MO HEALTHNET OVERSIGHT COMMITTEE MEETING
May 25, 2010
205 Jefferson Street
Jefferson City, MO

MINUTES

Members in Attendance
Steven Lipstein, Co-Chair
Gwen Crimm, Co-Chair
Steve Bradford
Heidi Miller
Joseph Pierle
Sen. Charlie Shields
Rep. Rob Schaaf
Rep. Rebecca McClanahan

Members in Attendance (cont'd)
Ron Levy
Margaret Donnelly
Dr. Joe Parks

Members Absent
Laura Neal
Sen. Joan Bray

DSS Staff in Attendance
Emily Rowe, FSD

MHD Staff in Attendance
Ian McCaslin
Marga Hoelscher
Billie Waite
Rhonda Driver
Kristen Edwards
Julie Creach
Karen Purdy
Beth McQuaide
Katie Giesbrecht (intern)

Others in Attendance
Kathy Kuhmerker, The Lewin Group
Jim Teisl, The Lewin Group
Drew Gattine, The Lewin Group
Lana Baker, Lobbyist
Jay Reichard
Herb Kuhn, Missouri Hospital Assn.
Daniel Landon, Missouri Hospital Assn.
Steve Renne, Missouri Hospital Assn.
Jennifer Bauer, MAFP
Jorgen Schlemeier, Missouri Dental Assn.
Jean Leonatti, Area Agencies on Aging
Deanna Ortega, Services for Independent Living
Imre Komaromi, Independent Living Resource Center
Kirsten Dunham, Paraquad
Megan Burke, Paraquad
Grant Cale, BMS
Craig Henning, DRA
Joe Bindbeutal, Missouri Attorney General's Office
Gina Luebbering, OA Budget & Planning
Celesta Hartgraves, DHSS
Janice Gentile
Pam Perry, Amerigroup
Rodney Gray, Amerigroup
Pam Victor, HCUSA
Chad Moore, CMFHP
Joanne Volovar, Molina
Pamela Johnson, Missouri Care
Missy Waldman, Legal Services of Eastern Mo.
Joel Ferber, Legal Services of Eastern Mo.
Tim Swinfard, MO CMHC
Anne Clouse, Penman & Winton

WELCOME/INTRODUCTIONS/MINUTES -- Steven Lipstein, Co-Chair, called the meeting to order at approximately 12:00 noon. Minutes from the February 2, 2010 meeting were reviewed and approved as submitted. Dr. McCaslin welcomed several guests to the meeting including Joe Bindbeutel, Director-Medicaid Fraud Control Unit, Missouri Attorney General's Office; Katie Giesbrecht, summer intern with the MO HealthNet Division; Sarina Arial, intern working with Rep. Storch's office.

MO HEALTHNET ENROLLMENT BY ELIGIBILITY CATEGORY – Summarizing the handout, Emily Rowe, Manager for the Family Support Division Income Maintenance Program and Policy Unit, reported that

preliminary participants as of April 2010 totaled 891,575 with an additional 45,877 receiving women's health services. The chart reflects that of the 891,575, 60.4% are children; 18.4% are persons with disabilities; 9.3% custodial parents; 8.7% seniors, defined as individuals 65 or older; and 3.2% are pregnant women. Increases are anticipated to be a reflection of current economy. In addition, all states are experiencing a dramatic caseload growth of persons with disabilities. Provision of services to this population is a big area of focus for states. As a result of committee questions it was clarified that data in the budgeted participants by June 2010 column supports the supplemental request for SFY 2010. The SFY 2010 budget was built on an enrollment of 811,000 plus anticipated case load growth in the permanently and totally disabled category of assistance; caseload growth had not been projected for children. The supplemental request is larger than in years past and reflects increased case load not included in the original budget request. Total budgeted participants in the supplemental request is 899,931.

LEGISLATIVE SESSION AND BUDGET OVERVIEW – Marga Hoelscher, Chief Financial Officer, MO HealthNet Division, provided an update on the state revenue estimates used during the SFY 2010 budget year. General revenue growth rates over the past several fiscal years were also reviewed. The consensus revenue estimate used for SFY 2011 budget preparations is $7.22 billion which assumes an increased Missouri economy and a 3.6% growth in revenues. Total Medicaid funding for SFY 2011 is $7.8 billion. This includes appropriations in the Departments of Social Services, Mental Health, Health and Senior Services, and Elementary and Secondary Education. Of the $7.8 billion, general revenue is $1.6 billion, federal funding is $4.1 billion, and the remaining $2.1 billion in other funds. A chart providing new decision items funded in the Department of Social Services budget was discussed as well as Medicaid cost containment initiatives passed in the 2010 legislative session. MHD is working to implement other cost containment initiatives not requiring statute changes.

Questions and comments from the committee included issues regarding parity in reimbursement rates between optometrists and ophthalmologists; psychotropic drugs; increasing the tobacco user fees.

MO HEALTHNET COMPREHENSIVE REVIEW FINAL REPORT: Kathy Kuhmerker and Jim Teisl with The Lewin Group, were introduced and discussed the final report issued as a result of their comprehensive review of the Missouri Medicaid program. The final report, available on-line at http://dss.mo.gov/mhd/oversight/reports.htm, focused on key areas: program organization and management; care management; and reimbursement and budgeting.

Observations on current MO HealthNet operations were offered in the Program Organization and Management discussion. Key recommendations included:

- Sufficient funding to ensure appropriate staff levels;
- Given increasing national emphasis on quality of care, electronic health records, health information exchanges, and coordinated care strategies, a full-time medical director should be recruited for the MO HealthNet program;
- Quality assessment oversight should be more prominent and include both managed care and fee-for-service delivery modes;
- Responsibility for institutional long-term care and home and community based services for the aged should be realigned within the same agency.

Performance metrics and management dashboards were also proposed in the categories of expenditures; enrollment; program integrity; long-term care; care management; contractor performance; and special projects.

Different service delivery modes were discussed in the Care Management section including managed care; accountable care organization; care management; primary care case management; and patient centered medical home. Generally speaking, 30% of a Medicaid program's eligibles account for 70% of the expenditures. The challenge is to ensure that participants receive needed services. Based on an analysis of claims from 2006-2008 The Lewin Group identified the cohort of participants for whom care management offered the greatest opportunity.

Alternative budget options were discussed in the Reimbursement and Budgeting segment, including per-member per month spending; institutional reimbursement systems that account for patient acuity; reimbursing facilities on a reasonable price rather than provider-specific cost to promote efficiency. Lewin's strongest reimbursement recommendation is to budget by population rather than service, i.e., create a global budget for long-term care.

MO HEALTHNET COMPREHENSIVE REVIEW – PROGRAM INTEGRITY REVIEW: Drew Gattine, Ingenix Government Program Integrity, a subcontractor of The Lewin Group, presented on the program integrity report which is also available on the MHD website at http://dss.mo.gov/mhd/oversight/reports.htm. State Medicaid and federal program integrity operations as well as federal efforts were outlined in addition to elements of a high functioning program integrity operation.

The report found that current Missouri Medicaid program integrity operations are average in comparison with programs in other states. A summary of the recommendations offered in the report include:

- Elevate the profile of program integrity within the organization
- Increase investment in program integrity staff and tools to become high-performing (e.g., add clinicians, investigators, data tools, travel allowances)
- Improve collaboration with partners (e.g., Medicaid Fraud Control Unit (MFCU), Department of Health and Senior Services, Department of Mental Health)
- Ensure systems are designed to avoid improper payments rather than paying and recovering

The review also included aspects of the cost recovery and cost avoidance processes. Current activities were reviewed. Recommendations included: revisions to the contractor-generated dashboards utilized; additional capacity for ad hoc analytics; increased number of on-site audits and reviews of additional services, i.e., pharmacies and physicians; improve edit development and testing processes; and strengthen front-end system edits. The review was focused on operations and processes; data analytical work was not performed.

Group discussed examples of laws, such as a state false claims act, under which states get an enhanced share of recoveries. Joseph Bindbeutel, Director, Medicaid Fraud Control Unit (MFCU), added that federal law is stronger than what is required of states to get enhanced match. If a state is under the qui tam law, they are allowed a 50/50 split with the federal government rather than 60/40, which allows substantially increased state recovery.

In discussion that followed it was noted there are not a lot of recoveries in participant fraud. It is important to take a look at all the stakeholders and to educate participants on the proper way to access services.

The Committee also discussed recommendations made in the comprehensive review presentation. It was offered that any kind of care management must go through primary care to have effect. Managed care for this population is of varying benefit depending upon one's perspective. It was suggested to conduct a pilot project of the highest cost beneficiaries by assigning a case worker – a care navigator. This has proved to be very effective for mental health patients. That program is conducted through the Department of Mental Health.

HIE/HIT UPDATE – On Ron Levy's behalf, Steve Lipstein reported that the state of Missouri was awarded $22 million in federal funding for a Health Information Technology grant. Missouri has submitted its strategic plan to the Office of the National Coordinator. The operational plan is on target to meet the June 30, 2010 due date. Articles and bylaws have been drafted to create the 501-3-c organization. It is anticipated that the Health Information Organization Board will be appointed by the end of July, 2010. More than 200 stakeholders have been participating in the six workgroups. An update will be provided at the next Committee meeting.

PUBLIC COMMENT: Public comment was offered by Joel Ferber, Legal Services of Eastern Missouri, regarding any mandatory managed care program for the aged, blind, and disabled. Concern was expressed that the proposal may come from a perspective of savings and result in a denial of services for the population.

QUESTIONS/ADJOURN -- Copies of meeting materials and presentations will be made available on the MO HealthNet Oversight Committee Web page at: http://www.dss.mo.gov/mhd/oversight/index.htm.

Co-Chair Steve Lipstein adjourned the meeting at 3:40 pm.