

JOINT FINANCE COMMITTEE HEARING FISCAL YEAR 2022 BUDGET



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DIVISION DIRECTOR

DIVISION OF MEDICAID AND MEDICAL ASSISTANCE
Department of Health and Social Services
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Virtual, conducted via Zoom

Comments available online at <https://dhss.delaware.gov/>

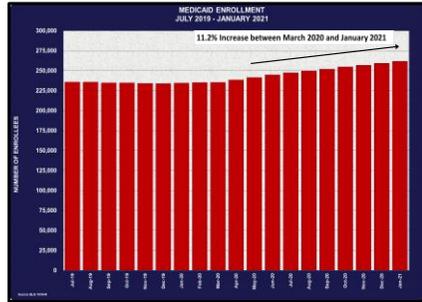
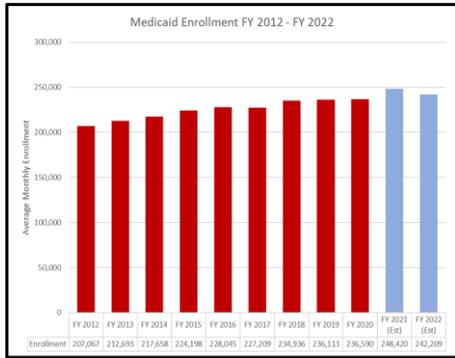
Good Afternoon Representative Carson, Senator Paradee, members of the Joint Finance Committee and members of the public.

I am Steve Groff, Director of the Division of Medicaid and Medical Assistance (DMMA). With me today are Lisa Zimmerman, our Deputy Director, Alexis Bryan-Dorsey, our Chief of Administration, and Dr. Elizabeth Brown, our Chief Medical Officer.

Thank you for the opportunity to speak with you today and present our accomplishments and Fiscal Year (FY) 2022 Governor's Recommended Budget.

DIVISION OVERVIEW

Medicaid Enrollment



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The mission of DMMA is to improve health outcomes by ensuring that the highest quality medical services are provided to the vulnerable populations of Delaware in the most cost-effective manner.

We do this by providing health care coverage and supportive services to over 275,000 Delawareans enrolled in Medicaid, the Children’s Health Insurance Program (CHIP), the Delaware Prescription Assistance Program and the Chronic Renal Disease Program.

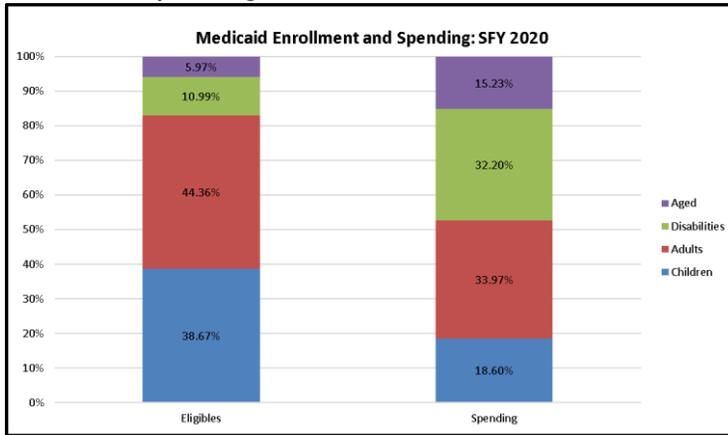
January 2021 enrollment included:

- 261,760 individuals in Medicaid (nearly one in four Delawareans);
- 11,218 children in the Delaware Healthy Children Program (CHIP);
- 2,263 individuals in the Delaware Prescription Assistance Program; and
- 633 individuals in the Chronic Renal Disease Program.

As you can see by the chart on the right, Medicaid enrollment has increased 11.2% since the beginning of the COVID-19 pandemic. This is largely due to the impact of continuous coverage requirements under the Families First Coronavirus Response Act (FFCRA). The federal stimulus legislation provides a 6.2% increase in federal matching during the Public Health Emergency (PHE) but includes a maintenance of effort that prohibits disenrollment of most current Medicaid beneficiaries.

DIVISION OVERVIEW

Medicaid Spending

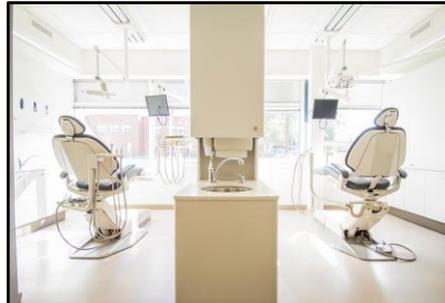
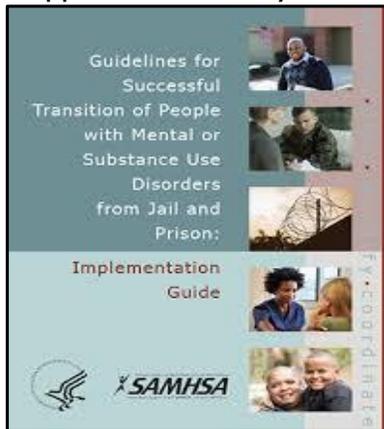


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Medicaid provides health care coverage to low-income children and adults, seniors, and individuals with disabilities. Medicaid also provides benefits not typically covered by other insurers, including long-term services and supports and Medicare cost-sharing for some individuals who are eligible for both programs. Since its inception, the program has evolved from welfare-based coverage to become the nation's primary payer for certain types of care such as nursing home care and home and community-based services. Additionally, Medicaid accounts for a significant portion of spending on mental health services and treatment for substance use disorder. As the chart shows, children and low-income adults represent the majority of those enrolled in the Delaware Medicaid program but account for substantially less spending.

ACCOMPLISHMENTS

Support for Re-Entry



Adult Dental Benefit



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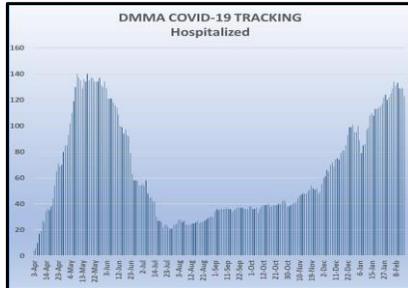
There are many accomplishments that could be highlighted, but I would like to focus on two.

DMMA, in collaboration with the Department of Correction, Division of Social Services, Division of Substance Abuse and Mental Health and our Managed Care Organizations (MCOs), implemented the In-Reach/Care Model, for the justice involved population on January 1, 2020. Individuals receive in-reach to provide transition services and care coordination prior to release and have immediate access to mental health, substance use disorder and other medical care.

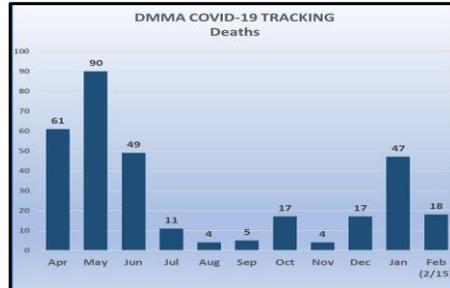
With the support of the General Assembly and the collaboration of our MCOs and dental partners we were able to achieve a long-standing priority to offer preventive and restorative dental treatment for our adult population in October 2020. During the first quarter of implementation (October – December 2020), over 4,300 Medicaid adults received dental services.

ACCOMPLISHMENTS – COVID-19 IMPACT AND RESPONSE

• **6,126 Positive Cases**



• **323 Deaths**



- **Prevent Gaps in Coverage**
- **Ensure Access to Care and Enhance Support**
- **Provide Coverage of COVID-19 Testing and Treatment**



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The COVID-19 Pandemic has impacted everyone but has been a particular concern for the Medicaid population because many of the members we serve are particularly vulnerable due to age, disability, and social/demographic factors impacting health care status and access to care. Since the beginning of the pandemic over 6,000 Medicaid members have tested positive and, sadly, over 300 have died. Trending in hospitalizations and deaths, shown in the charts on this slide, mirror the statewide trends you've seen.

Our response to the pandemic has been multi-faceted and focused in three primary areas.

- 1. Prevent Gaps in Coverage** – All enrollment terminations have been suspended, as well as premium payments and co-pays, during the Public Health Emergency.
- 2. Ensure Access to Care and Enhance Support** – Prior authorizations and service limits (prescriptions, certain supplies and equipment, and home health care) have been relaxed to prevent a lapse in service. Telehealth coverage has been expanded to address challenges with face-to-face medical visits. We have also expanded home-delivered meals and non-emergency medical transportation to alternative care sites, including hotels being used as shelters and COVID testing and vaccination events.
- 3. Provide Coverage of COVID-19 Testing and Treatment** – Medicaid provides coverage, without cost-sharing, for all approved testing, vaccine administration, and treatment, including monoclonal antibody therapy.

LOOKING AHEAD

- COVID-19 Response
- Delivery System and Payment Reform
- Substance Use Disorder
- Individuals with Disabilities and Medically Complex Conditions
- Maternal and Child Health



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Looking ahead, we will continue our focus on responding to the COVID-19 pandemic. As vaccine becomes more widely available our efforts are concentrated on outreach and support to assist our members, particularly those with mobility issues or living in underserved communities, to become fully vaccinated.

We will also continue our efforts to transform in the areas noted on this slide.

FY 2022 GOVERNOR'S RECOMMENDED BUDGET

FY 2022 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	82.0	0.0	106.6	188.6
Dollars (\$)	794,020.7	74,554.1	1,681,201.6	2,549,776.4

Budget Definitions:

GF – General Funds
 ASF – Appropriated Special Funds
 NSF – Non-Appropriated Special Funds
 FTEs – Full Time Equivalent Positions



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The slide above shows the DMMA budget included in the FY 2022 Governor's Recommended Budget (GRB).

Our Division's FY 2022 GRB is:

- \$794,020.7 [Seven Hundred Ninety-Four Million, Twenty Thousand, Seven Hundred dollars] in General Funds (GF);
- \$74,554.1 [Seventy-Four Million, Five Hundred Fifty-Four Thousand, One Hundred dollars] in Appropriated Special Fund (ASF) Spending Authority; and
- \$1,681,201.6 [One Billion, Six Hundred Eighty-One Million, Two Hundred One Thousand, Six Hundred dollars] in Non-Appropriated Special Funds (NSF).

The Governor's Recommended Budget includes an increase of \$12.5 million in Medicaid and \$2.0 million in CHIP to address inflation and volume increases in these programs. We will continue to monitor spending, utilization, and enrollment trends and recognize that there is a great deal of uncertainty as we move through 2021 and into 2022. Factors that will impact Medicaid spending include the duration of the PHE which is directly related to enhanced federal funding as well as the continuous coverage requirement, additional legislation at the federal level to address public health and economic impacts of the pandemic, and utilization trends.



THANK YOU

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Thank you for the opportunity to share with you the challenges and opportunities facing the Division of Medicaid and Medical Assistance.

I am happy to answer any questions you may have.