



FY 2013 PERFORMANCE PLAN
Department of Health Care Finance

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 provides health care services to low-income children, adults, elderly and persons with disabilities. Over 200,000 District of Columbia residents (one-third of all residents) receive health care services through DHCFs Medicaid and Alliance programs. DHCF strives to provide these services in the most appropriate and cost-effective settings possible.

PERFORMANCE PLAN DIVISIONS

- Office of the Director
- Health Care Policy and Research Administration
- Health Care Delivery Management Administration
- Health Care Operations Administration
- Health Care Reform and Innovation Administration

AGENCY WORKLOAD MEASURES

Measures	FY 2010 Actual	FY 2011 Actual	FY 2012 YTD
Number of District residents covered by Medicaid (Year End)	196,070	212,935	218,968
Number of District residents covered by Alliance (Year End)	25,608	23,931	17,289
Percentage of District residents insured	93.8%	93.8%	Data is not available for 2012 until CY2013



Office of the Director

SUMMARY OF SERVICES

The Office of the Director provides executive management, policy direction, strategic and financial planning, public relations, and resource management. It controls and disseminates work assignments and coordinates agency operations to ensure the attainment of the agency’s goals and objectives. Additionally, this division includes the Office of the Health Care Ombudsman and Bill of Rights, which ensures the safety and well-being of District residents and their health care services through advocacy, education and community outreach.

OBJECTIVE 1: Increase access to care for District residents.

INITIATIVE 1.1: Increase public awareness of services offered by the Ombudsman Office within the non-English speaking community.

The Office of Health Care Ombudsman and Bill of Rights will expand its efforts to market its services and the Consumer Assistance Program to the public by supplementing the current contract to include a culturally specific three to five month marketing and media campaign that will target non-English speaking communities; translate materials that support the marketing and media plan; and conduct a minimum of six informational sessions. Completion Date: September, 2013

OBJECTIVE 2: Decrease commercial appeal cases upheld.

INITIATIVE 2.1: Increase overturned rate of commercial appeal cases.

The Office of Health Care Ombudsman and Bill of Rights will continue its effort to research appeal cases utilizing online resources, manual medical and nursing resources, and other clinical experts in the field to provide additional supportive clinical documentation to strengthen cases prior to sending to the external reviewers. Completion Date: September, 2013

KEY PERFORMANCE INDICATORS – Office of the Director

Measures	FY 2011 Actual	FY 2012 Target	FY 2012 YTD	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Number of consumers served by Ombudsman	3,313	3,500	3,960	3,600	3,700	3,700
Percentage of closed/resolved cases among Office of the Health Care Ombudsman Bill of Rights’ consumers	98%	92%	95%	90%	90%	90%
Percentage of commercial cases overturned	N/A	50%	77%	78%	80%	80%



Health Care Policy and Research Administration

SUMMARY OF SERVICES

The Health Care Policy and Research Administration maintains the Medicaid and Children's Health Insurance Program (CHIP) state plans that govern eligibility, scope of benefits, and reimbursement policies; develops policy for the Health Care Alliance program and other publicly funded health care programs that are administered or monitored by DHCF based on sound analysis of local and national health care and reimbursement policies and strategies; and ensures coordination and consistency among health care and reimbursement policies developed by the various divisions within DHCF. The division also designs and conducts research and evaluations of health care programs.

OBJECTIVE 1: Develop policies, plans and data to enable effective program administration and utilization of resources.

Initiative 1.1: Streamline and improve eligibility policy and operations.

During FY13, DHCF will continue its collaboration with the Economic Security Administration (ESA) at the Department of Human Services (DHS) to implement eligibility changes as mandated by the Affordable Care Act (ACA). DHCF will amend the D.C. Medicaid State Plan and regulation to establish the new ACA-mandated Modified Adjusted Gross Income (MAGI) eligibility categories and new "effective" MAGI income requirements. New policies and business processes will be drafted under Section 2 of the DC Medicaid State Plan streamlining eligibility that will eliminate obsolete categories and collapse others into four groups for beneficiaries whose eligibility will be determined by MAGI standards. Completion Date: September, 2013

Initiative 1.2: Increase services for individuals with serious mental illness through CMS Medicaid Emergency Psychiatric Demonstration.

The District of Columbia is one of 13 jurisdictions participating in the Centers for Medicare and Medicaid Services' Medicaid Emergency Psychiatric Demonstration. This three year national demonstration project will allow the District to increase access to mental health services by utilizing the specialized services of a private, inpatient psychiatric hospital to stabilize individuals in need of psychiatric inpatient care and link them to case management and other programs designed to increase their community tenure and quality of life. In FY13, DHCF will serve a minimum of 150 individuals in this program. Completion Date: September, 2013

Initiative 1.3: Implement hospital in-patient payment rate changes and continue payment reforms for in-patient and out-patient hospital services.

DHCF is in the midst of a multi-year, multi-phase initiative to revise and update hospital payment rates. In FY12, DHCF proposed significant reforms to its payment rate methodology for in-patient hospital services. Once approved by the Centers for Medicare and Medicaid Services, these reforms will be implemented In FY13. Also in FY13, DHCF will further refine payment rate methodologies for in-patient services, analyze and update payment rate methodologies for out-patient services and revamp payment



methodologies for non-diagnosis related group hospitals. Completion Date: September, 2013

Initiative 1.4: Increase public awareness of Medicaid services, utilizations and costs.

In FY13, DHCF will increase public awareness of the Medicaid program by producing a series of “snap shots,” that will focus on key program elements, services and cost-drivers. DHCF will produce six snap shots in FY13 that will highlight such topics as enrollment and demographics, personal care attendant services, in-patient hospital utilization and costs and mental health services. Completion Date: September, 2013

Initiative 1.5: Implement new reimbursement model for ICF/IDDs.

DHCF will implement a new reimbursement model for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD) in FY13. The new model will be built around the beneficiary and the reimbursement rates will be based on each beneficiary’s needs. The new model will replace a reimbursement model that has been in place for 20 years. The new model will support the District’s living wage requirements; eliminate the pass through payments; provide for annual rates adjustment based on CMS inflation index; and be compliant with the Stevie Sellow’s quality of care initiatives. Completion Date: January, 2013

KEY PERFORMANCE INDICATORS – Health Care Policy and Research Administration

Measures	FY 2011 Actual	FY 2012 Target	FY 2012 YTD	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Number of adults in 1115 Childless Adults Waiver	3,102	3,698	3,725	4,716	5,453	6,190



Health Care Delivery Management Administration

SUMMARY OF SERVICES

The Health Care Delivery Management Administration (HCDMA) ensures that quality services and practices pervade all activities that affect the delivery of health care to beneficiaries served by the District's Medicaid, CHIP and Alliance programs. HCDMA accomplishes this through informed benefit design; use of prospective, concurrent and retrospective utilization management; ongoing program evaluation; and the application of continuous quality measurement and improvement practices in furnishing preventive, acute, and chronic/long-term care services to children and adults through DHCF's managed care contractors and institutional and ambulatory fee-for-service providers.

OBJECTIVE 1: Improve access to high quality services and improve resource management.

INITIATIVE 1.1: Improve the needs assessment process for personal care services.

During FY13 and for the first time in the DC Medicaid program, DHCF will use a vendor to perform independent assessments of need for, and authorization of, State Plan Personal Care Aide (PCA) services that the Medicaid program provides to approximately 7,000 Medicaid beneficiaries annually. Services provided by PCA include assistance with bathing, dressing, eating, mobility, and other activities of daily living. Utilizing an independent vendor will allow DHCF to: 1) eliminate conflicts of interest that may exist when an agency that is assessing the need for and authorizing service is the same agency that will receive financial compensation for delivering the services; 2) reduce costly fraud, waste, and abuse; 3) increase appropriate utilization of PCA services; and 4) produce significant cost savings. Completion Date: March, 2013

INITIATIVE 1.2: Implement a new Home and Community-Based Long Term Care Services Waiver for individuals with intellectual and developmental disabilities (ID/DD).

In FY12, DHCF submitted a waiver application to serve individuals with intellectual and developmental disabilities to the federal government for approval. DHCF will implement this new waiver in FY13. This includes the implementation of new waiver services; new payment rates for some services; and policies and procedures to meet the needs of ID/DD waiver participants. DHCF anticipates serving up to 1,592 District residents in FY13 through this waiver. Completion Date: November, 2012

INITIATIVE 1.3: Improve Elderly and Persons with Physical Disabilities (EPD) Waiver provider quality.

DHCF will develop and implement a Provider Readiness process for all prospective, new and existing EPD Waiver providers to ensure only qualified providers are enrolled and maintained in its Waiver program. The Provider Readiness process will include a protocol for reviewing provider applicants and existing providers to ensure that they possess and can continue to demonstrate capability to effectively serve individuals in the



EPD target group. All EPD waiver providers and new provider applicants will complete the process in FY13. Completion Date: January, 2013

INITIATIVE 1.4: Establish new contracts for Managed Care Organizations (MCOs) for Medicaid and Alliance health services.

In FY13, DHCF will release a new Request for Proposal (RFP) for procurement of MCOs and award a minimum of three contracts to MCOs to deliver services effective May 1, 2013. The new contracts will include stronger provisions for children's services, care management, care coordination and mental health services. Network adequacy requirements will be enhanced to ensure sufficient access to care by the Medicaid managed care beneficiaries. DHCF's objective is to ensure that each MCO in the District's program will have a demonstrated commitment to innovation as a means to drive increased access and quality care through cost effective management of health services for our beneficiaries in both the Medicaid and Alliance programs. Completion Date: January, 2013.

INITIATIVE 1.5: Increase public awareness and knowledge about the Medicaid Managed Care program.

In FY13, DHCF will expand efforts to educate the public on the District's Medicaid Managed Care Program. Activities will include participation in local community events and speaking at community meetings such as the Ward 8 Health Council to inform of covered services for both the Alliance and DC Healthy Families population. Additional information will be provided to distinguish between the fee-for-service (FFS) and managed care programs and to alert of the appropriate District entities responsible for determination of eligibility and enrollment into a managed care organization upon notice of eligibility. Education of the distinctive programs will assist individuals with accessing the proper sources for Medicaid coverage. Completion Date: September 2013.

INITIATIVE 1.6: Improve cost effectiveness of MCO HIV pharmaceutical delivery.

In FY13, reimbursement for HIV medications prescribed to MCO enrollees diagnosed with the condition will be transitioned to a fee-for-service delivery system. A waiver submitted to the federal Centers of Medicare and Medicaid Services (CMS) will allow for substantial savings as the medications are purchased at discounted rates through the Department of Health (DOH) Drug Warehouse. A new pharmacy network will be developed for the Enrollees to obtain their medications. A strategic outreach campaign will commence to educate enrollees, MCOs, providers and other stakeholders of the program change. Completion Date: September, 2013.

INITIATIVE 1.7: Reform the Medicaid Day Treatment benefit.

In FY13, DHCF will restructure the way DC Medicaid Day Treatment services are offered to better align with current regulations. This will include offering this benefit as part of clinic services; identifying other ways to provide federally reimbursable day treatment services; and implementing an additional federally-approved strategy for the provision of Medicaid Day Treatment services. Completion Date: September, 2013.



INITIATIVE 1.8: Increase physician awareness of Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services.

The District's HealthCheck Provider Education System is a web-based provider training program created by Georgetown University in conjunction with DHCF and the MCOs. The system is for all physicians providing EPSDT services benefit to Medicaid-enrolled children. Nearly half of the EPSDT providers have completed the training requirement. In FY13, the District will increase the percentage of physicians trained on EPSDT to 70 percent. The District will accomplish by reaching out to targeted high-service providers who serve Medicaid beneficiaries under 21. Additionally, "Community Champions" will be selected to promote EPSDT training requirements to increase the number of providers meeting their training requirement. Completion Date: September, 2013.

OBJECTIVE 2: Improve health outcomes for District residents.

INITIATIVE 2.1: Launch a resource website for case managers and perinatal providers.

As part of the Perinatal Collaborative to reduce adverse birth outcomes, in FY13 DHCF will launch a resource guide website for health plan case managers and other medical care providers. For case managers across health plans, the website will improve access to up-to-date information on resources to meet members' medical, emotional and social needs. Resources will include information on services to meet emotional and social risk factors (such as alcohol or other substance misuse, domestic violence, and mental health challenges), as well as services to support healthy babies, such as breast feeding. The site will clearly make the connection between psychosocial needs and health, and link case managers to services that are available to the mother. The services will include those based in the District, services available from national organizations, and services through virtual communities on the web. The resource website will be launched in the first quarter of FY13 and utilization will be monitored to measures its effectiveness. Completion Date: December, 2012.

INITIATIVE 2.2: Improve the quality of services provided by District nursing facilities.

In FY13, DHCF will undertake two initiatives to measures and improve the quality of nursing home care. First, DHCF will provide direct payments to eligible nursing facilities for quality improvement initiatives undertaken in accord with quality improvement plans submitted by individual nursing facilities and approved by DHCF. Second, DHCF will collect and publicly report information on comparative quality of care measures for individual nursing homes. This will enable better consumer choice of a nursing home and stimulate greater efforts in quality improvement. Completion Date: September, 2013.

INITIATIVE 2.3: Assist Medicaid beneficiaries moving from institutions to the community.

The Money Follows the Person (MFP) Rebalancing Demonstration provides for independent living among beneficiaries with intellectual and developmental disabilities,



physical disabilities and the elderly who currently live in nursing facilities. The project is designed to shift long-term Medicaid spending from a facility based system to a home and community based setting. DHCF will continue to assist DC residents and aims to move 60 individuals from long-term care institutions to the community in FY13. Also during FY13, MFP staff will provide enhanced monitoring of service delivery to these Medicaid beneficiaries, and collaborate with home and community-based service providers, and sister agencies (Department of Disability Services/Developmental Disabilities Administration, DC Office on Aging/Aging and Disability Resource Center, Department of Mental Health, Department of Health) to ensure implementation of beneficiaries' individualized service plans and successful community living. Completion Date: September, 2013.

INITIATIVE 2.4: Increase collaboration between Primary Care Providers (PCP) and Dentists on oral healthcare for young children.

Pediatric primary care providers are in an optimal position to make referrals to dentists, especially when oral health concerns are identified in well-child visits. Similarly, dentists should work with PCPs so that the referral process between PCP and dentist is as seamless as possible and so that PCPs are able to provide optimal oral health care within their scope of practice and consistent with anticipatory guidance. DHCF will ensue three avenues for FY13 to ensure appropriate coordination between primary care and dental providers: 1) PCP training to provide fluoride varnish and appropriate oral health assessments and education in well-child visits; 2) maintaining the Dental HelpLine to facilitate PCP referrals to dental providers; and 3) convening an annual meeting for dentists and PCPs to enhance collaboration and ensure that dentists and PCPs are aware of available resources. Completion Date: September, 2013.



**KEY PERFORMANCE INDICATORS – Health Care Delivery Management
Administration**

Measures	FY 2011 Actual	FY 2012 Target	FY 2012 YTD¹	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Percent of Medicaid beneficiaries satisfied with their health plan	72.6%	79%	TBD	80%	81%	82%
Percent of children (age 3+) receiving preventive dental services	52%	50%	TBD	58%	60%	62%
Reported complaints on transportation broker services per 1,000 trips (incl. missed/late trips)	1.9/1,000 trips	2/1,000 trips	2.1/1,000 trips	1.7/1,000 trips	1.6/1,000 trips	1.5/1,000 trips
Number of individuals moved from institutions into the community (Money Follows the Person Program)	24	60	24	60	60	60
(Quality Improvement Initiative) Adverse Perinatal Outcomes per 1,000 pregnancies and infants	148	<210	TBD	<200	<195	<190
(Quality Improvement Initiative) Adverse Chronic Disease Outcomes per 1,000 people with asthma, diabetes, hypertension, congestive heart failure	458	<342	TBD	<342	<340	<335
Healthcare Effectiveness Data and Information Set measures for childhood immunization	94.98%	87%	TBD	87%	88%	89%
Healthcare Effectiveness Data and Information Set measures for timeliness of prenatal care	72.58%	80%	TBD	82%	83%	84%
Adult access to preventive, ambulatory care services (adults 20-44, enrolled in health plans)	73.07%	85%	TBD	88%	89%	90%

¹ Year-to-date data is not available until the Fall of 2013.



Health Care Operations Administration

SUMMARY OF SERVICES

The Health Care Operations Administration ensures the division of programs that pertain to the payment of claims; management of the fiscal agent contract, management of the administrative contracts, management of the systems and provider enrollment and requirements. The office provides contract management of the Pharmacy Benefits Manager and the Medicaid Management Information System Fiscal Intermediary contract, as well as additional administration contracts.

OBJECTIVE 1: Improve the efficiency of program operations.

INITIATIVE 1.1: Improve provider payment efficiency.

During FY13, the Office of Private and Public Provider Relations will continue to assist in facilitating paperless programs, such as electronic remittance advices and payment via electronic funds transfer (EFT). Currently, only 36% of active providers receive their payments electronically but this represents approximately 74% of the actual dollars paid. Most of the pharmacies, hospitals, nursing homes and other facility providers are paid electronically. Issuing these paper checks can lead to delays in payment, higher processing and staff costs, and lost checks. In FY13, DHCFs goal is to have 75% of active providers paid electronically. Completion Date: September, 2013.

INITIATIVE 1.2: Implement new enrollment screening process for providers.

DHCF will be responsible for enforcing new provider screening and enrollment requirements established by the federal Affordable Care Act. These requirements include, but are not limited to, mandatory re-enrollment for all providers, payment of an application fee from institutional providers, assignment of categorical risks for providers - "limited," "moderate" and "high," unannounced site visits at pre-enrollment and post-enrollment for "moderate" and high" risk providers and mandatory submission of criminal background checks and fingerprints for "high" risk providers. DHCF estimates that 1,850 providers will go through the re-enrollment process during FY13. Completion Date: September, 2013.

OBJECTIVE 2: Strengthen program integrity.

INITIATIVE 2.1: Implement Affordable Care Act (ACA) requirements for provider enrollment safeguards

In FY13, DHCF will continue to fortify policies and procedures targeted at preventing fraud and abuse among Medicaid home health services providers. This initiative is in response to continued significant increases in expenditures within home health (in the District and nationwide) in recent years, some of which may be inappropriate and/or fraudulent. This initiative will include strengthening home health regulations, improving the home health provider application and enrollment processes, and developing and initiating a formal strategy for quality improvement in home health that incorporates increased coordinated and collaboration with other District oversight agencies. Completion Date: September, 2013.



KEY PERFORMANCE INDICATORS – Health Care Operations Administration

Measures	FY 2011 Actual	FY 2012 Target	FY 2012 YTD	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Percent of providers paid electronically	34%	45%	37%	45%	60%	80%
Avg. time to process Medicaid provider application	35 days	35 days	40 days	35 days	30 days	30 days
Number of referrals to the Medicaid Fraud Control Unit	22	25	5	20	20	20
Total dollars recovered from Third Party Liability	\$7.1M	\$6M	\$6.13M	\$6M	\$4M	\$3M



Health Care Reform and Innovation Administration

SUMMARY OF SERVICES

The Health Care Reform and Innovation Administration identifies, validates and disseminates information about new health care models and payment approaches to serve Medicaid beneficiaries seeking to enhance the quality of health and health care and reducing cost through improvement. Creates and tests new models in clinical care, integrated care and community health, and creates and tests innovative payment and service delivery models, building collaborative learning networks to facilitate the collection and analysis of innovation, as well as the implementation of effective practices, and developing necessary technology to support this activity.

OBJECTIVE 1: Develop and implement a comprehensive health information technology (HIT) plan.

INITIATIVE 1.1: Expand Enrollment and Utilization of the "Direct" Health Information Exchange Solution.

In January 2010, the Office of the National Coordinator for Health Information Technology (ONC) at the US Department of Health and Human Services awarded the District \$5.1 million to facilitate the planning and implementation of a District-wide Health Information Exchange (HIE). HIE is the electronic sharing of health-related clinical, financial, and administrative health care information across care settings (such as physician offices, hospitals, pharmacies, and payers). In FY13, DHCF will expand enrollment in Direct to additional types and numbers of providers, as well as expand the use cases for HIE using Direct. DHCF anticipates enrolling 150 Direct enrollees by the end of FY13. Completion Date: September, 2013.

INITIATIVE 1.2: Implement Medicaid Electronic Health Record Incentive Payments Program.

Under American Recovery and Reinvestment Act funding, states are awarded funds to manage a multi-year program providing incentive payments to Medicaid providers for adoption, implementation and meaningful use of certified electronic health records (EHRs). The Medicaid EHR Incentive Program provides incentive payments to eligible professionals and eligible hospitals and critical access hospitals (CAHs) as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. The payments will be phased over multiple years, with an initial payment for adoption, implementation and/or upgrade of an EHR to meet certification requirements. Subsequent payments will be tied to meaningful use of the EHR for functions such as e-prescribing, health information exchange and submission of clinical quality measures. Over six years, eligible providers may receive as much as \$63,750 each in incentive payments. Eligible hospitals may receive a minimum payment of \$2 million and will have a six year window to meet eligibility criteria. DHCF will begin making incentive payments in FY13, and estimates 400 payments by the end of the fiscal year. Completion Date: September, 2013.



OBJECTIVE 2: Implement health care reform and increase the number of District residents with health insurance (One City Indicator 3G).

INITIATIVE 2.1: Implement the DC Access System (HHS IT Solution)

The Patient Protection and Affordable Care Act enable states to establish a Health Insurance Exchange (HBX) through which uninsured residents may purchase insurance and receive subsidies depending on income. The HBX also includes integrated eligibility for all health programs in the District. The DC Access System will serve as the single IT system for the District’s HBX, and will also include an integrated eligibility system for all health and human services programs. DHCF will manage the implementation of this system in collaboration with the Department of Human Services and the HBX Authority. A contract with a system integration vendor will be executed in October 2013 for the design, build and implementation of the system. DHCF will work closely with the vendor on all phases of the project and lead the District team in completing required progress reviews with the federal government, including a Design Review by January 2013, and an Operational Readiness Review in September 2013. The system will go live by September 30, 2013. Completion Date: September, 2013.

KEY PERFORMANCE INDICATORS – Health Care Reform and Innovation Administration

Measures	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Number of users enrolled in Direct	N/A	N/A	N/A	150	300	350
Number of active Direct users	N/A	N/A	N/A	50	70	90
Number of Medicaid providers receiving incentive payments	N/A	N/A	N/A	400	450	500
Percent of District residents insured (One City Indicator 3G) ²	Not Available	94%	93.8%	Not Available	Not Available	Not Available

² <http://mayor.dc.gov/page/one-city-action-plan>