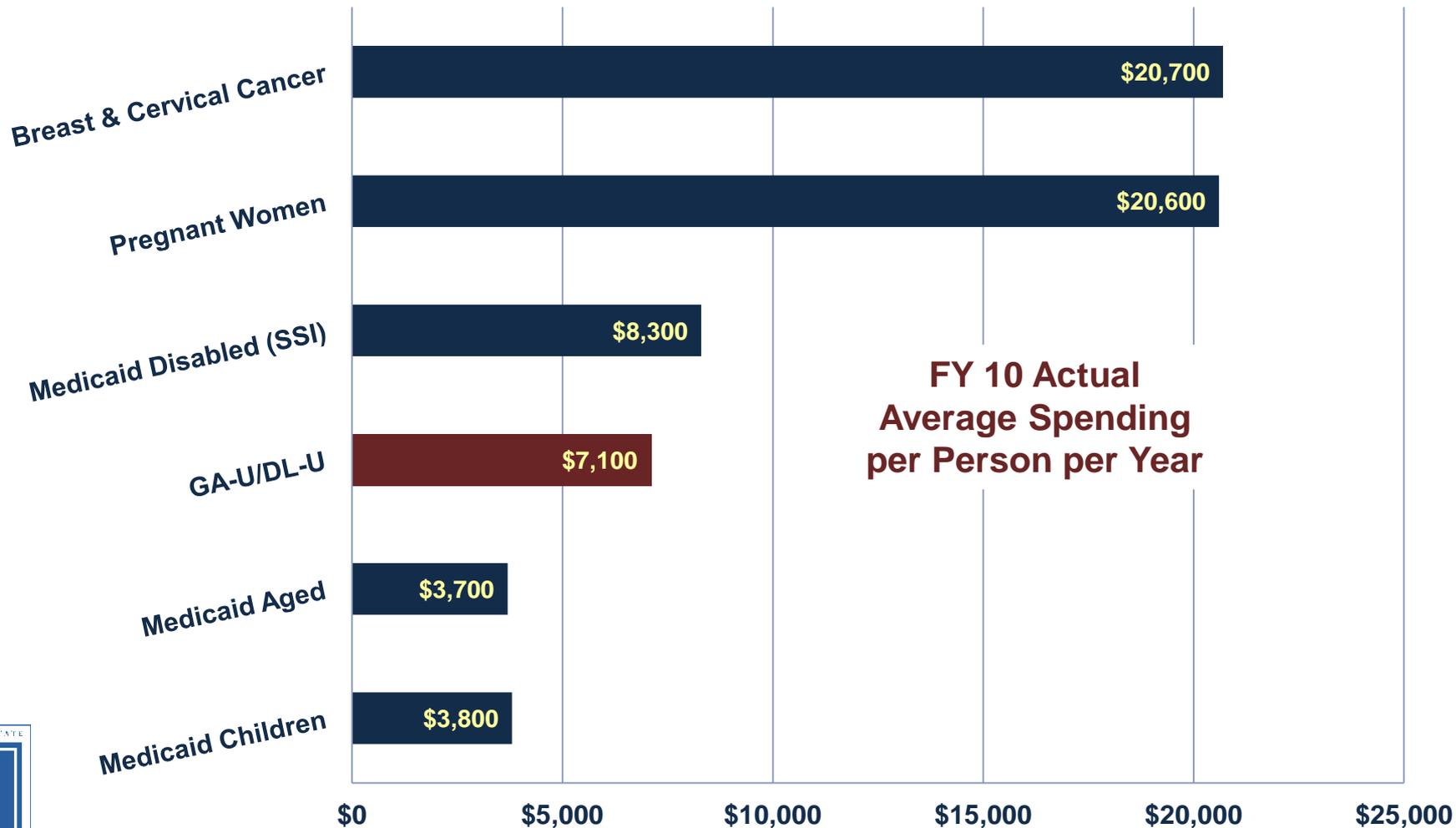


Disability Lifeline (GAU) Medical Assistance

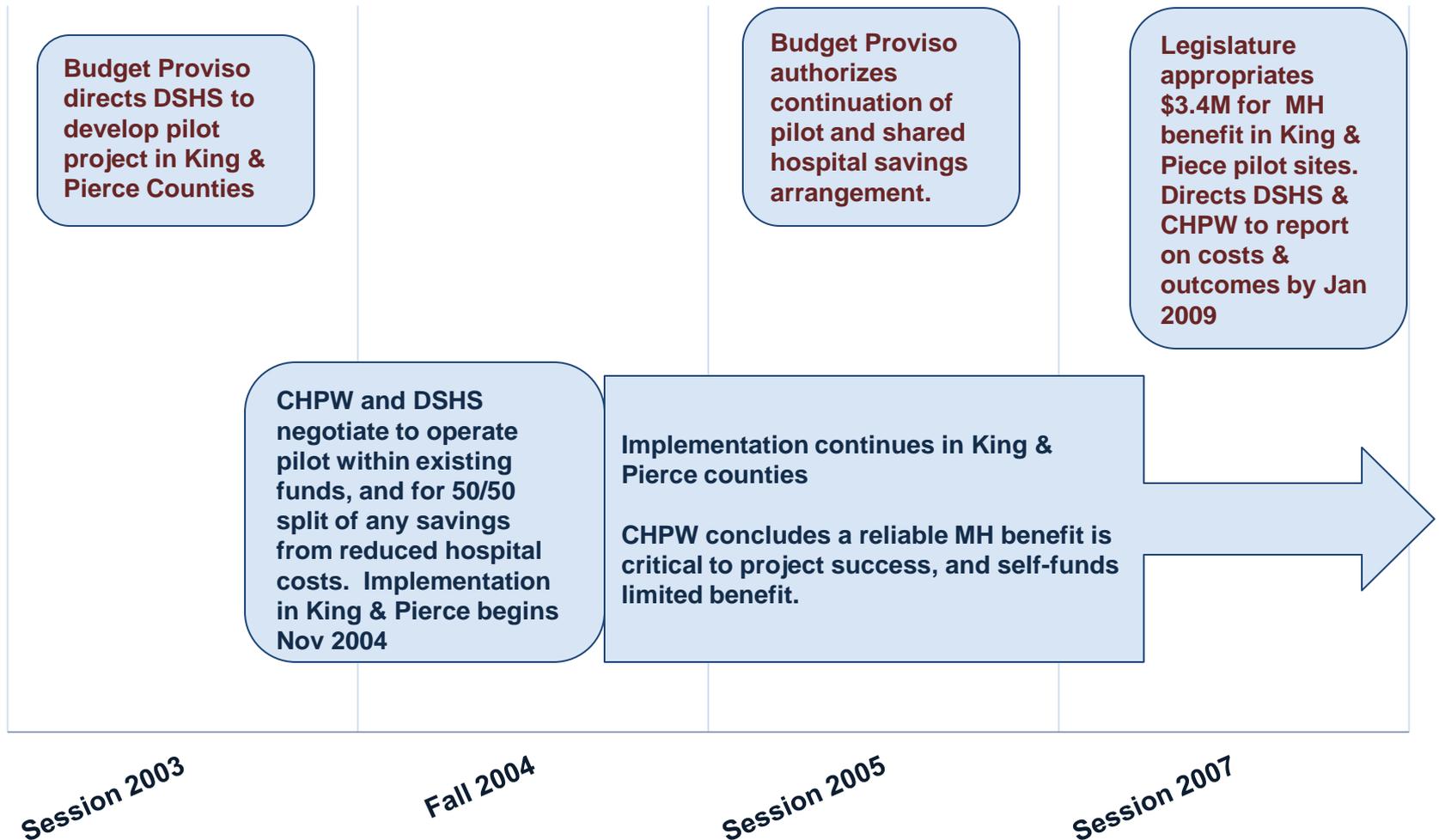
Staff Briefing
for the
Senate Ways & Means Committee
January 31, 2011



Because of their age and disabilities, GAU/DLU recipients are one of the higher cost state medical coverage groups



DSHS Medical and the Community Health Plan of Washington (CHPW) began piloting managed care for the GAU population in late 2004



The past 2 years have seen particularly rapid and significant changes in the GAU/DLU in the medical assistance program

Legislature directs DSHS & CHPW to implement DL managed care statewide. Enacted budget anticipates \$36M (14%) savings from managed care, and cuts the \$3.4M for MH benefit expansion.

Legislature appropriates funds to “back-fill” the \$36M of assumed savings; additional \$24M to cover the negotiated contract terms; & directs the parties to negotiate a hospital savings arrangement more beneficial to the state.

To balance 3-year deficit, Governor proposes elimination of DL medical assistance effective 3/11.

DSHS & CHPW report good client outcomes in pilot counties, and \$3.5M of reduced hospitalization costs for program participants.

DSHS & CHPW negotiate statewide expansion contract that provides for modest benefit reductions; \$12M (10%) premium for CHPW overhead; \$10.5M for statewide MH benefit; \$1.0M for care coordination benefit; and for CHPW to retain 95% of any hospital savings.

Legislature directs DSHS to seek federal Medicaid waiver for DL & ADATSA programs, and anticipates \$27M of corresponding state fund offsets.

DSHS/MPA submits federal; waiver request and negotiates terms & conditions.

Federal government approves DL waiver, worth ~\$175M GF-F over 3 years, but with certain key limits.

Session 2009

Summer/Fall 2009

Session 2010

Summer/Fall 2010

Session 2011

Key federal waiver provisions regarding DL & ADATSA medical programs

- **Waiver a “bridge” to full implementation of federal health reform in 2014, when 90% of DL recipients will become eligible for Medicaid.**
- **State may retain current program benefit structure and service delivery methods**
 - Not required to cover full range of Medicaid benefits
 - Not subject to Medicaid requirements regarding cost-related payment rates
 - Not required to offer choice among managed care plans
- **Waiver does not prohibit the state from terminating the whole program (as proposed by the Governor) but does:**
 - Prohibit time limits for the medical component of the program
 - Prohibit terminating an individual’s enrollment unless they no longer meet eligible criteria
 - Allow capping program enrollment & running a wait list
 - Require prior federal approval to change eligibility standards