

A Few Words About the SPA approval...

August 31, 2012

**Attention: Medicaid Managed Care in NH has not been approved.**

The NH media today is writing news reports based on two press releases, one from the Governor's office and one from the Speaker's office. The press release from the Speaker says that the recent action of CMS "...will allow DHHS to begin enrolling individuals in the managed care program": Unfortunately, this statement is not accurate.

A large amount of hard work, negotiation and state and federal approvals must take place before that statement is true.

CMS still has to approve both a massive managed care contract and the capitated rates paid to the MCO's. In addition, the three MCO's have to build robust provider networks. These networks also require approvals. At the present time, there is little evidence that any of these events will happen quickly.

The SPA is relating to Step 1 (STATE PLAN Services i.e. Medical/acute care) only.

**By way of example, the SPA approval does not impact any of the following services:**

- The In-Home Support Waiver
- The DD Waiver
- The ABD Waiver
- The CFI Waiver
- Family Support
- Katie Beckett\* (Those on this program may opt out and not participate for the first year)

Please get the facts below:

**What happened?**

Recently and publically announced yesterday, the state of NH received confirmation that CMS has approved the State Plan Amendment (SPA) relating to the initiation of Medicaid Managed Care. As I said in my update on Monday, the SPA could be approved at anytime. **The SPA approval was fully expected and does not mean that Medicaid managed care in NH is ready to move forward at this time.**

State Plan Amendment is a relatively simple document. It informs the federal government that the state of NH intends to shift its Medicaid program from a fee for service reimbursement to a managed care program. **The State Plan Amendment has absolutely nothing to do with Step 2 or area agency services.**

### **Why is this happening?**

NH has chosen to implement a managed care delivery system using "State plan authority." The SPA document merely amends what type of Medicaid program NH will have. There is very little detailed information contained in the SPA.

### **Background on a SPA**

The State Plan Amendment (SPA) is the officially recognized document describing the nature and scope of the State of NH's Medicaid program. As required under Section 1902 of the Social Security Act, the plan was developed by our state and approved by the CMS. Essentially, the plan is our state's agreement that it will conform to the requirements of the Social Security Act and the official issuances of the CMS.

Plan changes are submitted by the state to CMS as State Plan Amendments (SPAs). CMS reviews each SPA to determine whether it meets federal requirements and policies. The plan is updated when CMS issues final approval of a SPA.

### **Provider Networks**

The approval of the SPA does not change the progress the MCO's are making building. There is no question at all that since their contract was approved by the Executive Council, the MCO's have struggled to gain relationships with NH's provider community, especially the state's hospitals.

Based on information provided by DHHS at both the July and August Medical Care Advisory Committee (MCAC), not a single one of NH's 26 hospitals has signed a provider agreement with any of the 3 MCO's. In addition, the President of NH Hospital Association told the Boston Globe last week that he did not see a quick resolution to the lack of provider and MCO agreements. DHHS is very concerned about this issue and has stated so publicly at both the July and August MCAC meetings.

We also know that the Governor held a closed door meeting with almost all of the state's Hospital CEO's last week, the main topic of discussion was the MET issue and disputes (Medicaid Enhancement tax). Medicaid managed care was not discussed.

### **Other Issues**

There are many other issues that could impact Medicaid managed care including the two lawsuits between the state of NH and some NH hospitals. The lawsuit within the mental health system and the many issues with the new MMIS infrastructure.

## **What happens next?**

It should be noted, that approval of the SPA is not the same as review and approval of the contracts. According to CMS' letter in fact, CMS is still reviewing the contracts and their associated rates, and has continuing questions for the department about them. No federal financial participation (no federal \$\$) will be available to NH for managed care until the contracts are approved by CMS. The letter was approval of the SPA only, not the contracts or the rates.

Earlier this week, Commissioner Toumpas told NPR that the current start date for step 1 of January 1<sup>st</sup> “may well change” (into the future). In addition, he refused to comment on the progress the Managed Care Organizations are making in building their healthcare provider networks.

For additional information, check the Community Support Network, Inc. website at [www.csni.org](http://www.csni.org)

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