NEW JERSEY HEALTH CARE QUALITY INSTITUTE
Quality powered.

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August 9, 2016

Margaret Rose
Division of Medical Assistance and Health Services
Office of Legal and Regulatory Affairs
P.O. Box 712, Mail Code #26
Trenton, New Jersey 08625-0712

Re: NJ FamilyCare 1115 Comprehensive Waiver Demonstration Application for Renewal

Dear Ms. Rose:

On behalf of the New Jersey Health Care Quality Institute ("Quality Institute") we appreciate the opportunity to provide comments on the proposed Comprehensive Waiver Demonstration Application for Renewal.

Before offering specific comments, we would first like to commend the Department of Human Services and the Division of Medical Assistance and Health Services for their continuing efforts to improve the NJ Medicaid program. The initial waiver and proposed renewal demonstrate the state's commitment to preserving the program and ensuring its long-term viability. Now serving nearly 1 of 5 NJ residents, the program is a lifeline to many of New Jersey's most vulnerable citizens. Its continuity is vital and we applaud the State's efforts to sustain Medicaid services throughout many difficult budgets.

As you are aware, the Quality Institute's current Medicaid 2.0 grant which is funded by The Nicholson Foundation shares many of the waiver goals. However, the grant is exploring a broad array of topics some of which may fall outside of the waiver's scope, while other elements are included the proposed waiver renewal.

We are near the halfway point in the project and have learned a great deal from the stakeholders as well as from other states' Medicaid reform experiences. However, given our project's timing we cannot offer specific recommendations at this time. We can, however, provide some insights from our work to this point for consideration. The areas below have been identified through our initial stakeholder process and the comments included below are general observations. Our Medicaid 2.0 Blueprint will provide specific recommendations in each of these areas when completed in early 2017.

Integrated and Managed Behavioral Health
There is widespread agreement in support of fully integrating behavioral health services at the payment level but there is little consensus on the approach. Providers remain apprehensive in the light of recent changes to their reimbursement which suggests the system will need to undergo a transition phase.

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There is a similar dilemma in Michigan and below are some key provisions the Michigan legislature determined must be included as part of the design that NJ should consider:

- Core principles of person-centered planning, self-determination and recovery orientation.
- Coordination of physical health and behavioral health care and services at the point at which the consumer receives that care and those services.
- Continuity of care for consumers of behavioral health services in order to prevent current customers of behavioral health services from experiencing a disruption of services and supports.
- Increase access to high-value community-based services and resident choice of provider.
- Increase access to integrated behavioral and physical health services within community-based settings.
- Increase the utilization of high-value services and identify and decrease the utilization of low-value services.
- Integrate behavioral and physical health patient population risk stratification with opportunities for shared risk among contracted providers.
- Align behavioral and physical health care providers clinical and claims data sharing.

Modernizing Eligibility and Enrollment

The Medicaid eligibility and enrollment system represents the front door to the program and therefore plays a critical role in the overall health of the recipients. Interruptions in eligibility can result in disruption of care, and processes to reenroll an already eligible individual are an unnecessary expense. One of the major goals of the ACA for the Medicaid program was to ensure that all of those who are eligible are enrolled.

The current waiver has made important strides in achieving this goal and the waiver proposal to allow formerly incarcerated individuals re-entering the community to retain Medicaid eligibility for 18 to 24 months before redetermination underscores the importance of continuity of service. But larger efforts have been hampered by outdated technology and systems focused more on identifying the small number of ineligible than enrolling and retaining the vast majority that are eligible. As Medicaid evolves there needs to be a program-wide effort to ensure that enrolled eligible individuals are not removed for failure to file a renewal. Strategies that focus on evaluating family income through data matches - independent of formal interaction with the program - should be an important goal moving forward.

Expand and Enhance Value Based Purchasing

Value Based Purchasing has become a key tool for both commercial and governmental health insurance payers to manage costs and improve outcomes. The current waiver renewal highlights the

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need to expand the scope of practice of physician extenders and make use of non-traditional health workers to help achieve better value. These are important policy changes that NJ should pursue to ensure access to care at the most efficient price point.

We are exploring models such as Bundled Payments and Comprehensive Primary Care that Medicare and other state Medicaid programs are expanding based on the initial experience of pilots and expect to offer specific recommendations in the Medicaid 2.0 Blueprint after our project's completion.

Recently, New Jersey was chosen for a second time by CMS to participate in the Comprehensive Primary Care Plus program that pays providers for better, more coordinated care. CPC has been revolutionary for improving primary care and the best model to come out of the CMS Innovation Center. Four of the largest payers in NJ are participating in the program alongside Medicare. It would be in the best interest for everyone if NJ Medicaid also participated in the program to create consistency in care delivery and give New Jersey's most vulnerable patients access to better quality, more coordinated care. This initiative also has the potential to achieve significant program savings.

DSRIP

NJ Hospitals, have been, and will remain a vital access point for Medicaid patients. The ACA and attendant Medicaid expansion provided the state's hospitals with a host of delivery system reform opportunities. However, the remaining uninsured and underinsured are a persistent challenge for hospitals as they attempt to take advantage of these opportunities. At the same time Medicare and commercial payers are increasingly requiring hospitals to assume risk for the care they provide. As this transformation unfolds, the DSRIP program is a critical support for hospitals in transforming their delivery systems to improve Medicaid services. These funds are essential for preparing hospitals to assume additional risk for populations that oftentimes need social supports that go beyond traditional hospital care.

The Quality Institute respectfully submits these comments for your consideration. We look forward to continuing to explore many of these issues and others with you and the state's stakeholders in the next six months as we finalize our work in drafting the Medicaid 2.0 Blueprint.

Sincerely,

Matthew D'Oria
Chief Transformation Officer, Medicaid 2.0
NJ Health Care Quality Institute

Linda Schwimmer
President and CEO
NJ Health Care Quality Institute