Department of Health Care Finance
DHCF *(HT)*

MISSION

The mission of the Department of Health Care Finance is to improve health outcomes by providing access to comprehensive, cost-effective and quality health care services for residents of the District of Columbia.

SUMMARY OF SERVICES

The Department of Health Care Finance (DHCF), a newly created agency in FY 2009, provides health care services to low-income children, adults, the elderly and persons with disabilities. Over 200,000 District of Columbia residents (nearly one third of all residents) receive healthcare services through DHCF's Medicaid and Alliance programs. DHCF strives to provide these services in the most appropriate and cost effective settings possible.

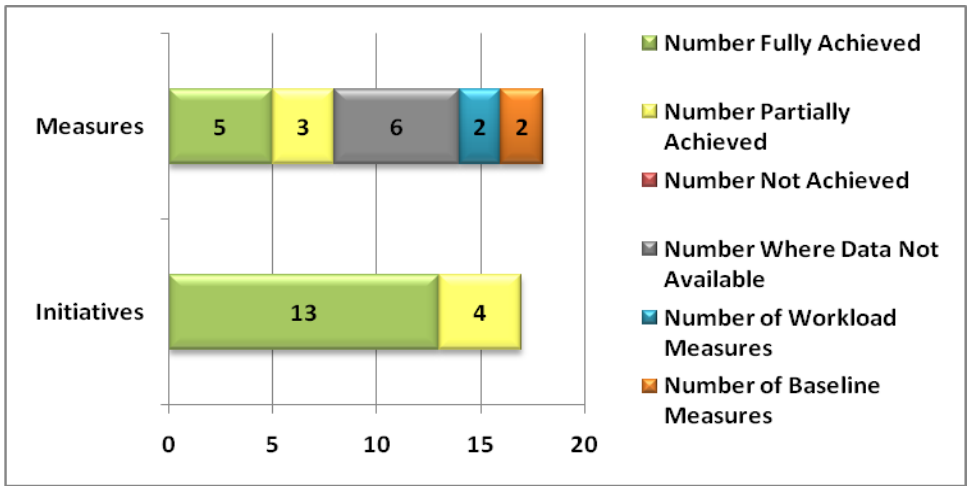
AGENCY OBJECTIVES

1. Provide access to a broad range of high-quality health care services through a network of providers to meet the needs of eligible beneficiaries.
2. Maximize health care coverage to reduce the number of uninsured and underinsured in the District of Columbia.
3. Provide care more efficiently, through ensuring program and fiscal integrity, while maximizing federal resources.
4. Strengthen the partnership between DHCF and a broad network of quality providers, as well as with other government agencies, to expand health care services.

ACCOMPLISHMENTS

- ✓ Established The Health Care Ombudsman's office, which helped solve consumer complaints related to program eligibility, health services and prescription drug access, insurance coverage, reimbursement for health services and quality of care for 723 residents.
- ✓ Recouped nearly $15 million in improper payments to providers, and referred 21 cases to the Office of the Inspector General's Medicaid Fraud Control Unit for prosecution.
- ✓ Raised its provider payment rates to match Medicare rates, one of 11 states at these rates.

OVERVIEW OF AGENCY PERFORMANCE



Performance Initiatives – Assessment Details

Performance Assessment Key:

Fully achieved | Partially achieved | Not achieved | Data not reported

OBJECTIVE 1: PROVIDE ACCESS TO A BROAD RANGE OF HIGH-QUALITY HEALTH CARE SERVICES THROUGH A NETWORK OF PROVIDERS TO MEET THE NEEDS OF ELIGIBLE BENEFICIARIES.

INITIATIVE 1.1: Increase access to home and community-based services to support the elderly and persons with disabilities to live in their homes and communities, rather than institutional settings.

The DHCF Office of Chronic and Long-Term Care (CLTC) continues to enroll new participants and recertify current participants in the home and community-based waiver for the Elderly and Persons Living with Physical Disabilities (EPD Waiver). Total enrollment in the waiver has increased by approximately 15%, rising from 1,876 participants in October 2008 to 2,181 participants in September 2009. In the last year, DHCF's CLTC revamped a number of processes to improve information flow for eligibility determination, the processing of new applications and recertifications by developing standard guidelines and criteria for case managers, and phasing in an electronic case management system. In addition, CLTC continues to promote the program and conduct outreach and education about home and community-based services to beneficiaries, families, government agencies, community partners, and Medicaid providers, which DHCF expects to contribute to steady growth in both the number of providers serving the EPD waiver population and the demand for EPD Waiver services over the next year. DHCF is also working to develop participant-directed services under the EPD waiver.

INITIATIVE 1.2: Increase transparency and effectiveness of the non-emergency transportation broker by expanding and monitoring the program's preferred provider program.

In FY 2009 DHCF held monthly meetings with Medical Transportation Management (MTM), the District's non-emergency Medicaid transportation vendor, to discuss and resolve provider and beneficiary issues. Complaints were cut in half in FY 2009, by addressing issues such as late pick-ups, no-shows and driver behavior. DHCF and MTM worked with day treatment facilities, to reduce administrative burdens and set up direct billing with MTM. In addition, MTM conducted beneficiary training regarding transportation options. DHCF monitored the transportation broker through desk and on-site audits and collaborated with sister agencies utilizing broker services to improve the services provided.

INITIATIVE 1.3: Improve access to and use of dental services for children and adults by recruiting new providers and expanding outreach efforts.

A significant change to dental services in FY 2009 is that adult dental benefits are now provided through the District's three Medicaid health plans. These health plans contract with dental networks that have considerably more dentists than were previously participating in the fee-for-service dental program. DHCF also worked with the DC Dental Society to encourage local dentists to become Medicaid providers. While a new children's dental clinic was not established

in the District in FY 2009, discussions are continuing about this occurring in FY 2010.

INITIATIVE 1.4: Improve access to children's preventive health services.
Over the last year DHCF has improved access to preventive services for children residing in the District. Most children are enrolled in one of the District's four Medicaid health plans, which have outreach programs to encourage the use of preventive services. These efforts include home visits for families who have not sought services recently to provide education and encourage access to care. DHCF also contracts with Bright Futures at Georgetown University to operate the HealthCheck Provider Education system, which includes training on EPSDT (Early Periodic Screening, Diagnosis and Treatment program) and SMRF (Standard Medical Record Forms) used by Medicaid providers. In addition, all managed care organizations (MCOs) are required to educate providers about the HealthCheck program and report annually to DHCF on these efforts. During FY 2009 DHCF also developed its Notice and Outreach Report, to expand provider reporting, training and monitoring. Finally, to encourage provider participation and outreach during FY 2009 DHCF increased physician reimbursement for preventive care to match 100% of Medicare rates.

INITIATIVE 1.5: Create a Consumer Report Card on Medicaid and Alliance managed care plans.
DHCF is in the process of finalizing a managed care report card, with reporting requirements for plans to begin in FY 2010. DHCF anticipates the first managed care report card will be available in winter 2009.

INITIATIVE 1.6: Increase provider participation in Medicaid and Alliance programs to ensure adequate access to health care services.
In FY 2009 DHCF increased the Medicaid provider fees, to 100% of Medicare rates for the District's Medicaid fee-for-service program. As a result 41 new providers have been enrolled in the Medicaid managed care networks that serve 100,000 Medicaid beneficiaries and 55,000 Alliance beneficiaries. Also in FY 2009, DHCF conducted a series of provider town halls and forums to attract new providers, and started a provider relations unit to better serve provider needs.

OBJECTIVE 2: MAXIMIZE HEALTHCARE COVERAGE TO REDUCE THE NUMBER OF UNINSURED AND UNDERINSURED IN THE DISTRICT OF COLUMBIA.

INITIATIVE 2.1: Expand health insurance to District residents currently ineligible for other public programs by developing a proposal to implement the Healthy DC program.
DHCF intends to launch the Healthy DC program in early calendar year 2010 with coverage to commence in March 2010. DHCF has developed a tentative benefit package, premium structure and rules for the Healthy DC program. In addition, DHCF has initiated discussions with managed care organizations for the management of health care services for the Healthy DC population. DHCF is in the process of finalizing MCO contracts, developing a public outreach campaign, establishing an eligibility unit and publishing proposed rulemaking for Healthy DC.

INITIATIVE 2.2: Inform District residents about opportunities for healthcare coverage and benefits under Medicaid and the Alliance program.
Throughout FY 2009 DHCF increased community outreach efforts. DHCF created the Office of the Ombudsman to provide information to the community and assist with the resolution with benefits related issues. DHCF contractors attended health fairs to educate residents and

promote the use of District benefits. In addition, DHCF held a series of forums and town halls to educate beneficiaries and providers.

OBJECTIVE 3: PROVIDE CARE MORE EFFICIENTLY, THROUGH ENSURING PROGRAM AND FISCAL INTEGRITY, WHILE MAXIMIZING FEDERAL RESOURCES.

INITIATIVE 3.1: Expand utilization management activities to ensure proper utilization of services and to recover funds.

In 2009, DHCF's Office of Utilization Management conducted provider reviews to track the utilization of services and identify unusual trends in expenditures. DHCF conducted reviews of providers in a variety of specialties, including: home health, podiatry, laboratory, mental health, nursing homes and transportation. DHCF staff reviewed and analyzed Medicaid data to identify trends. As a result of this initiative DHCF has identified $14.8 million in over payments and anticipates surpassing its FY 2009 goal of $2 million in recoveries. In addition, 41 total audits were completed in FY 2009, surpassing the FY 2009 goal of 30 audits.

INITIATIVE 3.2: Increase DHCF savings through operation of a preferred drug list and supplemental rebate program to promote the clinically appropriate utilization of pharmaceuticals in a cost-effective manner.

In support of this initiative DHCF oversees the Pharmacy and Therapeutics (P&T) Committee. The P&T Committee meets quarterly to review identified classes of drugs and makes recommendations on the approval of medications for inclusion and/or retention on the District's Preferred Drug List. The P&T Committee provides prior authorization criteria recommendations and suggests clinical protocols to promote the appropriate use of pharmaceuticals for fee-for-service beneficiaries. In FY 2009, DHCF increased its supplemental rebate collections to $2.8 million, up from $2.2 million in FY 2008. This increase is attributed to several factors including: 1) the P&T Committee's review and inclusion on the Preferred Drug List of eight new therapeutic drug classes; 2) a steady market shift to increased utilization of Preferred Drug List Products; and 3) aggressive supplemental rebate negotiations resulting in more favorable rates for drugs under the National Medicaid Pooling Initiative, a multi-state drug purchasing initiative in which the District participates.

INITIATIVE 3.3: Develop and expand provider training program on fraud and abuse issues.

DHCF has continued its efforts to enhance provider education on fraud and abuse. In FY 2009, DHCF provided fraud and abuse education and training for 148 providers. Despite management turnover, DHCF surpassed its FY 2009 fraud and abuse training goal. These efforts are a key component of DHCF's initiatives to safeguard funds and enhance accountability.

INITIATIVE 3.4: Implement the Medicaid Transformation Grant, an initiative to integrate patient data across DHCF and other agencies' programs.

The Medicaid Transformation Grant is the funding stream for the Patient Data Hub contract that was awarded in April 2009 to MedPlus, Inc. The Patient Data Hub will allow the secure sharing of patient information among participating providers to improve clinical decision-making, reduce costs due to duplicate tests and procedures and ultimately improve patient outcomes for the District's Medicaid beneficiaries. The design phase of the project is substantially complete and work is now focused on finalizing details of the partner relationships and data sharing agreements. The initial completion date was March 2010. Because of delays in the interface with the MMIS and in finalizing partners, the estimated completion date for this project is May

2010.

OBJECTIVE 4: Strengthen the partnership between DHCF and a broad network of quality providers, as well as with other government agencies, to expand healthcare services.

INITIATIVE 4.1: Create a single Administrative Services Organization (ASO) to improve care and consolidate Medicaid billing and claims processing from District agencies.
DHCF's Administrative Services Organization (ASO) will perform claims submittal (including ensuring proper claims documentation) and related administrative functions for the nine District Government partner agencies that bill for Medicaid services. The ASO will be responsible for implementing and operating a claims and payment management system, including a verification model which allows for two quality of checks of submitted data. The purpose of these checks is to eliminate the occurrence of duplicate and incorrect claims and is critical to ensuring that Medicaid claims submitted by partner agencies meet federal reimbursement requirements. DHCF will complete the contracting process and begin ASO operations in early calendar year 2010.

INTIATIVE 4.2: Enhance the current information system for claims to better communicate with providers and improve billing and claims accuracy.
In fall 2008, DHCF launched the first phase of the non-secured web portal www.DC-Medicaid.com. The web portal gives providers and beneficiaries a single source of program information about the DC Medicaid program including but not limited to provider bulletins and transmittals, billing manuals, the DC Medicaid State Plan and the capability to search for participating Medicaid providers. In February 2009, DHCF deployed the second phase of the portal that gave providers the ability to enroll via the web as DC Medicaid providers. In June 2009 DHCF began posting a monthly updated DC Medicaid fee schedule to the portal.

DHCF also worked with the DC Treasury to implement a weekly release of payments to the DC Medicaid providers. The previous payment scheduled resulted in providers getting paid two to three weeks after approval for payment. Based on DHCF current reports related to the American Recovery and Reinvestment Act, 98% of claims are paid within 30 days of receipt. Finally, for FY 2009 DHCF has begun full implementation of a new Medicaid Management Information System (MMIS) system that will be completed in early 2010.

INTIATIVE 4.3: Enhance DHCF's website to facilitate information exchange, with the aim of providing coordinated information to beneficiaries and existing/potential DHCF providers.
In the fall of 2008 DHCF launched the first phase of its web-portal, to provide providers and beneficiaries a single source of information on the District's Medicaid program. DHCF launched the second phase of its website in February 2009. The website is updated weekly to ensure that DHCF's providers and beneficiaries have up to date information on DHCF initiatives.

INITIATIVE 4.4: Implement quality improvement initiatives.
In 2009 DHCF implemented two major quality improvement initiatives: the Collaborative to Improve Perinatal Outcomes and the Collaborative to Improve Chronic Disease Outcomes. Both initiatives kicked off in March 2009, and are multi-year initiatives intended to run through 2011. The Collaborative to Improve Perinatal Outcomes is aimed at reducing adverse perinatal outcomes such as fetal death, low birth weight, premature births, and HIV, and infant death within the first year of life. This collaborative includes DHCF's managed care plans and providers.

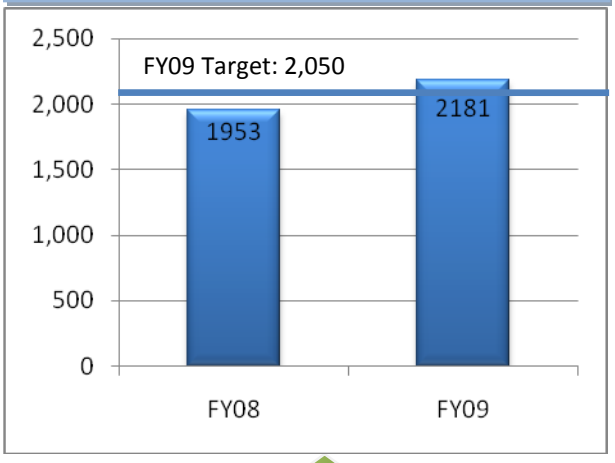
The second initiative, the Collaboration to Improve Chronic Disease Outcomes, is aimed at reducing the need for emergency room visits and inpatient hospital admissions for individuals with four chronic illnesses (diabetes, asthma, hypertension and congestive heart failure). All four health plans have begun outreach with their enrolled populations to focus on preventive care rather than emergency services. The baseline 2008 rates, representing performance before the initiatives began, will be calculated by the end of December 2009 and the 2009 rates will be available by July 2010.

INITIATIVE 4.5: Increase funding for services paid for by Medicaid and provided in District of Columbia Public Schools.

DHCF has been collaborating with District of Columbia Public Schools (DCPS) and Office of the State Superintendent of Education (OSSE) to expand school based health services to students with individualized education plans (IEPs). The Centers for Medicare and Medicaid Services (CMS) approved the state plan amendment (SPA) for school health services in September 2009. In addition to services initially covered (occupational therapy, physical therapy, audiology, assessment and evaluation services) the SPA expands coverage to skilled nursing services, personal care services, mental health and counseling services, and orientation and mobility services. The effective date of the SPA is October 2009 and DHCF, DCPS and OSSE are working towards full implementation of the SPA. In addition, DHCF (through its Public Provider Liaison Unit) continues to work with DCPS to resolve the issues that led to findings of Medicaid disallowances at DCPS in recent cost reports.

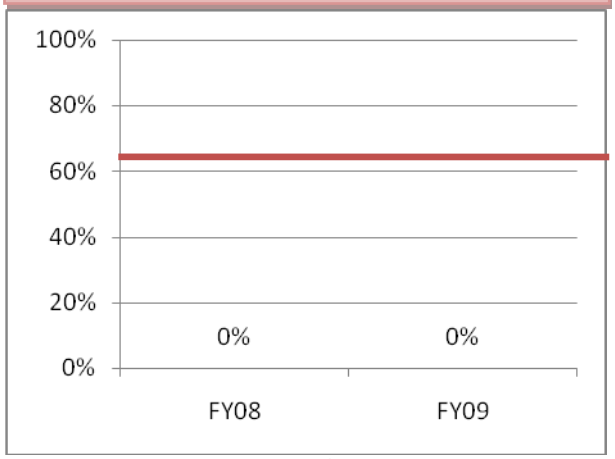
Key Performance Indicators – Highlights

From Objective 1: Number of participants in Elderly and Physically Disabled Waiver



FULLY ACHIEVED

From Objective 4: Quality Improvement Initiatives 1: Adverse Perinatal Outcomes and 2: Adverse Chronic Disease Outcomes



NO DATA REPORTED

More About These Indicators:

How did the agency's actions affect this indicator?

- DHCF nearly eliminated its backlog and increased participation in the waiver by 15%, bringing enrollment to 2,181.
- DHCF improved information flow with the Income Maintenance Administration (IMA) and its application/recertification process.
- DHCF conducted home- and community-based services outreach to families, community partners, and Medicaid providers.

What external factors influenced this indicator?

- The Delmarva Foundation (the District's designated Quality Improvement Organization) reviews and approves level of care determinations for all waiver participants.
- DHCF works with a number of partners within and outside of the District government on the EPD Waiver.

How did the agency's actions affect this indicator?

- Two multi-year health care quality improvement initiatives began in FY 2009, the Collaborative to Improve Perinatal Outcomes and the Collaborative to Improve Chronic Disease Outcomes.
- Both initiatives are on track, however, since they are multi-year initiatives 2009 data will not be reported until 2010 and the initiatives will not be completed until year end 2011.

What external factors influenced this indicator?

- DHCF commissioned George Washington University to identify candidate health problems and invited stakeholder proposals
- Under the Collaborative to Improve Perinatal Outcomes Medicaid managed care plans will use standardized prenatal forms and conduct outreach. Providers are implementing standard screening tools for risk factors.
- Under the Collaborative to Improve Chronic Disease Outcomes, all 4 Medicaid managed care plans began outreach with their enrolled populations.

Key Performance Indicators – Details

Performance Assessment Key:

Fully achieved | Partially achieved | Not achieved | Data not reported

Workload Measure | Baseline Data

	Measure Name	FY2008 YE Actual	FY2009 YE Target	FY2009 YE Actual	FY2009 YE Rating	Budget Program
●	Number of participants in Elderly and Physically Disabled Waiver	1,953	2,050	2,181	106.39%	PUBLIC PROVIDER PAYMENTS
●	Average wait time between receipt of complete EPD waiver application and approval/denial of application	Unknown	45	Unknown		PUBLIC PROVIDER PAYMENTS
●	Reported complaints on transportation broker services, per 1000 trips	4.5	3	1.48	200.03%	PUBLIC PROVIDER PAYMENTS
●	Number of dental visits for children in Medicaid (unduplicated count)			36,002		PUBLIC PROVIDER PAYMENTS
●	Number dental visits for adults in Medicaid (unduplicated count)			62,402		PUBLIC PROVIDER PAYMENTS
●	Immunization rates for two year old children		80	72.93	91.16%	PUBLIC PROVIDER PAYMENTS
●	Timeliness of prenatal care		75	67.97	90.63%	PUBLIC PROVIDER PAYMENTS
●	Adults' use of preventive/ambulatory care services (age 20-44)		80	77.65	97.06%	PUBLIC PROVIDER PAYMENTS
●	Percent of Medicaid applications processed within 45 days	90	91			PUBLIC PROVIDER PAYMENTS
●	Percent of Alliance applications processed within 45 days					PUBLIC PROVIDER PAYMENTS
●	Percent of DC residents uninsured		6			PUBLIC PROVIDER PAYMENTS

	Percent DC residents insured through Medicaid and Alliance			35.79%		PUBLIC PROVIDER PAYMENTS
	Number of grievances and appeals filed			92		PUBLIC PROVIDER PAYMENTS
	Total recovered from provider audits	$700,000	$1,500,000	$14,800,000	986.67%	PUBLIC PROVIDER PAYMENTS
	Percent generic drug utilization in Medicaid (FFS Only)	56	58	68.86%	118.72%	PUBLIC PROVIDER PAYMENTS
	Number of providers trained annually in fraud and abuse training program		75	148	197.33%	PUBLIC PROVIDER PAYMENTS
	Quality Improvement Initiative 1: Adverse Perinatal Outcomes	0	0	0		PUBLIC PROVIDER PAYMENTS
	Quality Improvement Initiative 2: Adverse Chronic Disease Outcomes	0	0	0		PUBLIC PROVIDER PAYMENTS