

# JOINT FINANCE COMMITTEE HEARING FISCAL YEAR 2023 BUDGET



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Department of Health and Social Services  
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Comments available online at <https://dhss.delaware.gov/>

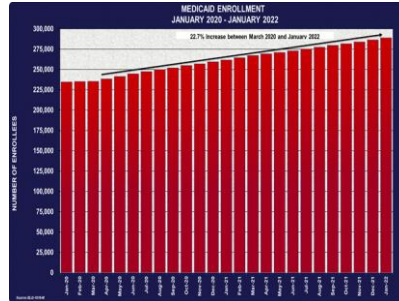
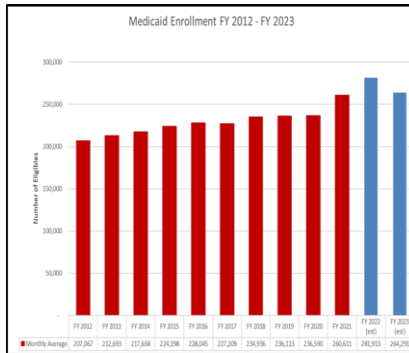
Good Afternoon Senator Paradee, Representative Carson, members of the Joint Finance Committee and members of the public.

I am Steve Groff, Director of the Division of Medicaid and Medical Assistance (DMMA). With me today are Lisa Zimmerman, our Deputy Director and Dr. Elizabeth Brown, our Chief Medical Officer.

Thank you for the opportunity to speak with you today to present our accomplishments, challenges, and Fiscal Year (FY) 2023 Governor's Recommended Budget.

# DIVISION OVERVIEW

## Medicaid Enrollment

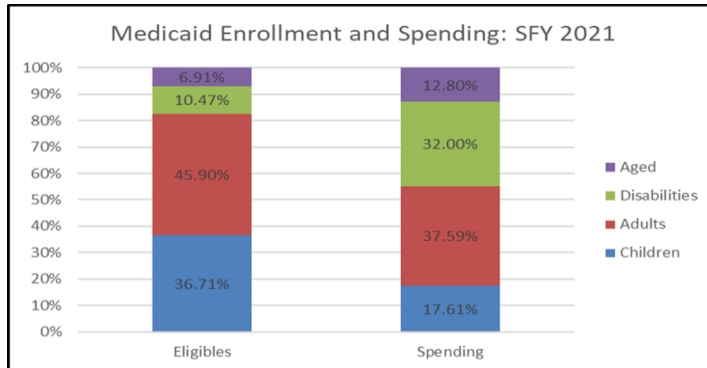


Medicaid provides health care coverage and supportive services to nearly 300,000 Delawareans enrolled in Medicaid, the Children’s Health Insurance Program (CHIP), the Delaware Prescription Assistance Program and the Chronic Renal Disease Program.

Medicaid enrollment has increased 22.7% since the beginning of the COVID-19 pandemic. This is largely due to the impact of continuous coverage requirements under the Families First Coronavirus Response Act (FFCRA). The federal stimulus legislation provides a 6.2% increase in federal matching during the Public Health Emergency (PHE), but includes a maintenance of effort that prohibits disenrollment of most current Medicaid beneficiaries.

## DIVISION OVERVIEW

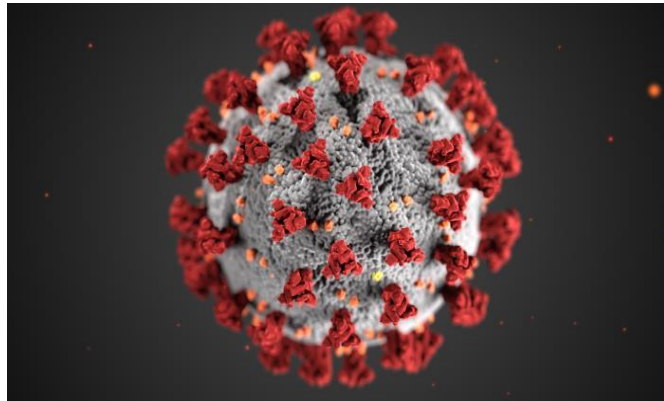
### Medicaid Enrollment



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Medicaid provides health care coverage to low-income children and adults, seniors, and individuals with disabilities. Medicaid also provides benefits not typically covered by other insurers, including long-term services and supports and Medicare cost-sharing for some individuals who are eligible for both programs. As the chart shows, children and low-income adults represent the majority of those enrolled in the Delaware Medicaid program, but account for substantially less spending.

## ACCOMPLISHMENTS



### COVID-19 Response



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The COVID-19 Pandemic has impacted everyone but has been a particular concern for the Medicaid population because many of the members we serve are particularly vulnerable due to age, disability, and social/demographic factors impacting health care status and access to care. Since the beginning of the pandemic; 17,500 Medicaid members have tested positive and, sadly, over 600 have died. Our response to the pandemic has been multi-faceted and focused in three primary areas.

- Prevent Gaps in Coverage – All enrollment terminations have been suspended, as well as premium payments and co-pays, during the Public Health Emergency.
- Ensure Access to Care and Enhance Support –Telehealth coverage has been expanded to address challenges with face-to-face medical visits. We have expanded non-emergency medical transportation to alternative care sites, including COVID testing and vaccination events. We have also expanded home-delivered meal options to include two meals per day for individuals receiving home and community-based services and partnered with the Food Bank of Delaware and Modivcare to deliver food and supply boxes to post-partum women.
- Provide Coverage of COVID-19 Testing and Treatment – Medicaid provides coverage, without cost-sharing, for all approved testing, (including home test kits), vaccine administration, and treatment, including monoclonal antibody therapy.

## ACCOMPLISHMENTS

### Substance Use Services



### Adult Dental Benefit



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When I spoke to you last year, we had just implemented a dental benefit for our adult Medicaid members. This was a long-standing priority of the Division that was achieved with the support of the General Assembly and the collaboration of our MCOs and dental partners. During calendar year 2021, 17,950 adults received dental services.

Delaware Medicaid received a \$3.7 million planning grant in 2019 with a key goal to increase treatment capacity. As a result, DMMA recently released preliminary recommendations for Substance Use Disorder (SUD) rate adjustments and announced that methadone administration rates would be increased from \$4 to \$12 effective March 1, 2022. We have also been selected as one of only five states to participate in a SUPPORT Act Demonstration Project that runs through September 2024.

## ACCOMPLISHMENTS

### AMERICAN RESCUE PLAN ACT HOME AND COMMUNITY-BASED SERVICES SPENDING PLAN

ACTIVITIES APPROVED BY CMS	
DDDS Direct Support Professionals (DSP) Recruitment and Retention Payments	\$4,600,000
Rate Study for non-DDS DSPs	\$400,000
Critical Incident Management System Upgrade	\$140,000
ACTIVITIES UNDER CMS REVIEW	
DSHP, DSHP Plus, and DSAAPD DSP Recruitment and Retention Payments	\$7,417,500
Education, Marketing and Outreach on HCBS services and Delaware's No Wrong Door System	\$200,000
Support for Local Contact Agencies	\$400,000
No Wrong Door Information Technology Upgrade	\$250,000

Section 9817 of ARPA allows Delaware to claim 10% more in federal funds on HCBS expenditures for one year and invest these funds in sustainable activities that expand, enhance or strengthen Medicaid HCBS. This is one-time funding that must be used to supplement current State expenditures and must be spent by March 31, 2024.

DMMA is working in collaboration with partner DHSS Divisions to solicit stakeholder feedback and plan for activities funded by the HCBS Spending Plan funding.

DMMA reports quarterly to CMS on the HCBS Spending Plan Activities.



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As part of the American Rescue Plan Act of 2021 (ARPA), Congress provided a temporary 10% increase in the federal medical assistance percentage (FMAP) on Medicaid Home and Community-Based Services (HCBS).

Delaware submitted to Centers for Medicare and Medicaid Services (CMS), a Spending Plan that promotes the State's goals of choice and control for individuals with long-term services and supports needs, expanded access to HCBS, positive health outcomes, a stable HCBS workforce for the future, and support for family caregivers. We are partnering with our sister agencies to address issues across the service delivery system in an equitable fashion.

The first phase of the plan includes recruitment and retention bonuses of up to \$1,000 for direct support professionals providing home and community-based supports to individuals through DMMA, DDDS, and DSAAPD. We are also in the process of developing a respite benefit for parents of children with behavioral health needs, intellectual disabilities, and complex medical conditions.

## LOOKING AHEAD



### **Unwinding after the Public Health Emergency**



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Much of our response has been implemented under emergency authorities approved during the federal PHE. One critical component will be the reintroduction of redeterminations and termination of coverage for those who are no longer eligible for Medicaid. We have up to 12 months to complete these redeterminations and will be working collaboratively with our partners to outreach to members, assist in completing the redetermination process, and navigate those no longer eligible to other sources of coverage such as the federal marketplace.

# LOOKING AHEAD

## A Strategic Vision for Medicaid And The Children's Health Insurance Program (CHIP)

CMS Administrator Chiquita Brooks-LaSure and CMCS Director Daniel Tsai

### ■ **Focus Area 1: Coverage And Access**

We will use every lever available to protect and expand coverage for all eligible people and to adopt a broad view of access to care that includes provider availability, quality, culturally and linguistically competent care, and reductions in gaps in coverage.

### ■ **Focus Area 2: Equity**

We are dedicated to measuring disparities and making targeted, evidence-based investments in improving health equity. While Medicaid is a driver of health equity, the data tell us that significant racial disparities within Medicaid persist.

### ■ **Focus Area 3: Innovation And Whole-Person Care**

Finally, we will continue to encourage innovation in value-based care, delivery system reforms and whole-person care in Medicaid. Our approach includes partnering with states to ensure the health care system considers and supports the whole of a person's needs: physical health, behavioral health, oral health, long-term service and supports, and health-related social needs. We must address longstanding gaps in areas such as behavioral health, as well as explore how Medicaid can contribute to addressing health-related social needs (e.g., nutrition and homelessness or housing instability).

Source: "A Strategic Vision for Medicaid And The Children's Health Insurance Program (CHIP)".  
Health Affairs Blog, November 16, 2021. DOI: 10.1377/hblog20211115.537685



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As we look ahead, we will continue to respond to the evolving impacts of the pandemic. At the same time, we will work to promote Delaware priorities in alignment with the strategic vision outlined above by CMS leadership. Specific focus areas in the coming year include:

- Maternal and Child Health including expansion of postpartum coverage to 12 months, home visiting, and other services to improve maternal health and address health inequities;
- Behavioral Health including partnership with DSAMH in the implementation of our mobile crisis response planning grant and collaboration in the roll out of the 988 system;
- Long Term Services and Supports and continued implementation of strategies identified through the HCBS Spending Plan stakeholder sessions; and
- Payment/Delivery Reform including evolution of Accountable Care Organizations and innovations through our current MCO procurement.



## WORKFORCE CHALLENGES



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I am extremely grateful to the staff at DMMA who have faced these challenges and continued to serve the people of Delaware with dedication and compassion. Unfortunately, we are witnessing unprecedented vacancy rates – currently 14%. Additionally, we have experienced tremendous turnover and absences due to illness. The result is even greater workloads for those remaining and they are, quite frankly, exhausted and approaching burn out. We will continue to support our staff in every way possible and, again, I thank them for their willingness to go above and beyond to ensure that critical services continue to be provided.

## FY 2023 GOVERNOR'S RECOMMENDED BUDGET

### FY 2023 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	87.0	0.0	106.6	193.6
Dollars (\$)	816,183.4	73,554.1	1,744,654.9	2,634,392.4

**Budget Definitions:**

GF – General Funds  
ASF – Appropriated Special Funds  
NSF – Non-Appropriated Special Funds  
FTEs – Full Time Equivalent Positions



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The slide above shows the DMMA budget included in the FY 2023 Governor's Recommended Budget (GRB).

Our Division's FY 2023 GRB is:

- \$816,183.4 [Eight Hundred Sixteen Million, One Hundred Eighty-Three Thousand, Four Hundred dollars] in General Funds (GF);
- \$73,554.1 [Seventy-Three Million, Five Hundred Fifty-Four Thousand, One Hundred dollars] in Appropriated Special Fund (ASF) spending authority; and
- \$1,744,654.9 [One Billion, Seven Hundred Forty-Four Million, Six Hundred Fifty-Four Thousand, Nine Hundred dollars] in Non-Appropriated Special Funds (NSF).

## FY 2023 GOVERNOR'S RECOMMENDED BUDGET

### Door Openers

- \$16,975.5 – Medicaid Inflation/Volume
- \$996.0 – CHIP Inflation/Volume

### Discretionary Request

- \$1,425.0 – Expanded Postpartum Coverage

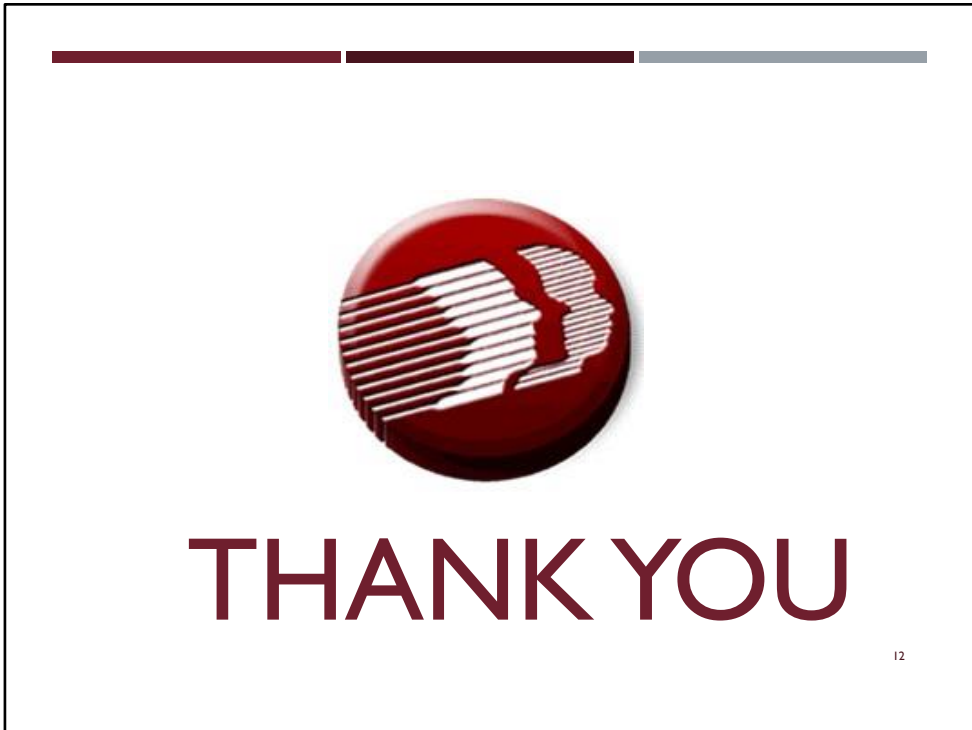


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The Governor's Recommended Budget includes an increase of \$16,975.5 [Sixteen Million, Nine Hundred Seventy-Five Thousand, Five Hundred dollars] in Medicaid and \$996.0 [Nine Hundred Ninety-Six Thousand dollars] in CHIP to address inflation and volume increases in these programs.

The budget also includes \$1,425.0 [One Million, Four Hundred Twenty-Five Thousand dollars] to increase postpartum coverage up to twelve months.

We will continue to monitor spending, utilization, and enrollment trends and recognize that there is a great deal of uncertainty as we move through 2022 and into 2023.



Thank you for the opportunity to share with you the challenges and opportunities facing the Division of Medicaid and Medical Assistance.

I am happy to answer any questions you may have.