



# Medicaid Expansion

Budget Section – Human Resources Division | September 18, 2024 | Sarah Aker  
Representative Jon Nelson, Chair



Health & Human Services

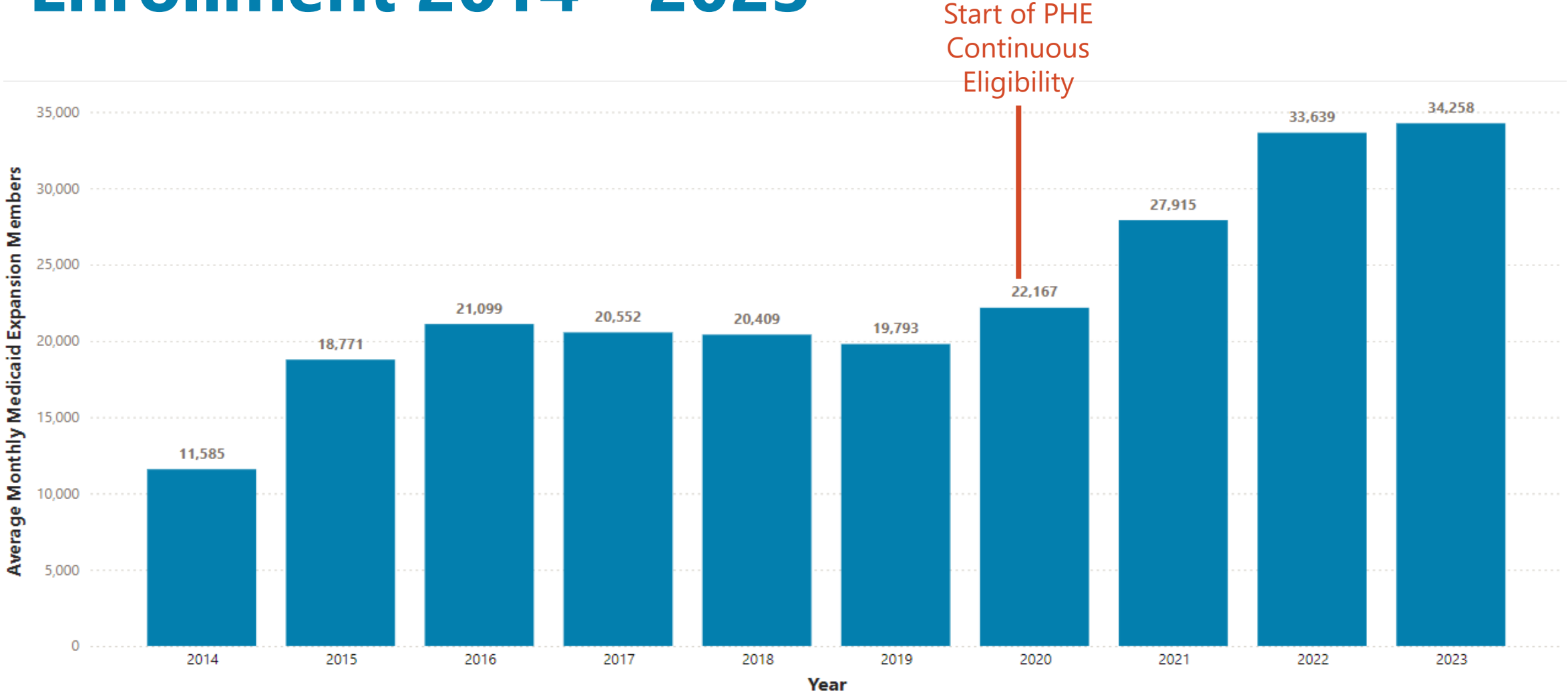


# Agenda

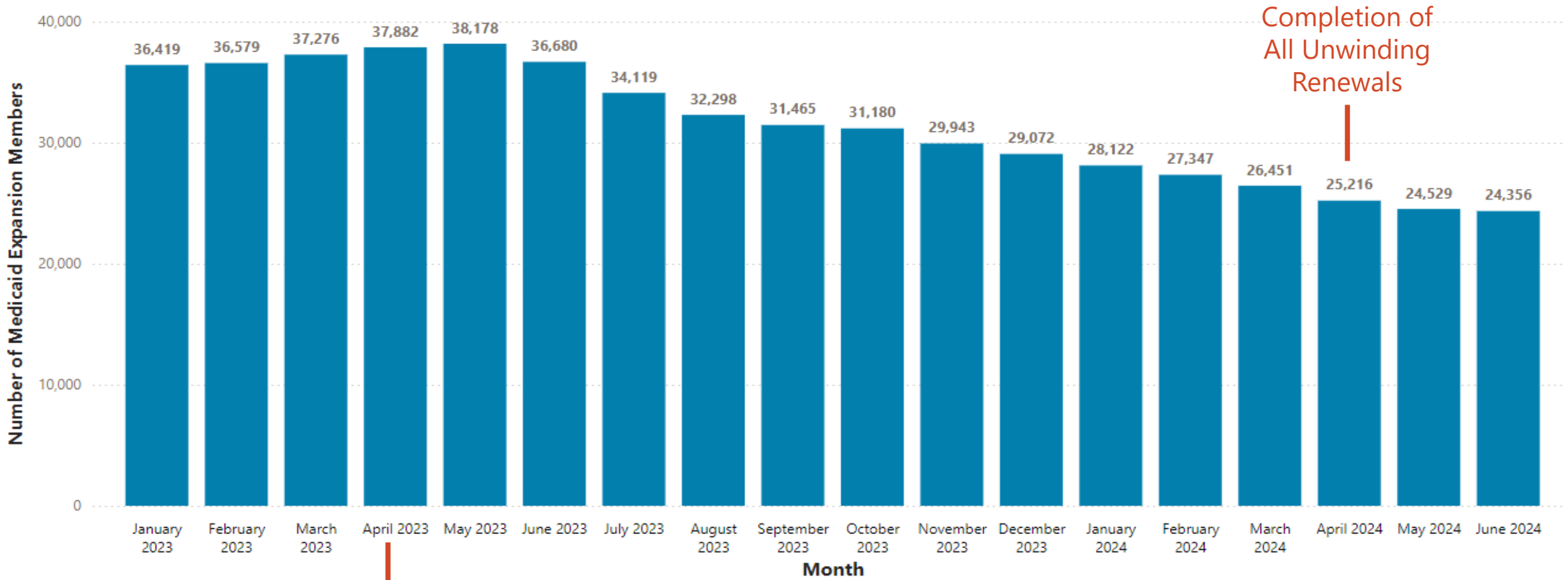
- North Dakota Medicaid Expansion Enrollment Trends
- Managed Care Payment Methodology
- Current Expenditures & Projections for 2023 – 2024

# North Dakota Medicaid Expansion Enrollment Trends

# Medicaid Expansion Average Monthly Enrollment 2014 - 2023



# Medicaid Expansion Monthly Enrollment January 2023 – August 2024



Start of ND Unwinding

Completion of All Unwinding Renewals

# 2023 – 2025 Budget Assumptions

ND Medicaid developed the budget recommendation for the 2023 – 2025 Biennium in Spring & Summer 2022.


- Assumed PHE Unwinding was to begin **January 2024**
- Assumed:
  - 1.25% increase for 10 months during continued MOE.
  - 0.87% ramp down for 14 months of unwinding the PHE.
- Assumption ended the biennium (June 2025) at approximately 25,000 eligibles

# Managed Care Coverage & Payment Methodology

# Medicaid Expansion Coverage

North Dakota provides Medicaid Expansion through Managed Care.

- **Current Vendor: Blue Cross Blue Shield of North Dakota (BCBS ND)**

 BlueCross BlueShield of North Dakota	
<b>North Dakota Medicaid Expansion</b>	
Member Name <b>John Doe</b>	Primary Care Provider Provider Name
ID <b>YME XXXXXXXXXXXXX</b>	<b>ND Medicaid Expansion</b>
SvcType Plan Code <b>821</b>	Office Visit Copay <b>\$0</b> Pharmacy – see back of card

- Medicaid Expansion requires states to design an Alternative Benefit Plan that describes the services and must include Essential Health Benefits.
- There are a few key differences between Medicaid Expansion and traditional Medicaid.
- Medicaid Expansion **does not** cover:
  - Skilled Nursing Facility Services<sup>1</sup>
  - Dental Services<sup>2</sup>
  - Eye Exam Office Visit<sup>2</sup>
  - Any waiver services
  - Long Term Care services

<sup>1</sup> Only covers up to 30 days and only covers a skilled level of care

<sup>2</sup> Only covered for 19- and 20-year-olds

# Managed Care

- **Managed Care Plans use their own provider networks.** Providers must enroll in Blue Cross Blue Shield to provide care to Medicaid Expansion members.
- **Managed Care Plans use their own coverage criteria, authorization process, and limits.** Providers must follow Blue Cross Blue Shield policies for Medicaid Expansion members.
- **Managed Care Plans use their own reimbursement methodology and fee schedules.** Providers are paid according to Blue Cross Blue Shield's policy for Medicaid Expansion members.
- **North Dakota Medicaid has carved out pharmacy benefits for Medicaid Expansion members.** Pharmacy benefits are the same for Medicaid Expansion and traditional Medicaid.

# How does ND Medicaid pay for services?

## **Traditional Medicaid: Fee For Service (FFS)**

State pays providers directly for each covered service received by a Medicaid member.

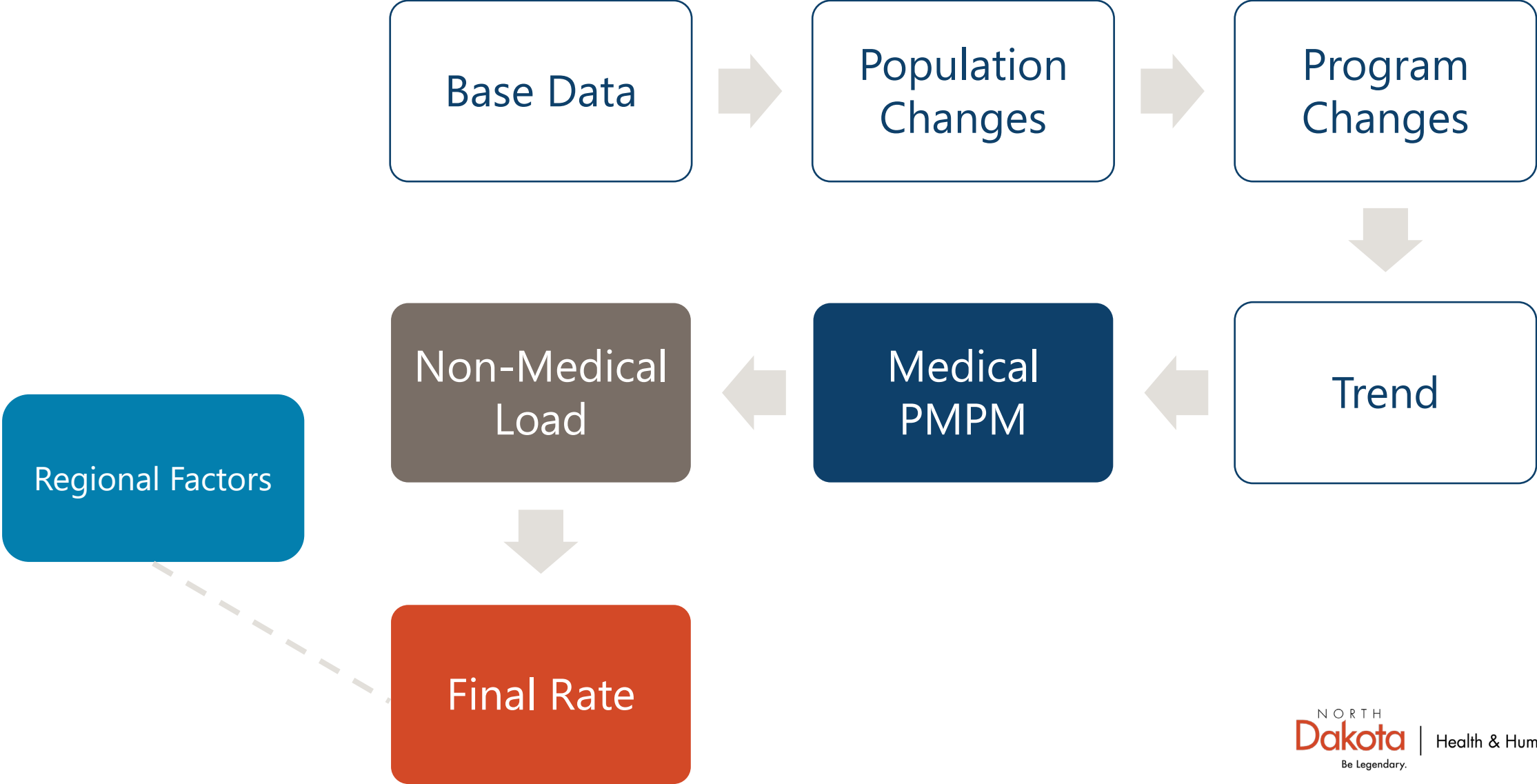
Only services received by members are paid.

## **Medicaid Expansion: Managed Care Organization (MCO)**

State pays a monthly fee called a premium or capitation payment to the managed care organization (MCO).

Monthly fee is paid to MCO regardless of member use of services.

# Capitation Rate Development Process



# 2024 Capitation Rates

- Delayed annual rate rebase due to uncertainty of public health emergency (PHE) unwinding
- Leveraged prior CY 2023 rates as interim payment rate
- ND HHS will reconcile to rebased CY 2024 rates after development is complete

# 2024 Capitation Rates

CY2024 rates are in development by our actuary in conjunction with HHS and BCBSND. The CY2024 capitation rate is expected to increase from the CY2023 rate.

- Using actual BCBS claims experience for CY 2024 base.
- Prior CY 2023 adjustment accounted for **build up** of members with lower than average utilization.
  - Resulted in downward adjustment to reflect lower average utilization as lower cost members were continuously enrolled.
- CY 2024 adjustment accounts for **departure** of members with lower than average utilization.
  - Results in upward adjustment to reflect higher average utilization as the lower cost members were disenrolled.
- Membership has shrunk approximately 40% which has dramatically changed average acuity. Acuity has increased by 11.9%.

# 2025 Capitation Rates

CY2025 capitation rates are in development by our actuary in conjunction with HHS and BCBSND.

- CY2025 capitation rates will implement Senate Bill 2012 provision.
- Rate calculation will assume that BCBS rates will not exceed 145% of Medicare reimbursement, except for services noted in the bill.

- 2023 Senate Bill 2012 Section 22:
  - Except for the provisions in subsection 4, managed care organization premium payments must be built using the assumption that rates paid to providers under the medical assistance expansion program may not exceed one hundred forty-five percent of Medicare reimbursement. This subsection applies to any medical assistance expansion program provider fee schedule that becomes effective on or after January 1, 2025.
  - Behavioral health services involving partial hospitalization, intensive outpatient, professional services, and residential behavioral health services provided in facilities that are not institutions for mental diseases are not subject to the provisions in subsection 6.

# Current Expenditures & Projections for 2023 – 2024

**Department of Health and Human Services  
2023-2025 Biennium  
For Month Ending July SFY25**

Year	Month	Budgeted Units	Projected Units	Actual Units	Budget Cost per Unit	Projected Cost per Unit	Actual Cost per Unit	Receiving Services	Budgeted Expenditures	Projected Expenditures	Actual Expenditures
SFY24	July	34,005		32,757	\$1,128.42		\$979.01	31,973	\$38,372,088		\$32,069,478
SFY24	August	33,709		30,546	\$1,128.42		\$984.92	29,602	\$38,037,918		\$30,085,306
SFY24	September	33,416		30,366	\$1,128.42		\$981.45	29,080	\$37,707,289		\$29,802,658
SFY24	October	33,125		29,221	\$1,128.42		\$970.36	28,373	\$37,378,944		\$28,354,855
SFY24	November	32,837		31,415	\$1,128.42		\$980.25	27,716	\$37,054,028		\$30,794,609
SFY24	December	32,551		28,062	\$1,128.42		\$1,054.87	26,926	\$36,731,254		\$29,601,883
SFY24	January	32,268		26,509	\$1,104.74		\$988.80	25,496	\$35,647,777		\$26,211,978
SFY24	February	31,987		26,662	\$1,104.74		\$988.94	24,774	\$35,337,415		\$26,367,241
SFY24	March	31,709		25,991	\$1,104.74		\$994.01	24,067	\$35,030,351		\$25,835,341
SFY24	April	31,195		24,488	\$1,104.74		\$990.09	22,710	\$34,462,447		\$24,245,217
SFY24	May	30,690		23,694	\$1,104.74		\$989.89	22,077	\$33,904,618		\$23,454,336
SFY24	June	30,193		23,547	\$1,104.74		\$988.67	22,070	\$33,355,555		\$23,280,233
		<b>387,685</b>		<b>333,258</b>	<b>\$1,116.94</b>		<b>\$990.53</b>	<b>314,864</b>	<b>\$433,019,683</b>		<b>\$330,103,135</b>
SFY25	July	29,704		23,107	\$1,104.74		\$987.24	22,097	\$32,815,258		\$22,812,224
SFY25	August	29,223	23,500		\$1,104.74	\$1,078.83			\$32,283,869	\$25,352,505	
SFY25	September	28,750	23,500		\$1,104.74	\$1,078.83			\$31,761,388	\$25,352,505	
SFY25	October	28,284	23,500		\$1,104.74	\$1,078.83			\$31,246,506	\$25,352,505	
SFY25	November	27,826	23,500		\$1,104.74	\$1,078.83			\$30,740,532	\$25,352,505	
SFY25	December	27,375	23,500		\$1,104.74	\$1,078.83			\$30,242,300	\$25,352,505	
SFY25	January	26,932	23,500		\$1,163.13	\$1,118.33			\$31,325,471	\$26,280,755	
SFY25	February	26,496	23,500		\$1,163.13	\$1,118.33			\$30,818,272	\$26,280,755	
SFY25	March	26,067	23,500		\$1,163.13	\$1,118.33			\$30,319,262	\$26,280,755	
SFY25	April	25,645	23,500		\$1,163.13	\$1,118.33			\$29,828,441	\$26,280,755	
SFY25	May	25,230	23,500		\$1,163.13	\$1,118.33			\$29,345,811	\$26,280,755	
SFY25	June	24,821	23,500		\$1,163.13	\$1,118.33			\$28,870,015	\$26,280,755	
		<b>326,353</b>	<b>258,500</b>	<b>23,107</b>	<b>\$1,132.51</b>	<b>\$983.87</b>			<b>\$369,597,124</b>	<b>\$284,447,055</b>	<b>\$22,812,224</b>

# Medicaid Expansion Expenditures July 2023 – July 2024

Notes:

- Since CY2024 used CY2023 rates as interim rates, actual expenditures will be adjusted for CY2024 once the capitation rate is finalized.
- CY2025 projected rate & expenditures will be adjusted once CY2025 rate is finalized.



# Contact information

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