

MO HEALTHNET OVERSIGHT COMMITTEE MEETING

July 9, 2013
600 West Main Street
Jefferson City, MO

MINUTES

Members in Attendance

Gerard J. Grimaldi
Margaret Benz
James McMillen
Sen. Rob Schaaf
Joe Parks
Sen. Joseph Keaveny
Brian Kinkade

Members Absent

Rep. Jeanne Kirkton
Rep. Keith Frederick
Kecia Leary
Timothy McBride
Bridget McCandless
Joseph Pierle
Mark Sanford
Ingrid Taylor
Carmen Parker Bradshaw

DSS Staff in Attendance

Jennifer Tidball
Andrew Bond
Julie Creach
Rhonda Driver
Darin Hackmann
Samar Muzaffar
Donna Sybouts
Beverly Smith
Paul Stuve
Becky Woelfel

Others in Attendance

Geoffrey Oliver, St. Louis University
Shannon Bagley, Home State Health Plan
Lovey Bornes, Missouri Care Health Plan
Jennifer Bauer, MO Academy of Family Physicians
Berend Koops, Merck
Susan Zalenski, J & J
Allie Weiss, LSEM

Carol A. Curtis - AZ
Cheryl Gentsch – CSG Government Solutions
Steve Renne - MHA
Mark Sanford – People’s Health
Ron Fitzwater, Missouri Pharmacy Association
Amanda J. Schneider, LSEM

WELCOME/INTRODCUTIONS/MINUTESS – Dr. James McMillen called the meeting to order at 12:01 pm. Dr. McMillen informed the board that Dr. Tim McBride is currently out of the country so he would be chairing the meeting. Minutes of the April 9, 2013 meeting were approved as submitted.

DIRECTOR’S UPDATE – Jennifer Tidball, introduced herself as the Interim Director for MO HealthNet, stating she has been in this role since mid May 2013. Director Tidball gave a brief overview of her tenure with the Department of Social Services stating she has been with the department since 1995, and became Director of Budget and Finance in 2007.

Announcement was made in mid June to recruit a new MO HealthNet Director, target date of August 1, 2013 for applications/resumes to be submitted. A committee will go through applications and the process will begin.

Currently MHD is working with CMS on a request to extend the Gateway to Better Health program. This program has been in place since 2002 when St. Louis Hospital closed. The program provides healthcare for 2,300 individuals, who are 133% of poverty, a 1,000 above the 133% poverty. That waiver is set to expire in December 2013.

Senator Shaaf – has formed an interim committee to study Medicaid. There was an initial hearing on July 8 – Medicaid 101. The Department of Social Services and the Department Mental Health participated in this hearing. There are several hearings planned throughout the state over the next month where Brian Kinkade and Jennifer Tidball will be attending.

A committee on Medicaid Transformation has been formed, however at this time, there are no meetings scheduled. Director Tidball informed the committee she would send out a website giving information on both committees.

MEDICAID ENROLLMENT UPDATE – Emily Rowe reported participants as of May 2013 totaled 873,466 with an additional 59,512 receiving women’s health services. The women’s health services program is a limited benefit eligibility category, essentially family planning services. A higher federal match is allowed for these services. The number of participants is not typically included in overall MO HealthNet eligibility numbers. The chart reflects that of the 873,466 MO HealthNet participants, 60.9% are children, 18.5% are persons with disabilities; 8.9% are custodial parents, 8.6% are seniors defined as individuals 65 or older; and 3.1% are pregnant women. Out of the total 532,100 children enrolled, there are approximately 68,346 children enrolled in the Children’s Health Insurance Program (CHIP). The chart reflects that out of the 873,466 MO HealthNet participants 418,116 are currently enrolled in Managed Care.

Questions were asked regarding the enrollment numbers decreasing; Ms. Rowe reported seeing a decline through other programs as well, speculation is the recovery in the economy could be the reason for the decline.

MO HEALTHNET BUDGET UPDATE – Andrew Bond reported that MO HealthNet FY 14 Budget has been truly agreed and signed by the Governor. The Social Services budget is made up of four different divisions with MHD making up the majority of the budget with \$7.4 billion dollars, or 84% of the budget.

Mr. Bond presented a slide presentation showing the Federal Stimulus (this does not include the entire stimulus – we did get an increase in federal match.) The big driver is the census; there has been a substantial shift in the census. Texas as an example has shown a huge increase, and Louisiana a sharp decrease. All states have a match rate depending on the wealth of the state. Mr. Bond reported that Missouri’s match rate has always been in the sixties.

MO HealthNet Monthly Enrollment has remained static if not declined; we are not seeing a steep decline, more of a gradual decline.

Mr. Bond gave the States Fiscal Year 2014 Budget Update:

- Managed Care Inflation - \$53.2 M
- Primary Care Rate increase cost to continue \$52.6 M
- FRA increase authority \$34.8 M
- Pharmacy PMPM \$34.7 M
- Nursing Home rate increase 3% trend – restricted in budget right now
- GR Pick-up to replace FRA Funds for FMAP \$30.4 M
- GR pick-up to replace Blind Pension funds – \$21.5 M
- Federal Matching Rate Change – FMAP \$11.6 M
- Ambulance Service FRA \$9.2 M
- Sustaining MO HealthNet Technology Infrastructure \$9.1 M – included infrastructure to get to the next level
- GR Pick-Up to Replace Health Family Trust Fund \$7.2 M
- Clawback Premium Increase \$7.0 M
- Expand Youth Aging out of Foster Care to 26 \$6.6 M
- NEMT Actuarially Sound Rate Increase \$4.6 M
- Medicare Premium Increase \$2.8 M
- Dental Services for Rural Health Clinic \$1.3 M –(Expenditure Restriction)

Grand total of all the increase in the budget – Medicaid takes up a large portion of our income revenue. Some budget reductions we are able to garner – reflected in this year’s budget.

MO HEALTH LEGISLATION UPDATE –Director Tidball reported on legislation MO HealthNet has been working on and tracking this session. Director Tidball commented on the Blind Pension Fund which Andrew Bond mentioned in his report. Director Tidball stated that the Blind Pension is being funded with another funding sources, Senior Protection Services, House Bill 116 has a provision to audit. HB 986 provides for general revenue to go into the Blind Pension Healthcare fund. Also, HB 986 establishes a joint committee with 12 members made up of both House and Senate on Medicaid commission.

Senate Bill 127 – The Governor just signed off on this bill this morning, July 9, 2013. This bill includes: Ticket to work program, advance nurses able to prescribe drugs. We already allow advance nurses to prescribe, but with this bill, they will be able to prescribe other drugs. Also included in this bill are the Referral for Home & Community Based Services, and New Federal Requirements for current MO HealthNet participants.

PUBLIC COMMENTS – Albert Reine, Curtis Transportation from Sedalia, MO read a letter to the committee regarding the unsafe practices of transportation of LogistiCare. Dr. McMillen thanked Mr. Reiney for coming and addressing the committee.

Director Tidball responded to Mr. Reine and the committee by stating in the contract we held regarding transportation we did ask the providers to set their own rate. Director Tidball stated that MO HealthNet

does take the welfare of our constituents seriously and we have staff that oversees the contract with LogistiCare to ensure they are following the terms of the contract. Director Tidball went on to state that MO HealthNet needs to know the names of those who have been put into unsafe situation. Director Tidball stated she is aware of the concerns Mr. Reine has addressed.

Mr. Reine responded by saying it is dangerous for some of the patients. They will sit at the hospital entrance for several hours before LogistiCare will call a provider to come and pick up the patient. Mr. Reine stated he feels it is doing the patients tremendous harm.

Director Tidball responded that MO HealthNet will take the concerns Mr. Reine addressed here today under advisement, but it is important for the people to call the division so we can track.

GENERAL QUESTIONS a question came forward regarding the SB 127 and the provision to provide statewide dental services. Director Tidball stated it does not provide for dental benefits. The change was in how the benefits will be administered.

NEW Eligibility and Enrollment System – Alyson Campbell stated the New Eligibility and Enrollment system will replace our current system – old mainframe. The green screen will be replaced by a Web-based technology. It will streamline and be more efficient. We did bid the program out. The new company is on board and we are working through the process, the technology needs to be ready by January 2014. We have a very aggressive schedule for the next several months.

Director Kinkade stated the new technology is about 85% ready to go, and this new system will replace FAMIS. The new system is required to comply with the new federal eligibility standards.

The Federal Exchange will be in place by October 1, 2013. We will still have an office in every county to help people be able to fill out their paperwork. Individuals can go to the library to complete their paperwork. We are working with libraries to have them book mark the forms for clients, and we are also working with Greene County to have a resource person at the library to help clients fill out their paper work. Being the system is web based we can have resource centers set up and the clients can go to a center and the process will be easier for them to use. With the new system, we can work with community partners, and the system is consumer friendly, easy to understand, which makes navigation possible.

MANAGED CARE QUALITY REPORTING AND ANALYSIS – Dr. Samar Muzaffar presented a slide presentation on MHD Quality and Performance Improvement. The goals for MHD System include:

- Align Managed Care and FFS measures and improve reporting, surveillance, and intervention by:
 - following evidence-based measures and benchmarks
 - Create data tools for the MCPs that facilitates
 - Monitoring of trends
 - Benchmarking by plan and region

- Identification of areas of improvement
 - Development of intervention for identified areas of improvement
 - Update Performance Improvement Process (PIPs)
 - Update best practice development and implementation process
- Promote Health Home concepts in managed care and FFs services
 - Familiarity with population demographics disease profiles, and levels of intensity of chronic conditions
 - Identification of sub-groups requiring more intense care coordination and management; tiering by complexity
 - Application of population health management principles
 - Emphasis on transitions of care; health promotion, individual and family supports, and community and social supports, including HCBS
- Enhance care coordination and care management across the managed care and FFS populations
 - Has become a standing agenda item for the QA/QI quarterly MCP meeting
 - Review of the goals and processes for care coordination and management currently underway
 - Ongoing review of data systems and tools available at the MCPs and MHD for
 - operational applications
 - Outcome evaluation
 - Intervention development
 - Currently reviewing national standards for care coordination and management and will modify process accordingly for example which population duration
- Focus on population health and public health impact
 - As part of the QA/QI process and the health home process education has and will be done regarding
 - Basic principles of population health management
 - Core and essential functions of public health
 - MHD will use the systems it is developing and implementing to
 - Perform system surveillance
 - To monitor and evaluate process and outcomes

Dr. Paul Stuve spoke about the Data tool used and presented a PowerPoint regarding trends samples on Inhaler Meds for persons with Asthma, Inhalers Meds for Children with Asthma, and follow-up trends for those who had hospital stays – 30 days after hospital stay, Timeliness of Prenatal Care for Pregnant Women, and Data Tool Benchmarking samples; Inhaler Meds for Person with Asthma. The data tools allows for conversation with health plans based on data, shows multiple measures on care management and care coordination, helps identify area of weakness within single plans, or broadly across the entire state and finally useful in developing Program Improvement Projects and monitoring outcomes of such projects.

340B PRICING INITIATIVES – Rhonda Driver – Director of Pharmacy gave an overview of the evolution of 340B – Ms. Driver stated that the program started in 1990’s with the Medicaid Drug Rebate program. In

1992 Veterans Health Care Act established the 340B Drug pricing program and then in 2010 Patient Protection and Affordable Care Act (ACA) 340B Expansion went into effect.

In the 1990 Medicaid Drug Rebate Program – which requires rebates on the drug manufactures “best price;” however, manufactures have little incentive to reduce their prices in non-Medicaid markets because doing so could lead to larger rebates in the Medicaid market and non-Medicaid patients may have been charged higher rates.

In 1992 – Veterans Health Care Act – the 340B program was developed in response to unintended consequences stemming from the 1990 Medicaid Drug Rebate program, 340B empowers select Safety Net Providers by providing discounts on outpatient prescription drugs and the goals are reach more eligible patients and provide more comprehensive services. The services covered – Nationwide covered entities include:

- Federally qualified health center lookalike programs
- Certain disproportionate share hospitals owned by, or under contract with State and local governments
- Several categories of facilities or programs funded by Federal grant dollars, including federally qualified health centers, AIDS drug assistance programs, hemophilia treatment centers, STD and TB grant recipients
- Family planning clinics

In 2010 Patient Protection and Affordable Care Act – the 340 B Expansion – The Affordable Care Act added new hospital types to the definition of covered entities:

- Free standing cancer centers
- Critical access hospitals
- Rural referral centers
- Sole community hospitals

In Missouri these most commonly included (some, not all):

- Federally – qualified health centers
- Family planning projects
- Facilities treating tuberculosis
- Critical Access Hospitals
- Comprehensive hemophilia diagnostic treatment centers
- Disproportionate Share Hospitals
- Critical Access Hospitals
- Sole Community Hospitals, and
- Rural Referral Centers

For individuals, as long as they are patients of the covered entity, non-Medicaid patients may receive discounted drugs from a participating provider under Section 340B. However there are a few exceptions, an individual is a “patient” of a covered entity if, the covered entity has established a relationship with the individual if the covered entity has maintained records of the individual’s

healthcare; or the individual receives healthcare services from a healthcare professional who is either employed by the covered entity or provides healthcare under contractual or other arrangements; or the individual receives a healthcare service or range of services from the covered entity which is consistent with the service or range of service for which grant funding or Federally-qualified health center look-alike status has been provided to the entity.

The “Non-Covered” individuals will not be considered a “patient” of the entity for purposes of 340B if the only healthcare service received by the individual from the covered entity is the dispensing of a drug or drugs for subsequent self-administration or administration in a home setting.

Ms. Driver went on to explain that Duplicated discounts Prohibited, the legislation that created the 340B program also protects manufactures from paying a “duplicated discount” on a drug claim. A “duplicate discount” would occur if the 340B discount and a Medicaid rebate were provided on the same drug.

In 2010, the 340B prices were on average 51% lower than an average wholesale price and 23% below the Medicaid net prices (what states pay for drugs, minus manufacturer rebates received). A more recent study indicates that 340B discounts are even deeper as a result of health reform.

The 340B Opportunities for States – the State Partnership with covered entities provide 340B pharmaceuticals to Medicaid, mental health and nursing home populations. These partnerships will generate substantial savings. Drugs are about 35% more costly when purchased through PMS instead of 340B programs. Shifting drug purchases from PMSs to 340B providers can lower costs for the plan and be passed on to the state. For MO HealthNet, this further supports the Managed Care carve-out for pharmacy, 340B claims still eligible for Pharmacy Provider Tax. Participation in the 340B would:

- 340B program can reduce Medicaid reimbursement for outpatient drugs
- MHD looking at developing policy to encourage 340B providers to bill Medicaid
- Many hospitals, community health centers, and other eligible facilities are not participating in 340B (or carving out Medicaid patients)

The 340B Opportunities for Missouri, the short term – partnering with Hemophilia Treatment Centers to provide factor and wrap around patient-care services, the Mid-Range partnership with Health Home Provider covered entities (FQHCs) that contract with pharmacies, and the long term would be partnering with Hospital providers (MHA) for Outpatient Drug Services.

In 2012, MO HealthNet Division claims for Hemophilia were 1,514 Claims; Hemophilia Factor Paid Amount was \$38,262, 729. At least 250 Missouri organizations are currently registered as 340B. Cumulatively over time there have been over 390.

Nationwide 340B Interest – 25 States have Pharmacy Rules and or policies addressing 340B, at least 18 states already has legislation or administrative codes regarding 340B

Question and answer time followed.

Dr. McMillen thanked everyone for attending and adjourned the meeting until October 8, 2013.