Virginians Covered by Medicaid/CHIP

1 in 8 Virginians rely on Medicaid
Medicaid is the primary payer for behavioral health services

Medicaid covers 1 in 3 births in Virginia
50% of Medicaid beneficiaries are children

2 in 3 nursing facility residents are supported by Medicaid
62% of long-term services and supports spending is in the community

Medicaid plays a critical role in the lives of over 1 million Virginians
Virginia Medicaid: Enrollment & Expenditures

Enrollment vs. Expenditure SFY 2016

23% of the Medicaid population

Drives 68% of total expenditures

Expenditures are disproportionate to population where services for older adults and individuals drive a significant portion of Medicaid costs

Overview of Virginia’s Duals Demonstration: Commonwealth Coordinated Care (CCC)

Integrated service delivery model that includes: medical, behavioral health and long term services and supports (LTSS) provided by three health plans

Care coordination and person centered care with a interdisciplinary team approach

Participation is voluntary

Demonstration began March 2014

CCC is currently serving 30,000+ dually eligible Virginians across five regions
Care Coordination is an Integral Part of CCC Success

Virginia is consistently performing above the national average for individual satisfaction with care coordination

Where Do We Go From Here: Managed LTSS (CCC Plus)

Vision: Implement a coordinated system of care that builds on lessons learned and focuses on improved quality, access and efficiency

1. Provide individuals with high quality, person-centered care and enhanced opportunities to improve their lives
2. Improve community-based infrastructure and capacity that will support care in the least restrictive and most integrated setting
3. Promote innovation and value-based payment strategies
4. Provide care coordination and better accommodate progressive needs of members
5. Better manage/reduce expenditures; Reduce service gaps; Reduce avoidable services, such as hospitalization and emergency care

CCC Plus provides 215,000 individuals with high quality care by 2018
Per-Capita Cap Models Result in Funding Shortfalls

Diverse Population with Major Needs...

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Per-Capita Limits ($29K)</th>
<th>$69k</th>
<th>$56k</th>
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<td>Long Term Care</td>
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<td>Home &amp; Comm Based Services</td>
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<td>All Other Aged &amp; Disabled</td>
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Needs exceed per-capita limits:
- Number of individuals with disabilities
- Number of aged population with higher needs

Population is aging rapidly
- Average national growth 2015-2025 = 8.4%
- Age 65+ growth 2015-2025 = 35.8%

CPI-M is highly flawed, excludes long term services and supports costs, and creates funding shortfalls for states

Per-Capita Caps are Bad for States

Per-capita cap allotments put disproportionate pressure on state budgets and force states to make difficult decisions

Unable to meet the needs of a growing population of older adults with increasing needs
Decreased funding over time makes it more difficult to pay for existing high-cost services or add new services
Pressure on state budgets will force difficult decisions
Timing of true-up makes it more complex to manage to annual budgets

Reconciling cap payment with actual spend is complicated and creates uncertainty for states
Per-Capita Caps are Costly for Individuals

**Fewer services**
**Lower rates**
**Less access**

Those who receive in-home or facility-based care will see cuts in services like respite or personal care. Providers will not see needed rate increases.

**Fewer waiver slots**
**10,000+ people will wait longer**
**New waiting lists**

Waivers offer services like Case Management, Supported Employment and Supported Living to individuals living with lifelong disabilities.

**States cannot support individuals impacted by public health crises**

Medicaid supports individuals impacted by public health crises, like the opioid epidemic. These crises are not predictable and per-capita funding will limit responsiveness to emerging needs.

Pressure on state budgets forces states to make difficult decisions that will negatively impact health and quality of life for the sickest and poorest among us.