
Medicaid Advisory Board
Meeting Minutes
April 22, 2010

Page 1

PRESENT

Board: Christina Colombe (Member), Edna Fairbanks-Williams (Member), Trinka Kerr (HCO), Larry Goetschius (VAHHA), Kay Van Woert (VFN), Michelle Scanlon (BSPCA), Sharon Henault (Member), Lisa Maynes (Member), Nathaniel Waite (VDH), Kristi Kistler (DHMC) and Sheila Reed (VVC).

Other Interested Parties: Carol Devlin (Alt. Member), Jennifer Fredette (MAXIMUS), Sonia Tagliento (MAXIMUS) and Cherie Bergeron (HP).

Staff: Susan Besio (OVHA), Lori Collins (OVHA), Clark Eaton (OVHA), Robert Larkin (OVHA), Stacey Baker (OVHA) and Lorraine Siciliano (OVHA).

HANDOUTS

- Agenda
- March 25, 2010 Meeting Minutes

CONVENE

Kay Van Woert chaired the meeting.

Approval of Meeting Minutes

The March 25, 2010 meeting minutes were submitted for approval. The March minutes were approved unanimously by the board. Edna Fairbanks-Williams asked to clarify if two budget reduction items noted in the minutes were indeed separate items. (Note: the meeting record indicates that the items were separate).

Director's Update – Susan Besio

The Director of the Office of Vermont Health Access (OVHA), Susan Besio, opened the discussion by addressing the progress of the SFY '11 budget, now with the Vermont Senate. Most recently, adult dental has been restored to its annual cap of \$495, Federally Qualified Health Centers (FQHC's) are not receiving any cuts and some pharmacy issues (AWP reimbursement and a proposed dispensing fee increase) remain unresolved.

Next, Susan discussed the recent Federal Health Care Reform (FHCR) legislation and how this will affect Vermont. There are seven key areas that are imminent and will have fiscal impacts on the state either in SFY '10, SFY '11 or in both years:

1. A potential loss of Catamount premium revenues due to Maintenance of Effort (MOE) requirements. Vermont may be penalized for already having a good hybrid system in place. OVHA will argue that we're experiencing inflation, but CMS may not agree. There is a potential loss of \$505,000 in revenues for SFY '11.
2. HIPP savings won't be available at the projected level due to MOE requirements. OVHA is estimating a loss of \$595,000 of the \$795,000 in savings initially projected.

Medicaid Advisory Board
Meeting Minutes
April 22, 2010

Page 2

3. Drug rebate percentages will be increased and all of the additional increase will go to support the federal program. This is the biggest impact area and will cost Vermont \$6,150,000 in revenues in SFY '10 and \$12,600,000 in SFY '11. Rebate percentage increases will affect both brand name and generic drugs. There is little room for negotiation on this decision.
4. Unmarried children can remain on parents' insurance until age 26. This will have a half-year impact on state employee health insurance costs for SFY '11 -- a cost increase of \$645,494.
5. Change in state-only pharmacy costs due to 50% reduction of brand name drugs. This will produce a savings of \$750,000 for the OVHA after details are worked out.
6. Provide \$250 payment to seniors who hit the donut hole. The OVHA estimates \$590,000 in savings that won't be realized until March '11. A recoupment scenario needs to be developed and approved.
7. Provide adequate pharmacy reimbursement. The Federal Upper Limit (FUL) is changing for the Average Wholesale Price (AWP). This will result in a net loss for OVHA of \$300,000 in SFY '11.

The gross impact for SFY '11 is a shortfall of \$13,305,500, with a general fund shortage of \$4,370,000. The state senate has included the FHCR impacts in the SFY '11 budget bill. Susan has a spreadsheet that summarizes each of the seven FHCR impact areas and OVHA will forward this electronically to all board members.

Susan also provided an overview of the state's Challenges for Change initiatives. The OVHA initiatives are moving forward – OVHA is establishing a new Clinical Utilization Review Board (CURB) as well as increasing its Chronic Care coverage. Savings have been booked for both of these initiatives.

The Integrated Family Services (IFS) CFC proposal has been stuck in neutral up to this point. The process is now focused on getting key details worked out. Kay Van Woert expressed concern that within the target children's population, kids with physical health disabilities may be slipping through the cracks. Susan felt that the whole concept is to integrate with the Blueprint for Health and expand efforts to all kids in need. OVHA has two key representatives that are joining the IFS workgroup.

Palliative Care for Children – Betsy Forrest

From last year's legislative session, Act 25 included a section that required the OVHA to explore and submit a report to the legislature on providing hospice-like services and curative services for children simultaneously. Complicating matters, there have been restrictions/barriers that have excluded children from receiving this combined care.

Considerable work/research went into the report; the OVHA connected with pediatricians, community experts, families, CMS and other states (CO, FL and CA) that

Medicaid Advisory Board
Meeting Minutes
April 22, 2010

Page 3

already have palliative care programs for children. Children's Hospice International provided appropriate diagnostic codes and OVHA ran data that showed there are 170 children in Vermont that fit a palliative care model. The high end cost to serve these 170 is estimated at \$1 million. To serve only 29 children (those needing the highest level of services) would cost around \$130,000.

Vermont is exploring a new FHCR provision that allows children to receive concurrent hospice and curative services. There are specific requirements to be met and OVHA is awaiting guidance from CMS.

Medicaid Identification Numbers – Lori Collins

Lori Collins, Deputy Director of OVHA, discussed the new Medicaid ID's that will be introduced this calendar year. Unique identification numbers (UID) will be used for each beneficiary starting October 1, 2010. The UID will help protect members' personal information by removing Social Security numbers currently used on ID cards and claims submissions.

New health plan ID cards -- colored white -- will be mailed to all beneficiaries in September for use beginning on October 1, 2010. To ensure a smooth transition, the call voice response system will allow everyone to check eligibility using either a Social Security number or the new unique ID number.

The OVHA will be communicating the change to all beneficiaries and providers in various ways over the next several months.

MAB Membership – Next Steps

For the May meeting, the board will request an Agency of Human Services (AHS) level briefing on the state's Challenges for Change initiatives. Also, the DCF Commissioner and the project manager on the new Eligibility/Modernization efforts will be requested to brief the MAB at the June meeting. Trinka Kerr (Ombudsman's Office) is tracking issues related to the Eligibility/Modernization efforts and she will continue to collect inputs as they come up.

In-state, BISCHA is working on an inventory of FHCR steps and a timetable; an update or a link to the project will be provided later in the year when it is available.

MAB Request Topics/Data

- Health Care Reform Update
- Challenges for Change Update -- AHS
- TIGER Team Update
- Update on Dual Eligible Study
- Update on Bridges Program
- Evaluation of Chronic Care Initiatives

**Medicaid Advisory Board
Meeting Minutes
April 22, 2010**

Page 4

- MMIS Update
- Information on PMPM net of premiums, particularly for Dr. Dynasaur and Pharmacy programs
- Blueprint Data Update/Evaluation

Next Meeting

May 27, 2010

Time: 10:00AM – 12:00PM

Location: Office of Vermont Health Access, Williston, VT