



Nebraska Medicaid

Heritage Health Pre-Proposal Questions

NOVEMBER 19, 2015

Agenda

- New Attachments
 - Capitation Rate Narrative
 - COA-level Rate Development
 - MLR and Risk Corridor Examples
 - Non-Medical Load Assumptions
 - COS and COA Trends
 - IBNR Assumptions by Source
 - NEMT-Ambulance Rates
- Common Questions
 - Retroactive Eligibility
 - UNMC Supplemental Payments
 - Health Insurer Fee
 - Miscellaneous
- Open Q&A

New Attachments

Capitation Rate Narrative

- High-level overview of rate development methodology
 - Base Data
 - IBNR
 - Program Changes
 - Trend
 - Non-Medical Loading
 - UNMC Supplemental Payment
- Additional detail available early 2016

New Attachments

COA-level Rate Development

- Application of adjustments from base data (Appendix 10) to draft rates (Appendix 11) by COA and Rating Region
- Effective trend days reflect differences in BH and PH base data periods

New Attachments

MLR and Risk Corridor Examples

- Example 1 – State Recoupment
- Example 2 – State Pay-back
- MLR reconciliation calculated prior to Risk Corridor
 - Risk Corridor incorporates any MLR payment
- 1.5% QPP is excluded from calculations
 - Revenue is net of the full 1.5%, regardless of earn-back
- 0.25% Performance Penalty included in calculations

New Attachments

Non-Medical Load Assumptions

- Non-medical load components by COA and Rating Region
- Aggregate load complies with administrative cap requirements (LB1158)
- 1.5% QPP hold-back is withheld from NML
 - 1.5% QPP is not an additional component of NML
 - Allows NML to meet LB1158 requirements regardless of portion earned back

New Attachments

COS and COA Trends

- Lower Bound PMPM trend assumptions by major COA, COS, and Rating Region
- Utilization and Unit Cost breakout will be provided when final rates are developed in early 2016

New Attachments

IBNR Assumptions by Source

- IBNR factors by data source, COS, and major COA
 - Physical Health Encounter Data – 3 months of runout
 - Behavioral Health Encounter Data – 0 months of runout
 - FFS Data – 3 months of runout

New Attachments

NEMT – Ambulance Rates

- NEMT Ambulance PMPM add-on by COA and Rating Region

Common Questions

Retroactive Eligibility

- Not fully incorporated in rates
 - FFS data includes retro periods
 - PH and BH data does not include retro periods
- Final rates will include retro time period
- MCOs will be paid blended rate of retro/regular experience
- Analyses will be conducted and released in early 2016

Common Questions

UNMC Supplemental Payments

- Brings UNMC reimbursement from Medicaid to Commercial level
- Adjustment based on UNMC utilization inherent in each COA, COS, and Rating Region
- Concentrated in Rating Region 1
- Statewide, UNMC represents:
 - 3.5% of Lab and Rad services
 - 0.5% of PCP and Other Practitioner services
 - Less than 0.5% of other services

Common Questions

Health Insurer Fee

- Not currently included in rates
- HIPF will be built into rate prospectively
 - HIPF add-on will depend on selected bidders
 - HIPF will be reconciled in the first quarter of CY2018 once actual membership is known

Common Questions

Miscellaneous

- Data Validation
- CY2017 Contract Period
- Share of Cost (Patient Liability)
 - Incurred primarily for NF and HCBS services (excluded from Heritage Health)
 - Remaining share of cost will be collected by State and is excluded from the rate development
- Rx Dispensing Fees
 - Non-independent pharmacies = \$2.50 fee
 - Independent pharmacies = \$4.45 fee
 - State FFS dispensing fee
 - Independent pharmacies represent 15% of prescriptions in Rating Region 1 and 42% of prescriptions in Rating Region 2

Open Q&A
