The background of the slide features a stylized, abstract graphic composed of overlapping geometric shapes in shades of red, orange, and yellow. A white rectangular frame is positioned in the center, containing the text.

MARYLAND DEPARTMENT OF HEALTH

# FY 2020 MDH Overview Budget Hearings

**Robert R. Neall, Secretary**  
January 23 and 24, 2019

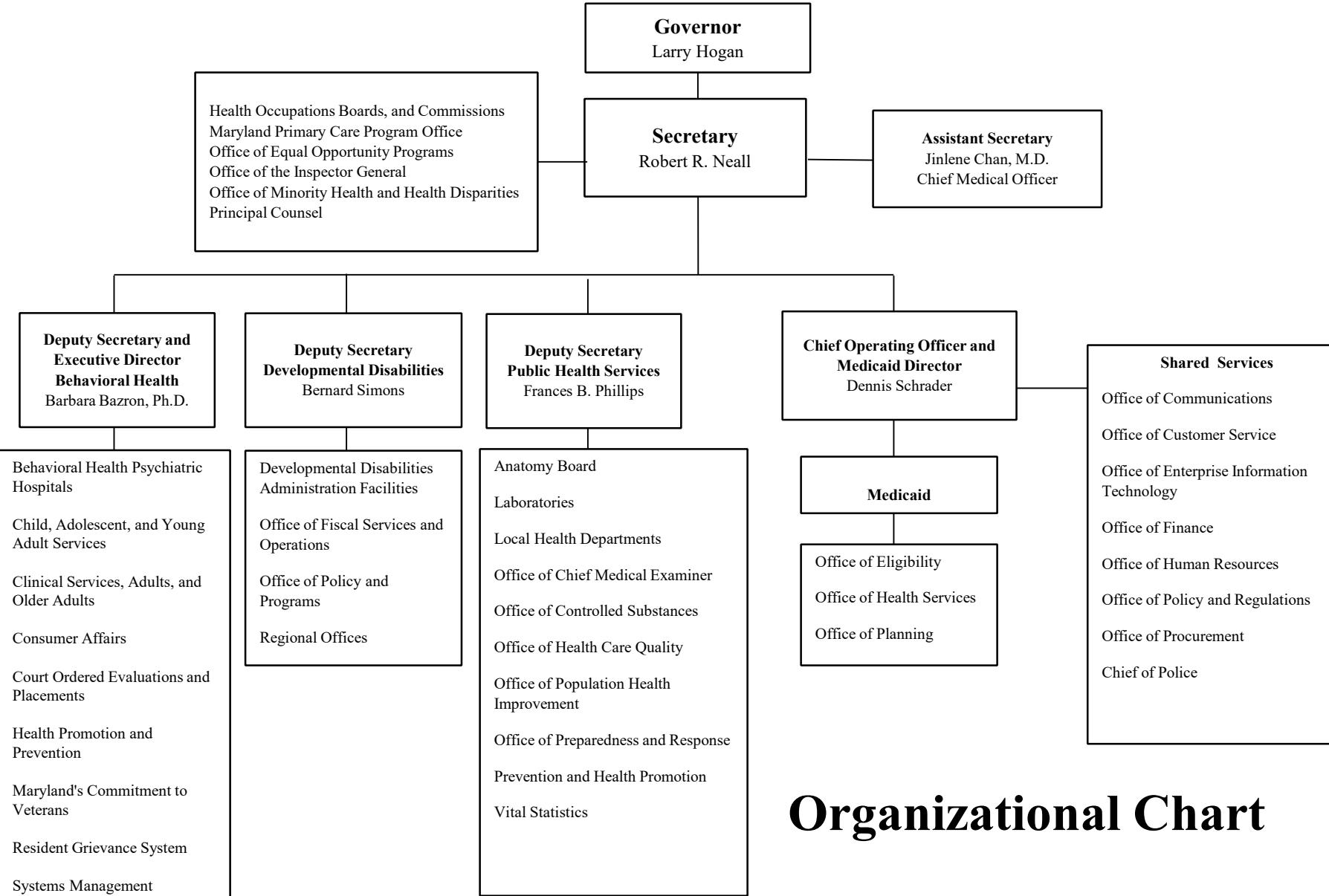
*What is the Department's footprint?*

# Department of Health Profile

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The Department's FY 2020 Allowance totals \$14.5 billion in total funds, \$5.2 billion in general funds, and 6,420.15 full-time regular (PIN) positions comprising five administrations:

- Administration (Office of the Secretary, Boards, and Commissions)
- Public Health Services
- Behavioral Health Administration
- Developmental Disabilities Administration
- Medicaid Administration



*What are the Secretary's priorities and accomplishments in 2018?*

# Secretary's 2019 Priorities

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- Total Cost of Care Agreement implementation in partnership with the Health Services Cost Review Commission
- Reinsurance program in partnership with the Maryland Health Benefit Exchange and the Maryland Insurance Administration
- Opioid and overdose response and treatment
- Department modernization

*What are the Secretary's priorities and accomplishments in 2018?*

## **Medicare Contract and Health Care Delivery Model**

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New contract is a 10-year agreement (2019-2028) between MD and CMS.

- 5 years (2019-2023) to build up to required Medicare savings and 5 years (2024-2028) to maintain Medicare savings and quality improvements

Designed to coordinate care for patients in hospital and non-hospital settings, improve health outcomes and constrain costs.

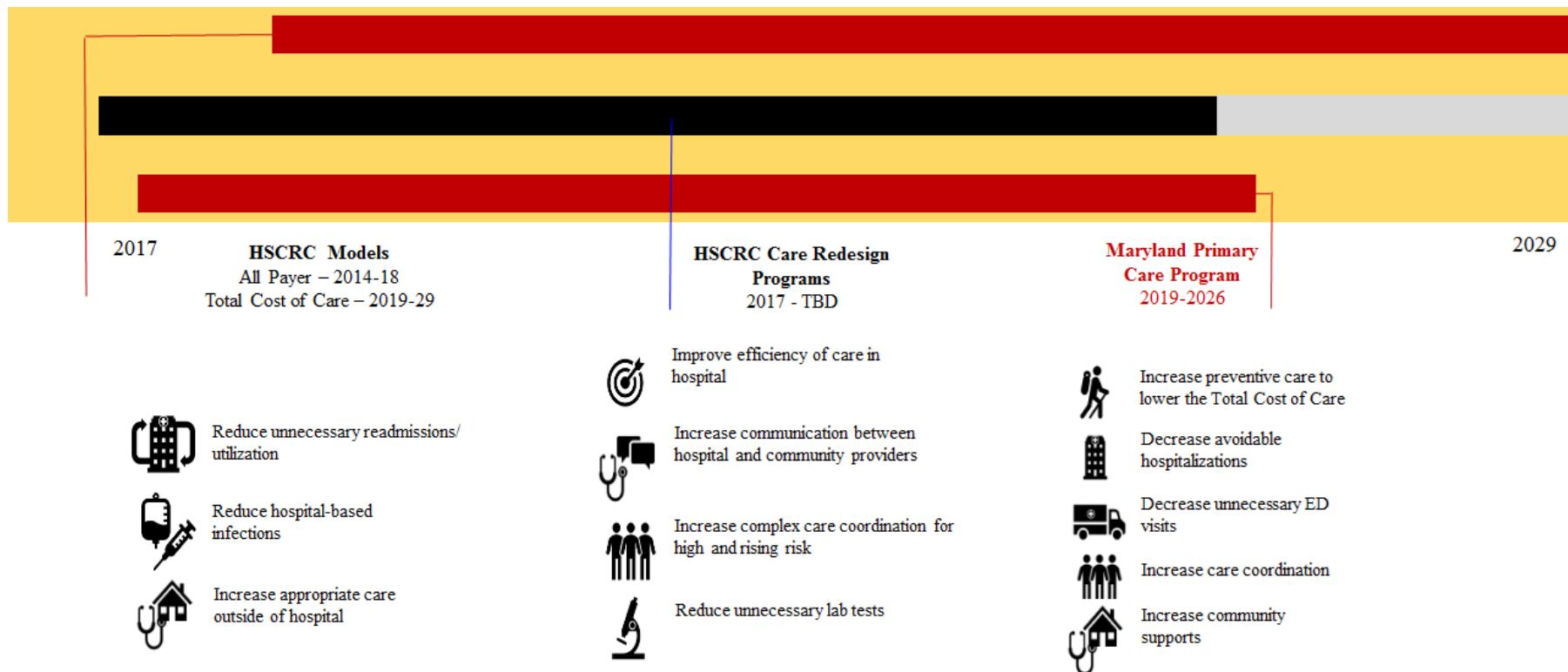
Total Cost of Care (TCOC) Medicare savings building to \$300 million annually by 2023.

- Includes Medicare Part A and Part B fee-for-service expenditures, as well as non-claims based payments

Continue to limit growth in all-payer hospital revenue per capita at 3.58% annually.

*What are the Secretary's priorities and accomplishments in 2018?*

# Medicare Contract and Health Care Delivery Model



*What are the Secretary's priorities and accomplishments in 2018?*

## **Medicare Contract and Health Care Delivery Model**

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Total Cost of Care Model is the umbrella.

MDPCP is critical to meeting TCOC Model commitments including:

- Reducing Medicare fee-for-service per capita health costs
- Improvement on quality and utilization metrics
- Improvement on population health indicators

Advanced primary care will help the state:

- Manage health of high and rising risk individuals in community
- Reduce hospital utilization
- Provide preventive care and address behavioral health and social needs

*What are the Secretary's priorities and accomplishments in 2018?*

# Stabilizing the Exchange

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A collaborative effort by the Maryland Health Benefit Exchange, Maryland Insurance Administration, Governor's Office and General Assembly to launch a State Reinsurance Program for CY 2019

- An average rate decrease of 13.2% for CY 2019 plans on individual market
- 1332 Innovation Waiver approved by the feds in record 42 days
- Savings for CY 2019 of ~\$481 million, the largest program of its type in the nation
- The impact will be especially beneficial to 100,000+ who purchase insurance on the individual market off-exchange and 30,000 who purchase on-exchange but are not eligible for federal tax credits

*What are the Secretary's priorities and accomplishments in 2018?*

# Stabilizing the Exchange

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## Successes

- Census Bureau estimated 6.1% of Md. population lacked coverage in 2016, all-time low, compared to 11.3% in 2010
- Baltimore metro area among top 5 in lowest uninsured population in US in 2016
- Uncompensated care spending has dropped 36%, from \$1.1 billion in 2013 (7.25% of total hospital revenue) to \$700 million in 2017 (4.19% of revenue)

*What are the Secretary's priorities and accomplishments in 2018?*

# Stabilizing the Exchange

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## Challenges

- Reinsurance funding lasts two-three years, only a temporary fix to help stabilize the market, lure in carriers, and bring more young adults into the market.
- Deductibles: While premiums are going down, out-of-pocket costs are rising. Increases in deductibles up to \$1,350. In response plan standards may need revisions.
- The Trump administration released proposed changes to the "public charge" rule that may discourage immigrant families from applying for Medicaid or tax credits even if legally eligible. Kaiser Family Foundation estimates that 2.1 million to 4.9 million Medicaid / CHIP enrollees nationally might disenroll as a result.

*What are the Secretary's priorities and accomplishments in 2018?*

# Opioid Epidemic

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## Spending

- Total Department spending, with the majority of spending in Medicaid, Behavioral Health Administration and the Opioid Operational Command Center, was \$517 million in total funds in FY 2018.
- FY 2019 Legislative Appropriation spending currently at \$626 million in total funds
- An additional \$40 million in new federal grants have been awarded in FY 2019 to further support opioid response efforts

*What are the Secretary's priorities and accomplishments in 2018?*

# Opioid Epidemic

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## Notable 2018 Accomplishments

- Maryland saw a 40% increase in its peers workforce in FY 2018
- Prescription Drug Monitoring Program: A 16% reduction in the total number of opioid prescriptions dispensed in Maryland during the same time period (Jan. 1 - Aug. 31) from 2017 to 2018
- Statewide crisis bed capacity grew by 2.1% in FY 2018
- 2-1-1, Press 1: In 2018, MDH partnered with Crisis Connect to provide all Marylanders with 24-hour Crisis Hotline services
- 9,597 Marylanders received substance use disorder treatment under the Medicaid 1115 Waiver
- Screening, Brief Intervention, and Referral Treatment (SBIRT) in FY 2018: Emergency Department services expanded to 15 hospitals, 42% increase in total SBIRT screenings, and over 7,000 patients referred
- Expanded Medication Assistance Treatment (MAT) induction in emergency departments

*What are the Secretary's priorities and accomplishments in 2018?*

# Opioid Epidemic

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## Long-term Response Management

- Strategic Planning Partnership: MDH has partnered with Johns Hopkins University to build a long-term strategic plan surrounding SUD and OUD services and response
- Established an Opioid Steering Committee (OSC) comprised of leadership from all Administrations and led by MDH's Director of Opioid Response
- On January 2, 2019, all Administrations were directed to prioritize initiatives aimed at:
  - Reducing fatal and nonfatal overdoses; and
  - Increasing the number of Marylanders who are successfully referred to mental health and substance use disorder treatment
- The Department is working with the OOCC to in order to improve internal coordination, better leverage federal grant dollars, and strengthen subject matter expertise
- All units will develop a set of measurable opioid-related indicators relevant to each units' particular scope and service lines. All senior MDH managers will prioritize opioid-related efforts

*What are the Secretary's priorities and accomplishments in 2018?*

## **Organizational Integration and Development**

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Integrated shared services for administrative divisions:

- Finance
  - Medicaid Office of Finance now reports to the Department's central Office of Finance and Chief Financial Officer
- Enterprise IT
  - Medicaid IT operations now reports to the Department's central Office of Information Technology and Chief Information Officer
  - MMIS modularity plan
  - Implementation of MD THINK with various projects like Long Term Care and Vital Statistics Administration's birth/death records system

*What are the Secretary's priorities and accomplishments in 2018?*

## **Organizational Integration and Development**

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Integrated shared services for administrative divisions:

- Human Resources
  - Regional HR operations established for greater oversight and consistency

Programmatic improvements:

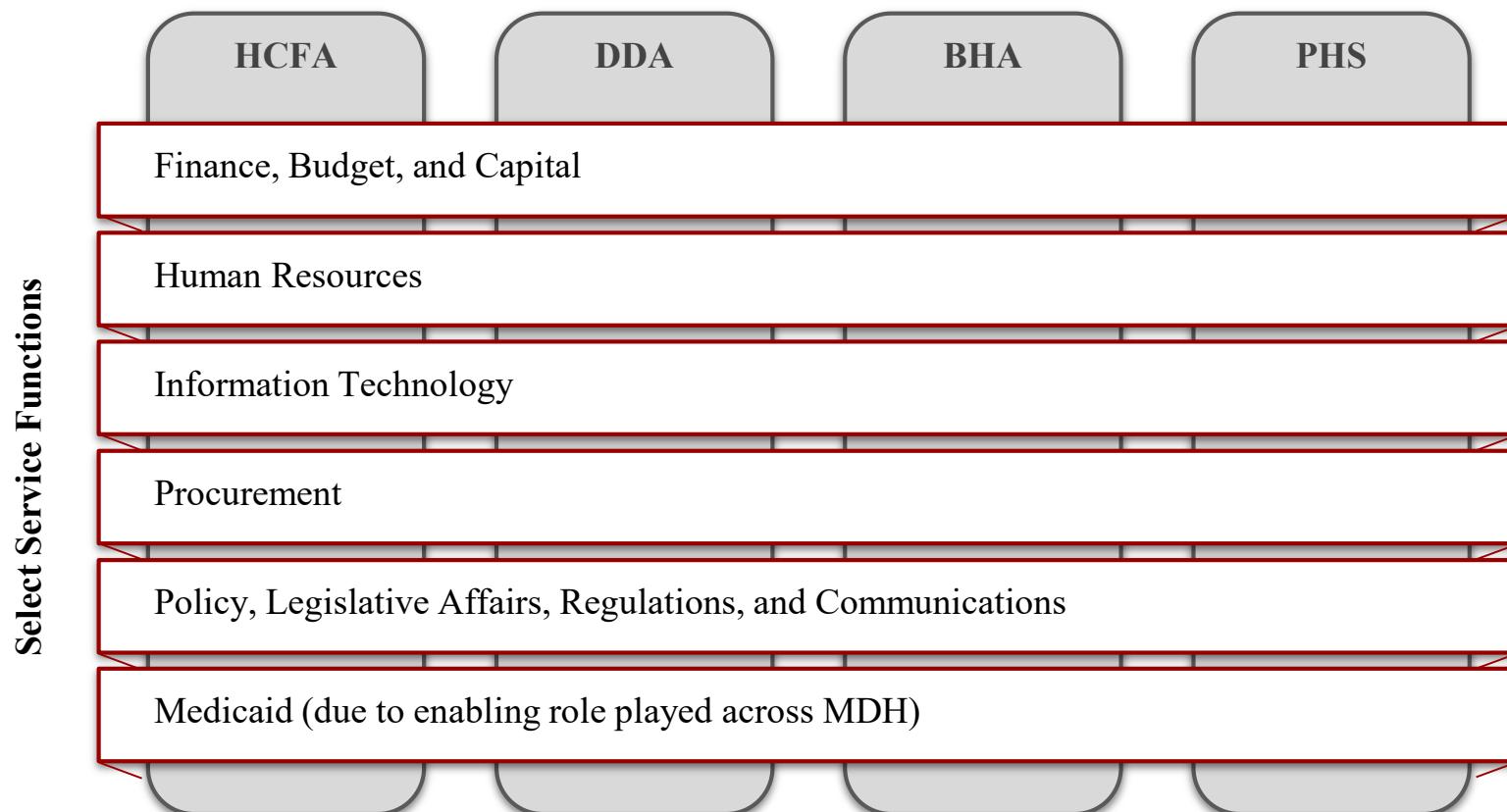
- Consolidated hospital management and expanded hospital capacity for more efficient operations
  - Improved patient admissions process
- Aligning prevention, early intervention, and enforcement of opioid response efforts from the Behavioral Health Administration to Public Health Services

*What are the Secretary's priorities and accomplishments in 2018?*

# **Organizational Integration and Development**

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## **Administrations/Business Units**



*What does the Department's FY 2020 Allowance provide?*

# Budget Highlights

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The Governor's proposed budget includes a number of enhancements and new resources to expand health care services to Marylanders and improve Department operations:

- An expansion of Hepatitis C treatments to Medicaid recipients as well as expanded surveillance activities (\$11.5 million in general funds, \$30.3 million in total funds)
- 3.5% provider rate increase for both behavioral health and developmental disability providers
- 3% increase for all Medicaid home and community-based provider rates
- Core formula for local health departments is fully funded at \$54.4 million in general funds

*What does the Department's FY 2020 Allowance provide?*

# Budget Highlights

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The Governor's proposed budget includes a number of enhancements and new resources to expand health care services to Marylanders and improve Department operations:

- A new \$3 million grant to local jurisdictions for behavioral health crisis services
- The creation of an Adult Dental Pilot Program for Medicaid dual enrollees (\$2.1 million in general funds, \$4.2 million in total funds)
- The expansion of the National Diabetes Prevention Program to all nine Medicaid Managed Care Organizations (\$1.8 million in general funds, \$4.5 million in total funds)

*What does the Department's FY 2020 Allowance provide?*

# Budget Highlights

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The Governor's proposed budget includes a number of enhancements and new resources to expand health care services to Marylanders and improve Department operations:

- An additional 84.3 PINs to convert employees who work on the Department's behalf through interagency agreements to State employees
- An additional 52 PINs to provide long-term contractual employees with full-time State benefits to increase employee retention and equity
- A new \$3 million capital fund in FY 2019 and FY 2020 to address facilities renewal and emergency projects for the State hospitals and other facilities
- A salary adjustment for psychiatrists and a one grade increase for registered nurses, alcohol and drug counselors, mental health counselors, and epidemiologists