HEALTHCARE

UPCOMING MEDICAID MANAGED CARE REGULATIONS – HOW DO YOU STACK UP?

By Roshni Arora, Randy Whiteman, and Hanford Lin

It has been almost two years since the Centers for Medicare & Medicaid Services (CMS) released its Medicaid and CHIP Managed Care Final Rule in 2016. With several key milestones coming up on July 1, 2018, and July 1, 2019, we prepared a cheat sheet to help states stay on track with upcoming requirements and timelines.

Rather than following a "check the box" compliance approach, states should develop an overall compliance strategy that aligns with the Medicaid managed care program design specific to the state to drive value from the program.

Navigant is currently supporting many states in these efforts and is available to assist your state to comply with CMS' Medicaid managed care regulations.

We will continue to update this cheat sheet for states, as we anticipate changes from CMS when they conduct a full review of the managed care regulations and issue a proposed rule in August of 2018.

REQUIREMENT	STATE STEPS TO COMPLY WITH REGULATION
No later than rating period for contracts starting on or after July 1, 2018	
Managed Care Quality Strategy (§438.340)	• Draft new or revise managed care quality strategy to incorporate newly required components such as: – Transition of care policy – Plan for reducing health disparities – Quality metrics and performance targets • Make strategy available for public comment and obtain input from the State's Medical Care Advisory Committee, beneficiaries and other stakeholders • Evaluate strategy effectiveness at least every 3 years • Update strategy with new or modified external quality review (EQR) activities (See EQR requirements below) • Post strategy on state website
External Quality Reviews (§438.350, §438.354, §438.356, §438.358, §438.360, §438.362, §438.364)	• Revise external quality review organization (EQRO) contracts to include: – Annual review of each managed care organization (MCO) – Inclusion of federal EQRO qualifications – All mandatory EQR-related activities (e.g., validation of performance improvement projects, compliance reviews, performance measurement evaluation, network adequacy review) – Optional EQR-related activities – Preparation of an annual technical report – Validation of MCO network adequacy • Post EQRO reports on state website
Provider Network Access (§438.68, §438.206, §438.207)	• Develop time and distance standards for new provider types, including home and community-based services • Formalize provider network exceptions process • Update MCO contracts to reflect updated provider network access standards
Provider Screening and Enrollment (§438.602(b), §438.608(b))	• Modify MCO contracts to require all network providers enroll with the state as Medicaid providers • Implement new or revise provider screening and enrollment processes to include required program integrity elements

No later than rating period for contracts starting on or after July 1, 2018	
Beneficiary Support System (§438.71)	• Identify the extent that the following beneficiary support system services are already provided to members: – Choice counseling – Assistance for members in understanding managed care – Assistance for members using or expressing a desire to receive long-term services and supports • Modify existing vendor (e.g., enrollment broker, fiscal agent) contracts to include all required services • Prepare request-for-proposals to contract with new vendors or identify state agency resources to provide required beneficiary support system services
No later than rating period for contracts starting on or after July 1, 2018	
Continued Services to Members (§438.62)	• Develop a plan for providing Medicaid services to members in the event of MCO contract termination • Prepare a transition of care policy during a transition from the fee-for-service program to an MCO, or vice versa for at-risk members
Actuarial Soundness (§438.4(b)(3), §438.4(b)(4), §438.7(c)(3))	• Confirm sufficiency of actuarially sound capitation rates to meet provider network access standards and care coordination requirements • Tailor capitation rates for each rate cell under the contract
Encounter Data (§438.818)	• Develop and implement plan for validating encounter data for accuracy and completeness • Modify managed care contract requirements for encounter data submissions and validation • Enhance procedures and processes to submit required encounter data to CMS
April 25, 2019 (No later than 3 years from the date of a final notice published in the Federal Register)	
Managed Care Quality Rating System (§438.334)	• Adopt the Medicaid managed care quality rating system developed by CMS; • Design an alternative Medicaid managed care quality rating system, using high-level steps such as: – Identify performance indicators to include in quality rating system – Obtain public input on the proposed quality rating system – Submit quality rating system to CMS for approval
No later than rating period for contracts starting on or after July 1, 2019	
Annual Report (§438.66(e))	• If state elects to mandate a minimum medical loss ratio, work with actuary to confirm that capitation rates would allow MCOs to achieve a medical loss ratio of at least 85%
No later than one year from the issuance of the associated EQR protocol	
Network Adequacy (§438.58(b)(1)(iv))	• States must begin conducting the mandatory EQR activity to validate compliance with network adequacy requirements
No earlier than the issuance of the associated EQR protocol	
Plan Rating (§4383.58(c)(6))	• States must begin conducting the optional EQR-related activity to assess the quality rating of MCOs.

CONTACTS

ROSHNI ARORA
roshni.arora@navigant.com
+1.713.646.5021

RANDY WHITEMAN
rwhiteman@navigant.com
+1.215.832.4450

HANFORD LIN
hlin@navigant.com
+1.646.227.4344

About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the firm primarily serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at **navigant.com**.

healthcare@navigant.com

linkedin.com/company/navigant-healthcare

twitter.com/naviganthealth

©2018 Navigant Consulting, Inc. All rights reserved. W50081

Navigant Consulting, Inc. ("Navigant") is not a certified public accounting or audit firm. Navigant does not provide audit, attest, or public accounting services. See navigant.com/about/legal for a complete listing of private investigator licenses.

This publication is provided by Navigant for informational purposes only and does not constitute consulting services or tax or legal advice. This publication may be used only as expressly permitted by license from Navigant and may not otherwise be reproduced, recorded, photocopied, distributed, displayed, modified, extracted, accessed, or used without the express written permission of Navigant.