

MO HEALTHNET OVERSIGHT MEETING

June 1, 2022

Via WEBEX Conferencing

ATTENDANCE

Committee Members Present:

Nick Pfannenstiel, Chairman
Bridget McCandless, Co-Chair
Todd Richardson, MHD Director
Gerard Grimaldi
Joe Pierle
Representative Tracy McCreery
Senator Jill Schupp
Sam Alexander
Donna Siebeneck for Val Huhn, DMH
Carmen Parker-Bradshaw
Sara Oerther
Kaylyn Lambert
Paula Nickelson, Acting DHSS Director
David Ott
Senator Holly Rehder

Members Not Present:

Representative Jon Patterson

Mark Sanford

DSS/State Gov't Staff:

Kirk Mathews, MHD
Leann Hager, MHD
Nate Percy, MHD
Jessie Dresner, MHD
Caitlin Whaley, DSS
Gail Luecke, MHD
Tisha McGowan, MHD
Alex Daskalakis, MHD
Josh Moore, MHD
Kim Evans, FSD
Justin Clutter, MHD
Ryan Conway, DSS
Ton Brite, MHD.
Olivia Rush, MHD
Abbie Barker, MHD
Pat Luebbering, DFAS

Ryan Conway, DSS

Dan Gladow, MHD

Adam Crumbliss, DSS

Jennifer Tidball, DSS

GUESTS:

Blake Shrout
David Clement
Emily Wright
Ginna Rivera
Helen Jaco
Jackie Schmitz, Senate Staff
Jennifer Colozza, Conduent
Katie Reichard, MPCA
Kurt Erickson
Meg Cunningham
Megan Fast, Conduent
Megan Price
Tim McBride, Wash Univ.

All meeting presentations are located on the web at: <http://dss.mo.gov/mhd/oversight/meeting.htm>

AGENDA

Welcome/Introduction/Approval of Minutes

- Dr. Nick Pfannenstiel, Chairman, called the meeting to order at approximately 1:00 p.m. The committee approved the minutes from the February 3, 2022 meeting with a correction.

MO HealthNet Division (MHD) Director's Update

- Todd Richardson, MHD Director, said that he felt that the budget passed this year is one of the best since he became director. With the complexity of estimating the amount and need with the uncertainty around the public health emergency and other factors out of our control, we are very grateful for the way the Administration and the General Assembly worked with the Department to enable a very positive budget for us.

Director Richardson advised the committee that as of July 1, MHD will have a completely new nursing facility reimbursement methodology, adding about \$200 million in the aggregate. We will also have a completely rebased and redesigned inpatient hospital reimbursement methodology, which for the first time is going to account for acuity. In addition, we are also going to have a new alignment and methodology directing our managed care companies on how to pay for hospital services. This year's budget also includes approximately \$90 million, which will enable us to not only raise our provider

Approved 8/10/2022

rates, but also realign some of those rates to a Medicare or a commercial rate benchmark. This will allow us the opportunity to not only raise those rates in the aggregate but increase on some targeted services such as behavioral health, dental services, physical therapy, and occupational therapy.

An update was given on the Outpatient Simplified Fee Schedule (OSFS). Last July, MHD moved from the previous OSFS, which was a percent of billed charges methodology, to a Medicare based outpatient fee schedule. The agency has been monitoring the policy changes for any big swings or deviations from what we estimated the budget impact would be and the result was there were none. What we've seen overall in the aggregate is a slight increase in how much we are spending on outpatient services but a slight decrease when we look at those on a per claim basis. For our in-state hospitals we've seen about a 3% decline in the amount we are paying per client. The amount paid for claims for our out-of-state hospitals/surgery centers that were taking most advantage of the old system are down almost 54% with the new methodology. This gives you some idea that the payment methodology change is operating as we had hoped and expected it to.

Also, with the passage of the budget, MHD has been able to offer promotional opportunities and add new full time employees.

- **Comment:** Dr. Pfannenstiel asked if we felt the provider rate increases would happen on July 1 and how this information will be communicated to the providers.
- **Comment:** Director Richardson said the Division is confident that it will be implemented on July 1, which is the beginning of the new fiscal year. The information will be communicated through our provider bulletins, which is our primary mode of communication.
- **Comment:** Dr. Pfannenstiel asked how providers that aren't currently taking Medicaid patients would receive this information.
- **Comment:** Director Richardson said MHD planned to solicit assistance from professional associations such as the MDA and other provider associations. Any other suggestions the members of the committee have is welcomed.
- **Comment:** Dr. Bridget McCandless asked if rehabilitative services were now covered since we mentioned rates around physical therapy.
- **Comment:** Director Richardson advised that the provider rate increase doesn't specifically change when those services will be available but rather the unit rate that we'll pay for when those services are available.

Chief Operations Officer's Update

- Jessie Dresner, MHD Chief Operations Officer, gave an update on some of MHD's initiatives. [**The presentation is available online.**](#)

Ms. Dresner reiterated that providers will be notified of the rate increases through MHD's provider bulletins, which are being prepared now. They will either include the entire list of procedure codes, an attachment or a link to them. We will also distribute the bulletins via email to a list of associations and contacts that we have and ask them to spread the word as well as get the information in their newsletters. Our education unit also have a list of provider contact numbers they will utilize to advise them of the rate increases.

Ms. Dresner briefed the committee on two new positions at MO HealthNet. Nanci Nikodym, who was one of our clinical managers, was promoted to Behavioral Health Professional and will be working with Dr. Eric Martin on our behavioral health team. Ashley Wilson was promoted to Quality, Compliance and Process Improvement Professional. Ashley will be looking at (1) compliance issues within the Division and (2) organizational health and process improvement initiatives.

Ms. Dresner reviewed some of MO HealthNet's initiatives that are underway that include updating the fee-for-service participant handbook; redesigning the MHD webpage; and will have a team member who will analyze our claim data on our pregnant women program for disparities and make recommendation. MHD will also be implementing a new PACE program with two new sites. New Horizons in St. Louis is already up and running and Slope in the Kansas City area will have their groundbreaking for their facility the second week of June. MHD is in the process of reorganizing the Provider Education Unit to see what they can do new or can do differently; see what training and resources we can add to the website for the providers and integrating training for our fee-for-service and managed care providers. On the participant side, we are in the beginning stages of developing member forums to see how we can better serve them.

- **Comment:** Kaylyn Lambert asked if the PACE program would be expanding to the southern part of the state.
- **Comment:** Director Richardson advised that due to issues encountered previously with the program, we want to ensure we have the structures, the process and metrics in place to be able to confidently expand in the future. We hope to expand those opportunities geographically as soon as we can.

Family Support Division (FSD) Update

- Kim Evans, FSD Director, presented the FSD update. [The presentation is available online.](#)

Director Evans reported there were 58,000 pending applications as of end of May and have received approximately 234,000 applications to date. FSD is working with CMS on a mitigation plan of how to get the applications completed and have the flexibility to allow the agency to be able to process more timely. The goal is to be able to process under 45 days by the end of July and within 30 days by the end of August. In order to accomplish this, FSD is offering overtime to staff, enlisting assistance from their child support staff, hired summer help, offering remote work/flexible hours for those that qualify. Job fairs have also been conducted which has enabled them to fill backlog of staff vacancies.

Others avenues that will help with application processing include (1) centralized mail handled by an outside vendor; (2) looking at a robust customer service portal where individuals will be able to set up interviews, report any changes, can apply and check on the status of the application; and, (3) looking into technology that will allow FSD to send reminders via text or emails. The integration of the electronic verification will help with applications at annual renewals as we move forward and reduce the number of data entry errors as well. FSD also took a deep dive into MEDES and is looking at functionality to help with efficiency in processing.

Director Evans also advised that 178,237 individuals have been enrolled in the expansion group and that continues to rise.

- **Comment:** Gerard Grimaldi asked for more detail about FSD's ongoing discussions with CMS.
- **Comment:** Director Evans advised they have a mitigation plan where they are lining out all of the application milestones. There is also some flexibility about accepting SNAP information that is under 133% where they do not have to re-verify. Being able to take the income from the children if it's been verified in the last 12 months, putting the parents on, etc. CMS has been very helpful working through issues.
- **Comment:** Dr. Pfannenstiel asked if there might be such flexibilities for improvements in the systems before the renewals.
- **Comment:** Director Evans responded that was their goal before the PHE unwind.
- **Comment:** Dr. Pfannenstiel asked if the Department knew when the PHE would end.
- **Comment:** Director Richardson advised that CMS has reiterated their commitment to give the states at least a 60-day notice. Indications are that the current PHE will be extended another 90-days.

- **Comment:** Dr. Pfannenstiel asked if the annual renewal process would start prior to the PHE expired and CMS notification received.
- **Comment:** Director Evans advised that CMS have given them the option to proceed now; however, since all accounts are frozen now and are active, it wouldn't make sense to start renewals due to the fact that once the PHE does end, they would have to start another renewal process within a 12-month period. She stated it made more sense to have staff focused on processing applications and getting them closer to current before the unwind begins. Director Richardson agreed with this decision. Director Evans also said they are focused on obtaining corrected addresses so that when the unwind begins, they are the sending the information to the correct place.
- **Comment:** Dr. Pfannenstiel asked how the state will determine which individuals to start with once the unwind begins and how providers can help with the process.
- **Comment:** Director Evans said she wanted to make it as simple as possible and not add anymore coding to the system and are looking at a 12-month plan. Once the notice is received from CMS, they will start with the individuals who were already scheduled for their normal annual renewal time and go forward through the month. Individuals who were enrolled prior to the pandemic already have an idea when their annual renewal is due and will be contacted. FSD also plans to have renewal dates put on eMOMED, which is an electronic source that providers can use to check Medicaid information on their patients such as level of care, effective dates, etc. Adding the renewal date will be another avenue for the providers to help educate their patients. The MCOs will also access to this information in eMOMED. The renewal process will be a little different than the normal process because of the use of electronic verification. Some individuals may not need to do anything and will be sent a letter with their status. Individuals who need to provide information will receive a pre-populated form they will need to complete and return. For these instances, some pieces of artificial intelligence will be brought in to read the documents, extract the information, and populate it into the system. FSD is looking at technology to enable them to call, text or email the participants to advise/remind that information is needed and hopefully will avoid any adverse action. They are also working with the MCOs to ensure they have the information and can communicate with clients. FSD has asked for the flexibility to use the MCO's addresses as long as they have spoken with the individuals on the phone and will not have to call to re-verify the information. FSD will continue to work with CMS on the renewal plan; however they are paying more attention to the mitigation plan. They are also testing the system in the test areas to ensure everything is working properly when PHE ends.
- **Comment:** Senator Jill Schupp applauded the agency's hope to have the application processing time to 30 days or under by the end of August. This is a measure her office has been tracking and asked for a current status as of June 1.
- **Comment:** Director Evans said as of June 1, they are currently 58,052 applications pending; 16,574 are from the federal market place appliance and 41,478 coming through DSS either via phone or paper applications. Continue to receive 700-900 a day through the DSS side and not from the federal market place.
- **Comment:** Senator Schupp followed up asking what the average processing time was for one of those applications.
- **Comment:** Director Evans advised that the May numbers weren't available yet; however, have bounced up to 100 days. The updated data will be listed in the monthly management report on the web page.
- **Comment:** Senator Schupp asked what the current average wait time for someone calling into one of the call centers.
- **Comment:** Director Evans did not have the information with her. She did provide the following information to Senator Schupp after the meeting. *"For the month of May, the average wait time on the Application line was 2.35 minutes. The general call line had an average wait time of 58 seconds. The average processing time can be found https://dss.mo.gov/re/pdf/fsd_mhdmr/0422-*

[family-support-mohealthnet-report.pdf](#). May has not been published yet. The most current numbers we have are from April and the average processing time in April is 111 days. This information can be found in Table 11.”

- **Comment:** Senator Schupp asked if they were able to utilize the information received from the Federal Market Place.
- **Comment:** Director Evans advised they were waiting on approval to have flexibility to use this information. She said they have been able to take a deep dive into the information coming from the Federal Market Place into the MEDES system and now have a better understanding of the codes. FSD is working with the MEDES system to be able to accept all of the sub-codes that staff have to look at very quickly to determine if it's verified or not and then take the appropriate action based on that.
- **Comment:** Senator Schupp asked if Director Evans knew when they might get the permissions needed
- **Comment:** Director Evans advised they would be meeting with CMS again around the flexibility and expects to hear about the data then. She also said her team is working on the eligibility system and coming up with a plan on how quickly they get it implemented.
- **Comment:** Dr. Pfannenstiel said historically when an individual transitions from one eligibility status to another they would be able to anticipate when that happened; however, now they are not necessarily able to know that. This creates a potential problem and something the providers are going to have to be aware of as we move through the PHE ending and transitioning the eligibility statuses.
- **Comment:** Director Evans said that in the case of when a pregnant woman would transition to the expansion group or other eligible Medicaid plan is based on the estimated due date of the child. The system automatically starts to look for postpartum. Once it looks at the end of postpartum, it moves the individual to the expansion group if they are eligible or to another Medicaid program.
- **Comment:** Dr. Pfannenstiel said the concern is going to be that for the last 18-24 months when members have been on pregnancy and are now 6 months passed the delivery date and we are now just catching up.
- **Comment:** Director Evans said that since March of 2020 that should have been taken care of unless they were not eligible for another Medicaid program. Those individuals will be reassessed at the end of the PHE and should rotate to expansion to see if they are eligible.
- **Comment:** Gerard Grimaldi asked that after the postpartum period, do we automatically do anything to try to get the mother into the Exchange.
- **Comment:** Director Evans said that once we find someone ineligible for something like income, and as long as the mother doesn't refuse to cooperate, we will automatically send them to the Federal Marketplace. The Marketplace will reach out to them within a couple days.

Chief Transformation Update:

- Kirk Mathews, Chief Transformation Officer, gave the transformation office update, which is [available online](#).

Mr. Mathews reviewed the new hospital inpatient fee-for-service reimbursement rebase project that will go into effect July 1. The old methodology was based on 1995 cost reports and payments were paid on estimated days, not actual days. The current methodology also utilized direct Medicaid payments or add on payments to help make up the difference of the cost inflation that's occurred since 2001. This would include out of state payments to Missouri hospitals by Missouri Medicaid for services provided to Medicaid participants from other states. Last year the legislature capped those payments at \$215 million. When the program started in 2001, approximately \$10 million of out of state payments were made and if the legislature hadn't capped it last year, it would've reached about \$250 million the way it was trending. The direct Medicaid payments also included GME (Graduate Medical Education), which is basically payments to teaching hospitals.

The goal of the new methodology is to get our reimbursements to a more value-based system. We want to rebase the per diem payments so the Medicare allowed costs are reimbursed in a way that is more closely tied to utilization. The new plan eliminates the estimated day elements and the out of state payments. We also want to use this methodology to provide a cost-based per diem as an anchor for future managed care contracting.

The per diem rates will be updated to the 3rd prior year cost reports rather than going back to the 1995 reports; it will eliminate direct Medicaid payments and the existing GME payments. We will implement acuity based payments, stop-loss payments and a revised GME payment. The stop-gain provision will limit the amount of increase in payments a hospital can receive based on rebase of per diem rates, elimination of direct Medicaid payments, and new acuity based payments. The stop-loss payments will help minimize financial impact to hospitals based on the same factors as the stop-gain factors. Overall, we will show the system payments for a hospital's inpatient services on the fee for service side are very close to the existing methodology. The GME payments are moving to a flat rate, per provider payment for training our providers.

Mr. Mathews advised MHD have held several meetings and webinars to ensure all of the hospitals and associations understand the new methodology. He also announced that the SPA and regulations are completed and have verbal CMS approval and should have formal approval soon.

- **Comment:** Dr. Pfannenstiel asked if formal approval from CMS was needed before the plan is implemented and/or what is the timeline if it is after July 1.
- **Comment:** Director Richardson advised we are ready to implement once CMS has approved. If it is after July 1, then MHD has the ability to retro-back to the beginning of the fiscal year (July 1).

Managed Care Update

- Alex Daskalakis, MHD Managed Care Director, gave an update on the new managed care contract, which was awarded on May 3 to the current three providers. This also allows us to use more resources to develop our new specialty plan with Home State Health.

MHD's managed care unit has also been assisting FSD in updating participant contact information including home addresses, email addresses, etc. Director Evans said we can do this as long as the MCOs have spoken with the participant.

Mr. Daskalakis briefly updated the group on the new PACE program. He said they currently have eight patients in the St. Louis facility. He said it is really good to be able to develop the program gradually, and confront problems as they develop.

Pharmacy Update:

- Josh Moore, MHD Pharmacy Director, presented the pharmacy update on Project Hep Cure, which is [available online](#).

Mr. Moore advised the goal is to test 50% of MO HealthNet adults by June 30, 2024; treat all Hep C diagnosed participants; and to expand the number of providers we have to treat the disease. Currently, 15% of MO HealthNet adults have been tested; 17.9% have been diagnosed and treated; and, 458 MO HealthNet providers have prescribed at least one Hep C treatment.

Some of the existing barriers include COVID-19 PHE absorbing much of the provider's time; participants can have multiple comorbidities such as opioid use disorder; stigma treating active drug users; and, provider concern about coverage issues. Prior authorizations are not needed.

Mr. Moore reviewed the dashboard which will be available to the public at <https://dss.mo.gov/mhd/hepc/>.

- **Comment:** Mr. Grimaldi asked if any provider could treat Hep C or do they need to be a specialist.
- **Comment:** Mr. Moore answered that for MO HealthNet there is no specialist requirement or prior authorization, exceptions, etc. needed. This has led to part of the confusion for providers. Some of our bordering Medicaid states still require specialists, so we have a number of providers who are actually going to our ECHO so they can get the a specialist to say they are prescribing the right thing.

Budget Update:

- Tony Brite, MHD Chief Financial Officer, gave the budget update, which included a comparison to the Governor's recommended budget. [**The presentation with this detail is available online.**](#) At this time we are still waiting on the Governor's signature or decision, which can be up to June 30.

A couple of new items were added by the General Assembly in addition to what was put forth in the Governor's recommendation. These included additional provider rate increases and additional system/MMIS NDIs. More detail can be found in the online presentation.

Legislative Update:

- Ryan Conway, DSS Legislative Liaison, updated the committee on legislation of interest to the Department. Mr. Conway said the fully funding Expansion is what we are most proud of and thanked everyone who worked to make this happen.

Public Comment:

- There were no public comments.

The meeting adjourned at approximately 3:15 p.m. The next meeting is scheduled for August 10, 2022.