
Medicaid Advisory Board
Meeting Minutes
December 13, 2007

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PRESENT

Board: Edna Fairbanks Williams (Consumer), Kristi Kistler (DHMC), Christina Colombe (Consumer), Kay Van Woert (Parent to Parent), Dale Hackett (Consumer), Sheila Reed (VVC), Peter Taylor (VSDS), Trinka Kerr (HCO), Hunt Blair (BSPCA), Sharon Henault (Consumer) and Anita Hoy (COVE).

Other Interested Parties: Jen Fredette (Maximus) and Les Birnbaum (DCF).

Staff: Joshua Slen (OVHA), Nancy Clermont (OVHA), Clark Eaton (OVHA).

HANDOUTS

- Agenda
- November 15, 2007 Meeting Minutes
- Typical Vermont State Budget Annual Timeline
- OVHA State Fiscal Year '08 Budget Adjustment Request, December 12, 2007
- Cynthia LaWare letter to the Board on Summer Work Group Recommendations
- Health Care Programs Handbook
- Pharmacy Programs Handbook
- Premium Assistance Programs Handbook

CONVENE

Kay Van Woert chaired the meeting.

Approval of Meeting Minutes

The November 15, 2007 meeting minutes were submitted for approval and were approved unanimously.

State-Level Budget Process – Paul Cillo

Paul Cillo, President and Executive Director of the Public Assets Institute, presented the State's public budget process, a snapshot of the State Fiscal Year (SFY) 08 budget and a specific overview of his perspective on Vermont's SFY 09 budget outlook and beyond.

A handout was provided showing the Typical Vermont State Budget Annual Timeline, which depicted the budget steps/processes that occur in each Vermont SFY starting on July 1 and ending on June 30. By January of each year, the Governor's budget proposal is presented to the Legislature for the next SFY starting in July. After the budget is processed through the House and Senate Appropriations Committees, the Governor typically signs the next year's Budget Appropriations Bill in the June timeframe.

Almost 28% of Vermont's total \$4.15 billion SFY 08 budget is dedicated to Medicaid and health care programs, surpassed only by K-12 education costs, which account for 35% of the budget.

For SFY 09 and beyond, there will be continuing pressures not only on Medicaid funding, but also significant challenges from other competing state funding areas needing

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attention; these include education, state employee and teacher requirements, transportation and school construction. A close, ongoing examination of revenue sources will play an important role in ensuring budget needs are met in the out years.

Kay Van Woert noted that it seems unfair and ironic that language state policy makers use reflects health insurance premiums and pension costs for state employees to be given as obligations and not subject to revenue constraints, but that similar cost increases for beneficiaries of public health insurance programs are considered "optional" and are limited by the artificial and optional concept of a "Medicaid deficit."

Director's Update- Joshua Slen

Joshua Slen provided the Office of Vermont Health Access (OVHA) SFY 08 Budget Adjustment Request dated December 12, 2007. The adjustment request asks for a reduction in total appropriation authority of approximately \$23.3 million, of which about \$9 million is state funding. That net decrease will fall to the state's "bottom line" to offset any deficit for next year. Considering a projected state deficit of around \$40 million for SFY09, this adjustment alone would immediately bring the state deficit down to the \$30 million level.

The OVHA does not have a target yet, but has already been able to put significant savings on the table for SFY 09. As examples, the OVHA has taken steps to save about \$5 million in its Chronic Care Program and a new specialty pharmacy program should soon allow us to achieve savings in procurement costs. These types of savings are important because they won't impact the services provided to beneficiaries or add to their out-of-pocket costs.

There is no indication on how much revenue will be allocated to the Medicaid program for SFY 09. A list is being developed on how program spending could be further reduced, if necessary, and this does include things that would have a negative impact on beneficiaries, such as premium increases, increases in co-payments and reductions in optional services. Of course, any such proposals would be part of the final budget recommend and discussed during the legislative session.

With an approximate \$40 million state deficit, it will not be an easy legislative session for funding new things; it will be difficult just to keep our current programs intact. Some further adjustments may be necessary because of the size of the deficit.

Health Care Reform Update – Kevin Veller/ Betsy Forrest

Betsy Forrest discussed the continuing application and enrollment process for the Green Mountain Care programs and the Catamount health initiative. The budget adjustment handout included data compiled through the end of November, 2007. Monthly reports will be produced and be available starting in mid to late January, 2008.

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Kevin Veller noted that there is really only one solid month of data (November, 2007) to look at now. There has been a dramatic increase in website activity since November 1, when the media campaign started. The media campaign will not run during the December holiday period and will start up again in January, 2008.

Training sessions have been conducted in different parts of the state for providers and interested parties. Three sessions have been cancelled due to weather and these sessions will be rescheduled later in December and in January, 2008. Training dates, locations and times will be forwarded to MAB members electronically when they are available.

Another health care reform update will be scheduled for the February, 2008 MAB meeting, when enough data is available to see what is working (or not working) on a number of enrollment issues and desired outcomes.

New separate handbooks were distributed covering Health Care Programs, Pharmacy Programs and Premium Assistance Programs.

Update on MAB Summer Recommendations – Kay Van Woert

Cynthia LaWare's response letter to the MAB's Summer Work Group Recommendations was discussed, as well as Kay Van Woert's recent testimony before the Health Access Oversight Committee (HAOC) concerning the same MAB recommendations. The HAOC took note of the MAB's concern over the lack of fundamental soundness in the vision and denture programs. The HAOC stated they will look to the MAB for a later update regarding OVHA's planned response on issues of provider reimbursement methodology and dual eligibles.

Kay Van Woert also recapped the action items for the meeting, shown below. She also noted that a state-sponsored focus group was being formed to look at issues surrounding the high cost of hearing aids. Dale Hackett might be an excellent participant on this group to represent the MAB. Clark Eaton will follow up on this recommendation.

New Business

Edna Fairbanks-Williams expressed serious concerns about the Catamount Program requiring a one year waiting period for pre existing conditions. The MAB shared her concerns that this is not good health policy, and possibly a particular problem for the demographic group that may want to access Catamount. The issue was tabled for the moment, but MAB intends to follow up in the late winter to review the impact of this policy when data is more available and MAB meeting time is not required for budget issues.

MAB Requests

- E-Mail the HCR Training locations/Dates

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- Copy of proposed federal rule changes on Case Management and update on implications
- Update on impact of potential changes in federally allowable Medicaid rehabilitation services and administrative costs in schools
- OVHA liaison information for consumers with Medicare Part D issues
- Breakdown of possible \$25 million increase in SCHIP expenditures by moving the program under the Global Commitment waiver
- Progress Report on the MAB's Provider Reimbursement and Dual Eligible Recommendations including OVHA inventory of Provider Reimbursement rates/rate increases

Topics for January Meeting

- Updates / reports requested above
- Governor's Proposed Budget

Next Meeting

January 24, 2008

Time: 10:00 AM – 12:00 PM

Location: Capitol Plaza Hotel - Montpelier