

INTERIM JOINT COMMITTEE ON APPROPRIATIONS AND REVENUE

Budget Review Subcommittee on Human Resources

Minutes of the 3rd Meeting of the 2020 Interim

September 16, 2020

Call to Order and Roll Call

The 3rd meeting of the Budget Review Subcommittee on Human Resources of the Interim Joint Committee on Appropriations and Revenue was held on Wednesday, September 16, 2020, at 10:30 AM, in Room 149 of the Capitol Annex. Representative Danny Bentley, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Danny Bentley, Co-Chair; Senators Morgan McGarvey and Stephen Meredith; Representatives Adam Bowling, Deanna Frazier, Kimberly Poore Moser, Melinda Gibbons Prunty, Josie Raymond, Steve Sheldon, Cherlynn Stevenson, Susan Westrom, and Lisa Willner.

Guests: Lisa Lee, Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS); Steve Bechtel, Chief Financial Officer, DMS, CHFS; Eric Lowery, Executive Director, Office of Finance and Budget, CHFS.

LRC Staff: Miriam Fordham, Kevin Newton, and Benjamin Thompson

Approval of Minutes

Representative Gibbons Prunty moved to approve the minutes of the July 8, 2020, meeting. Senator Meredith seconded the motion, and the minutes were approved without objection.

Medicaid Budget Update: Fiscal Year 2020 Year-End Report and Fiscal Year 2021 Outlook

Commissioner Lee and Mr. Bechtel provided an overview of the budget for the Department for Medicaid Services (DMS) for Fiscal Year 2020.

In response to questions from Representative Gibbons Prunty, Commissioner Lee stated that DMS was not having issues with retaining medical providers. Commissioner Lee said that disenrollment is only being limited during the governor's declared state of emergency. Mr. Bechtel noted that Medicaid is the payer of last resort, so if a member were

to have other insurance, the member's claim would be paid through the other insurance policies first.

In response to a question from Representative Moser, Commissioner Lee noted that 60 percent of those enrolled in Medicaid are at or below 100 percent of the federal poverty level.

In response to questions from Senator Meredith, Mr. Bechtel noted that DMS was working with the Office of the State Budget Director to project budgetary needs for Fiscal Year 2021 and Fiscal Year 2022.

In response to a question from Representative Frazier, Commissioner Lee stated that a redesign of the Michelle P. waiver was paused due to the COVID-19 pandemic.

In response to a question from Representative Sheldon, Mr. Bechtel noted that DMS cannot disenroll members without losing the increased Federal Medical Assistance Percentages (FMAP) rates provided as part of the federal coronavirus funding. Mr. Bechtel stated that without the 6.2 percent increase in the FMAP, DMS' restricted funds would have been depleted.

Update on Funding and Expenditures for COVID-19 Related Services

Mr. Lowery provided an overview of the Cabinet for Health and Family Services' (CHFS) COVID-19 response and the costs related, as well as funding that has been received by the federal government for COVID-19 response purposes.

In response to a question from Representative Bowling, Mr. Lowery noted that the various coronavirus funds have different expiration dates.

In response to questions from Representative Gibbons Prunty, Mr. Lowery stated that CHFS operates on a cash basis, meaning that expenditures will not appear until an invoice is received from the vendor or provider.

Update on Status of 2020 Regular Session Senate Bill 50

Commissioner Lee provided a brief update on the progress that DMS has made in implementing 2020 Regular Session (RS) Senate Bill (SB) 50.

In response to questions from Chair Bentley, Commissioner Lee stated that DMS plans to have a provider contract in place by January 1, 2021. Commissioner Lee said that she could not go into detail on the contract, but noted that DMS intends to meet all requirements outlined in 2020 RS SB 50.

In response to questions from Senator Meredith, Commissioner Lee said that it is included in the contract that Medicaid Managed Care Organizations (MCOs) could not

claw back a \$2 medication filling fee that goes to pharmacists. Commissioner Lee noted that occasionally providers will reach out to their legislators before contacting DMS with an issue. Commissioner Lee stated that she didn't have information with her regarding whether the \$2 fee was considered an administrative fee or part of the medical loss ratio.

In response to questions from Representative Sheldon, Commissioner Lee noted that while DMS plans to have a contract in place by January 1, 2021, system changes will need to take place prior to full implementation.

There being no further business before the subcommittee, the meeting was adjourned at 11:53AM.