

**Medicaid Advisory Board
Meeting Minutes
January 27, 2011**

Page 1

PRESENT

Board: Christina Colombe (Member), Lila Richardson (HCO), Hilde Hyde (Member), Lisa Maynes (Member), Kay Van Woert (VFN), Sharon Henault (Member) Madeleine Mongan (VMS), Anita Hoy (COVE), Sheila Reed (VVC), Laura Pelosi (VCHA), Larry Goetschius (VAHHA), Dale Hackett (Member), Julie Tessler (VCDMH) and Kristi Kistler (DHMC).

Other Interested Parties: Jennifer Fredette (MAXIMUS), Sonia Tagliento (MAXIMUS), Barbara Beatty (HP) and Spring Shover (HP).

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

HANDOUTS

- Agenda
- December 16, 2010 Meeting Minutes

CONVENE

Kay Van Woert chaired the meeting.

Approval of Meeting Minutes

The December 16, 2010 meeting minutes were submitted for approval and were approved unanimously by the board.

Commissioner's Update – Susan Besio

The Commissioner of the Department of Vermont Health Access (DVHA), Susan Besio, reported that the State's Global Commitment Waiver renewal has been approved and extended through December 31, 2013. The terms and conditions are generally the same and the overall concept stays the same.

The Governor made his SFY '12 budget address on January 25, 2010. The DVHA has not yet briefed its SFY '12 budget book to the legislature, but Susan anticipated the DVHA budget would be available for distribution to the MAB in about a week. Susan went on to discuss highlights of the proposed DVHA budget for SFY '12.

The budget request includes an increase in administration of \$42.6 million and in program of \$19.6 million for a total of \$62.2 million in new appropriations. These figures include both the state and federal share.

Susan highlighted items within administration including: 1) four new DVHA positions (one Nurse Case Manager position to implement a Palliative Care initiative and three new positions to support Health Information Technology and Health Insurance Exchange initiatives, 2) one limited service position to support a joint-state federal demonstration grant under CHIPRA to help Vermont integrate children into the Blueprint for Health, 3) \$40.8 million to support the large upgrade project for DVHA's future claims processing

**Medicaid Advisory Board
Meeting Minutes
January 27, 2011**

Page 2

and eligibility systems, 4) other Health Information Technology (HIT) initiatives totaling approximately \$4.8 million, and 5) Miscellaneous Contract Issues combining for another \$4.8 million.

Within the program budget category, Susan indicated that the caseload trend appears to be leveling off; there will still be some growth, but it should not be as steep. Therefore, DVHA is only asking for about a \$22 million increase in caseload funding and an additional \$8.4 million to cover increased utilization. Discussion also included: 1) an adjustment figure for Medicare buy-ins on behalf of eligible beneficiaries, 2) a \$6.3 million increase in Clawback rates, 3) an ACA federal reimbursement adjustment, and 4) a change in VPHARM funding, due to an inability to include it under Global Commitment authority.

Under the Governor's recommended policy initiatives, Susan highlighted the following key interest areas: 1) intended coverage for legal immigrant children and pregnant women, 2) the inclusion of a new palliative care initiative for Medicaid children with life-limiting illnesses (DVHA will need to hire a nurse trained in pediatric palliative care for this program), 3) implementing a 30-day premium grace period for children under CHIPRA to help families bridge potential short term financial problems (DVHA also proposes to offer this grace period to all Dr. Dynasaur children), 4) proposed provider rate increases (for hospitals, nursing homes, home health agencies and dentists) and 5) projected savings due to enhanced Program Integrity Unit activities.

There was discussion on the potential for savings surrounding the dispensing of generic pharmacy drugs vs. brand name drugs. DVHA is proposing steps that will promote the use of less expensive generic drugs unless prescribers can show that there is clinical rationale and the medical appropriateness to require a higher cost brand name drug. Some specific pharmacy questions arose. Stacey Baker attends the MAB meetings and is DVHA's point of contact for the board on Medicaid pharmacy matters. Stacey can be reached at stacey.baker@ahs.state.vt.us and through the main DVHA phone number at 802-879-5900.

Susan also briefly covered the following areas that would offer additional savings: 1) limiting coverage of over-the-counter medications to a preferred list in all pharmacy programs, 2) establishing lower reimbursement rates for limited distribution specialty pharmacies in network, 3) authorizing tiered, multiple procedure payment reductions for certain same-day radiology treatments, and 4) achieve savings through growth in 340B pharmacy participation.

A large budget savings element (with a projected gross savings of \$14.7 million) involves the Catamount & ESIA program conversions to new programs called VHAP Expanded & VHAP ESIA. Susan discussed the key factors involved in the conversions. Privately offered Catamount Health Plans would be converted to the VHAP program by expanding

**Medicaid Advisory Board
Meeting Minutes
January 27, 2011**

Page 3

VHAP eligibility to 300% of FPL (i.e. VHAP Expanded) and allowing individuals above 300% of FPL to purchase VHAP Expanded without premium assistance. The benefits comparisons are mostly identical. While Catamount had a 20% co-insurance, the new product would not have co-pays except for \$25 per ER visit. The cost of prescription drugs also is reduced significantly. However, in each program conversion, the annual deductibles would move from \$500 to \$1200, which is still in line with industry standards.

The budget proposal also includes revenue realized through increases in provider assessments. By moving the assessment rate cap from 5.5% to 6%, DVHA will be able to draw in an additional estimated \$6.8 million from hospitals, \$237k from home health agencies and \$2.8 million from nursing homes. Hospital annual growth revenues are expected to produce another \$5.9 million. Also, another \$16 million can be realized by instituting new Managed Care & Dental provider assessments.

Modernization/Eligibility/Call Center – Richard Giddings

Richard Giddings, on assignment in support of the Department for Children and Families (DCF), provided an update on Benefits Eligibility Processing and Customer Service within the Economic Services Division (ESD).

Richard noted that a report he will reference is available and updated online on the DCF website under Change Innovation – Modernization. He encouraged board members to read the report and went on to highlight what ESD is changing and working on right now: 1) a significant three-week effort to clean up application backlogs using additional Reach-Up workers, 2) a renewed commitment to keep an Eligibility function in every district office, 3) reaffirming the concept that the “front door” is always open at every office, 4) improving call centers, including the availability of an ombudsman line to handle time-sensitive cases, 5) adding more Benefit Program Specialists who focus on tracking applications all the way through whenever possible, and 6) training and having specialized staff available for assistance when necessary.

Sharon Henault indicated that a good front door policy works and is especially important for disabled beneficiaries. Kristi Kistler stressed the continuing importance of monitoring the impact of using and implementing system technology. Lisa Maynes asked about the initiative to consolidate renewal dates for individuals that were enrolled in multiple programs (health care, 3 Squares, etc.). Richard will look into that issue, as well as potential problems associated with children aging out of coverage and a general concern about lost paperwork. Richard also indicated he would look into an SSI related question that was posed. He provided his direct phone contact for the board for any follow-up questions.

**Medicaid Advisory Board
Meeting Minutes
January 27, 2011**

Page 4

Board Discussion Items – MAB Membership

DDAIL and the Department of Mental Health will be asked to brief the MAB on their budgets during the February meeting. DVHA can also expand on its budget brief once the budget book is distributed in early February. The February meeting will start thirty minutes earlier (9:30 AM) to allow for adequate budget briefing time.

MAB Request Topics/Data

- Update on Dual Eligible Study
- Update on Bridges Program
- Evaluation of Chronic Care Initiatives
- MMIS Update
- Information on PMPM net of premiums; Dr. Dynasaur and Pharmacy programs
- Blueprint Program & Data Update/Evaluation – Spring
- ADA Compliance Process for AHS
- Modernization/Eligibility
- Policy Review – Limitations on OT/PT for Chronic Conditions (seek legislative changes)
- Recruiting New Consumer Member for MAB
- Update on Medicaid Home Health Initiative
- Vermont's CHIP Participation; CHIPRA Update

Next Meeting

February 24, 2011

Time: 9:30AM – 12:00PM

Location: Capitol Plaza Hotel, Montpelier, VT