

# Medicaid in Mississippi: Hospital Industry Perspective



Presented to:

Joint House and Senate Medicaid Committees

October 26, 2020

# Economic Impact of Mississippi Hospitals

- Mississippi hospitals employ over 58,000 individuals.
- Mississippi hospitals help create over 119,000 jobs.
- Mississippi hospitals provide direct salaries and wages of over \$8 billion and almost twice that amount through indirect salaries and wages.
- Mississippi hospitals had approximately \$616 million in uncompensated care in 2019. Medicaid expansion could reduce that burden by 40-50% and add \$200M in dynamic state revenue.
- MHA estimates that Mississippi hospitals will fund approximately 2/3 of the state share needed to fund hospital payments during SFY 2021.



# The Good . . . . .

## 2018 Medicaid bill – SB 2836

- Removed 5% reduction for hospital outpatient payments
- Allowed for needed flexibility in supplemental payment model
- Eliminated cap on physician visits
- Removed cap on prescription drugs
- Increased reimbursement to OB-GYNs to 100% of Medicare rate
- Required certain psychiatrist services to be reimbursed at 100% of Medicare
- Expanded Medicaid waiver options for opioid and other highly addictive disorders
- Required that MCOs have to pay no less than Medicaid rates
- Maintained stable reimbursement for FQHCs



# The Bad . . . . .

Certain items either authorized or required by SB 2836 have not been implemented:

- Cost based reimbursement option (101% of cost for outpatient services) for small rural hospitals
- Authority for MCOs to develop alternate payment methodologies to incentivize value, improve health care quality and outcomes
- Standardize the MCO/Medicaid credentialing process
- MCOs required to share data with providers
- Annual audits required of MCOs to determine the financial benefit of the MCOs, the difference between premiums paid to the MCOs and payments made to providers, compliance with contract performance measures and whether costs have been contained due to improved health care outcomes



# And the Ugly . . . . .

- Through CY 2019, Mississippi paid the MCOs \$1.6B more in premiums than was paid to providers for medical payments.
- For CY 2019, the MCOs made almost \$300M in administrative fees while Mississippi hospitals absorbed almost \$616M in uncompensated care.
- MHA estimates that current outstanding past due payments (+30 days) owed to Mississippi hospitals by the Medicaid MCOs is \$10-20M.
- No independent audits as required by state law; no improvement in health outcomes; hospitals are recently being required to hold patients in observation status before the patient can be fully admitted; ongoing coding issues with edits and procedure codes; ongoing issues loading correct and timely provider identification numbers; hassles with prior authorizations.



# And the Ugly . . . . .

- \$750M for SFY 2011 direct state appropriation to Medicaid

Average annual enrollment for Medicaid and CHIP was approx. 707,000

- \$931M for SFY 2020 direct state appropriation to Medicaid

Average annual enrollment for Medicaid and CHIP was approx. 722,000

- From FY 2011 – FY 2020, direct state appropriation has grown 24%

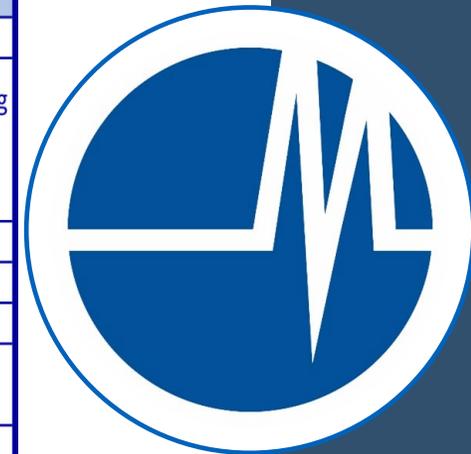
- From FY 2011 – FY 2020, total Medicaid and CHIP enrollment has grown 2%

- 1% withhold on MCO cap payments based on HEDIS which places approx. \$26 million at risk for the MCOs, in addition to \$1.5M liq. damages since 2018



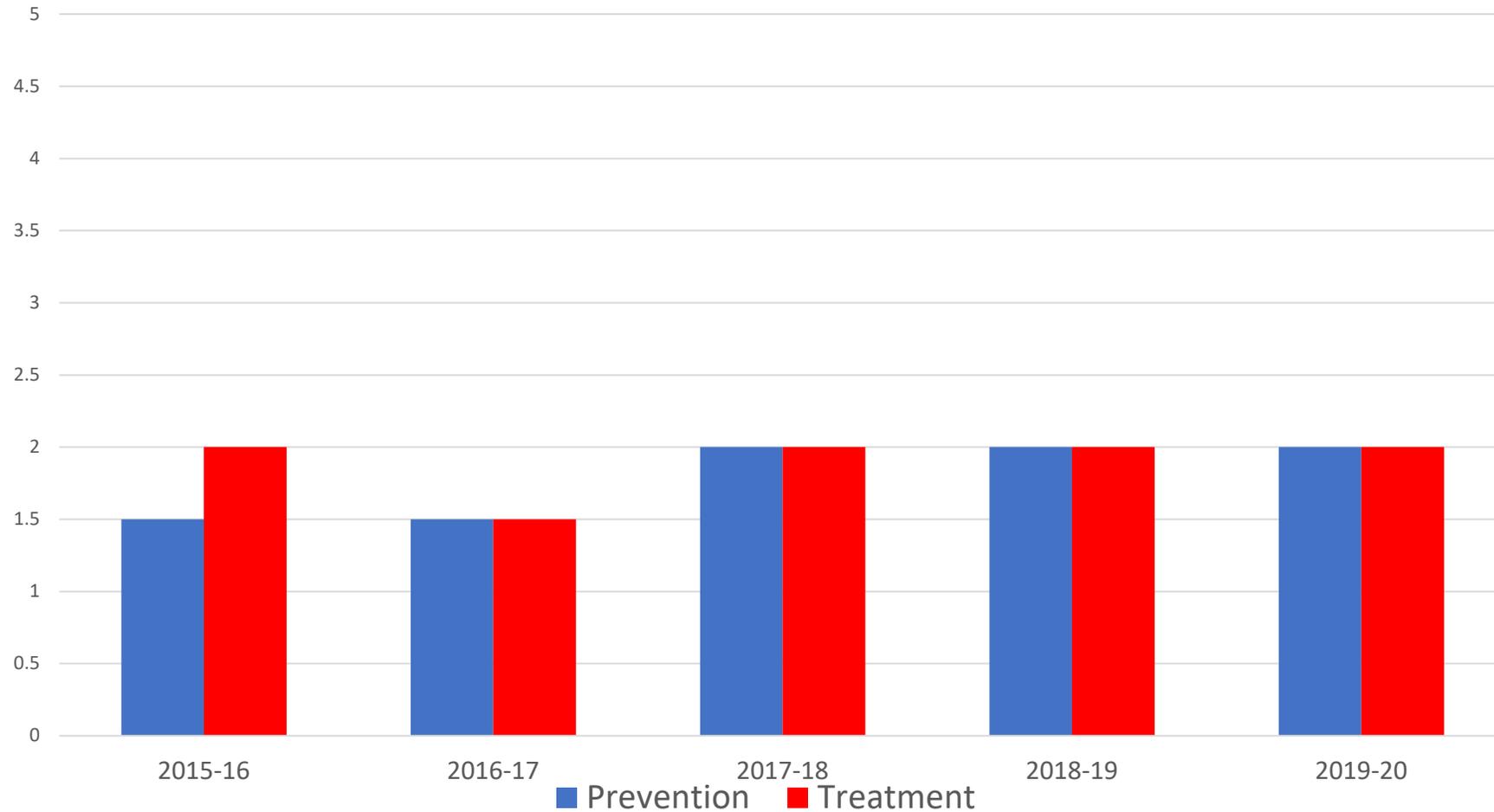
# And the Ugly . . . . .

Managed Care Liquidated Damages Assessed by DOM Since January 2018			
Date	Plan	Amount	Reason
1/8/2018	Magnolia Health Plan	\$16,071.75	Failure to complete EPSDT corrective action plan
1/7/2019	Magnolia Health Plan	\$80,350.00	Non-responsive to Division requests, failure to comply with requirements regarding subcontractor relationships and delegation, failure to comply with quality management requirements and State Fair Hearing Reimbursement
1/7/2019	UnitedHealthcare Community Plan	\$38,745.05	State Fair Hearing Reimbursement
3/4/2019	UnitedHealthcare Community Plan	\$667,700.00	Failure to comply with non-emergency transportation requirements
6/10/2019	Magnolia Health Plan	\$180,000.00	Failure to comply with fraud and abuse reporting requirements
7/8/2019	UnitedHealthcare Community Plan	\$53,400.00	Non-responsive to Division requests and failure to comply with Health Information System requirements
9/1/2019	UnitedHealthcare Community Plan	\$126,000.00	Failure to comply with fraud and abuse reporting requirements
11/4/2019	UnitedHealthcare Community Plan	\$157,500.00	Failure to comply with non-emergency transportation and fee schedule validation report requirements
1/13/2020	Molina Healthcare of Mississippi	\$26,100.00	Late deliverables
2/3/2020	Molina Healthcare of Mississippi	\$3,000.00	Late deliverables
3/9/2020	UnitedHealthcare Community Plan	\$130,200.00	Non-responsive to Division requests and late deliverables
9/10/2020	UnitedHealthcare Community Plan	\$5,250.00	Failure to timely make Mississippi Hospital Access Payments
9/17/2020	Molina Healthcare of Mississippi	\$3,750.00	Failure to timely make Mississippi Hospital Access Payments
	<b>Total Assessed Managed Care Liquidated Damages to Date</b>	<b>\$1,488,066.80</b>	



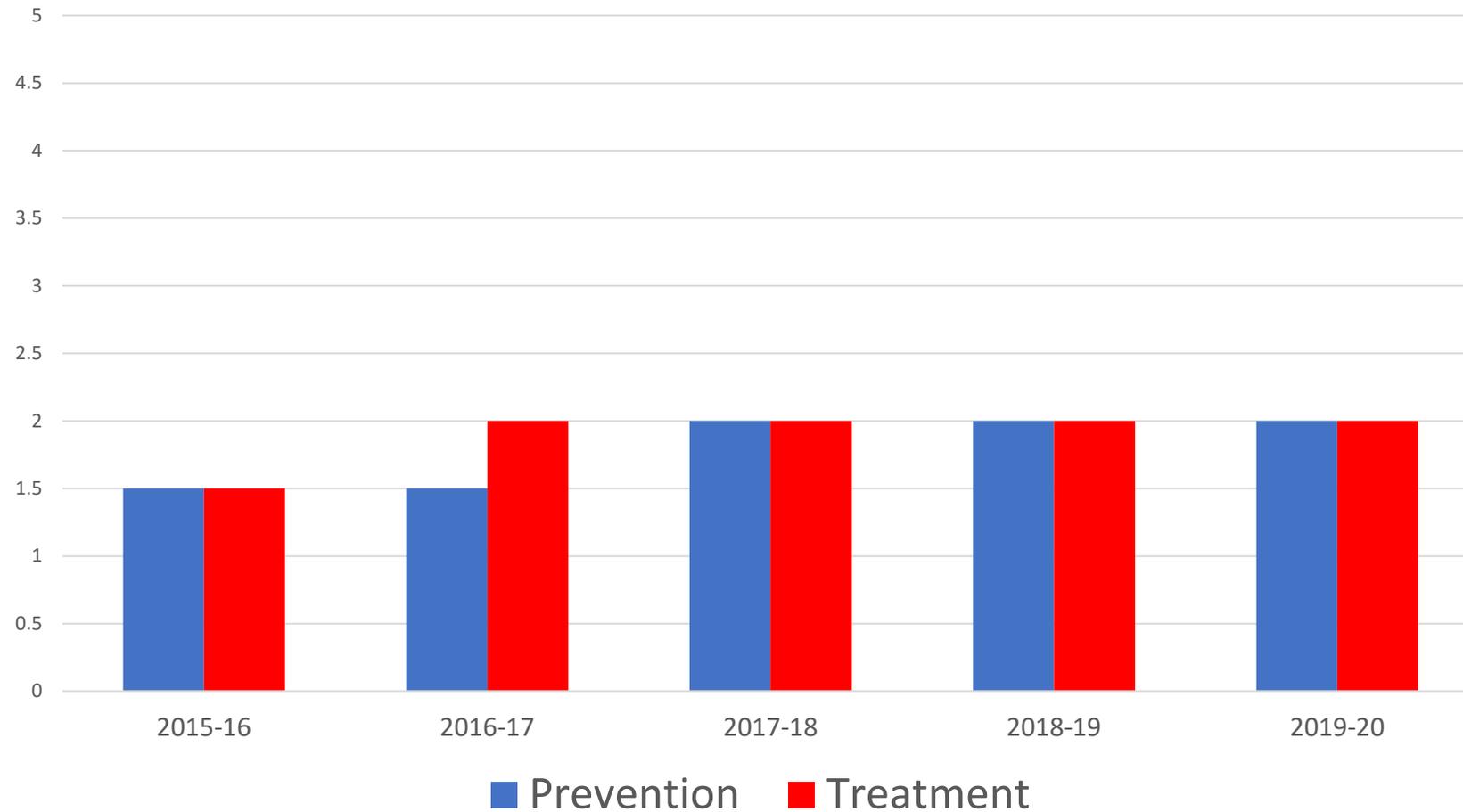
# Managing Care?

Magnolia (Centene) NCQA HEDIS Quality Scores



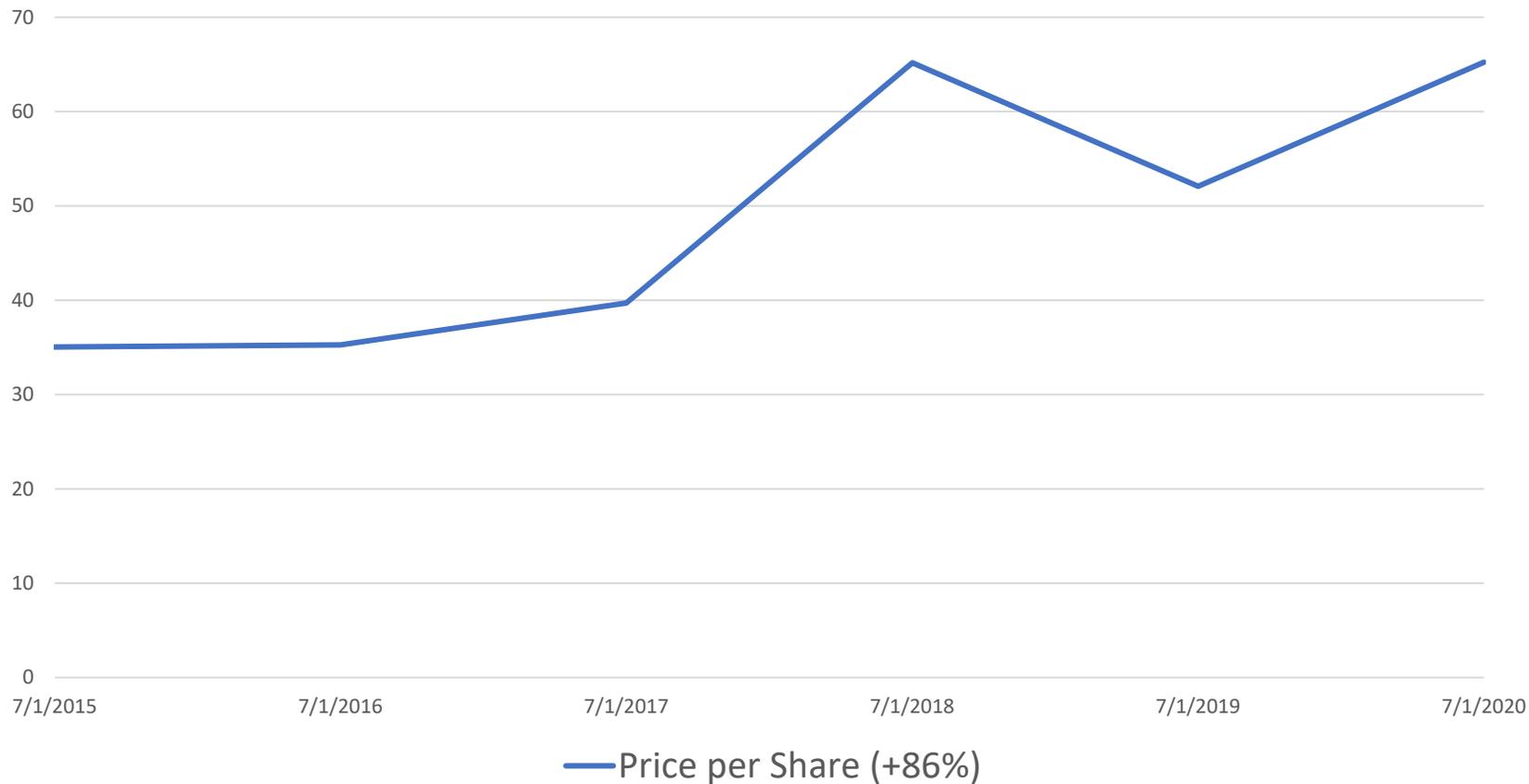
# Managing Care?

United Healthcare of MS NCQA HEDIS Quality Scores



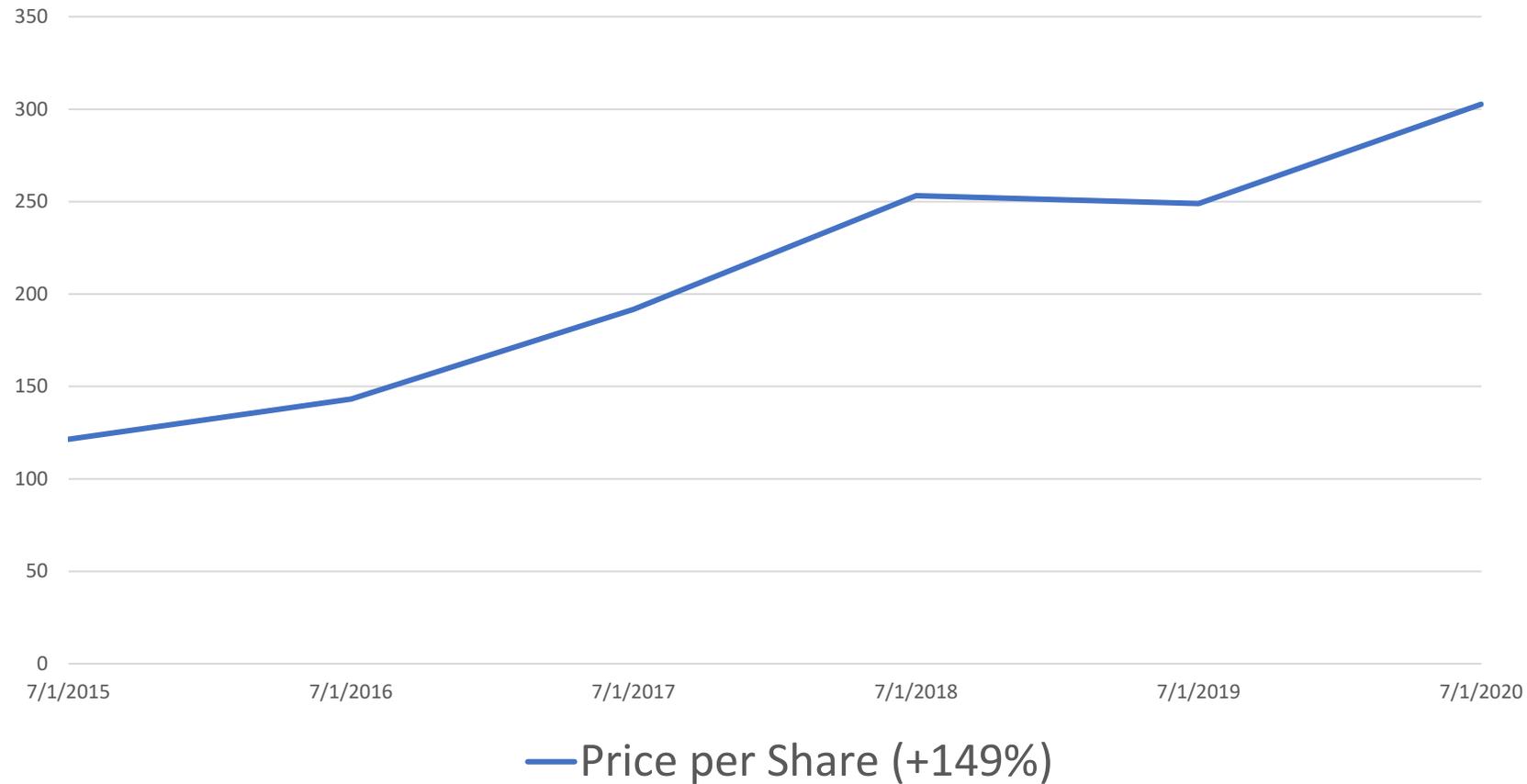
# Or Managing Payments?

Centene Stock Price (NYSE)



# Or Managing Payments?

United Health Group Inc. Stock Price (NYSE)



# Hospitals are Working to Improve Quality

- For SFY 2021, \$215 million in hospital supplemental payments (for which hospitals pay the entire state share) are conditioned upon satisfying Medicaid quality measures
- Approximately \$107.6 million is tied to hospitals participating in a Health Information Network the goal of which is to share clinical data in order to improve healthcare outcomes
- Approximately \$107.6 million is contingent upon hospitals preventing avoidable readmissions
- This is part of Medicaid's managed care quality improvement strategy and does not involve one ounce of care management from the managed care companies



# Recommendations for Medicaid Bill

- Provide health care coverage for low-income working adults
- Extend eligibility for pregnant women
- Expedite Medicaid appeals process

## If Legislature Chooses to Authorize MCOs:

- Standardize and Expedite Credentialing and Clinical Guidelines
- Require that MCOs pay no less than the Medicaid rate
- To the extent allowed under federal law, require Medicaid to reduce MCO administrative fees before reducing provider payments
- Require that one of the MCOs be a non-profit provider sponsored health plan as defined by Mississippi law to demonstrate how effective such a model may be



# Simple Choice

Are we going to continue to turn our backs on a plan which would generate hundreds of millions of dollars in state revenue and help hundreds of thousands of low-income working adults and the Mississippi hospitals and healthcare providers who serve all of us?

OR

Are we going to subsidize a corporate welfare program for for-profit, out-of-state managed care companies which have spent the last decade taking billions of dollars out of state, adding administrative costs for Mississippi providers and not moving the needle at all to improve health care for Mississippians?

