

ODJFS Office of Ohio Health Plans
MEDICAL CARE ADVISORY COMMITTEE
September 26, 2008 - MEETING MINUTES

Members Present:

Mary Applegate, MD	Mary Haller, OHP
Brian Bachelder, MD	Virginia Haller, ODH
Kathryn Burns, MD, MPH	J. Thomas Hardy, DO, MS
Mary M. Butler	Eugene R. King, JD
Craig Cairns, MD, MPH	Beverley L. Laubert
Jack Cera	Nicholas C. Lashutka
Sam Chapman, ODH/BCMh	Maria A. Matzik, BS
Kathleen Crampton	Joseph H. Mudra
Philip Darrow	Randy Runyon
Gary H. Fletcher	Carolyn B. Slack, MS, RN
Elise Geig, ODJFS	Sandra Solano-McGuire, EMMA
Anissia Goodwin	J. Craig Strafford, MD, FACOG
Janet Grant	Mary D. Wachtel, MSW
Jennifer L. Grow, MD	Michael P. Wascovich, RPh, MBA
Gregory L. Hall, MD	Hubert Wirtz

Members Absent: Ravindhra G. Elluru, MD, PhD

Other Attendees who signed in:

Cynthia Afkhami, OHP	Darrell Evans, Eli Lilly & Company
Jon Barley, OHP	Tony Bigby, CareSource
Sandra Grieshop, Voices for Children	Pat McKnight, Ohio Diabetic Assoc
Judith Bird, Hannah News	Kara Miller, OHP
David Battocletti, SZD	Carolyn Nunez, OHP
Deborah Clement, OHP	Holly Saelens, AGP
Missy Craddock, OPRA	Steve Wolfarth, Eli Lilly
Kristen Dial, Lilly	Chris Whistler, CareSource
Joe Doodan, OHP	Two representatives from Conceptus

Call to Order, Welcome and Introductions:

Gene King welcomed the group and asked for any announcements and additions to the agenda.

Mary Butler said that HB 44 officially deleted mental retardation and mentally retarded from the state's lexicon and that all references now should be to developmental disabilities and developmentally disabled.

The committee introduced themselves and Gene introduced the Medicaid Director, John Corlett to provide an update on the Ohio Medicaid program.

Overview of the Ohio Medicaid Program:

John Corlett provided an update on the Ohio Medicaid program. He began by noting that Ohio's economic slowdown has resulted in two sets of state budget cuts, the latest ordered on September 10 by the Governor. John reminded the MCAC members that Medicaid has an inverse relationship with the economy: as the economy goes down Medicaid caseload goes up.

Economic and Caseload Updates:

Ohio's Medicaid caseload has been increasing since June 2007 and it continues to exceed the budgeted estimate. Over the last year, Medicaid added 73,000 people (37,000 more than projected). Enrollment growth is especially high among the lower income groups (below 150% FPL) which tells us the increased caseload is driven by economic factors. Over the last year the Covered Families and Children (CFC) caseload increased by 61,000 people; 54,500 were below 150% FPL. Consumers in the Aged, Blind and Disabled (ABD) caseload increased by 12,000 people. Enrollment in the Medicaid Breast and Cervical Cancer Program increased by 22%. John noted that despite this, the good news is that despite caseload being over projections, spending is very close to the estimate. This is due in part to the success of some of the cost containment initiatives such as: expedited Managed Care Plan (MCP) enrollment, and cost avoidance from increased focus on third party liability. However, the bad news is this economic situation will likely carry over into the next biennium. So when considering the upcoming biennial budget, ODJFS will be focusing on ways to simply sustain the health care expansions already implemented and continue seeking increased efficiency and cost containment.

John assured the committee that ODJFS was doing their best to keep the programs running smoothly regardless of the staffing situation, and that the Office of Ohio Health Plans reorganization (effective October 1) should help to increase efficiencies and streamline some redundant processes. He also shared with the committee that the department had increased the strength of the Medical Director's position. John noted that some recent media coverage of the impact of Budget cuts on ODJFS had incorrectly reported that ODJFS was cutting a prescription drug program for older and low income adults. This is not true and has nothing to do with Medicaid.

Turnaround Ohio Health Care Expansion:

Director Corlett gave a status report on the Turnaround Ohio Health Care Expansions. ODJFS expects that by the end of the biennium, about 13,000 previously uninsured Ohioans will have health care coverage through Medicaid or state funded insurance. We expect 1,750 pregnant women, 940 young adults exiting foster care, 4,450 children with special health needs in the Children's Buy-In (CBI) program and 5,800 workers with disabilities.

John noted that the Governor has maintained his commitment to health care coverage, protecting these expansions through two rounds of budget cuts of almost \$1.3 billion. This included protecting the first community provider rate increase in 8 years. He again assured the committee that the department will continue to do their best to protect these initiatives in the face of serious economic circumstances.

Update on Medicaid/SCHIP Expansions for Children Between 200-300% FPL:

Ohio is still struggling to obtain federal approval for the requested expansion of our Medicaid/SCHIP program for children in families earning up to 300% FPL. Federal regulators at CMS denied the department's initial request to expand coverage which was appealed and Governor Strickland has written to and held several conversations with HHS Secretary Michael Leavitt requesting his assistance. ODJFS is still uncertain when we will be able to move forward with this expansion. While that is unresolved, as many as 20,000 low-income Ohio children remain uninsured.

Medicaid Managed Care Status:

Director Corlett noted that Jon Barley, Chief of the Bureau of Managed Care would shortly be presenting an overview of Medicaid managed care. Corlett noted that since the statewide expansion of Medicaid managed care, we have enrolled about 70% of Medicaid consumers into managed care and are spending about 40% of all Medicaid dollars for those managed care arrangements. This large shift in Ohio Medicaid was one of the main reasons why ODJFS held regional listening sessions on managed care. John noted that the committee would discuss those listening sessions later in the agenda, but noted that he hoped to use their collective energy and wisdom to help ODJFS identify and implement a few actionable items from the themes heard in those sessions. He thanked the many participants on the committee for participating as panelists or audience members during those sessions.

Director Corlett shared his thoughts regarding the upcoming Ohio biennial budget by saying "When thinking about the coming biennial budget for 2010 and 2011, I am reminded of the new Ohio state government marketing phrase: "Ohio - The State of Perfect Balance"." He clarified that there are several points of "balance" which ODJFS must pursue in partnership with its key stakeholders to sustain a strong Medicaid program. The context for 2010-2011 is that the Office of Budget and Management has instructed state agencies to plan for 90% funding levels. Despite the fact that that ODJFS has been focused on (and successful with) containing Medicaid cost growth for quite some time, ODJFS will need to continue offering ideas to contain Medicaid cost growth, even in the face of growing

caseload. This is a new level of cost containment that even ODJFS staff are unfamiliar with.

- John outlined some of the possible Medicaid-related themes for the next budget:
 - Revision of the Children's Buy In (CBI) program to consider options that will result in more children being eligible for the program. This will require discussions with the Ohio General Assembly since this program was of great interest to them.
 - Covering the cost of continued growth in the Medicaid caseload, and meeting Governor Strickland's challenge to reduce the uninsured Ohioans to 500,000 by 2011.
 - Continued implementation of cost containment strategies including ideas like value purchasing.
 - Implementation of the first new Medicaid management information system in nearly 25 years (MITS).
 - Rates for skilled nursing facilities, hospitals, community providers, behavioral health care providers, and others will likely be the subject of debate.
 - Implementation of elements of the Unified Long Term Care Budget and continued efforts to balance institutional and community based long term care.
 - Outcome of the Statewide Coverage Initiative.
- ODJFS remains concerned about the future of the SCHIP program since temporary funding authorized by Congress will expire in April. Without Federal reauthorization Ohio and other states will experience serious funding shortfalls. John asked for the committee's partnership with the Administration as we advocate for reauthorization with funding sufficient to serve the children currently enrolled and those enrolled in the future.
- He also requested the committee's advocacy to join states in pushing Congress to enact temporarily enhanced Federal matching percentages (FMAP) for state Medicaid programs to weather these tough economic times.

Initiatives for Outreach and Simplification:

Director Corlett concluded the update by noting that ODJFS has made some advances in outreach and enrollment simplification even in the face of these difficult economic circumstances. ODJFS has made great strides in the past year in expanding the use of the Ohio Benefits Bank (OBB) as a means for potentially eligible families to apply for benefits, including Medicaid coverage. He noted that ODJFS staff are working to establish a means of transferring Benefits Bank applications electronically to the counties so case workers can review them and then enter them directly into CRIS-E, saving time and effort. We are also working to allow OBB counselors to attest to the validity of citizenship and identity documents so

applicants need not take them to the CDJFS to meet those requirements. ODJFS has also been working with the Department of Youth Services (DYS) and the Department of Rehabilitation and Corrections (DRC) to ensure youth and adults leaving these facilities, who are Medicaid eligible, have coverage as soon as possible after they are released. In addition, ODJFS staff are working with the Department of Education and the Ohio schools to re-establish Medicaid payment for school based services that are eligible for Medicaid reimbursement – the Medicaid Schools Program. We have received federal approval but still need to complete some work before the program will be up and running.

Governor’s quality improvement initiative:

Kara Miller and Deborah Clement of the ODJFS Office of Ohio Health Plans provided information to the committee on the Governor’s quality improvement initiative. Kara began by explaining that the State Quality Improvement Institute (SQII) is a program sponsored by the Commonwealth Fund as technical assistance to states with a serious commitment to improve the quality of health care performance across key indicators. The initiative will assist states in developing and implementing action plans to improve quality.

She explained that Ohio's Participation in SQII is an outgrowth of the State Health Care Coverage Initiative. Ohio was notified in April 2008 that it was one of 9 states selected to participate in SQII along with Colorado, Kansas, Massachusetts, Minnesota, New Mexico, Oregon, Vermont and Washington. Led by the Governor's Office, the Ohio Team is comprised of representatives of state agencies, consumer advocacy groups, Ohio's health care provider community and the business community. This invitation includes members of the MCAC.

The Ohio Team is looking to develop the top 10 strategies that will transform Ohio's health care system into a high quality, cost effective, high performing system that optimizes the health of Ohioans by 2013. The identification of the strategies will be accomplished at a three-day Health Quality Improvement Summit scheduled for November 17 -19 in Columbus, Ohio. The Institute will focus on four strategic areas: improving patient safety; improving efficiency and decreasing costs; promoting health through personal responsibility and prevention of disease and injury; and improving chronic care management. Invitations for the Health Quality Improvement Institute have been distributed to a diverse group of stakeholders, including the Medical Care Advisory Committee, to ensure balanced representation. MCAC members are encouraged to participate in the three-day working conference. *(Editors Note: A copy of this invitation is attached and also posted on the MCAC website).* Kara and Deborah agreed to attend the next MCAC meeting on November 21 to provide a summary of the three-day conference.

Improvements in Medicaid Disability Determination & Prior Authorization:

Cynthia Afkhami updated the committee on two topics: Medicaid disability determination and alleviating the backlog of cases awaiting prior authorization of medical equipment and supplies. Ms Afkhami noted that the backlog of cases awaiting PA was now up-to-date and cases were taking an average of 25 days to process, which meets the goal of 30 days or less. She noted that this had been accomplished by reassigning staff from other areas to work on PA requests. Some of these temporary staff will remain in place through the implementation of MITS to ensure that timely processing continued. Ms Afkhami then discussed the work ensuing to merge some aspects of disability determination application, clinical evidence collection, and case processing currently performed by two state agencies: ODJFS Medicaid and the Rehabilitation Services Commission (RSC) Bureau of Disability Determination. She noted that this topic has been discussed for several years and that beginning in September, 2008, both agencies have undertaken serious negotiations about how to combine aspects of these parallel processes. A work group including representatives of both state agencies, county departments of job and family services and other clients' rights advocates will be meeting intensively over the next several months.

Managed care Listening Sessions:

Mary Haller quickly summarized the five regional listening sessions on Medicaid managed care held during August 2008. She stated that the listening sessions attracted nearly 400 individuals and reiterated John Corlett's appreciation to the committee for their assistance at the sessions. Mary outlined the most common topics ODJFS heard at the sessions: agreement that managed care has changed many aspects of Ohio's Medicaid program; the importance of transportation to and from medical appointments; suggested changes to current ODJFS minimum standards for prior authorization of medical services, equipment, and supplies; provider's perspective that Medicaid payment rates should be increased, especially for primary and dental care; emphases on the need for early screening and testing of young children to diagnose and treat medical problems as early as possible; and, support for Governor Strickland's expansion of Medicaid eligibility.

Mary hopes to solicit actionable items for the committee based on feedback from members who attended the sessions.

Mary then introduced Jon Barley who presented the briefing he used at the Managed Care Listening Sessions. The briefing (attached and on the MCAC website), provided the background of Medicaid managed care and Jon elaborated on the 2006 and 2007 statewide expansion which added approximately 700,000 people. He clarified that ODJFS now contracts with

7 instead of 8 managed care plans when Anthem left at the end of August 2008. He continued to stress the importance of people giving testimony to address the benefits of managed care: increased focus on quality of care and improved health outcomes; improved access to care; and cost efficiency. Jon shared the goal for Ohio is to establish a medical home for members and see everyone care managed. Jon also clarified that the bulk of people enrolled in managed care are family and children and that another set of performance measures for the ABD group needs established and there were no national comparisons.

Understanding Medicaid Payment Rates:

Mary Haller introduced Joe Doodan of the ODJFS Office of Ohio Health plans to provide an overview of the methodology used to distribute the community provider fee increase which became effective July 1, 2008.

Joe began by clarifying that for the purpose of this rate increase, community providers included:

Physicians, Dentists, and nine types of fee-for-service clinics (Community mental health clinics, Dialysis clinics, Family planning clinics, Outpatient rehabilitation clinics, Primary care clinics, Professional dental school clinics, Professional optometry school clinics, Public health department clinics, and Speech-language / audiology clinics), Advanced Practice Nurses, Ambulatory surgery centers, Chiropractors, Home health agencies, Physical and Occupational therapists, ODJFS-administered waiver service providers, Podiatrists, Private duty nurses, and Psychologists.

Hospitals, nursing homes, ICFs/MR and providers operating in the Medicaid Community Behavioral Health and Development Disabilities systems did not receive this increase. Also not included were hospice providers and cost-based clinics (Federally Qualified Health Centers, Rural Health Clinics and their Outpatient health Facilities) because they receive rate increases every year by federal or state mandate.

ODJFS received funding sufficient to accomplish a 3% increase in the aggregate, equal to an estimated \$16.4 million through June 30, 2009. This amount was exclusive of the ODJFS waiver provider increase which equaled \$8,480,886.

ODJFS staff set a goal of using these limited funds to increase payment rates for the services for which Medicaid payment rates were the lowest as a percentage of Federal Medicare payments and those payment rates that had not been increased for several years. Therefore, particular provider types and service codes were targeted and received increases that were significantly greater than 3%.

ODJFS staff targeted fee increases to those services considered primary care and the service codes which are billed most frequently, including 99213 and 99214 - office visit for established patients, and 99203 and 99204 - office visits for new patients. This targeting allowed ODJFS to increase these rates by 16 to 18 percent.

A secondary objective was to target fee increases to those services prioritized by the providers themselves. ODJFS staff met with and explained the fee increase methodology to representatives from the major Associations representing the majority of providers participating in the Ohio Medicaid program. The response was generally very positive, and resulted in some suggested changes and minor adjustments to the allocation of increases.

The third objective was to target fee increases to improve access to primary and preventive care. Significant increases went to: preventive medicine, primary care office visits, deliveries and prenatal visits, consultations, hospital inpatient services, emergency department visits, psychiatry, and psychology, including developmental testing. The vaccine administration fee was doubled for the Vaccines for Children Program.

In addition to targeting increases, staff also identified services that were being paid at rates significantly higher than Medicare's rates. Since this is unallowable based on state regulations, staff proposed to decrease these payment rates.

Fee increases were applied only to services to consumers enrolled in fee-for-service arrangements, not to those serving managed care enrollees. However, since most MCPs pay in relationship to the fee-for-service fee schedule, rates paid by managed care plans have also increased.

With 40 minutes left with the committee, Mary Haller shifted the attention to discussing comments of MCAC members who attended the Medicaid managed care listening sessions, actionable items from those sessions and possible next steps (see attached). Gene asked how many members attended and what their reactions to the sessions were. The majority of the members who attended agreed that Issue 11 of the Medicaid Managed Care Monthly newsletter had outlined the sessions fairly well.

The meeting was adjourned.

Next Meeting: Friday, November 21, 2008 from 1:00-4:00 p.m.
Lazarus Government building, 6th Floor, Room C621.

Links of interest for the committee:

MCAC: <http://jfs.ohio.gov/ohp/bcps/OhMedAdvComm/index.stm>

OHP Information/Data Library:

<http://jfs.ohio.gov/OHP/infodata/MFPGrant/library/library.stm>

Money Follows the Person (MFP) – HomeChoice:

<http://jfs.ohio.gov/OHP/infodata/MFPGrant/info.stm>

Ohio Medicaid Performance Audit Report:

http://www.auditor.state.oh.us/AuditSearch/Reports/2006/Ohio_MedicaidProgram_12_19.pdf

Ohio Medicaid Administrative Study Council Report:

<http://jfs.ohio.gov/OHP/OMASC/HighLevelMedicaidRequirements.pdf>