RSMo 208.153; Federal law: Social Security Act Section 1905(p)(1), 1902(a)(10) and 1906; Federal Regulation: 42 CFR 406.26 and 431.625

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

States can earn the federal medical assistance percentage (FMAP) on MO HealthNet program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the annual FMAP each year. The FMAP is calculated using economic indicators from states and the nation as a whole. Generally, Missouri's FMAP for FY18 is a blended 64.260% federal match. The state matching requirement is 35.740%. 100% federal funds for QI.

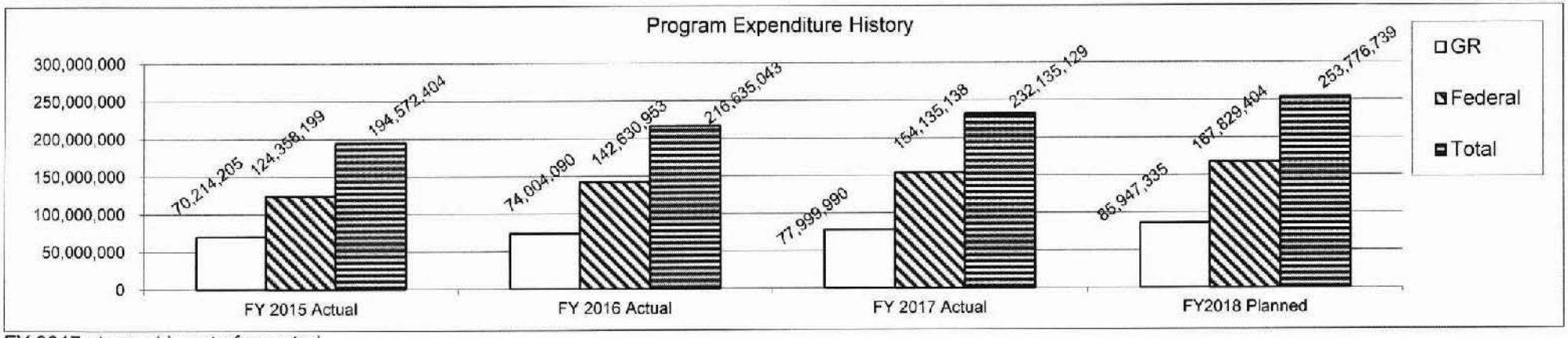
## PROGRAM DESCRIPTION

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

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

Yes, if the state elects to have a Medicaid program.

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




FY 2017 planned is net of reverted.

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

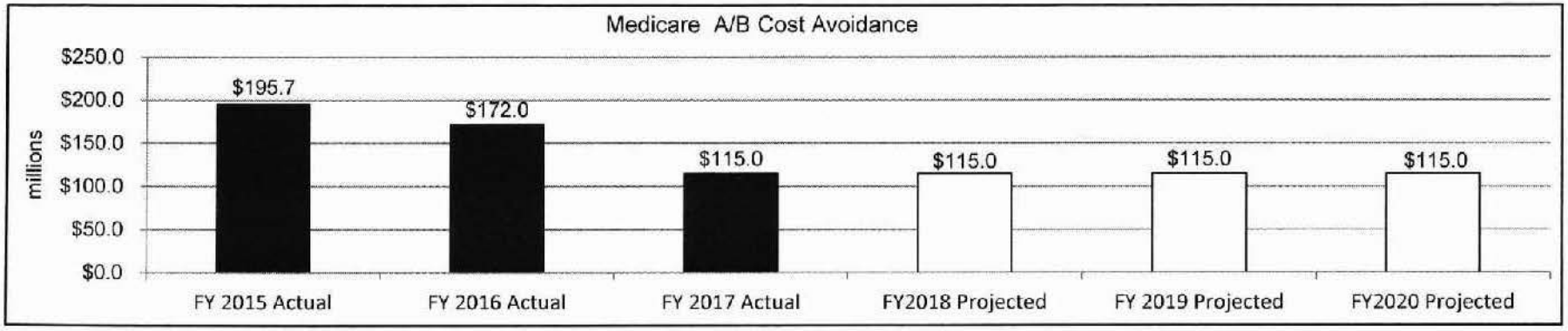
N/A

## PROGRAM DESCRIPTION

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

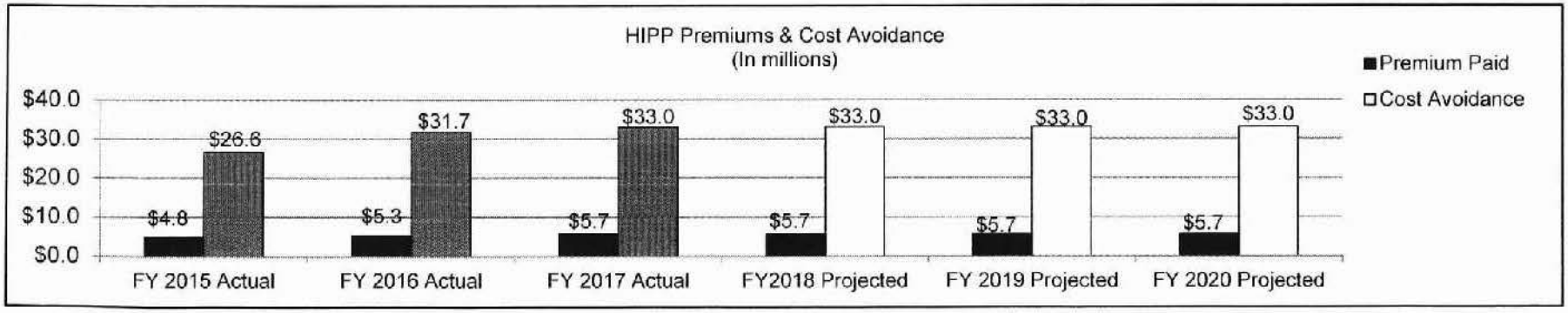
### 7a. Provide an effectiveness measure.

Increase cost avoidance by paying Medicare premiums for dual eligibles. By paying Medicare premiums for dual eligibles, the MO HealthNet avoided over $115.0 million in SFY 2017 as shown in the chart below



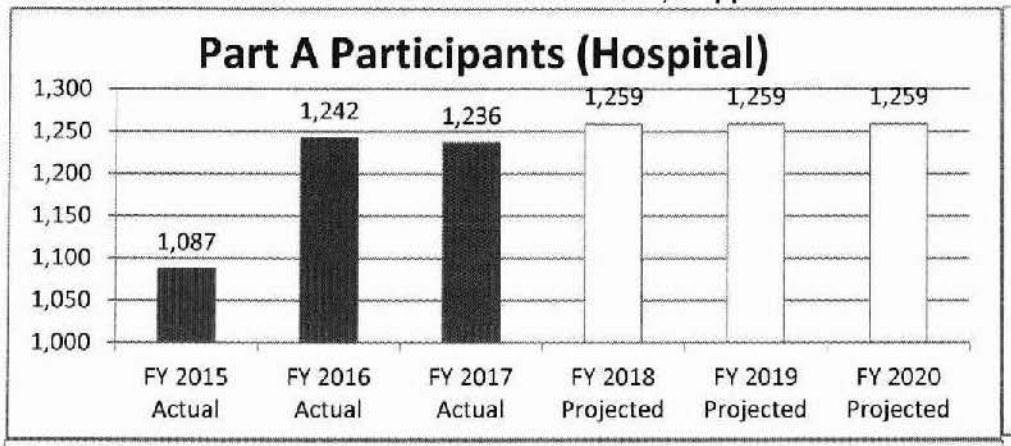

### 7b. Provide an efficiency measure.

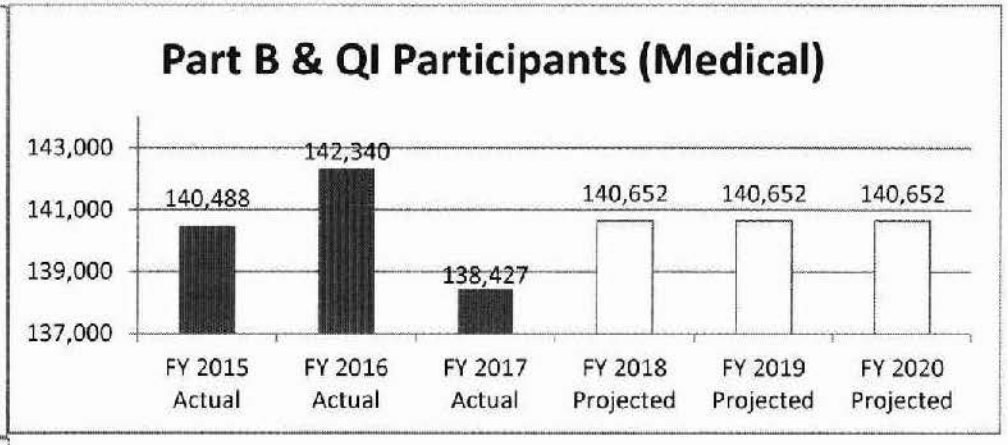
Increase cost avoidance by paying for health insurance premiums, coinsurance, and deductibles for MO HealthNet eligibles when it is cost effective to do so. In FY17, the MO HealthNet Division paid $5.7 million for health insurance premiums, coinsurance and deductibles and avoided $33.0 million in costs.

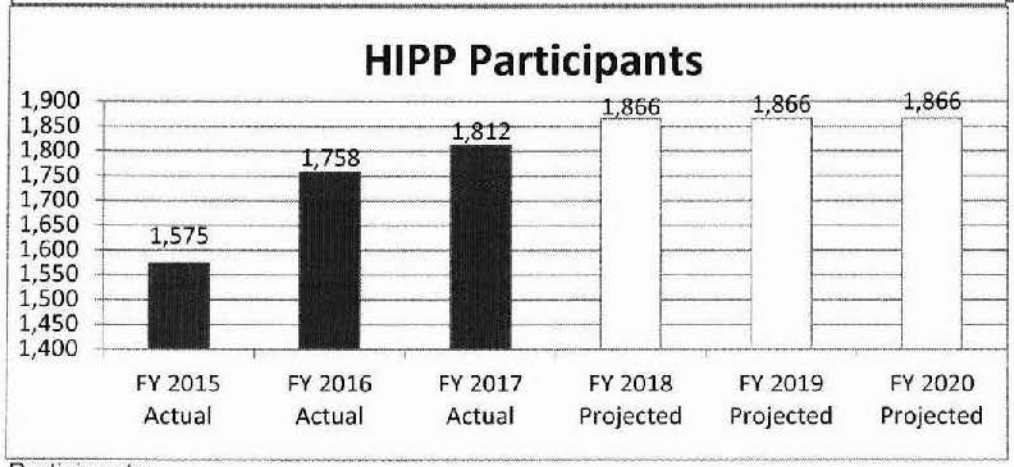


**Department: Social Services** **HB Section: 11.465**
**Program Name: Premium Payments**
**Program is found in the following core budget(s): Premium Payments**

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




Participants:
Part A (Hospital) premium payments can be made for Qualified Medicare Beneficiaries (QMBs) and Qualified Disabled Working Individuals.
Part B (Medical) premium payments can be made for Individuals meeting certain income standards, QMBs, and Specified Low-Income Medicare Beneficiaries.
HIPP: Provisions of OBRA 90 require states to purchase group health insurance for a MO HealthNet participant when it is more cost effective to buy health insurance to cover medical care than to pay for an equivalent set of services with MO HealthNet funds.

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

N/A

NEW DECISION ITEM
RANK: 11 OF 22

Department: Social Services
Division: MO HealthNet
DI Name: Medicare Premium Increases DI# 1886003

Budget Unit: 90547C
HB Section: 11.465

## 1. AMOUNT OF REQUEST

FY 2019 Budget Request

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 9,142,886 | 17,802,993 | 0 | 26,945,879 | |
| TRF | | | | | |
| Total | 9,142,886 | 17,802,993 | 0 | 26,945,879 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| Est. Fringe | 0 | 0 | 0 | 0 | |

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

Other Funds: N/A

FY 2019 Governor's Recommendation

| | GR | Federal | Other | Total | E |
|---|---|---|---|---|---|
| PS | | | | | |
| EE | | | | | |
| PSD | 2,995,668 | 6,067,956 | 0 | 9,063,624 | |
| TRF | | | | | |
| Total | 2,995,668 | 6,067,956 | 0 | 9,063,624 | |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | |
| Est. Fringe | 0 | 0 | 0 | 0 | |

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

Other Funds: N/A

## 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.

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**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 FY19 FMAP of 65.203%. 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. **The difference between the Governor's Recommended buget and the department request is based on updated Premium Increases.**

| **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** | |

| **Governor Recommended:** | **Part A** | **Part B** | **QI** |
|---|---|---|---|
| Eligibles per month (FY18) | 1,276 | 141,695 | 7,579 |
| Premium Increase (1/18) | $9.00 | $0.00 | $0.00 |
| Premium Increase (1/19) | $5.00 | $10.00 | $10.00 |

Calendar Year 2018 Increase:

| | | | |
|---|---|---|---|
| Average eligibles per month | 1,276 | 141,695 | 7,579 |
| Premium increase for 2018 | $9.00 | $0.00 | $0.00 |
| Number of months to increase | 6 | 6 | 6 |
| **Projected increase 7/18 - 6/19** | **68,904** | **0** | **0** |

Calendar Year 2019 Increase:

| | | | |
|---|---|---|---|
| Average eligibles per month | 1,276 | 141,695 | 7,579 |
| Premium increase for 2019 | $5.00 | $10.00 | $10.00 |
| Number of months to increase | 6 | 6 | 6 |
| **Projected increase 1/19 - 6/19** | **38,280** | **8,501,700** | **454,740** |

| | | | |
|---|---|---|---|
| **Total Projected Increase SFY19** | **$107,184** | **$8,501,699** | **$454,740** |

| | **Total** | **GR** | **Federal** | |
|---|---|---|---|---|
| Part A Request | **107,184** | $37,293 | 69,891 | |
| Part B Request | **8,501,700** | $2,958,375 | 5,543,325 | |
| Part B QI | **454,740** | $0 | 454,740 | QI Federal only |
| | **$9,063,624** | $2,995,668 | **$6,067,956** | |

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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 | 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** | |

| Budget Object Class/Job Class | Gov Rec GR DOLLARS | Gov Rec GR FTE | Gov Rec FED DOLLARS | Gov Rec FED FTE | Gov Rec OTHER DOLLARS | Gov Rec OTHER FTE | Gov Rec TOTAL DOLLARS | Gov Rec TOTAL FTE | Gov Rec One-Time DOLLARS | E |
|---|---|---|---|---|---|---|---|---|---|---|
| Program Distributions | 2,995,668 | | 6,067,956 | | | | 9,063,624 | | | |
| **Total PSD** | **2,995,668** | | **6,067,956** | | **0** | | **9,063,624** | | **0** | |
| **Grand Total** | **2,995,668** | **0.0** | **6,067,956** | **0.0** | **0** | **0.0** | **9,063,624** | **0.0** | **0** | |

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Division - MO HealthNet

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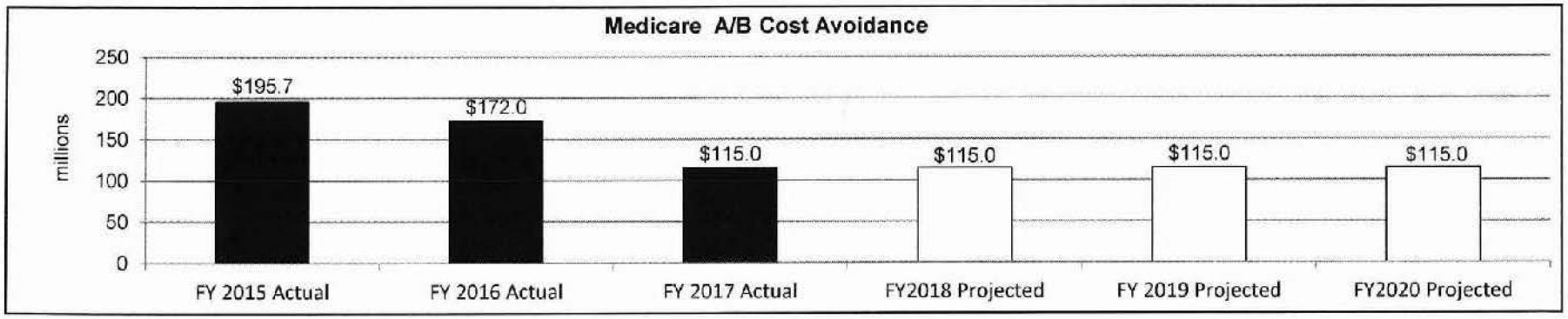
**6. PERFORMANCE MEASURES (If new decision item has an associated core, separately identify projected performance with & without additional funding.)**

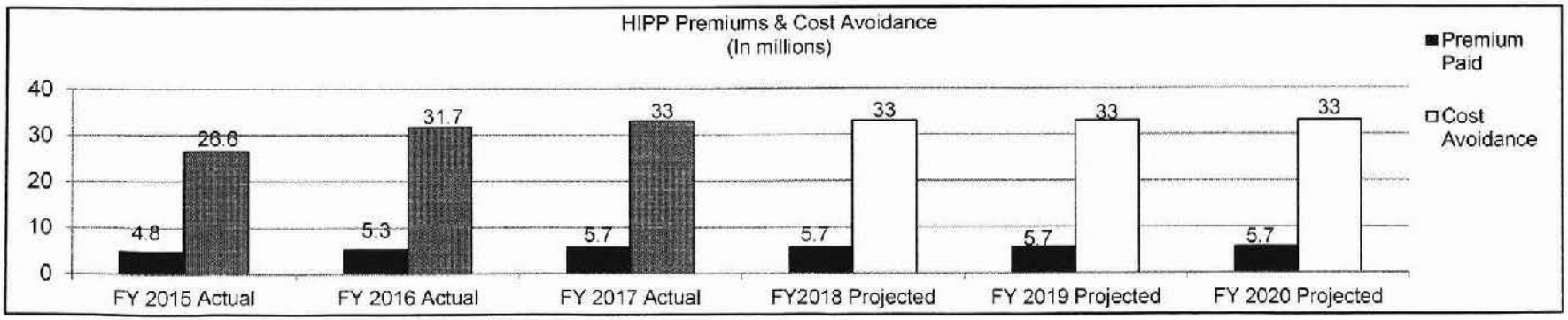
**6a. Provide an effectiveness measure.**

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.




**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.



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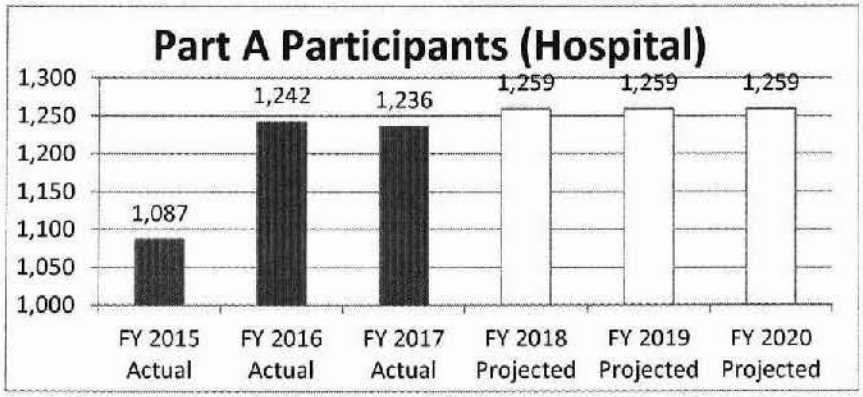
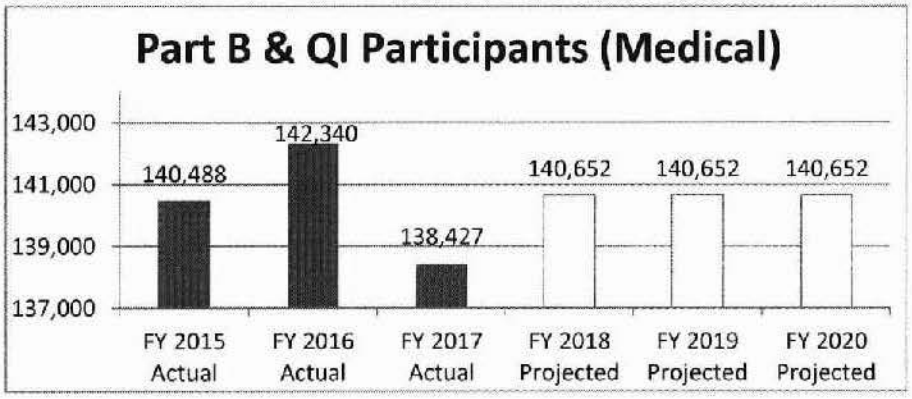
**6c. Provide the number of clients/individuals served, if applicable.**




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<br>Decision Item<br>Budget Object Class | FY 2017<br>ACTUAL<br>DOLLAR | FY 2017<br>ACTUAL<br>FTE | FY 2018<br>BUDGET<br>DOLLAR | FY 2018<br>BUDGET<br>FTE | FY 2019<br>DEPT REQ<br>DOLLAR | FY 2019<br>DEPT REQ<br>FTE | FY 2019<br>GOV REC<br>DOLLAR | FY 2019<br>GOV REC<br>FTE |
|---|---|---|---|---|---|---|---|---|
| **PREMIUM PAYMENTS** | | | | | | | | |
| **Medicare Premium Increase - 1886003** | | | | | | | | |
| PROGRAM DISTRIBUTIONS | 0 | 0.00 | 0 | 0.00 | 26,945,879 | 0.00 | 9,063,624 | 0.00 |
| **TOTAL - PD** | **0** | **0.00** | **0** | **0.00** | **26,945,879** | **0.00** | **9,063,624** | **0.00** |
| **GRAND TOTAL** | **$0** | **0.00** | **$0** | **0.00** | **$26,945,879** | **0.00** | **$9,063,624** | **0.00** |
| **GENERAL REVENUE** | **$0** | **0.00** | **$0** | **0.00** | **$9,142,886** | **0.00** | **$2,995,668** | **0.00** |
| **FEDERAL FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$17,802,993** | **0.00** | **$6,067,956** | **0.00** |
| **OTHER FUNDS** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** | **$0** | **0.00** |