



Dear Medicaid Directors,

This is the annual report for the National Association of Medicaid Directors for 2013-2014. As this document demonstrates, the year has been a challenging one for the nation's vital Medicaid programs and our members who lead them. But we have met these challenges together, and have already begun to take steps that anticipate the concerns that will assuredly arise. We want to take this opportunity to celebrate our successful year, encapsulate the work we have done, and highlight the work ahead.

NAMD's successes take many forms—from synthesizing Members' perspectives and experiences for the stakeholder community, amplifying our collective voice with Congress and the Administration, sharing best practices in program reform, and facilitating learning opportunities among states. The watershed moment of ACA implementation was a prime focus of our efforts, but far from the lone issue we tackled. Even as we worked together to smooth the transition to 2014, we have continued our activities to promote Medicaid Directors' perspectives and to provide technical assistance on many important topics.

Our public and media presence was strong. We were the only voice expressing the unvarnished picture of ACA implementation experiences at the state level. We regularly highlighted progress and other areas of program reform. And we took every opportunity to expand public understanding of the range of Medicaid perspectives and approaches on all the pressing topics of the day. This has ensured NAMD will be a "go-to" resource for Medicaid opinion in the future.

Of course, our work is never done. Significant and complex work still lies ahead in meeting the requirements and vision of the federal reform. We further recognize that we are in the early, but critical transformative period that goes beyond the ACA. Essential questions around the structural and capacity needs of the Medicaid agency, the role of Medicaid in health care delivery reform, and the struggles to manage an ever-growing budget are before us. We will need to continue our work as we each grapple with these challenges.

Our mission is to serve as the Medicaid Voice, to support our members, to share best practices and to jointly lead the program forward. We believe our first years have demonstrated our capacity to meet these challenges and provided a strong foundation for the future.

Sincerely,

A handwritten signature in black ink that reads "Matt Salo". The signature is fluid and cursive, with the first name "Matt" being particularly prominent.

Matt Salo  
Executive Director

## NAMD provided technical assistance.

A major component of NAMD's service model is providing states with technical assistance and guidance from other states, leading experts, and CMS and other federal partners. Our TA activities range from ad hoc networking among states to thorough reviews and analysis on critical topics. Here are some of the TA efforts we conducted. We also supported states with opportunities for networking and discussion at our spring and fall state-only meetings. These state-only convenings provide an important means for states to share best practices, challenges and lessons learned throughout the year.

### ACA Implementation Support

Leading up to the Affordable Care Act's critical January 1, 2014 deadlines, NAMD ramped up its efforts to support states in their work to comply with the law. NAMD was deliberate in its focus on providing timely, accurate information on the highest priority issues for states. Through regular communications with CMS, NAMD staff were able to share information on pressing issues and trouble-shoot with CMS staff on areas of concern to many states. The ACA "tracking effort" was a critical component in this strategy, enabling states to benchmark their progress and connect with their colleagues on issues such as standing up eligibility systems and submitting and receiving CMS approvals.

NAMD held numerous state-only calls updating our members on ACA implementation challenges and priorities of the administration. Along with weekly Friday calls, NAMD held issue specific calls including: hospital presumptive eligibility, minimum essential coverage for pregnant women, and account transfer update calls.

### Payment and Delivery System Reform

Medicaid Directors' focus for the foreseeable future will remain delivery system and payment improvements and transitions. Through support from a grant from The Commonwealth Fund, NAMD has based its work this year on facilitating state networking on focused issues concerning data analytics, practice transformation, and the impact of Exchange and multi-payer initiatives on Medicaid reform. This year, we targeted our work closely on these issues with a workgroup approach, mixed with high profile all-state calls and webinars that bring interesting speakers to a wide Medicaid audience.

These interactions with states have helped NAMD articulate a state-based Medicaid vision and perspective of reform to national policymakers through the creation of issue briefs, blog posts, and other content. But more importantly, we are building a strong and vibrant network of state staff around reform, with the intent that they continue to work together and to learn from each other's experiences and successes. We are also using this forum to avail state staff of the range of technical experts through webinars with groups like McKinsey, V-BID, and other payment reform leaders. This year's grant is providing the infrastructure to build this network, and we intend to accelerate these efforts in the coming years through this and other grants.

### Integration of the Medicare and Medicaid Programs

In 2013 and 2014, NAMD developed significant new tools in the association's "duals" portfolio of work. Specifically, NAMD convened monthly calls and sent email updates to support those states pursuing a

financial alignment demonstration with CMS and for states using the D-SNP platform. The calls provide a rare, but much-needed opportunity for states to talk with each other about the progress, challenges and strategies they are employing. NAMD also worked with CMS to launch a new series of educational calls focused on D-SNPs.

### Behavioral Health in Medicaid

Tragic events again put the nation's mental health system and behavioral health services in the spotlight. NAMD seized a number of opportunities to insert the Medicaid Directors' voice into national dialogue, and to highlight the major role that Medicaid has in delivering and financing behavioral health services. On the technical assistance front, NAMD worked with CMS and other organizations to develop a mental health parity tool for states, which has garnered praise from federal and state policymakers.

### Prescription Drug Abuse Prevention

NAMD launched a project to examine the state of the art and current practices to prevent overdose and abuse of prescription drugs using the levers in Medicaid program. With funding from the Centers for Disease Control and Prevention, we have initiated a study of best practices and a catalog of options for states in managing this critical and growing health threat.

## NAMD promoted members' perspectives with stakeholders

In 2013 and 2014, NAMD ramped up our efforts to promote and insert Medicaid Directors and other senior staff in national level discussions on Medicaid and health care policy generally. We have leveraged three main vehicles for doing so:

- 1) Participate in interviews with major print, radio and internet outlets;
- 2) Nominate Medicaid Directors and single state agency experts to federal commissions, panels and advisory committees; and
- 3) Recommend Medicaid Directors, Medicaid Medical Directors, and others to speak on panels, conferences or calls for various reputable government and mainstream entities.

NAMD earned a reputation among policymakers, media and other interested stakeholders as an invaluable resource for information on the state Medicaid experience in the field. Staff and members have spoken at countless meetings about the Medicaid program, the policy and positions of NAMD, the future direction of the program and other important messages. Our media presence has highlighted some of the challenges NAMD members face as well as the progress being made. Some of the accomplishments in this arena are highlighted below.

- Weekly ACA Snapshots – This is a document that evolved over time, starting with monthly reports based on surveys of a subgroup of states. We updated the strategy to weekly summary reports on the state progress of ACA implementation.
- NAMD's 2013 National Conference – Each November, NAMD conducts a major national convening with more than 800 participants from across the Medicaid world. The Conference is an important venue to share state best practices and innovations, and many of our members serve as presenters. This year's agenda included ACA-relevant progress in states, as well as

considerable airtime for Medicaid-led advancements in delivery system and payment reform, performance indicators and program integrity, and long-term care.

- Long Term Services and Supports Workgroup – At the direction of the NAMD Board, this newly formed Workgroup will primarily serve to inform the association’s work and serve as a sounding board for critical issues that are increasingly arising with federal policymakers. In addition, NAMD has engaged with CMS on several ongoing initiatives and ad hoc efforts. NAMD partnered with CMS and other state associations to revise the quality reporting requirements for home and community-based programs.
- Emerging Drugs for Hepatitis C – Recently, NAMD has worked to shape the conversation around the new Hepatitis C treatments and their potential impact on program budgets. Through outreach to a host of stakeholders, we have sought ways to bring the Medicaid voice to this emerging issue.
- Operational Survey – For the second time, NAMD conducted a survey of states on a range of operational and program issues. The resulting report is a valuable tool for states to benchmark their own structure and function. It is also a tool for a wider audience at the national and state level to understand the Medicaid programs functionality, and future direction, as well as the job of Medicaid director.

## NAMD influenced federal action and response to state concerns

NAMD has been successful throughout the year in influencing federal thinking, and providing state perspectives into a range of federal activities and decisions. Below are a few examples of this influence.

On the federal advisory front, the Administration accepted NAMD’s nomination for Julian Harris to serve on the federal Long Term Care Commission. NAMD has also worked closely with the Medicaid and CHIP Payment and Access Commission to identify Medicaid Directors to speak on their panels and review draft chapters of the Commission’s reports.

NAMD met with the Office of Management and Budget (OMB) and successfully helped to influence the Administration’s implementation timelines for two major regulations, CMS’ regulation regarding HCBS settings and the Department of Labor’s regulation impacting wages for home care workers.

NAMD also submitted policy recommendations to the federal Long Term Care Commission, which were reflected in the Commission’s report to Congress in September 2013.

### Influencing ACA guidance

In the ACA arena, our agenda was to reflect your needs and interests in regular informal dialogue with federal partners as well as official positioning for the Medicaid voice.

- Ad Hoc Workgroups – NAMD convened several ad hoc workgroups and calls with states and CMS to discuss pressing implementation issues. Topics included optimal approaches to develop and implement eligibility and enrollment performance indicators, health insurer fee implementation, primary care rate increases, and essential health benefit plans, among others.

- Weekly meetings with CMS staff – NAMD discussed upcoming guidance, feedback from state calls, emerging challenges and areas of confusion with CMS and used multiple venues to maximize your understanding of the CMS position and next steps.
- State Perspectives: NAMD commented on several ACA-related federal regulations and policy updates. These include:
  - NAMD comment letter on Medicaid, CHIP, Exchange proposed rule
  - NAMD letter requesting flexibility with MAGI and FMAP conversions
  - Letter to CMS on performance indicators
  - NAMD congressional testimony: Exchange Data Hub

### Other critical policy issues

**FQHCs and reform.** In 2014, NAMD finalized and disseminated a letter to the Administration with policy recommendations that seek to improve alignment between the Medicaid and federally qualified health center program and rural health clinics. The Association worked closely with several individual state Medicaid Directors to ensure the letter reflected the breadth and multitude of experiences and issues facing states. NAMD is working on multiple fronts to advance the policy recommendations.

**Letters and statements on Medicaid Mental Health issues.** NAMD issued three separate documents identifying challenges for and specific proposals which could strengthen the delivery mechanisms, payment methodologies and effectiveness of Medicaid’s mental health service. These efforts included two letters to Senate Committees with jurisdiction over these issues and an appendix documenting promising state programs and practices in this area which are improving the quality and effectiveness of care delivered.

**Program Integrity.** Through its PI workgroup, NAMD has hosted ongoing dialogue with the relevant CMS offices around the major challenges for states and possible solutions. Together with the Center for Program Integrity and CMCS the workgroup also is exploring the future of program integrity efforts. NAMD also maintains contact with the Medicaid Integrity Institute (MII) to ensure alignment of Medicaid Director priorities and this vital training program for state staff.

**D-SNP integration pathway.** NAMD convened a D-SNP Workgroup to develop policy recommendations to further integrate certain policy and operational aspects of Dual Eligible Special Needs Plan program and state Medicaid programs. NAMD’s paper served as a launch pad for our ongoing discussions with Congressional staff and Administration officials. Several of the recommendations are reflected in Congressional proposals to reauthorize the program. Similarly, NAMD has worked with CMS to advance other proposals which focus on communications between CMS and the states.

## NAMD improved organizational capacity

NAMD made further progress in building capacity and breadth of services as a member services organization. We have been able to grow our portfolio of member services and of policy and content work, while remaining fiscally solid. The activities below demonstrate our commitment to continued growth and development to meet our mission and our members’ needs.

## Incorporating the Medicaid Medical Directors

In 2013, NAMD staff began the process of bringing the Medicaid Medical Directors Network (MMDN) into the fold. The evaporation of existing funding streams left the existing network without a home or supports, and our efforts to date have ensured the continued existence of this important forum.

Furthermore, the inclusion of the MMDN into NAMD is a great benefit to the organization as a whole. It has raised the organization's profile with academic and research organizations, policy institutions, and federal government agencies, and allows NAMD's influence to grow in different areas. This includes parts of CMS like Marsha's Quality shop and CMMI.

Recently, the MMDN has been both a source of funding and a policy resource for several high-profile issues. By incorporating the Network under our umbrella, NAMD has essentially gained a mini-think tank to articulate and develop state-based Medicaid approaches to clinical and health systems policy issues. This base of knowledge and activity is currently paying dividends in that we are helping to shape the next generation of SIM grants, efforts in maternal and child health data sharing, and other issues.

## A growing staff

NAMD went from five staff to seven in the 2013-14 year. This increased capacity has been an important asset in analysis, research, and policy expertise, and will ensure a higher level of member services and greater visibility for the organization and your views. Already the extra staff are helping us increase our grant-funded portfolio and otherwise enhance our presence in the national health care arena.

## New roles in a critical national survey

We are excited to announce that we will be working collaboratively with the Kaiser Family Foundation and their contractors in the development and dissemination of the annual Medicaid Budget Survey. This nationally recognized survey represents a source of important information for the full spectrum of Medicaid stakeholders, as well as a major effort by NAMD's members. As such, the role of NAMD in the survey process will provide the organization and its members with a critical tool for analysis and a voice in its production.

## ATTACHMENT A: NAMD PRODUCTS

### *Publications – chronological order, May 2013 to May 2014*

- Twelve ACA Implementation Status Snapshots
- NAMD Issues D-SNP Policy Recommendations
- ACA Reflections from the Field: Preparing for January 1, 2014
- NAMD Prepares Memo on ABLE Legislation
- 2<sup>nd</sup> Annual Operations Survey
- Data Analytics for Effective Reform: How State Medicaid Agencies are Leveraging Data for Payment and Delivery System Innovation

### *Letters – chronological order, May 2013 to May 2014*

- NAMD Submits Comments to Commission on Long-Term Care
- NAMD Letter on Federal Upper Limit and Outpatient Prescription Drug Rule
- Policy Recommendations to Support Medicaid Behavioral Health Services
- NAMD Letter Asks HHS Secretary to Align Linkages between Medicaid and FQHC Programs
- NAMD Calls on DOL to Revise Implementation for New FLSA Policies

### *Memos – chronological order, May 2013 to May 2014*

- NAMD Memo on DSH Allotment Reduction NPRM
- NAMD Memo on Senate Program Integrity Legislation
- NAMD Memo on Medicaid Financial Management Dynamics
- NAMD Memo on Health Insurer Fee
- NAMD Memo on Final Eligibility Rule
- FAQs on Pregnant Women Coverage and Minimum Essential Coverage
- Legislative Update for December 2013
- NAMD Memo on CMS Final Rule on HCBS and DOL Rule Impacting Wages
- NAMD Issues Memo with Update on Medicare SGR, Medicaid Policy Negotiations
- NAMD Memo Addresses Developments Impacting HCBS, LTSS Programs
- President's FY 2015 Budget – Outlook and Key Medicaid Proposals
- NAMD Memo Summarizes Medicaid Provisions in Doc Fix
- NAMD Memo Assesses Federal Mental Health Legislation
- NAMD Memo on Sovaldi and the Future of Specialty Drugs