

# Not for the Faint of Heart: The Path to Compliance Amid Medicaid Expansion

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# Medicaid Expansion

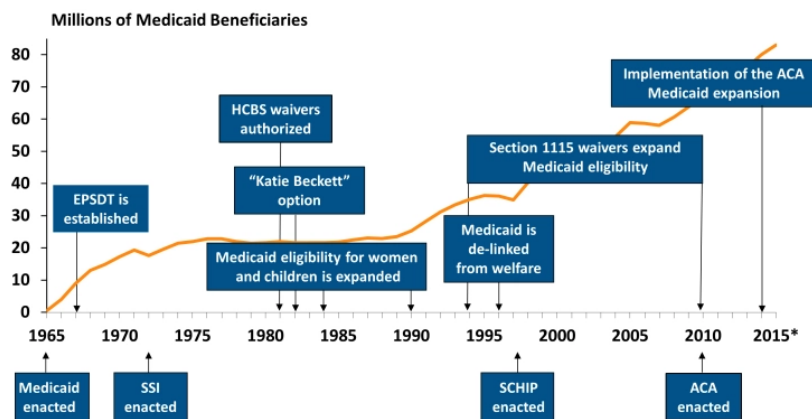
Our Rapidly Changing World

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## Medicaid Evolution

A 55+ Year Journey



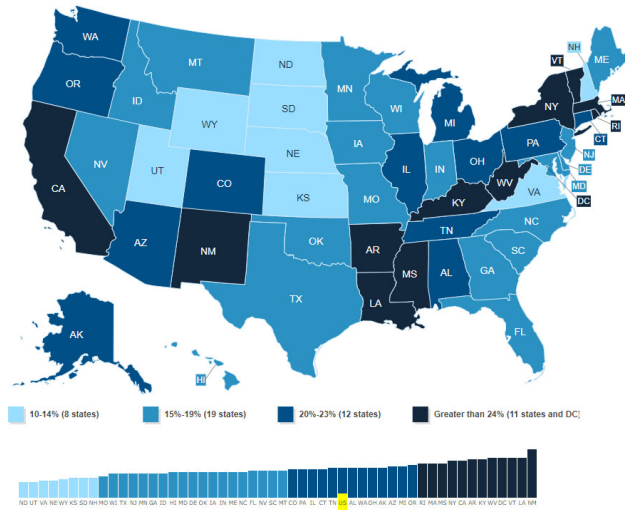
Source: Kaiser Family Foundation

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# Medicaid Coverage

21% of People in United States are Covered by Medicaid/CHIP

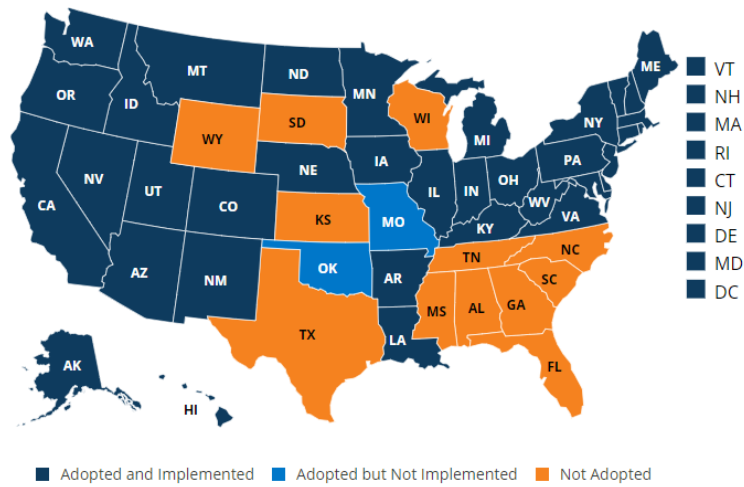


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# Medicaid Expansion

Status of State Action



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## Medicaid Expansion

### Adoption of the ACA

- Initial Adoption of the ACA Medicaid Expansion
  - Adoption Through the Standard Legislative Process
  - Adoption Through the Standard Legislative Process with a Section 1115 Waiver to Modify the Traditional Expansion Program
  - Adoption Through Executive Action
  - Adoption Through a Ballot Initiative
- Changes in Expansion Status and/or Approach Over Time
- Looking Ahead
  - Biden Administration Policy Priorities



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## Medicaid Expansion

### Recent Issues

- State Medicaid membership continues to expand
  - Expansion of Affordable Care Act
  - Growing population
  - Expanded programs / Special Populations
  - Impact of COVID-19 Pandemic
- State Medicaid budgets continue to shrink
- Perceptions about MCO Accountability



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# Expanding Expectations for Compliance Programs

Compliance in the New Frontier

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## Expanding Expectations

Trends Impacting Medicaid Compliance Programs

- Special Populations / Carve-Outs / Innovation Models
- Competitive Bidding
- Complexities of Regulatory Oversight Framework
- Increased Enforcement of Mental Health Parity
- Medicaid Program Integrity



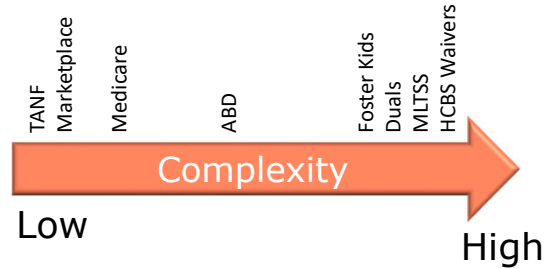
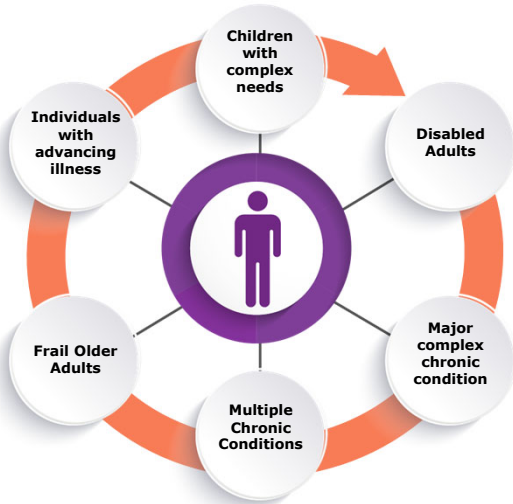
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# Special Populations

## Complex Needs

Complex populations are groups of individuals with significant medical, behavioral and social needs that require coordination across health care systems, social services and community based organizations.

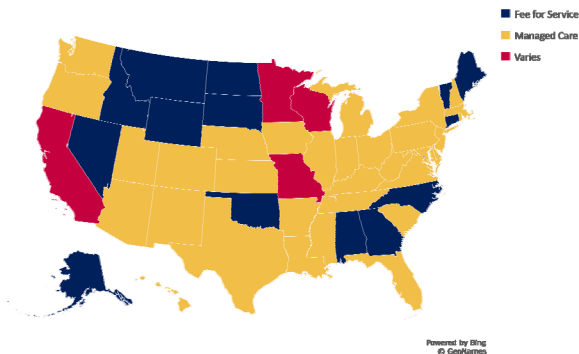


Members with complex needs exist in all government cohorts, some populations have inherently more complex needs than others

# Medicaid Expansion

## Opportunities – Special Populations

IDD Receiving Acute Care in Managed Care

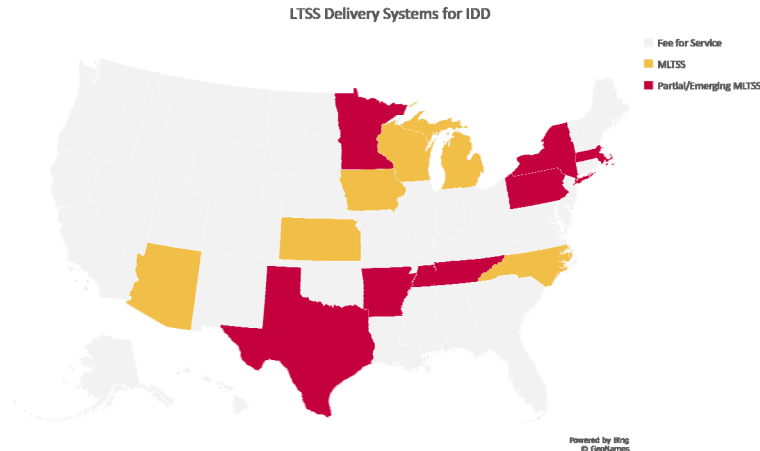


Of the 78.6 million individuals enrolled in Medicaid in 2016, approximately 2.6 million had an intellectual or developmental disability (I/DD). Of those 2.6 million, 882,076 (33%) were receiving long-term services and supports (LTSS), and 1,766,911 (67%) were not receiving LTSS. For those not receiving LTSS, the majority of the population is likely to be served in the same manner as the aged, blind, and disabled (ABD) population. (Open Minds)

Resources: [https://openminds.com/wp-content/uploads/OM\\_MarketIntelReport\\_IDDAcuteFinancing\\_101019.pdf](https://openminds.com/wp-content/uploads/OM_MarketIntelReport_IDDAcuteFinancing_101019.pdf)  
[https://www.arlingtonheritagegroup.com/blog/how-can-managed-care-work-for-the-i-dd-population/#\\_ftnref6](https://www.arlingtonheritagegroup.com/blog/how-can-managed-care-work-for-the-i-dd-population/#_ftnref6)  
[https://www.ancor.org/sites/default/files/ancor\\_mltss\\_report\\_-\\_final.pdf](https://www.ancor.org/sites/default/files/ancor_mltss_report_-_final.pdf)

# Medicaid Expansion

## Opportunities – Special Populations



Resources: [https://openminds.com/wp-content/uploads/OM\\_MarketIntelReport\\_IDDAcuteFinancing\\_101019.pdf](https://openminds.com/wp-content/uploads/OM_MarketIntelReport_IDDAcuteFinancing_101019.pdf)  
[https://www.arlingtonheritagegroup.com/blog/how-can-managed-care-work-for-the-i-dd-population/#\\_ftnref6](https://www.arlingtonheritagegroup.com/blog/how-can-managed-care-work-for-the-i-dd-population/#_ftnref6)  
[https://www.ancor.org/sites/default/files/ancor\\_mltss\\_report\\_-\\_final.pdf](https://www.ancor.org/sites/default/files/ancor_mltss_report_-_final.pdf)

In 2017, Medicaid spending for individuals with I/DD for HCBS services accounted for 70% of all spending and averaged over \$44,000 per enrollee. (Arlington)

# Competitive Bidding

## Compliance Issues

- Value of Managed Care is continuously being debated – MCOs must continuously demonstrate their value
- Compliance Program involvement in the RFP process – beyond Compliance
- Change the chatter – its not all about CAPs. The value of the Compliance Program should be woven into the narrative
- Reconciliation of the Compliance Program commitments if program awarded
- Awareness and monitoring of “black out periods” – Assume all awards will wind up in a protest and work with Legal Counsel to guide the company accordingly



# Complexities of Regulatory Oversight Framework

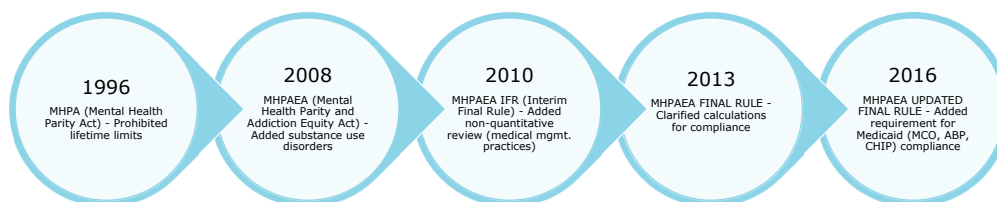
## Realities for Medicaid Compliance

- Multiple regulators / stakeholders
  - Multiplier effect if in multiple markets
- Multiple audits
- Rapidly changing requirements
- Increasing pressure from Feds
- Increasing enforcement = penalties / sanctions
- Impact of COVID-19
- What happens after COVID-19?
- Impact of Biden administration



# Mental Health Parity and Addiction Equity

## Overview



“Parity” is the requirement for (most) health plans to ensure that the financial requirements (such as co-pays, deductibles) and treatment limitations (such as visit limits) applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical/surgical benefits.

- US Dept. of Labor



# Mental Health Parity

## Implication in the Medicaid Space

- Medicaid and Children’s Health Insurance Programs; Mental Health Parity and Addiction Equity Act of 2008; the Application of Mental Health Parity Requirements to Coverage Offered by Medicaid Managed Care Organizations, the Children’s Health Insurance Program (CHIP), and Alternative Benefit Plans.
- Parity Compliance Toolkit (Toolkit):  
<https://www.medicaid.gov/medicaid/benefits/downloads/bhs/parity-toolkit.pdf>
- The purpose of this Parity Compliance Toolkit (Toolkit) is to provide detailed information and guidance to help states assess compliance with the final Medicaid/Children’s Health Insurance Program (CHIP) parity rule.
- Oversight and enforcement have steadily increased over the years and are now requiring comprehensive, organizational culture changes; analogous to the roll-out and adoption of HIPAA throughout the industry.

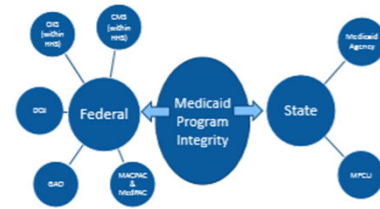
# Mental Health Parity

## Vision for Comprehensive Implementation

Band-Aid Approach	Parity Implementation Program
<b>Retrospective</b> – when concerns are identified, research the development of policies and procedures to determine how and when the disparity may have arisen	<b>Prospective</b> – build parity principles into the policy development process
<b>Centralized</b> – responsibility and oversight limited to Compliance and/or Legal Department(s)	<b>Embedded</b> – staff are identified at key process points to take responsibility for ensuring parity principles are applied and to elevate questions or concerns as needed
<b>Scattered</b> – documentation is spread across a variety of files, version-control is a constant challenge, few staff (if any) are able to easily identify and access the full set of current relevant documentation	<b>Organized</b> – single platform to host all relevant documentation, can be accessed by all staff with permissions
<b>Fixed in time</b> – retrospective analyses assess compliance at a fixed point in the past	<b>Dynamic</b> – compliance is organic and ongoing
<b>Unpredictable</b> – responses to regulator inquiries, market conduct exams, litigation, and other needs generate urgent scramble to assemble needed information	<b>Streamlined</b> – predictable workload to build infrastructure, reports can be generated and printed on demand

# Medicaid Program Integrity Trends

- Key Players
  - Federal Agencies
  - States and State Medicaid Agencies
  - Medicaid Fraud Control Units
  - Managed Care Organizations
- Risk Areas
  - State capitation payments
  - MCO claims processing
  - State oversight of MCO contracts and MCO subcontracting
  - MCO provider networks
- State Approaches to Compliance Oversight



Source: Kaiser Family Foundation

# Medicaid Program Integrity Trends, continued. . .

- State / MCO Coordination of Program Integrity Activities Challenges
  - Administrative Challenges
    - Oversight Responsibilities
    - Access to Data
    - Increased Program Integrity Expectations
  - Financial Challenges
    - Provider Overpayments
    - Calculation of Medical Loss Ratio (MLR)
    - Training and Appropriate Staffing / Adequate Resources
  - Additional Challenges
    - State Focus – Partnership versus Punitive Action
    - Complexity of Political Relationships
    - Coordination of Program Integrity Roles
- Impact of Enhanced Oversight on Providers



Source: Social Security Administration

## Medicaid Program Integrity

### Looking Ahead

- Zero-Tolerance Activity
- Holding Providers Accountable versus Focusing on Care Delivery
- Lessons from Medicare
- National Health Priorities

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## Key Takeaways for Compliance Programs

What should Medicaid Compliance Officers be doing now?

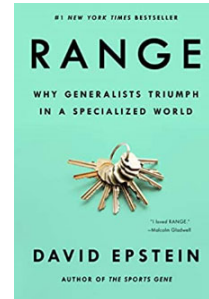
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## New Frontier Compliance Models

### Looking Ahead

- Adapt to your frontier
  - As your company expands into Special Populations / Carve-Outs / Innovation Models (e.g. programs to address social determinants of health), consider the risks and Compliance Program implications (conduct risk assessments and develop action plans)
  - You will not be the SME on everything – be comfortable with that
  - Be the company Chief Dot Connector
- Compliance Tool Adaptation
  - Risk Assessment tool unique for Special Populations
- Staff based on SME generalists, compliance skill set
  - *Why Generalists Triumph in a Specialized World*
- Compliance's role in influence and advocacy



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## Questions



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