



# WEST VIRGINIA

## Medicaid Reform

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### STATUS

Concept Paper Released:

May 2005

Second Concept Paper Released:

November 7, 2005

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### SUMMARY

In May 2005, West Virginia released a concept paper for reforming its Medicaid program. This proposal provides a vague idea of the overarching changes that the state wishes to make, with few details. At this point, it is clear that the state wishes to seek broad federal authority to restructure its program, but exactly how these changes will be put together is unclear.

The state's second concept paper contains a few more details, although some aspects of the plan are now more vague.

### ELIGIBILITY

West Virginia proposes that Medicaid's categorical eligibility be eliminated and that current populations be collapsed and divided into four groups: 1) children, 2) parents with children with Aid to Dependent Children (AFDC) benefits, 3) adults aged 65 and over, and 4) special needs groups. It appears that current eligibility for all mandatory populations would be maintained. The state would maintain its Aged and Disabled (AD) waiver and its Mentally Retarded and Developmentally Disabled (MR/DD) waiver separate from this redesign proposal.

### BENEFITS

It appears that West Virginia wishes to a) offer different benefit packages to each eligibility category and b) have additional flexibility to alter the benefit packages offered within an eligibility category. How the proposed benefit structure differs from the current package is unclear.

The following is a brief overview of the proposed benefit packages:

- **Children:** Under this proposal, it is unclear if Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services would be maintained. Among the benefits called for, children would receive inpatient hospital services, outpatient services, ER services, preventive services, immunizations, pharmacy benefits, and dental, vision, and mental health services.
- **AFDC parents with children:** The state would provide a basic package for healthy adults, but this package does not include vision services, and dental services are capped for all adults, including pregnant women. Mental health services are also limited.
- **Adults 65 and over (also known as the “well elderly):** The benefit package would include the services provided for adults plus durable medical equipment, home health services, and nursing home services. This population is not eligible for dental, vision, and mental health services.
- **Special needs groups:** The state would provide a basic benefit package, including inpatient and outpatient hospital services, lab and x-ray services, ER services, pharmacy benefits, dental and mental health services, durable medical equipment, home health services, and nursing home and Intermediate Care Facility for the Mentally Retarded (ICF/MR) services. Children with special needs are eligible for all benefits.

## COST-SHARING

It appears as though cost-sharing may be increased and made enforceable under this proposal, although details—including exact copayment amounts—are not clear at this time.

## FINANCING

A per capita “funding level” would be assigned to each benefit package. According to the proposal, this cap would provide for “reasonable increases” in medical inflation and changes in enrollment due to the state’s economic condition, demographic shifts, and technological advancements.

West Virginia’s second concept paper contains no details on financing, so it is unclear if the previous financing information still applies to the redesign.

## NOTEWORTHY PROVISIONS

- **Personal responsibility agreements:** This proposal would require personal responsibility agreements for some, if not all, Medicaid enrollees in West Virginia. Which groups would have to sign these agreements is unclear. These agreements would require enrollees to commit to participating in illness prevention activities such as smoking cessation or exercise programs, select a primary care doctor, and meet “health improvement” goals set by their primary care doctor. Enrollees who fail to comply with their personal responsibility agreements would be excluded from special benefit programs and might be subject to various penalties outlined throughout the proposal.
- **Healthy rewards accounts:** These accounts are linked to personal responsibility agreements and come with additional rhetoric about personal responsibility. In essence, West Virginia proposes an incentive/penalty system for those enrolled in its Medicaid program. The exact structure of these accounts is unclear, but it appears that each enrollee may get a set sum of money in his or her account at the beginning of the year. This account will be credited with additional funds if enrollees engage in wellness or disease management programs, which might lead to enrollees paying less for services. Enrollees would be penalized if they fail to meet the wellness goals that are set for them. In addition, it appears that there would be an incentive/penalty system attached to the services that enrollees require. For example, if an enrollee were to receive a brand-name drug when a generic was available or visit the emergency room in a non-emergency situation, the enrollee would be penalized.