

MO HEALTHNET OVERSIGHT COMMITTEE MEETING MINUTES

August 19, 2021
Via WEBEX Conferencing

ATTENDANCE

Committee Members Present:

Nick Pfannenstiel, Chairman
Bridget McCandless, Co-Chair
Gerard Grimaldi
Joe Pierle
Sen. Holly Rehder
Representative Tracy McCreery
Senator Jill Schupp
Kirk Mathews, Acting MHD Director
Sam Alexander
Donna Siebeneck for Mark Stringer
Representative Jon Patterson
Carmen Parker-Bradshaw
Sara Oerther

Members Not Present:

Robert Knodell, DHSS
Mark Sanford
Kaylyn Lambert
David Ott

DSS/State Gov't Staff:

Caitlin Whaley, DSS
Shari Hahn, DLS
Gail Luecke, MHD
Jessie Dresner, MHD
Glenda Kremer, MHD
Alex Daskalakis, DLS
Josh Moore, MHD
Kim Evans, FSD
Justin Clutter, MHD

Angela Wilson, MHD
Leann Hager, MHD
Nate Percy, MHD
Olivia Rush, MHD
Abbie Barker, MHD
Pat Luebbering, DFAS
Elizabeth Sissom, MHD
Becky Woelfel, DSS
Brittany Goetz, MHD
Melanie Highland, DHSS

GUESTS:

April Ash
Alisa Gordon, Milliman
Alex Rankin
Alex Curchin
Amy Burton
Angie Schulte
Audrey Rattan
Blake Shrout
Brian Kinkade, MHA
Cara Alexander, Polsinelli
David Winton
Dave Clements
Donna Checkett
Emily Kalmer
Ethan Bradley
Elliott Usher
Henry Thelemaque
Jackie Schmitz, Senate Staff

Jamie Bruce
Jennifer Colozza, Conduent
Jessica Petrie, Winton Policy Group
Jim Eschen
Jim Moody, HB Strategies
Jonathan Shorman
Josh Haynes
Josh Harper
Katie Brown
Katie Reichard, MPCA
Kurt Erickson
Lindsey Haslag
Mandy Hagseth
Maggie Fairchild
Maura Weber
Megan Fast, Conduent
Meghan McCann
Rodney Burnett
Ron Fitzwater
Rudi Keller
Susan Henderson-Moore
Tessa Weinberg
Tim McBride, Wash Univ.
Tristen Duncan
T. Bradshaw

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 12:00 p.m. The committee approved the minutes from the May 25, 2021 meeting.

Director's Update

- Kirk Mathews, Acting MHD Director, announced that Todd Richardson will be returning to MO HealthNet (MHD) to resume his role as Director by Mid-September.
- Mr. Mathews said that implementation of the new streamlined application and participant notices were being delayed until after the first of next year. With the expected influx of applications due to the expansion and public health emergency, he and FSD Director Kim Evans both agreed it would get lost and they want this to be a positive experience.
- Mr. Mathews advised that the Outpatient Simplified Fee Schedule (OSFS) went into effect July 20, 2021 on the fee-for-service side. This program was developed to provide a fair, rational and transparent reimbursement methodology on how to pay our facilities, not our provider, for the facility fee for outpatient services. We are now paying 90% of a Medicare rate for the outpatient fee schedule. Under this new program, 62 hospitals in our state will see an increased reimbursement if their utilization is the same as it has been in the past. Fifty (50) hospitals will see a decrease. There is another piece to this for the Managed Care side; however, due to litigation, Mr. Mathews was not able to elaborate. Several hospitals seeing a decrease are located outside of our state and the state will see some savings because of this. Hospitals seeing a decrease have been in contact with us and we are working through issues with them, trying to help them understand our rationale for the change.
 - **Comment:** Senator Holly Rehder asked for a list of the hospitals that will see an increase/decrease in her district.
 - **Comment:** Mr. Mathews advised we could not provide a list of all the hospitals; however, if she wanted to provide a specific hospital in her district we could provide that information.
 - **Comment:** Joe Pierle, MPCA, asked if there was a way to define the list of “winners and losers” by certain characteristics. He is mostly concerned about those safety net hospitals that see higher volume of Medicaid and uninsured.
 - **Comment/Action:** Mr. Mathews said there is data available that shows a breakdown in respect to rural, suburban and urban and would get this information to the committee.
 - **Comment:** Senator Jill Schupp said she feels the new OSFS is a good thing and a step in the right direction. She wants our hospitals to be able to stay open and assumes that the rates are based on ensuring the hospitals are profitable so they can stay in business.
 - **Comment:** Mr. Mathews commented that in the previous reimbursement methodology, hospitals that had high pricing on their outpatient services are likely to see a reduction. There was unbelievable disparity in what hospitals were charging for the same procedures. With the new OSFS, we are paying 90% of the Medicare rate and won't have these incredibly wide variations for the exact same procedure codes. This won't make hospitals more profitable but they will be more cost conscious. The new process is a much more fair, rational, and transparent way to pay for these services.
 - **Comment:** Senator Schupp asked if the OSFS was being utilized in others state as well. She also asked about inpatient services and if there was a goal or if that is uniquely different in a way that we can't align the costs from one patient to next across all hospitals and hospital systems.
 - **Comment:** Mr. Mathews said that Missouri was one of the very few remaining states that paid on a percent of billed charges on outpatient fees. We have found that Missouri is paying more than any other state that we can find as a percent of Medicare fee schedule. Most other states have adopted this methodology and pay a range from as low of 65% of Medicare to as high as 80% of Medicare. Missouri is paying 90% of Medicare.

The method of how we pay for inpatient services is much more complicated. The base rate hasn't been rebased since 2001. An internal group is working with outside partner Myers and Stauffer to help redesign how we pay for inpatient services.

- **Comment:** Senator Schupp said she found this information very interesting and would follow up with additional questions in writing. This all aligns with similar issues regarding pharmacy costs and 340B that have been discussed at previous meetings. She asked if the situation regarding 340B had been resolved or will that be fixed at the same time.
- **Comment:** Josh Moore, Pharmacy Director, advised that the new 340B reimbursement for both physician administered drug and retail pharmacy side became effective July 1. Any issues that arise are being addressed quickly to ensure claims are processed on time. We expect to see the changes in the next quarterly files received so we can start looking back on utilization data. Facilities don't typically bill us until 1 to 45 days after the drugs are administered. Thus, most of the claims we've seen so far are from the retail side. We are also going to be measuring utilization just to see if there were any utilization shifts based on the changes in reimbursement. Since we have found that there are still some 340B products that we are paying more for through the discounted program than we are the non-discounted program, we will be looking into these as well.
- Mr. Mathews updated the group on the Federal Reimbursement Allowance (FRA) passed in the July special session. The three (3) things that came out of the special session: (1) will not pay for any drugs or devices that would result in the abortion of an unborn child ; (2) did not defund affiliates of abortion providers for providing other non-abortion services; and (3) an interim committee was formed that is empowered to look at all elements of Medicaid. Senator Schupp is a member of this committee.
 - **Comment:** Dr. Pfannenstiel asked if the FRA had been funded for 3 years.
 - **Comment:** Mr. Mathews confirmed that it had been.
- Mr. Mathews gave an update on the status of Medicaid Expansion. In July, the circuit court ruled that the initiative was unconstitutional. The Supreme Court unanimously overturned that ruling and returned the case to the lower court for Judge Beetem to issue implementation. The Supreme Court ruled that the General Assembly did appropriate funds for the entire Medicaid population that are constitutionally eligible, including the expansion population.

Judge Beetem issued his orders that the agency cannot be more restrictive on eligibility and that we must include the expansion population. However, he was not restrictive with a timeline or funding for the expansion. Mr. Mathews reminded the committee that there was still a funding issue. The legislature will need to take some action to appropriate money; however, at this point we do not know if there will be a Special Session or will wait until the General Assembly returns in January as a supplemental budget. There are a lot of issues yet to determine how things will play out on the funding side.

- **Comment:** Dr. Pfannenstiel asked what MHD's anticipation/expectations were on how long Medicaid could sustain what it does now and after Medicaid Expansion until the funding source issue is resolved.
- **Comment:** Mr. Mathews advised that MHD was not prepared to give a definite timeline at this time. However, MHD's budget people have been working with the Office of Administration Budget and Planning analyzing every scenario on how we can continue to fund the program and deliver services that our participants deserve.
- **Comment:** Joe Pierle asked what the process was to ensure that the State leverages the 5% enhanced FMAP on all other Medicaid populations, which many have estimated would bring in \$1.2 billion in addition to the 90% match which should more than cover the expansion population and probably free up some resources that the Governor and General Assembly can use for other purposes.
- **Comment:** Mr. Mathews said he couldn't speak to the process but feels we should be eligible to use the funds. The budget folks are factoring in the enhanced FMAP funds in the planning process.

Family Support Division (FSD) Update:

- Kim Evans, FSD Director, presented the FSD update. ***The presentation is available online.***
- Ms. Evans advised that they are currently in the testing phase of updating the eligibility system with the budget pieces that tells the system whether someone is eligible or not. It is very important they do very thorough testing of the system since other programs such as MO HealthNet for kids, pregnant women, etc. can be affected with coding changes. Policies, procedures and training processes are also being reviewed to ensure staff and community partners are prepared to assist individuals with questions when applying for benefits.

Applications for the new expanded group are being accepted now. Verification of the information is being done now so that when the system is ready to process, it will automatically run the applications to make the eligibility determinations. FSD is also looking at special groups that could potentially be eligible for spenddown, extended women services, uninsured women, and the Gateway program as well. Introducing these groups into the system determine eligibility is a manual process.

CMS has required the State to have a standalone Medicaid application. The adult Medicaid application has been incorporated into MAGI, which allows individuals to complete one application for Medicaid instead of one for families and one for aged and disabled or the blind. The agency then determines the best coverage for the participant. If there are choices to be made between programs, our staff will reach out to the applicant and work with them to select the best coverage for them.

- **Comment:** Dr. Bridget McCandless, Co-Chairman, asked when people would get their Medicaid cards and start using them, and when the policy and provider manuals would be updated.
- **Comment:** Ms. Evans advised it would be the later part of September to test and ensure that the system is stable and making the correct determinations. The FSD policy manuals should be updated by end of September. Jessie Dresner, MHD COO, advised that the MHD provider manuals should be updated and ready to go very soon.
- **Comment:** Senator Schupp asked how current participants receiving benefits due to the public health emergency would be notified if they would have continued coverage.
- **Comment:** Ms. Evans said the agency will begin the redetermination process through their electronic sources to ensure individuals eligibility or if they now qualify for the expansion group. If the determination is made that they are no longer eligible, they will continue to receive benefits until the public health emergency ends. CMS has provided some very specific instructions that are being reviewed now. CMS has also indicated they will be making other changes in the future and hope to get them out soon. This will affect how we manage the cases that could possibly be closing and ending coverage. Ms. Evans said the agency is going to try to proceed with working on the cases that we know are ineligible for MO HealthNet for families or pregnant women, etc. and get them into the new expansion category now.
- **Comment:** Senator Schupp inquired about what the recipients' responsibility would be? For instance, will they need to reapply, complete additional paperwork?
- **Comment:** Ms. Evans said FSD is looking at applications received between July 1 – October 31 and run re-determinations. FSD now has access to electronic verification that they didn't have pre-COVID. With electronic verification, the centers are able to verify things like income and addresses. We will be able to move forward and the participant doesn't have to do anything unless they cannot verify some information. If that is the case, the individual will be contacted for the information so it can be added into the system. The individuals that fall into the 19-64 year old range and do not have coverage are the ones who will need to apply.

- **Comment:** Senator Schupp asked if Medicaid information could be shared with city/county government to assist in identifying individuals that may qualify for rental assistance or similar programs.
- **Comment:** Ms. Evans said their legal department would need to determine if a memorandum of understand was needed and would have to check federal regulations on both sides to see what information could be shared.
- **Comment:** Senator Schupp asked how many people have applied for Medicaid under expansion.
- **Comment:** Ms. Evans said that as of August 18, there were around 4,200 pending MAGI applications; however, cannot determine if they are all due to expansion.
- **Comment:** Senator Schupp asked if people applying after October 1 would need to ask for retroactivity or is it based on when they sign up.
- **Comment:** Ms. Evans said that anyone that has applied through October 31 will automatically be retroactive back to July 1 if they are eligible. Those applying in November will need to request prior quarter and would take them back to August 1.
- **Comment:** Senator Schupp asked about processes that were in place to assist the enrollees so they know this type of information and how this information was being communicated.
- **Comment:** Ms. Evans advised a communication plan was being prepared for community partners, their strongest grapevine. Social media, website and call center's IVR will give instructions on where and how to apply. Community and medical partners do a tremendous job getting the word out and have been trained to know what to do and how to help individuals apply.
- **Comment:** Gerard Grimaldi asked if we were planning to proactively enroll the adults and those families that may have children already enrolled or may be eligible to receive food stamps and SNAP based on the information already on record.
- **Comment:** Ms. Evans said they would specifically be looking at that MO HealthNet for Family population and the 19-64 year old, the extended women's health and the uninsured women's health. They will also be looking at a group of spenddown mid-October as well.
- **Comment:** Mr. Grimaldi asked if the State Plan Amendment (SPA) had been refiled.
- **Comment:** Mr. Mathews advised that before the SPA is refiled, we want to ensure all CMS questions/requests have been addressed first.
- **Comment:** Mr. Grimaldi asked if the providers will need to wait until the managed care provider is assigned before they can bill for any services rendered.
- **Comment:** Jessie Dresner, MHD Chief Operations Officer, advised that was correct. Participants will have the opportunity to select which managed care plan they want and if they do not, they will be auto-assigned a plan. This information will be sent to the MMIS billing system and that is when the providers can go into Emomed to check if the person is ready to be billed.
- **Comment:** Mr. Grimaldi asked if there was a timeframe to how long a person has to select a plan.
- **Comment:** Ms. Dresner advised that the participant will have 15 days to choose their health plan. If they haven't chosen one within that timeframe, they will be assigned one. This information will be entered into the system and be available the next day.
- **Comment:** Mr. Pierle said getting accurate contact information has always been a challenge, even for them. He asked if FSD had a new technique/approach to improve this.
- **Comment:** Ms. Evans said this is an opportunity to look at the process and see what improvements can be made. The new electronic verifications is in place to ensure we have more up-to-date information
- **Comment:** Dr. Pfannenstiel asked if FSD anticipated the need to hire new staff for the expansion population since the new application implementation was being delay.
- **Comment:** Ms. Evans said that the new application doesn't affect the backend work they do but it does gather more concise information. It makes it easier for the participant to provide the needed information. FSD does anticipate hiring additional staff to manage the new population coming in.
- **Comment:** Dr. Pfannenstiel asked if MO HealthNet also anticipated hiring additional staff to process the claims that will be generated by the expansion population being added.

- **Comment:** Ms. Dresner said MHD has been looking at this already and pinpointing areas where additional staff may be needed, which could be hiring new staff or shuffle staff around where the need is.
 - **Comment:** Dr. Pfannenstiel ask that in the case of a patient that had been receiving and paying for services from July 1 but do not have a Medicaid plan in effect, but under the new expansion guidelines they do qualify, what were the expectation of that participant getting prior quarter coverage.
 - **Comment:** Ms. Evans said that for applications through October 31, they do have to meet all of the eligibility requirements as they would they for the application day and going forward. This information would need to be verified for prior quarter coverage months separately from the application month and determine if they were eligible for the coverage. There may be instances where some may be eligible by application date but their situation might be different and they might not be eligible for prior quarter coverage. It could be the reverse as well.
 - **Comment:** Dr. Pfannenstiel asked what the process is for a provider to direct a participant to look at prior quarter coverage as an option.
 - **Comment:** Ms. Evans advised that the application asks if there had been any medical services in the previous three months. The applicants will receive a notice of approval for prior quarter coverage. At that point, they can give that notice to their provider(s), who can check the eligibility dates and then start submitting claims. Eligibility will also go live on Emomed for the provider to check as well. The applicant has up to a year to request prior quarter coverage.
- Ms. Evans announced that with the Public Health Emergency, states have been given 12 months to come into compliance with their change in circumstances, annual renewals and any pending verification that they have. Missouri is in a good position with this because FSD staff have been entering all the changes as they received it during the public health emergency. Once it is lifted, the public health emergency codes will be removed and re-determine people in the system and follow the guidance they are given going forward.
 - **Comment:** Representative McCreery asked about the drop in usage of LARCs in the women's health program.
 - **Comment:** Josh Moore, MHD Pharmacy Director, believes the issue is that providers are utilizing the units not used when a patient didn't show up for an appointment. The policy was changed a few years ago that pharmacies can no longer provide those devices. It had to be a "buy and bill" service. So the initial drop was really from the providers using up the stock that they had on hand.
 - **Comment:** Representative McCreery was pleased to hear that the units were being utilized rather than thrown away.
 - **Comment:** Mr. Moore told the group that MHD's integrity pharmacist Olivia Rush has been researching items that were billed by both the pharmacy and the facility for the same item. We don't feel they were double billing us intentionally. Ms. Rush is going back to these facilities and asking them to reimburse us.
 - **Comment:** Dr. McCandless said she appreciated the work that has been done with the revised system. She noted the number of women receiving services has dropped dramatically over the past two years and it really bears the question of if there is an enrollment or communication issue. Dr. McCandless asked that as we transition some of these women over to expansion that we be really thoughtful to where these barriers might be so we don't lose any more.

Chief Operations Officer's Update:

- Jessie Dresner, MHD Chief Operations Office, introduced MHD's new Managed Care Director Alex Daskalakis, who replaced Bobbi Jo Garber who took another position outside of state government.
- Ms. Dresner introduced Melanie Highland, Division Director of Senior and Disability Services. Ms. Highland previously worked at the Office of Administration Budget and Planning Division. Ms. Highland gave an update of the level of care transformation for Home and Community-Based Service (HCBS).

More information can be found at <https://health.mo.gov/seniors/hcbs/infomemos.php> and choose **INFO 06-21-04.**

Pharmacy Update:

- Josh Moore, MHD Pharmacy Director, presented the pharmacy update, which is **available online**.
- Mr. Moore reported that the “Project Hep Cure” launched on July 1, 2021. The goal is to eliminate Hep C in the MO HealthNet population. Providers have been hesitant in the past and we need to get them involved and start treating these patients. The requirement for prior authorizations for Mavyret, the drug used to treat Hep C, has been removed and patients are now allowed to receive 8 weeks of therapy all at once during the public health emergency. DSS has developed a fantastic website “[Project Hep C](#)” that contains some very good information.
- Mr. Moore spoke briefly about what sickle cell disease is and treatment for it.
 - **Comment:** Dr. McCandless expressed her appreciation for the information and the Department’s help with working towards a cure for this disease.
- Mr. Moore also spoke briefly about the Prescription Drug Monitoring Program (PDMP). SB 63, which was sponsored by Senator Holly Rehder, was signed into law by Governor Parson on June 7, 2021. The St. Louis County PDMP will continue to operate until the statewide PDMP is available and fully operational for access by healthcare providers. The St. Louis County PDMP reaches 80% of Missouri residents and 94% of our healthcare providers. Dispensation will only be utilized by healthcare providers for the provision of health care services. Law enforcement and regulatory boards will not have access to the PDMP or any other entity unless for the purposes set forth in HIPAA.

The Joint Oversight Task Force for Prescription Drug Monitoring will supervisor the PDMP and be made up of 2 members from Board of Healing Arts, 2 from Board of Pharmacy, who is a pharmacist, 1 from Board of Nursing who is an APRN, and 1 member from the Missouri Dental Board, who is a dentist. The task force will work towards soliciting a vendor to operate the PDMP. The “go live” date is still to be determined; however, it will be up and running by January 1, 2024.

MO HealthNet will have access to this data as part of the support act, which is one of the requirements in order to receive funding from the federal government. MHD will be utilizing this data in some of our clinical reviews.

- **Comment:** Dr. McCandless asked if there would be required access to the PDMP prior to prescribing for MO HealthNet.
- **Comment:** Mr. Moore advised the support act requires state Medicaid programs to require prescribers that prescribe controlled substances to a Medicaid participant, check the PDMP prior to prescribing them. The support act also requires this to be done for all Schedule 2 substance (ADHD medications) and then at the discretion of the state Medicaid agency, Schedule 3 and 4 controlled substances.
- **Comment:** Dr. Pfannenstiel asked how this was going to be monitored or enforced.
- **Comment:** Mr. Moore said the same question has been asked of CMS, who hasn’t provided an answer. For now, if MHD is doing an audit for another reason, we would check chart to insure this is being done.

This requirement goes into effect October 1. Providers that have access to the St. Louis County PDMP need to be doing the check for MO HealthNet participants. We will put out additional information when the new PDMP goes live.

Legislative Update: There was no legislative update.

Budget Update: There was no budget update.

Public Comment:

- There were no public comments.

The meeting adjourned at approximately 2:00 p.m. The next meeting is scheduled for November 10, 2021.