

MEDICAL CARE ADVISORY COMMITTEE MEETING

Minutes of the March 15, 2012 Meeting

IN ATTENDANCE

- PRESENT: Gerald R. Petersen, Barbara Munoz for Lincoln Nehring, Kristine Fawson, E. David Ward, LaPriel Clark, LaVan B. Jensen, Michelle McOmber, Warren Walker, Russ Elbel, Tina Persels, Mauricio Agramont, Kumar Shah, Kevin Burt, Mark E. Ward, Pasu Pasupathi, Michael Hales
- EXCUSED: Lincoln Nehring
- ABSENT: Judi Hilman, Jason J. Horgesheimer, Rebecca Glather
- STAFF: Emma Chacon, Dr. Joseph Cramer, Jeff Nelson, Gail Rapp, Tonya Hales, Nate Checketts, John Strong, Gayle Coombs
- VISITORS: Steven Steed, Paul Muench, Joyce Dolcourt, Janida Emerson, Sheila Walsh-McDonald, Amy Bingham, Vicky Wilson, Russell Frandsen

1. **Welcome** – Gerald Petersen

Chairman Petersen called the meeting to order at 1:35 p.m.

Approve Minutes for the January 19, 2012 MCAC Meeting

Chairman Petersen then asked if there were any comments on the minutes from the January meeting. Mark Ward made the motion to approve the minutes and Tina Persels seconded the motion. The minutes were approved.

2. **MCAC Business** – Gerald Petersen

Present Kumar Shah with Plaque in Recognition for Serving on the MCAC since 2006

Chairman Petersen then gave a plaque to Kumar Shah and thanked him for his years of service on the MCAC.

**Request for Recommendations on MCAC Appointment Vacancies:
Consumer Representative, Minorities – Business Community;
Provider Representative, Utah Hospitals**

Chairman Petersen then mentioned the two MCAC positions we need to get filled. We need to fill the Consumer Representative for Minorities – Business Community and the Provider Representative for the Utah Hospitals. Chairman Petersen said if anybody knows anybody that would be good for this committee to send their name to Kolbi Young.

3. Budget Update – Tracy Luoma

A copy of the Utah Cases Served Report Number of Persons was passed out to everyone. Tracy said the enrollment has continued to increase. On the report it shows that as of the end of February 2012, the number of People over age 65 went down by 22, the number of People with Disabilities went up by 73, the number of Children went up by 889, the number of Pregnant Women went up by 69, and the number of Adults went up by 731. The total enrollment as of the end of February was 252,822.

Tracy also said that our expenditures have continued to increase throughout the year.

4. Director's Report – Michael Hales

Michael said that \$35,000,000 is what the Medicaid Program was funded for the current fiscal year. Just under \$3,000,000 is what we got for the CHIP Program in the current fiscal year. Michael said the Estimated Quarterly Rebate Offset Amount (EQROA) is essentially the amount of money the State has to pay back to the Federal Government every year on pharmacy rebates that the State gets as a result of a new change that the Affordable Care Act put in place that essentially confiscates a corridor of rebates. The State was already getting many of those rebates under its previously negotiated Preferred Drug List (PDL), so we ended up taking some of the savings that we were getting under the Preferred Drug (PDL) list and were sending them back to the Federal Government, but the Legislature did appropriate enough to cover that additional cost. He said there was a reduction for the Preferred Drug List (PDL) savings.

Michael said going into FY 2013, the original estimates have been \$68.2 million needed for FY 2013. The consensus estimates ended up being \$53,000,000 and that is what we think we would need to get through 2013. Michael said the Legislature appropriated \$47,000,000 of on-going funding. Michael said as we look to go into the next fiscal year recognizing there are different fluctuations in enrollment and costs each year, the starting point would be looking at a supplemental request of only \$6,000,000 going into the next session. He said the Medicaid base budget looks to be as structurally sound going into 2013 as it has been in any of the last four years.

Michael said the Federal match rate change was \$13.1 million appropriated. There was an appropriation for just under \$5,000,000 for mandatory provider inflation.

The CHIP Program received just under \$3,500,000 in new money. Michael said these were all of the items that were funded that were in the Governor's budget proposal.

Michael mentioned one item that was added. The Accountable Care Organization (ACO) plan administration received \$2,000,000 of on-going funding.

Michael mentioned the ACO admin within the Department that was not funded. That was for \$670,000 of on-going administration requests. He mentioned a few other things that were also not funded including one item that was related to the quality. Michael said because that was not funded, we will not be able to do a few things that we were hoping to do. He said we will submit this request again.

Michael said in FY 2013 we will not be in a position to develop new quality measures. He said we will submit this request again in the 2014 budget cycle. Michael said they are working through the budget

trying to see how they can prioritize the programming of projects that we have and trying to upgrade our current pharmacy point-of-sale system to handle the primary rebates so that we can integrate the pharmacy benefit into the ACO transition. Michael said their plan is that the ACO is still going to be implemented January 1, 2013. Russ Elbel had some questions in regard to this and whether the implementation date could slip again.

Michael mentioned some things that are now in jeopardy in regard to this. He mentioned the ACO run-out cost which we had estimated to be about \$8.5 million. The Legislature funded this at \$6,000,000 rather than the \$8,500,000 we were hoping for.

Michael said the MMIS system was a \$3,000,000 one-time request. In the Executive Appropriations process we did not end up with any money for the claims payment system going into the new year.

In regard to managed care, the State is not going to reward a contract for the Dental Managed Health Care Plan as a result of the bids that came in. Michael said four potential bidders sent in bids on the dental plan. He said under the plan they were hoping to find two bidders that could provide access to dental care less expensively than what the State is currently paying for its dental program for children and pregnant women, because we would need to have at least two providers for the Medicaid clients to choose between if we offered this type of a managed care option. None of the three remaining bidders met the qualifications for provider network adequacy. None of the three providers had submitted a bid lower than what our costs were in the urban part of the state, which is the Wasatch front. One of the three providers had submitted a cost lower than our costs in the other non-Wasatch front counties. Michael said at this point, a contract has not been awarded and there is a follow-up meeting next week with Representative Dunnigan who sponsored this. Michael said right now we will not be moving forward with a managed care dental program for the State of Utah.

Paul Muench had a question in regard to Federal money available through the CHIPRA grant. He said he had heard there was this money available. He asked Michael if he had thought of trying to get any of this money. Michael said there are seven objectives that could be met if we received the CHIPRA bonus payment. The State would have to meet five of the eight objectives. Right now the State has met three of these objectives. Michael mentioned how the State is considering doing continuous eligibility over a 12-month period of time rather than presumptive eligibility. Michael said they are thinking that we may have to go with continuous eligibility. Michael said all of these things have to be in place by April 1.

Paul asked a question about the autism legislation. Michael said he would cover this during his Legislative report.

2012 Legislative Session Update

Michael discussed the intent language. He said we are going to have to develop an emergency dental service program for adults on Medicaid. Hopefully, this would stop us having to pay for dental procedure things in the emergency departments. This could be a cost effective program. Mauricio Agramont asked what were considered emergency dental services. Michael said this is something they have to look at. He said they have had pretty extensive talks with dentists about this in the past.

Michael said the skilled nursing facilities should get a net 3% increase. The preferred drug list savings that were taken out of the base of the budget have been redirected to a 2% budget increase that we

will be putting into effect on July 1. Michael said we will be meeting with the Utah Medical Association within the next two weeks to go through our proposal for the rebasing of the physician rates.

Michael then went over pieces of Legislation that touched Medicaid specifically.

HB-19 – State Issued Identification Numbers – Sponsored by Representative Harper. Michael said we have updated our numbering protocols in the ID numbers in regard to Baby Your Baby. They will now have a three digit prefix and have to make sure that it is not active in the Social Security system. They will now have to function with an alpha numeric code. Michael mentioned the requirement that will be used when putting together our new MMIS system alpha numeric combinations.

HB-46 – Electronic Personal Medical Records - Sponsored by Representative Menlove. Michael said this is in regard to the Clinical Health Information Exchange (CHIE). All Medicaid clients who enroll in Medicaid will be given a notification that unless they decide to opt out of the CHIE, their records will be put into that system. If you opt to be part of this, your provider could use your information in the CHIE. This way if you had to go to a different provider, he could access your information in the CHIE. The bill ended up that you are enrolled automatically unless you decide to opt out.

Nate Checketts said UHIN would keep track of this information and you could contact UHIN if you decided to opt out. UHIN is the Utah Health Information Network. David Ward asked when they would opt in. Michael said that when a person enrolls in Medicaid, if they don't opt out within about a month, their information would automatically be uploaded into the CHIE. Dr. Joseph Cramer said there are limitations on how much mental health information can be provided. There were a lot of comments made in regard to this. Sheila Walsh-McDonald said she hopes there will be a portal where the clients will get balanced information in regard to CHIE and then be able to decide whether they want to opt in or opt out. Michael said he thinks this will be looked at as this is all developed.

LaPriel Clark asked a question in regard to if it is mandatory for a provider to pay a fee and join the CHIE, and Michael said there was no requirement for the providers to do this. Dr. Cramer said the cost for a provider to do this would be quite reasonable. LaPriel asked who was going to be letting the clients know about the opting in and opting out. She asked at what point the client will be informed of this. Michael said this will be included in the clients letter letting them know they have been put on Medicaid. The letter will explain to them how to opt in or opt out. Nate said this information will be on line on MyCase, also. Nate said there is talk of sending out a brochure on this, also.

HB-98 – Continuous Eligibility for Medicaid – Sponsored by Representative Sanpei. This Legislation just kind of lays the groundwork on how it could go from month-to-month eligibility to continuous eligibility for a 12-month period of time for Medicaid clients. This bill passed. In answer to a question from Russ, Michael said if we could keep people on Medicaid for twelve months, it would save the State from having to take an application from people every month. In answer to another question, Michael said this would be in the managed care contracts and would be primarily along the Wasatch Front.

HB-125 – Access to Dental Health care – Sponsored by Representative Cosgrove. Michael said this bill authorizes the Medicaid Program to pilot a dental health care payment with delivery reform and see if there are ways we could put together a plan that might allow certain payments out of primary care grants to go towards dentists who may be coming out of school and might be willing to provide care to

low cost individuals. Michael said we are looking at if we could come up with a pilot program for dental care in the State that would be cost effective and maybe help save the State some money.

HB-144 – Health System Reform Amendment – Sponsored by Representative Dunnigan. Michael said there are quite a few things in this bill that have to do with Medicaid. One is asking the Department of Health to conduct an actuarial analysis of the options available for the basic health plan. This is part of the Affordable Care Act that would be available in 2014 for states. The basic premise is that if the State does nothing, the population between 133% and 200% of the poverty level would be eligible for Federal tax credit. But if the State wanted to take that amount of money and generate its own basic health plan, then the State could administer a basic health plan for that same population. The cap on the UPP Program will be moved from 150% to 200% of the poverty level. Michael went over a lot of things that are included in this bill.

HB-272 – Autism Spectrum Services – Sponsored by Representative Menlove. Michael said there are three components to this bill. One is for PEHP and State employees and how they would be targeting services. There is a second piece that is for an autism restricted account to be administered by the Department of Health in a broader scale outside of the Medicaid program. Part three is the Medicaid program that we would submit a waiver to the Federal Government looking to create a Medicaid autism treatment waiver program. This waiver will be a two-year waiver and will be filed by July 1, 2012. Prior to the submission of the waiver, there will be a public hearing in regard to this. Michael said they will be looking at the operational capacity for building up the provider structure. We would only be able to take 200 children into the program. Michael said they feel the demand for these services will far exceed the 200 slots. There will be \$4.5 million for this bill. This would be for children between the ages of two and six.

Michael mentioned \$100,000 that was transferred out of the Department's program budget into its administrative budget to take on a case management program in the rural counties. Michael said they would be reviewing chronic conditions in some of the rural communities around the state. Michael said we want to have better coordination of care. Diabetes and asthma are the areas Michael feels this would focus on. He said we will be working on designing this plan.

SB-85 – Medicaid Cost Control Amendment – Sponsored by Senator Christensen. Michael said this would put into statute a definition for a psychotropic drug. This would also allow sedative hypnotics to be included on the Preferred Drug List.

SB-179 – Hospital Tax Assessment – Sponsored by Senator Hillyard. This would allow the current hospital assessment to function in the new Accountable Care Organization (ACO) world.

SB-208 – Health Care Compact – Sponsored by Senator Adams. Utah is joining five other states in petitioning the Federal Government for the ability to construct a compact to take, in our case, roughly \$4,000,000,000 of Federal revenues to be adjusted for inflation going forward and take over all health care dollars and have them administered in the State. The bill was amended late to put a sunset on the health care compact of two years after it was instigated and have the health system task force study the ability of the State to take on the Medicare Program and see what the State's capacity would be to take on the Medicare Program and whether we think that would work out better or worse from how it is currently being administered through the Federal contractors that administer the program. Michael said there is nothing that makes any immediate changes because Congress would have to approve the compact and then the State would still have the option of opting in to it or not.

Review of Medicaid Pharmacy Point-of-Sale System Transition

5. Other Business – MCAC Members

Chairman Petersen asked if there was any other business, and there was none, so the meeting was adjourned at 3:10 p.m.

**THE NEXT SCHEDULED MEETING WILL BE ON THURSDAY, APRIL 19, 2012
CANNON HEALTH BUILDING, ROOM 125, FROM 1:30 – 3:30 P.M.**