



Dear State Medicaid Directors,

This is the annual report for the National Association of Medicaid Directors for 2014-2015. This 50th anniversary year of Medicaid was another momentous time and a transformative period. Changes in Medicaid brought on by economic factors, federal developments, and the drive to deliver innovative, high-quality care continued to reshape our working landscape in real time. Befitting this dynamic environment, we welcomed many new members to our organization as they became Medicaid Directors for the first time. NAMD was proud to serve as your resource to meet these challenges individually and collectively, and we are pleased to encapsulate our successes here.

The report lays out how NAMD provided key supports to Medicaid Directors throughout the year. It describes our efforts to create convenings, calls, and other activities to provide Medicaid Directors with a space to learn from one another and to engage on the most important topics of the day. It demonstrates how NAMD translated that engagement into action by influencing federal policymakers and other national leaders. Finally, it illustrates how NAMD has grown over the year to better serve and represent Medicaid Directors, and to communicate the value of Medicaid to larger audiences.

NAMD began to shift away from last year's primary focus on ACA implementation, although we are still working to help states deal with ongoing and new challenges in that area. We instead turned much of our focus to emerging issues around pharmacy prices and coverage, mental/behavioral health policy at the state and federal level, and broad issues around delivery system and payment reform. Medicaid has an indispensable role in these industry-wide shifts, but also faces its own unique set of priorities and considerations. You need your own space to help each other figure out your own solutions. NAMD is honored to be the forum in which Medicaid Directors chose to do much of this work over the past year.

Our public and media presence on all issues continues to be strong, and we have laid the groundwork to ensure that NAMD remains the "go-to" resource for Medicaid opinion in the future. Regardless of the issue, we are committed to promoting Medicaid Directors' perspectives to a national audience.

NAMD remains committed to being your frontline resource for policy support. As always, our mission is to serve as the national voice of Medicaid Directors, to support our members, to share best practices and to help you lead the program into the future. We are looking forward to another great year.

Sincerely,

A handwritten signature in black ink that reads "Matt Salo". The signature is written in a cursive, flowing style.

Matt Salo

Executive Director

NAMD cultivated insight and guidance on key issues

One of NAMD's strengths is our ability to provide states with opportunities to gather insight into the national and state landscape on Medicaid issues. We think of this contribution as *policy intelligence*. It is rooted in understanding how the worlds of business, politics, government administration, and research intersect in state Medicaid programs.

We endeavor to create this understanding by hosting activities like networking and discussion at convenings, all-state calls, producing issue briefs and letters, and other ways of sharing best practices and lessons learned. In turn, NAMD synthesizes this experience with our own background in federal and national policy in order to craft relevant, timely, and helpful advice to states.

Creating Opportunities for State-to-State Learning

Payment and delivery system reform has reached a new operational importance for Medicaid programs. NAMD supported Directors' efforts in a number of ways, including numerous all-state calls, presentations and small workgroup discussions on issues like FQHC payment reform, data analytics, clinical quality measurement, DSRIP waiver implementation, and other topics. NAMD also focused on articulating the priorities and perspectives of Medicaid Directors' experience through a series of official letters, issue briefs and commentary pieces on practice transformation and evaluation that brought the organization federal and national attention. Our work in payment and delivery system reform also informed our response to the Innovation Accelerator Program (IAP) through focus group calls and official correspondence.

This year, the association also supported states in their work to drive value for pregnant women and their children in Medicaid. NAMD partnered with the Association of Maternal and Child Health Programs to facilitate state-to-state learning around the overuse of C-sections for low-risk births among first time mothers. This effort also explored opportunities for interagency collaboration, including approaches for stakeholder engagement and data sharing.

We continued our work with the Medicaid Medical Directors Network (MMDN) through a variety of activities, including two in-person meetings and a host of online presentations and calls. Our work expanded our relationships with groups like the Patient Centered Outcomes Research Institute (PCORI), OHSU's MED Project, the Institute for Clinical and Economic Review (ICER), NCQA, and other organizations.

NAMD also published a comprehensive paper analyzing state practices to curb prescription drug abuse, the culmination of several months of work looking at innovative state programs. The paper enumerates promising practices Medicaid agencies across the country are taking to proactively prevent prescription drug abuse, educate their provider communities on best prescribing practices, and leverage their regulatory authority and partnerships to combat this epidemic.

Hosting Focused Convenings on Key Issues

NAMD expanded its role in supporting peer learning through in-person meetings. Notably, NAMD convened a workshop which brought together states to explore pathways to integrate physical and behavioral health services in Medicaid. A series of follow-up calls from this meeting, which were open to all states, continued the conversation and further enhanced state knowledge-sharing.

In response to the final home and community-based services (HCBS) rule from CMS and to support broad, ongoing state efforts to rebalance their long term services and supports (LTSS) delivery systems, NAMD recently convened a workshop on person-centered LTSS. This workshop brought together states to explore a variety of issues impacting HCBS. A series of five follow-up calls exploring issues identified in the workshop are planned for the remainder of this year.

Expanding Members' Voices in Workgroups

NAMD's greatest resource is the expertise of our members. We rely on Medicaid Directors to drive and inform our work at every stage so it represents your experience. One of our principal vehicles for receiving member direction is workgroups. Over the years, we've created a number of workgroups that have added immense value to our organizational efforts.

These include the Program Integrity Workgroup, the Dual Eligibles and D-SNP Workgroups, and the FQHC Workgroup. This year, our Pharmacy Workgroup led state-to-state sharing of best practices regarding drug reimbursement strategies, clinical protocols, and the 340B drug discount program. Our Managed Care Workgroup informed a series of letters to CMS in the run up to the new managed care regulation and is now leading the way in shaping comments to the proposed rule.

This year, given the significance of delivery system reform, NAMD created a Reform Workgroup to help steer the organization's efforts in regard to best practices and to inform our federal policy efforts on issues ranging from the IAP to SIM grants. We also formed a Long Term Services and Supports Workgroup to primarily serve to serve as a sounding board for critical issues that are increasingly arising with federal policymakers in the LTSS arena and to advise on other NAMD work in this area.

NAMD expanded influence in federal policy

A key aspect of NAMD's work is representing the experience and priorities of Medicaid Directors to a larger audience, particularly policymakers in the federal government. The state experience you share with us in workgroups, all-Director calls, and other activities informs our work in representing the perspective of Medicaid Directors to Congress and the Administration. In turn, NAMD's experience and relationships with the Hill and senior level policymakers ensures that we are at the forefront of federal developments and are able to effectively forecast future policy shifts for our members.

Resolving ACA Implementation Issues

NAMD's efforts on behalf of the states played a key role in bringing federal attention to the difficulties states encountered in implementing the ACA's requirements in their Medicaid programs. Through constant communication with our members to identify specific issues of concern, NAMD was able to write insightful letters to, and conduct critical conversations with, CMS and other federal partners. These conversations identified the most pressing issues states faced, and played a key role in marshaling federal resources to resolve these problems. NAMD will continue this work as Medicaid Directors identify any additional problems with ACA implementation going forward.

Engaging on Key Regulatory and Legislative Priorities

Medicaid Managed Care. In anticipation of CMS's proposed rule to modernize its Medicaid managed care regulations, NAMD wrote a series of four letters to inform the agency's deliberations. These letters addressed issues in rate setting, program integrity, quality measurement, and consumer protections. They also served to lay out the building blocks of NAMD's work plan to craft comments to the recently released proposed rule.

Dual Eligibles. NAMD has long been engaged in this critical topic. In the past year, NAMD continued to work with CMS's Duals Office, Medicare, and CMCS to promote state Medicaid priorities in the issues of D-SNPs, the Duals Demo program, and Medicare alignment. These efforts included senior level meetings between NAMD leadership, NAMD staff, and CMS as well as correspondence expressing the importance of the state perspective in planning and operationalizing dual eligible policies.

Behavioral Health. Last summer, NAMD sent a joint letter with the association representing state mental health program directors to the Substance Abuse and Mental Health Services Administration (SAMHSA), calling for the agency to address federal regulations that impede the sharing of substance use disorder data. NAMD also engaged SAMHSA and CMS on the development of the Certified Community Behavioral Health Clinic demonstration, including through three letters, and was successful in shaping SAMHSA's final criteria for the demonstration to better support state participation. In addition to these letters, NAMD also built new ties with SAMHSA and established pathways for a regular dialogue with the agency around behavioral health issues in Medicaid.

Home and Community Based Services (HCBS). With the HCBS rule released, NAMD remained in close contact with states and CMS to ensure the collective state experience in developing transition plans and other activities was represented to the federal government.

Children's Hospitals Network Legislation. We continued to engage with congressional staff and the children's hospital association on children's hospital-supported legislation that would create care delivery networks in Medicaid for children with multiple chronic conditions. NAMD communicated Directors' concerns with the bill through a memo provided to lawmakers and also facilitated a conversation between directors and children's hospital representatives on the concept.

Twenty-First Century Cures. NAMD engaged with staff and sent a letter to Congress to share the organization's perspective on the 21st Century Cures initiative. Our activities pointed out that while the legislation could bring high-quality, cutting-edge pharmaceuticals to the market, it had not addressed many of the issues most relevant to Medicaid, particularly methods to protect Medicaid from unsustainable costs.

Making High Value Appointments

Placing Medicaid Directors and other Medicaid staff on influential panels and committees is another way we expand our federal influence. This year, NAMD successfully nominated Chuck Milligan, former Medicaid Director in New Mexico and Maryland, to the Medicaid and CHIP Payment and Access Commission (MACPAC), bringing valuable Medicaid operational and policy knowledge to the Commission's proceedings.

Also this year, NAMD formally joined the National Quality Forum (NQF) to ensure that the state Medicaid perspective is reflected in that organization's work. We have been able to secure appointments to influential committees in NQF, including Dr. Foster Gesten, Medical Director at the NY Office of Health Insurance Programs, to the Measure Applications Partnership (MAP) Coordinating Committee, Dr. Daniel Lessler, Medical Director for the Washington Health Authority, to the Medicaid Adult Core Set Workgroup, and Patti Killingsworth, Assistant Commissioner and Chief of LTSS for TennCare, to the HCBS Quality Committee.

NAMD promoted organizational capacity and influence

Raising the profile of Medicaid Directors and amplifying your voice and perspective is one of NAMD's core missions. NAMD is widely-known by reporters as **the** source for information on the state Medicaid experience in practice and we field and answer questions, shape stories, and add to national discussions on a daily basis. Staff and members have also spoken at countless meetings about the Medicaid program, the policy and positions of NAMD, the future direction of the program and other matters. Expanding the reach of the state perspective to national and state media outlets, thought leaders, and other stakeholders is one of our signature services.

Focusing on Communications

This year, NAMD contracted with a communications firm to streamline our communications with external stakeholders and members. Through a centered effort on the association's core messages, NAMD has strengthened our public statements, enhanced our presence on social media, and will soon be redesigning our website to provide a more robust and user-friendly experience for our members and the public.

This focus on communications helped NAMD play a prominent role in the national conversation on a number of issues. Most notably this year was the debate on high-cost, high-impact hepatitis C medications. NAMD was prominent in the discussion on the unsustainable nature of newer, specialty drug costs, and was one of the leaders in shaping the debate about their impact on the future. In addition to our substantial media presence on this issue, we conducted interviews, met with stakeholder groups, spoke at panels, and performed a host of other activities to underscore the significant challenges Medicaid agencies faced in managing the unanticipated costs of these drugs.

Holding Annual Fall and Spring Conferences

Each November, NAMD conducts a major national convening with participants from across the Medicaid world. The Conference is an important venue to share state best practices and innovations to a range of stakeholders. Many of our members have served as presenters and are able to present their experiences in one of the largest and most significant gatherings on state health policy in the country.

The 2014 conference was our largest yet and featured a keynote speech from HHS Secretary Sylvia Burwell. This year's agenda focused on high-cost specialty pharmaceuticals, behavioral health, and the state of innovation in healthcare, as well as considerable time for Medicaid advancements in delivery system and payment reform, performance indicators and program integrity, and long-term care.

In the spring, NAMD holds a meeting for state staff only. It's a smaller convening designed to promote direct state interaction and tailored to maximize the benefit to state directors. This year we welcomed a large, new class of Medicaid Directors – one of the largest groups of new Medicaid Directors in recent memory. To support our new Directors, we began a successful fundraising campaign to create a scholarship fund to support greater attendance at the Spring Meeting as well as designing a mentoring session that puts new Directors and senior staff in the room with seasoned Medicaid Directors.

Continuing Participation in Prominent National Surveys

In November, NAMD released its Third Annual State Medicaid Operations Survey, a report devoted to highlighting the unique environment that Medicaid Directors and their staffs face on a variety of issues, like sister state agencies, administrative capacity and workforce needs, and Medicaid Director priorities. The data from the survey is a great resource for states whenever they seek guidance about other state agency structures and functions.

The Ops Survey, as we call it internally, has been our way to communicate not only the challenges of leading a Medicaid agency, but also to make it clear what your priorities and needs are to an external audience. It is a report that Medicaid Directors can rely on to accurately represent their experience and to help them make the case for more resources and flexibility to legislators, Governors, and others.

NAMD also continued its partnership with the Kaiser Family Foundation to shape the foundation's annual Medicaid Budget Survey, one of the most cited sources of information on the Medicaid program each year. Last year, four Medicaid Directors – Darin Gordon, Cindi Jones, Kate McEvoy, and Stephen Groff participated in a panel discussion at the unveiling of the 2014 survey.

APPENDIX A: NAMD PRODUCTS

Publications – chronological order, May 2014 to May 2015

- Medicaid Innovation: Delivery System Reform Incentive Pools
- Medicaid and Million Hearts: Opportunities and Approaches to Prevent Cardiovascular Disease
- Medicaid and Incarcerated Populations Case Study Series (3 state briefs)
- Medicaid and Million Hearts: Leveraging Interagency Partnership
- State Medicaid Interventions for Preventing Prescription Drug Abuse and Overdose
- 3rd Annual Operations Survey
- Driving Innovation on the Ground: Key Issues for State Medicaid Agencies in Delivery System Reform
- NAMD/SHVS Hold Workshop to Support State Behavioral Health Integration
- Perspectives on Innovation: A State Medicaid Approach to Evaluation
- Medicaid and the 340B Program: Alignment and Modernization Opportunities

Letters – chronological order, May 2014 to May 2015

- NAMD, State Associations Offer Recommendations to CMS on HCBS Rule Implementation
- NAMD Letter Welcomes New HHS Secretary
- NAMD/NASMHPD Letter to SAMHSA on Confidentiality of Alcohol and Drug Abuse Patient Records
- Four NAMD Managed Care Modernization Letters to CMS
- NAMD Recommendations Prioritize Actionable Data, Streamlined Processes
- NAMD Urges CMS to Test Medicaid Beneficiary Engagement Models
- NAMD Comments on State Standards for Access to Care in Medicaid Managed Care
- NAMD Letter Urges Congress to Address Break-Through Drugs
- NAMD Seeks to Shape CMS' Medicaid Innovation Project
- NAMD Letter to CMS Addresses Dual Eligible Issues
- NAMD Letter to SAMHSA Addresses Certified Community Behavioral Health Clinic Demonstration
- NAMD Letter to CMS Addresses PPS for Certified Community Behavioral Health Clinic Demonstration
- NAMD Letter to SAMHSA Addresses Draft Criteria for Certified Community Behavioral Health Clinics
- NAMD Submits Response to Proposed Medicare Advantage Policies Impacting Medicare-Medicaid Enrollees
- NAMD Recommends Improvements for Medicaid-Exchange Interactions
- NAMD Letter to Congress Discusses 21st Century Cures Impact on the Medicaid Program
- NAMD Letter to HRSA, CMS on 340B Drug Discount Program

Memos – chronological order, May 2014 to May 2015

- NAMD Submits Staff Memo to CMS with FFM Recommendations
- NAMD Memo: 2014 Mid-year Federal Policy Update
- NAMD Memo on AAC Prescription Drug Reimbursement Methodology
- NAMD Memo on CMS Autism Spectrum Disorder Guidance
- NAMD Memo: 2014 Federal Policy Wrap Up
- NAMD Memo on President’s FY16 Budget
- NAMD Memo on Extending Funding for CHIP
- NAMD Memo Recaps Meeting with CMS’ Disabled and Elderly Health Programs Group
- NAMD Memo Compares CHIP Proposals
- NAMD Memo: King v. Burwell Recap and Analysis
- NAMD Memo on Children’s Hospital Network Legislation “ACE Kids”
- NAMD Instant Analysis: SCOTUS Puts Limits on Provider Lawsuits Against Medicaid
- NAMD Memo: CHIP, SGR, Federal Policy Update
- NAMD Memo: HCBS Statewide Transition Plans Update
- NAMD Memo: Update on 21st Century Cures Initiative
- NAMD Memo Responds to OIG Recommendations on Personal Care
- NAMD Memo Assesses Impact of Medicaid Drug Rebate Proposals