MO HEALTHNET OVERSIGHT COMMITTEE MEETING

April 9, 2013
1706 E. Elm Street
Jefferson City, MO

MINUTES

Members in Attendance:
Margaret Benz
Alan Freeman
Gerard Grimaldi
Rep. Keith Frederick
Celesta Hartgraves
Sen. Joseph Keaveny
Kecia Leary
Timothy McBride
Bridget McCandless
James McMillen
Joseph Pierle
Mark Sanford
Donna Siebeneck for Joe Parks
Sen. Rob Schaaf
Ingrid Taylor (via phone)

Members Absent:
DHSS Representative
Carmen Parker Bradshaw
Rep. Jeanne Kirkton

DSS Staff in Attendance:
Ian McCaslin, MHD
Mariann Atwell, MHD
Andrew Bond, MHD
Julie Creach, MHD
Rhonda Driver, MHD
Kristen Edwards, MHD
Darin Hackmann, MHD
Erin Heine, MHD
Samar Muzaffar, MHD
Karen Purdy, MHD
Alyson Campbell, FSD
Rebecca Woelfel, DSS

Others in Attendance:
Meghan Elledge, Legal Aid of Western Missouri
Ashley Berg, Heartland Health
Marty Exline, MO Assistive Technology
Elizabeth Crisp, St. Louis Post-Dispatch
Emily O'Laughlin, House of Representatives
Mark Utterback, Mental Health America
Connie Miholovich, MU HealthCare
Leanne Peace, MO Kidney Program
Geoffrey Oliver, St. Louis University
Mary Schantz, MO Alliance for Home Care
Megan Burke, MO Developmental Disabilities Council
Steve Renne, MO Hospital Association
Jim Burns, Centers for Medicare and Medicaid Services
Jennifer Bauer, MO Academy of Family Physicians
Eric Gardner, Vertex
Linda Powell, Logisticare
Chad Vulgamott, Logisticare
Pam Victor, HealthCare USA
Angela Schulte, MO Care/ HealthCare USA
Lovey Barnes, MO Care
Dave Sproat, Bristol Myers
Susan Zalenski, Johnson & Johnson
Berend Koops, Merck
Kristine Weinbergen, CSG
David Reine, CMT
Sue Kendig, Signature Medical Group
Jim Gera, Signature Medical Group
Jerry Rupp, Signature Medical Group

WELCOME/INTRODUCTIONS/MINUTES – Dr. Tim McBride, Vice Chair, called the meeting to order at approximately 12:00 noon. Minutes of the January 29, 2013 meeting were approved as submitted.

DIRECTOR'S UPDATE – Dr. Ian McCaslin, Director, MO HealthNet Division, welcomed all in attendance. He gave a brief update on budget activity in the legislative session, noting that the Department of Social

Services budget had passed through the House of Representatives and is now in Senate Appropriations. Appreciation was expressed for the Governor's support of the health homes program, which is making a tremendous difference in participants' lives. The state has been working in partnership with community stakeholders around the state; include Missouri Primary Care Association, Missouri Hospital Association, University of Missouri Health Care, Truman Medical Center, and many others. While a formal evaluation has not yet been conducted, very encouraging trends have been noted in the areas of cost avoided emergency department visits and hospital beds and duplicative procedures. Dr. McCaslin also gave an update on implementation of the primary care rate increase. Missouri submitted the associated state plan amendment very early and is working closely with the Centers for Medicare and Medicaid Services for approval. Dr. McCaslin introduced Alan Freeman as the newly appointed Director of the Missouri Department of Social Services.

MO HEALTHNET ENROLLMENT BY ELIGIBILITY CATEGORY– Summarizing the handout, Alyson Campbell, Director - Family Support Division, reported that participants as of February 2013 totaled 879,084, which is a slight drop from last quarter. The chart reflected that of the 879,084 participants, 61.0% are children, 18.5% are persons with disabilities; 9.0% custodial parents, 8.5% seniors defined as individuals 65 or older; and 3% are pregnant women. Of the 536,190,660 children enrolled, approximately 70,000 are enrolled in the Children's Health Insurance Program (CHIP).

In addition, 60,653 women are receiving services through the Women's Health Services program. This category is reported separately as benefits for this group of eligibles are limited to family planning services, not the full MO HealthNet benefit. A higher federal match is received for these services.

Managed care enrollment totaled 421,499. A graph depicting enrollment in each region by health plan was also shared. The managed care program provides services to only children, pregnant women, and low income parents in select counties. If an individual is in one of these eligibility categories and lives in a managed county, enrollments in managed care is mandatory, with certain exceptions and opt out opportunities.

Dr. McCaslin provided an update on managed care corporate changes. Missouri Care was sold by parent company Aetna to Wellcare, which was the prior parent organization of Harmony Health Plan. On a national level Aetna reached agreement with Coventry (the parent organization of HealthCare USA); Aetna will acquire Coventry sometime this summer. HealthCare USA will then be a subsidiary of Aetna. Aetna has not signaled whether it will keep the HealthCare USA brand. However, Wellcare plans to continue the Missouri Care brand name in Missouri. When all negotiations are final, the parent companies for the MO HealthNet managed care plans will be Centene, Aetna, and Wellcare.

As a result of questions from committee members, Dr. McCaslin shared that the managed care contracts renew in July 2013 for two more years. It is believed the intent is to have one dental plan administrator, but the MO HealthNet Division is awaiting confirmation.

It was further explained that the managed care plans do not compete on price. The State sets the price, which must be actuarially sound. In submitting RFP proposals, the health plans compete on quality outcomes – HEDIS measures. Performance improvement projects are required of the health plans, and customer satisfaction surveys are conducted to ensure quality service is being administered. Participants who do not choose a health plan during open enrollment periods are auto enrolled; the methodology is based on the quality piece of the contract. Discussion ensued on whether three competing health plans is adequate from a market perspective.

The committee requested information on quality reporting. It was also suggested as an agenda item for a future meeting.

MEDICAID EXPANSION FOLLOW-UP – Alan Freeman presented that approximately 265,000 Missourians would be eligible for coverage, effective January 1, 2014, as a result of provisions of the Affordable Care Act. During the first three years the federal government would cover 100% of the cost. The federal participation would be reduced gradually during the four subsequent years to 90% federal, 10% state. Over the course of seven years approximately $8 billion in federal funds would come into Missouri, with an approximate state match of $332 million. In late November 2012, a University of Hospital study provided that 24,000 jobs would be added in medical fields as a result of a Medicaid expansion. The Governor has suggested support of a three-year expansion with a review upon conclusion of those three years to determine if expectations have been met. At that time decision could be made whether to continue coverage of the expansion group. Director Freeman added that the Governor is interested in conversation that is reform related; looking at the way the Medicaid system is addressed in an appropriate and effective way.

An important consideration is presented in a report from the Department of Mental Health that describes the state of psychiatric services and risk of reduction of those services. Provisions of the Affordable Care Act include a reduction of Medicare reimbursement to hospitals and other providers and changes to disproportionate share hospital (DSH) funding. Coupled with an expansion of Medicaid eligibility the intent is to level the playing field in reimbursement for hospitals, doctors, and other providers of care. If Medicaid is not expanded, Missouri will incur a loss of funding.

Discussion followed on funding for hospitals, including a comparison of potential loss of hospital DSH funding versus hospital profits, payments that will flow to hospitals through the health insurance exchange, and managed care reimbursement. A report on the amount of payments that will flow to the hospitals through the exchange was requested. A projected 200,000 to 300,000 individuals would be eligible for coverage through the exchange.

Dr. Bridget McCandless made a motion that the Committee submit a resolution that offers support for Medicaid expansion to raise eligibility levels up to 138% of the federal poverty level for all newly-eligible adults, and encourages the Missouri General Assembly and the Governor to pass and sign enabling legislation in the 2013 legislative session for this purpose. The motion was seconded by Mark Sanford. Senator Schaaf proposed that the resolution be amended to show that the Committee is supporting reform and expansion of Medicaid. Dr. McCandless agreed to the amendment and Joseph Pierle voiced a second.

Discussion followed that questioned the appropriateness of expanding Medicaid given perceived low health outcomes in Medicaid; the woodwork effect of coverage through the health insurance exchange; the effect on emergency departments if Medicaid is expanded; need for Medicaid reform; and the potential of changes to the proposed DSH provisions at the federal level.

The amendment passed via voice vote. A vote on the resolution was conducted by show of hands. The resolution passed with eight in favor, two opposes, and one abstention.

SPENDDOWN – Alyson Campbell reported that the Family Support Division (FSD) continues to converse with the Centers for Medicare and Medicaid Services (CMS) to ensure the practices in place comport with federal law. Approval has been received on all policies/practices implemented to date. One

remaining area of concern relates to the carryover opportunity offered to spenddown participants to allow expenses incurred in the prior three months be counted to meet their spenddown requirement. Federal law allows reasonable limits and FSD shares that position. In the interim, participants are being allowed to submit expenses incurred in the prior three month period that have not been counted toward spenddown so far, as long as the expenses were not paid by a third party. Staff training continues to ensure consistent application of policies and compliance. A specialized spenddown unit has been created. With that specialization improvement has been noted in consistency, timeliness, and quality.

Ms. Campbell added that close monitoring of the processing time is occurring. With few exceptions the two-day timeframe is being met unless additional documentation is needed to ensure allowable expenses. Working with stakeholders to establish an electronic SharePoint drive has been of assistance. Via the SharePoint, providers upload information electronically and thus do not have to mail paper receipts. Participants can take paper receipts to their local FSD office for staff to scan into the SharePoint drive. This technology is available statewide in every county office. FSD is pulling random samples every quarter to ensure consistent and timely processing.

It was noted that spenddown would not be impacted by a Medicaid expansion to 138%. Dual eligibles are not eligible for expansion. Since Medicare pays for medical services, spenddown would still need to be met to receive other services. Those not covered by Medicare would be eligible in newly covered group. An estimated 30-40% of those spending down are thought to be non-duals.

The effect on duals of a health insurance exchange and spenddown was requested to be on a future agenda.

PUBLIC COMMENT -- Albert Reine, a provider through the non-emergency medical transportation (NEMT) program, submitted written comments that contained complaints and allegations of malfeasance in the NEMT program.

Mark Utterback, Mental Health America, expressed concerns regarding the House Bills 925 and 926 currently before the Missouri General Assembly. Individuals with serious mental illness should have access to all medications available and be able to work with their doctor to achieve the best possible outcome. He has great concerns about placing the aged, blind, and disabled in managed care and believes the state should maintain the pharmacy risk.

Dr. Robert Stuber, St. Joseph, Missouri, shared that he is the medical director for a social welfare clinic and sees 20-25 patients a day. He expressed support for the Affordable Care Act and disagrees with the allegations of poor care for the Medicaid population. He commended the committee for the diplomacy shown during the meeting's discussions.

Leanne Peace, Missouri Kidney Program, expressed continued difficulty with the spenddown process and reported that patients are not receiving transportation and in-home services. Ms. Peace indicated problems are now occurring on the provider side, for example, discharge delays because of billing issues. She requested information on provider webinars. Alyson Campbell responded that the webinars are occurring and asked Ms. Peace to forward the names of individuals to be included.

Connie Miholovich, University of Missouri Health Care, reported spenddown challenges at time of discharge. As a result, their organization often pays for a participant's ride home and discharge

medications because the spenddown cannot be processed. She believes spenddown is still difficult and believes others face the same challenge.

OVERVIEW OF THE MO HEALTHNET PHARMACY PROGRAM – Speaking from a PowerPoint, Rhonda Driver, R.Ph., presented that the MO HealthNet pharmacy program uses transparent, real time processing to make coverage decisions based on medical evidence and best practices. This is achieved through a clinical rules engine that works in concert with the Missouri Medicaid Information System. Eighty-four percent of pharmacy claims are transparently approved through Smart PA, a vendor supported tool . Prior to commencement of Smart PA, 100% of these transactions would have required a phone call. The preferred drug list allows state Medicaid programs to receive supplemental rebates from manufacturers. Approximately $20 million is collected annually in supplemental rebates. Determinations of preferred and non-preferred drugs are made through quarterly advisory group meetings. A description of these groups was provided in the PowerPoint.

Clinical edits are also utilized to ensure effective and appropriate drug utilization. These edits are built into real-time automated edits using the Smart PA rules engine.

MO HealthNet drug reimbursement is determined by use of maximum allowable cost, which allows the ability to maximize savings from the use of generics. Savings achieved in FY12 equaled $39.6 million. Also utilized is the federal upper limit, and the drug pricing file is updated weekly. A comparison of generic utilization was shared which showed that 75.06% of claims are filled with generic drugs, which represents 23.84% of the pharmacy program spend. A discussion of coverage of short acting narcotics was provided. Ms. Driver also gave an overview of the Medicaid drug rebate program.

PSYCHOTROPIC DRUGS – Mariann Atwell, Psy.D., discussed the second opinion program which reviews psychotropic utilization in foster care children. As of February 28, 2013, there were 11,311 children in foster care ranging from under the age of one to the age of twenty. The average length of stay for a child in foster care in FY12 was 22.4 months. The challenges that exist for children in foster care were overviewed in the PowerPoint presentation as well as challenges for prescribing providers.

The second opinion program was created as a result of collaboration of an interagency team comprised of staff from the Departments of Mental Health and Social Services. The goal of the program is to ensure that children in foster care are kept safe and to increase the awareness of best practice guidelines for prescribing practitioners who serve the population. Types of psychotropic and anti-psychotic medications were reviewed as well as the potential side effects of their use.

Pharmacy claim data from the fourth quarter of 2012 was reviewed against the departmental client numbers (DCNs) for foster children identified at the end of December 2012. Based on this review, 31 children -- ranging in age from 14 years to 20 years, 7 months -- were identified as being prescribed five or more psychotropic medications and/or two or more anti-psychotic medications. Of these 31 children, 10 were selected for further review. Treatment records for these children were requested for further review by a Board Certified Child and Adolescent Psychiatrist. The record review will focus on diagnosis, current and past medications, and documentation for use, support of diagnosis, a plan to taper off of the medications, and other non-pharmacological interventions. Results of the review will be provided to the performing provider along with a request for feedback.

In response to questions, it was noted that the second opinion program is modeled after the program already in place for adults. There has been no differentiation for those in hospice care. The adult

program has given insight into how the foster care children program will run. Providers have been appreciative of the support.

STRONG START INITIATIVE – Guest speakers Sue Kendig and Jim Gera, Signature Medical Group, presented on this topic. Strong Start Initiative is a physician-owned, multi-specialty physician group that was organized to improve health care outcomes, quality, and efficiency. The group has submitted several proposals to CMS, one of which was Strong Start. Funded for four years, the goal of the initiative is to test the impact of enhanced prenatal care interventions to Medicaid and Children's Health Insurance Program beneficiaries at risk for preterm births in improving gestational age and reducing medical costs over the first year of life. Clinical interventions will be conducted in the first year three years; year four is evaluation. Speaking from a PowerPoint, it was pointed out that over 500,000 babies are born prematurely each year at a cost of at least $26 billion annually. Approximately 12.5% babies are preterm, leading to significant health and development issues. In Missouri, 26% of preterm births are in the St. Louis area.

Strong Start will look at what places mothers at risk for preterm births. Medical, demographic, and psychosocial factors will be reviewed. Examples of outcome measures include overall cost of medical care during the first year of life for babies born to high risk women; maternity core measures such as gestational age, birth weight, frequency of prenatal visits; PCPI measures including prenatal screening, accuracy of gestational age; utilization; health improvement activities; and patient satisfaction. Through Strong Start, Signature Medical Group expects to enroll a minimum of 500 beneficiaries per year; provide physician directed team-based prenatal care; coordinate care across the prenatal continuum; enhance access through improved office processes; and utilize real time metrics to guide clinical improvements. Specific detail on what metrics will be required is not yet confirmed. Components of the initiative were reviewed to include risk assessment; intervention of a nurse navigator and social worker; and nutrition support.

A chart depicting the Strong Start process versus traditional prenatal care was shared. Patient enrollment is anticipated to begin May 15, 2013. Signature Medical Group has had preliminary conversations with MO HealthNet managed care health plans to gain their involvement in the process.

Dr. McBride adjourned the committee at 4:00 pm. Next meeting is July 9, 2013.