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**Medicaid Advisory Board**  
**Meeting Minutes**  
March 24, 2011

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**PRESENT**

**Board:** Christina Colombe (Member), Trinkia Kerr (HCO), Hilde Hyde (Member), Kay Van Woert (VFN), Laura Pelosi (VHCA), Nathaniel Waite (VDH), Sheila Reed (VVC), Larry Goetschius (VAHHA), Dale Hackett (Member) and Kristi Kistler (DHMC).

**Other Interested Parties:** Jennifer Fredette (MAXIMUS), Sonia Tagliento (MAXIMUS), Barbara Beaty (HP), Spring Shover (HP) and Jena Trombly (Clara Martin Center).

**Staff:** Susan Besio (DVHA), Lori Collins (DVHA), Stacey Baker (DVHA), Peter McNichol (DVHA) and Clark Eaton (DVHA).

**HANDOUTS**

- Agenda
- February 24, 2011 Meeting Minutes
- Changes in DMH Medicaid Services/DMH SFY '12 Budget Ups and Downs (3/24/11)
- Questions and Answers – H.202 (3/23/11)

**CONVENE**

Kay Van Woert chaired the meeting.

**Approval of Meeting Minutes**

The February 24, 2011 meeting minutes were available, but not submitted for approval due to a lack of a quorum at the meeting. The February minutes will be submitted for approval at the April Medicaid Advisory Board (MAB) meeting.

**Department of Mental Health (DMH) Budget Brief – Heidi Hall**

Heidi Hall, the Chief Financial Officer at DMH, provided a hand-out that included DMH's SFY '12 Budget Ups and Downs and a summary narrative describing changes in DMH's Medicaid services for SFY '12. Heidi first covered the ups and downs document, focusing on Global Commitment items related to the Medicaid program. Initially, approximately \$4.2 million was adjusted out of the baseline Mental Health budget to account for Challenges for Change initiatives that were instituted. Other Mental Health adjustments were noted under the key areas of Personal Services, Operating Expenses and Grants. Under Grants, many of the adjustments are cost neutral to the Agency of Human Services; however, there is a significant proposed 5% reduction (approx. \$3.3 million) in funding to the Department's designated agencies. Sheila Reed noted that, currently, there is some hope on this because the Vermont house is recommending that 2.5% of this specific reduction be restored.

There is also a proposed savings (approx. \$531k) from Integrated Family Services that would come from serving more children in home/family settings rather than through out-of-home placements. Kay Van Woert expressed concern about the community-based

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support system's capacity to support this effort given recent budget cuts; this initiative will have to be closely monitored.

Heidi went on to address the budget implications for the Vermont State Hospital (VSH). Of primary significance, there is a six-month, \$5million general fund requirement that hopefully will be offset by \$4.2 million in Medicaid Global Commitment dollars if the VSH is certified on January 1, 2012. The state is well positioned for this to happen, but if it does not, budget adjustment action would be required. Other ups and downs for the VSH fall within normal operating parameters for the budget.

Two new Medicaid services also have been added to the DMH overall program: 1) service planning and coordination have been added for the adult population and 2) DMH and DVHA are introducing a pilot telemedicine service that will begin its first phase on 4/1/2011.

**Vermont Department of Health (VDH) Budget Brief – Harry Chen**

Dr. Harry Chen, the Commissioner of VDH, stated that the approach to the budget was not about doing more with less any longer, it was about doing “different” with less. Dr. Chen gave some background on VDH, including how, on a daily basis, Vermonters are positively impacted by the many services and programs provided by the Department of Health. He then discussed the Department's SFY '12 budget outlook.

From a General fund perspective, the VDH budget is basically level funded, with two exceptions: 1) the elimination of the VDH portion of the Vermont Student Assistance program (approximately \$1.7 million) and 2) a reduction in the funding of the tobacco control program (approximately \$700,000 off the base spending). While some ARRA grants are winding down, there is new grant activity for the coming year, including: 1) a new public health infrastructure grant, 2) a renewed oral health grant and 3) a grant to augment work with autism spectrum disorders.

Another upcoming initiative is an immunization pilot program, designed to improve Vermont's overall immunization rates. The Department will take steps to buy vaccines at a lower cost, use more Global Commitment funds and add an assessment on insurers; this will allow the Department to provide the immunizations to providers free-of-charge, including the flu vaccine for children. Larry Goetschius commended VDH for its excellent work in getting flu vaccines out this past season. For next year, he suggested that advertising start a little earlier and that providers be advised not to cut back too much on flu vaccine quantities – there may be even more of a need this next flu season.

Dr. Chen also indicated that he and the Department will remain very involved in the development of the single payer system for Vermont. Public health will be a big part of the system. The Department will continue to track and help optimize the positive impact on preventive care and Vermont's health assessments.

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**Commissioner's Update – Susan Besio**

The Commissioner of the Department of Vermont Health Access (DVHA), Susan Besio, provided a Question and Answers handout on the new Health Care Reform bill, H.202, that will enhance understanding of the three major parts of the bill. There is also a short one page summary of the bill that will be forwarded to the board later.

The three major parts of H.202 are: 1) the Green Mountain Care Board, 2) the Vermont Health Benefit Exchange, and 3) the Green Mountain Care universal access program. The body that would be the advisory board to DVHA is still in the bill and would be effective on July 1, 2012. The board's expanded make-up would be 21-24 members, including a portion of small business/self employed members who could advise on the operation of the Health Exchange. The bill also transfers health care eligibility from the Department for Children and Families (DCF) to DVHA effective July 1, 2012. Susan pointed out that this was just a policy and implementation realignment with a different reporting structure; this does not decouple the application process or change operations at district offices.

Susan discussed the current status of provider tax proposals coming out of the Vermont House. The House got rid of the dental assessment and also the increase in dental provider rates for Medicaid. Likewise, the house eliminated the MCO assessment and, instead, proposed a broader extension of the Health Information Technology (HIT) fund assessment. A \$10 million MCO tax was eliminated to prevent it from being added on to the cost of premiums; a broader based medical claims tax has been proposed.

The proposal to replace the current Catamount Health program with a VHAP Expanded program was not supported in the Vermont House; they did not like the impact on provider reimbursement rates. The House introduced what has been termed the "Catamount Haircut Plan" which will also reduce provider and hospital reimbursement rates, but not by as much as in the original proposal. Blue Cross/Blue Shield will also contribute to savings by reducing their administrative costs. Also, by raising the deductible on the revised Catamount plan to \$1200, Catamount premiums will go below \$400. A mechanism is being introduced to protect individuals under 300% of FPL from paying the higher deductible.

Susan covered other related items, including: 1) a possible plan for DVHA to manage the pharmacy benefit for the Catamount plans, 2) the addition of a new DVHA high risk pregnancy prevention plan, and 3) the request to develop/implement more aggressive plans to achieve additional savings in the Over-the-Counter drug program.

**Board Discussion Items – MAB Membership**

The membership continued to discuss the movement/legislation in the Vermont House to expand the advisory board to include health care reform and the health benefit exchange under the board's umbrella. Kay Van Woert distributed the March 8, 2011 letter the MAB forwarded to the House Health Committee for their consideration as they

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proceeded to develop the concept and process for developing a Health Care Reform Board for the state. Time will be set aside for more discussion of this topic at the next meeting.

**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**

**April 28, 2011**

**Time: 10:00AM – 12:00PM**

**Location: Capitol Plaza Hotel, Montpelier, VT**