

MO HEALTHNET OVERSIGHT COMMITTEE MEETING

**June 7, 2011
205 Jefferson Street
Jefferson City, MO**

MINUTES

Members in Attendance

Timothy McBride
James McMillen
Gerard Grimaldi
Kecia Leary
Corinne Walentik
Carmen Parker Bradshaw
Mark Sanford
Joseph Pierle
Bridget McCandless
Senator Rob Schaaf
Rep. Jeanne Kirkton
Rep. Keith Frederick

**Members in Attendance
(cont'd)**

Ron Levy
Margaret Donnelly
Mayme Young for Dr. Joe Parks

Members Absent

Ingrid Taylor

DSS Staff in Attendance

Emily Rowe, FSD
Ian McCaslin, MHD
Marga Hoelscher, MHD

Rhonda Driver, MHD
Karen Purdy, MHD
Beth McQuaide, MHD
Diana Jones, MHD
Geoff Oliver, MHD
Julie Creach, MHD
Darin Hackmann, MHD
Billie Waite, MHD
Mark Cicka, MMAC
Asha Natarajan, MMAC

Others in Attendance

Jim Burns, CMS
Joe Bindbeutel, MFCU
Imre Komaromi, Independent
Living Resource Center
Rodney Gray, Polsinelli
Shughart
Dave Sproat, Bristol Myers
Squibb

Missy Waldman, Legal Services of
Eastern Missouri
Steve Renne, MO Hospital Assn.
Chris Dunn, Missouri Senate
Melba Price, Price Consultants
Chris Moody, James R. Moody &
Associates

Pam Victor, HealthCare USA
Lovey Barnes, Molina
Sam Richardson, Molina
Judy Brennan, BA+
Chad Moore, Children's Mercy-
Family Health Partners
Donnel Cox, DentaQuest

WELCOME/INTRODUCTIONS/MINUTES – Dr. Ian McCaslin, Director-MO HealthNet Division, called the meeting to order at approximately 12:00 noon. The handout packet included excerpts from recently enacted legislation that impacts MO HealthNet Oversight Committee membership. After election of Chair and Vice-Chair, minutes from the November 9, 2010 meeting were reviewed and approved as submitted.

COMMITTEE LEADERSHIP/PROCESS/RESOURCES – Senator Rob Schaaf nominated Dr. Corinne Walentik to serve as Chair of the MO HealthNet Oversight Committee; motion was seconded by Rep. Kirkton. Motion carried. Margaret Donnelly nominated Dr. Timothy McBride to serve as Vice-Chair; motion was seconded by Ron Levy. Motion carried.

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 2011 totaled 902,883, with an additional 60,618 receiving women's health services. The chart reflected that of the 902,883, 60.6% are children, 18.5% are persons with

disabilities; 9.1% custodial parents, 8.6% seniors defined as individuals 65 or older; and 3.2% are pregnant women. The women's health category is reported separately as benefits for that category of assistance is limited to family planning services, not the full MO HealthNet benefit. The growth since March 2008 has been seen predominantly in children, while the bulk of program expenditures are for persons with disabilities. Ms. Rowe described outreach efforts being conducted in collaboration with the Department of Elementary and Secondary Education's free/reduced lunch program. If it is indicated on the lunch program application that the child is without health insurance, a special MO HealthNet application form is mailed to the household. Enrollment forms are also being sent to state licensed child care providers as additional outreach. Further increase in children's enrollment is expected as a result of outreach efforts.

The group discussed premium requirements. The Puzzled by the Terminology reference sheet was shared with the group, detailing eligibility categories, premiums, etc.

BUDGET OVERVIEW—Speaking from a powerpoint presentation, Marga Hoelscher, Chief Financial Officer, MO HealthNet Division, reviewed general revenue growth rates from state fiscal year (SFY) 2005 through estimated SFY 2012. The state fiscal year runs from July 1 through June 30. Primary source of general revenue is tax collections. General revenue growth rate year to date in SFY 2011 is 2.7%. Consensus revenue estimate for SFY 2011 was \$7.223 billion. The actual SFY 2011 year to date general revenue as of May 2011 was \$6.45 billion. SFY 2011 gross collections to date were also reviewed.

Consensus revenue estimate for SFY 2012 is \$7.295 billion; anticipated sources were outlined. The sources of funds comprising Missouri's SFY 2012 total operating budget of \$23.2 billion were reviewed. Examples of agencies funded through general revenue include:

- MO HealthNet - \$1.2 billion
- Elementary and Secondary Education (primarily Foundation Formula) - \$2.75 billion
- Higher Education -- \$834.1 million
- Corrections -- \$595.3 million
- Mental Health -- \$563.5 million

Education and MO HealthNet absorb the majority of the state's discretionary revenues.

SFY 2012 Medicaid funding through the Department of Social Services totals \$6.9 billion. However, there is also funding in the Departments of Elementary and Secondary Education, Mental Health, and Health and Senior Services. Total funding in all four state departments is \$8.4 billion. A chart depicting the breakdown was shared.

MO HealthNet SFY 2012 new decision items (NDI) were discussed. An NDI is funding needed on top of the level of spending from the prior fiscal year. A NDI of \$19 million in funding for medical home initiatives was also requested and not reflected on the slide.

MO HealthNet Division will begin formulating its SFY 2013 budget request in July to be submitted to the Department October 1.

MISSOURI MEDICAID AUDIT AND COMPLIANCE – Markus Cicka, Director-Missouri Medicaid Audit and Compliance (MMAC), presented that the MMAC was formed in January, 2011, in order to better position and resource program integrity activities. The unit is a consolidation of staff from the Departments of Social Services, Mental Health, and Health and Senior Services; no new positions were allocated to develop MMAC. MMAC is responsible for oversight and auditing of the compliance of MO HealthNet

providers and participants. It is charged with detecting, investigating, and preventing fraud, waste and abuse of the Missouri Title XIX and XXI programs. The unit is divided into four major organizational sections: administration; financial; provider review and lock-in; and investigations and provider enrollment. MMAC works closely with the Medicaid Fraud Control Unit (MFCU) within the Office of the Attorney General.

The finance section is responsible for the Recovery Audit Contractor program and internal compliance with outside assessment reviews. The section is also tasked with auditing managed care organizations and other providers and developing Medicaid fraud and abuse standards for managed care organizations.

The provider review group is responsible for reviewing and monitoring statewide utilization and program compliance of fee-for-service providers. Sanctions and administrative actions available to the group were outlined. The participant lock-in group is responsible for reviewing and monitoring statewide utilization and program compliance of fee-for-service participants.

The investigations and provider enrollment section is divided into four groups: investigations; provider enrollment; home and community based provider enrollment and review group; and provider manual audits group. The duties of each group were highlighted in the powerpoint presentation.

Request was made from a committee member for additional information regarding the lock-in program.

Joe Bindbeutel, Director-MFCU, indicated that his office handles criminal cases related to Medicaid fraud. The unit has tools to look at data for false claims investigations and runs a hotline system that is a valuable resource. The unit processes an average 400 complaints per year and opens approximately 100 cases, not all of them necessarily punitive. MFCU also runs public service announcements in limited areas. Mr. Bindbeutel added that 80% of Medicaid fraud cases nationwide are the result of billing for services not rendered.

As a result of questions from committee members, Mr. Bindbeutel indicated that the most productive complaints are those from provider employees.

DEPARTMENT OF SOCIAL SERVICES UPDATE – Director Ron Levy indicated that the overall goal of the Department of Social Services (DSS) is to maintain and improve the quality of life for citizens of Missouri -- to build bridges to a productive life. In pursuit of that goal, DSS has four program divisions:

The MO HealthNet Division is responsible for administering the MO HealthNet (Missouri Medicaid) program.

The Division of Youth Services is responsible for the state's juvenile justice system. The nationally renowned rehabilitation model versus incarceration model has tremendous proven results.

The Children's Division is responsible for foster care and a number of initiatives. There are over 9,000 children in state custody through foster care and the number is rising. The division maintains a child protection hotline that receives approximately 100,000 cases per year; an average of 5,700 cases are substantiated annually.

The Family Support Division bears responsibility for determining eligibility for the MO HealthNet program, food stamps, and other assistance programs. The division also monitors child support issues.

Major DSS goals in the past year included a comprehensive, programmatic review of the department. This was conducted to ensure effective management in a year of budget challenges and fiscal constraints. The department is also focused on implementation of the Affordable Care Act, ensuring applications are submitted for available grants and demonstration projects for health care delivery and implementation of a health insurance exchange (HIE). The state is well positioned in its HIE efforts, and is experiencing positive interactions with stakeholders.

Another major goal is the health information organization (HIO), which is a statewide exchange of health information – a health information highway. The state’s proposed plan was approved by the federal government plan and a federal implementation grant granted. Current effort in this area is deployment of the electronic health record and associated incentive payments. Missouri Health Connection -- an independent organization comprised of health care and advocacy leaders – was established. In partnership with contractor Cerner Corporation, the group is working with providers for pilots of connectivity.

DEPARTMENT OF HEALTH AND SENIOR SERVICES UPDATE -- Margaret Donnelly, Director-Department of Health and Senior Services (DHSS), indicated that one of the first emphases of the Affordable Care Act was health prevention programs. DHSS has submitted several applications, i.e., teen prevention program; early child home visiting; grants to help improve public health lab testing capacity; and community transformation grant that will work at the local level to encourage healthy behaviors and increase funding for local public health departments. Funding goal is 20% in smaller rural communities. Larger communities greater than 500,000 can apply on their own.

Director Donnelly indicated that DHSS recently contracted with SynCare, LLC to assume some responsibilities in management and administration of certain home and community based service (HCBS) programs. As a result of the agreement, SynCare Missouri is responsible for intake of referrals; assessments and reassessments of nursing facility level of care for the determination of eligibility for HCBS programs; authorization of services through a person centered care planning process; and personal centered care plan maintenance tasks for all HCBS participants. This is a private company, with staff located throughout the state. DHSS will monitor operations to ensure compliance with contract provisions.

MEDICAL HOME DEVELOPMENT – Dr. McCaslin discussed development of the medical home program which is authorized in the Section 2703 of the Affordable Care Act. States can apply for federal funding to provide “health homes.” Approved plans are eligible for 90% federal funding for two years for defined medical home related services. The state’s draft plan has been shared with the Centers for Medicare and Medicaid Services (CMS). Among the over-arching goals of the program is to support high quality, cost-effective primary care for those with chronic conditions, built on principles of team-based care.

Section 2703 healthcare home components were discussed, including comprehensive care management; care coordination and health promotion; comprehensive transitional care; patient and family support; and referral to community and support services. To be eligible, an individual must be a MO HealthNet participant with: two chronic conditions; one chronic condition and at risk for a second; or with a serious persistent mental health condition. The provider reimbursement and certification process was discussed.

Patients are given opportunity to select their health care home and will be assigned if no selection is made. The state is proposing that community mental health centers be the health home for patients with serious persistent mental illness. The group discussed access to specialty care and a variety of primary care models.

High emphasis is placed on outcomes, not just the process. The statute requires a measurement of avoidable hospitalizations and emergency department utilization. The MO HealthNet Performance Improvement Committee had previously identified a set of measures tied to diagnosis. Those measures were outlined.

It is anticipated that the medical home state plan will be submitted to CMS in July 2011 for approval.

HITECH – Diana Jones, MO HealthNet Division, presented a summary of the Medicaid Electronic Health Record (EHR) Incentive Program. Recently the American Recovery and Reinvestment Act of 2009 included funding to encourage the adoption and use of EHR technology to document patient care through Medicare and Medicaid. Medicaid providers qualify for financial incentives in the first year of the program by adopting, implementing or upgrading to a certified EHR system and, in subsequent years, by demonstrating meaningful use of those systems. The CMS central registration site for the Medicare and Medicaid Electronic Health Record (EHR) incentive program opened January 3, 2011. Registration for Missouri's program opened April 4, 2011. An online provider tool, available at <http://mo.araaincentive.com>, allows eligible providers to register and provide documentation necessary to apply for the incentives as of June 1.

Hospitals are eligible for payments through both Medicare and Medicaid; professionals must choose between the programs. Most of Missouri's hospitals are dually eligible. Both must meet volume thresholds for Medicaid patient volume to qualify. For Medicaid incentives, professionals can receive up to \$21,250 in the first year if they adopt, implement or upgrade to a qualifying EHR system and \$8,500 per year for up to five subsequent years if they meet meaningful use criteria. Hospital incentive payments for Medicaid are based on a calculation that considers inpatient volume and other criteria. Payments are expected to average \$2 million and will be made over a three-year period to those that meet meaningful use criteria in subsequent years.

The target date for making initial payments is July 2011. Online resources are available and listed in the powerpoint.

OPEN PUBLIC COMMENT – Sam Richardson, Molina Health Plan, questioned the status of implementation of House Bill 609, which relates to the Show-Me Health Insurance Exchange Act. Dr. McCaslin advised that the state is currently exploring options; statutory authority is required to pursue. Implementation grants are available, but significant funding is required to meet the 2013 deadline.

ADJOURNMENT -- Next meeting is tentatively scheduled for August 9, 2011. Chair Walentik asked the MO HealthNet Division to query committee members to determine their availability. Dr. Walentik adjourned the meeting at 3:45 pm.