# Medicaid Oversight and Advisory Committee

### Minutes

### <MeetMDY1> November 15, 2017

**Call to Order and Roll Call**

The<MeetNo2> Medicaid Oversight and Advisory Committee meeting was held on<Day> Wednesday,<MeetMDY2> November 15, 2017, at<MeetTime> 1:30 PM, in<Room> Room 131 of the Capitol Annex. Senator Ralph Alvarado, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members:<Members> Senator Ralph Alvarado, Co-Chair; Senators Danny Carroll and Stephen Meredith; Representatives Jim Gooch Jr. and Melinda Gibbons Prunty.

Guests: Steve Miller, Commissioner, Jill Hunter, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Deck Decker, Executive Director, Office of Administrative and Technology Services, Cabinet for Health and Family Services; Eric Clark, Chief of Staff, Cabinet for Health and Family Services; Michael Sasko, Vice President of Government Solutions, Softheon Inc.; Chris Heldman, ‎Associate Vice President, Business Development, Molina Healthcare; and Missy Spears, Owner, Keep Your Shirt On Covington.

LRC Staff: Jonathan Scott, Chris Joffrion, Becky Lancaster, and Heather Scott.

**Update on the 1115 Kentucky HEALTH Waiver**

Steve Miller, Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), stated that the approval of the 1115 Kentucky HEALTH waiver is close. Centers for Medicare and Medicaid Services (CMS) has indicated that it will be approving 1115 waivers that include community engagement. Fourteen months ago, DMS presented the 1115 Kentucky HEALTH Waiver that included community engagement to the U.S. Department of Health & Human Services (HHS). There are no outstanding issues with the waiver and CMS is not asking for additional or clarifying information at this time. DMS is still within the tentative timeframe for initiatives and actions to be taken. In January and February of 2018, Kentucky Medicaid members can begin to earn My Rewards dollars for preventive services. Beginning April 1, 2018, My Rewards and community engagement courses will be available. Starting July 1, 2018, the Alternate Benefits Plan (ABP) and Premium Assistance will be implemented and penalties and suspensions will be tracked.

In response to questions from Senator Alvarado, Commissioner Miller stated that there is a potential savings of $300 million if the 1115 Kentucky HEALTH waiver is approved by CMS. CHFS may see savings from the waiver approval in the second year of the budget cycle but savings will be more evident in the third year. He stated that if the 1115 Kentucky HEALTH waiver is not approved, the costs that Medicaid is incurring would remain the same and there are concerns about the sustainability of Medicaid as it is currently structured.

**Presentation on Long-Term Care Costs, Enrollment, and Trends**

Jill Hunter, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, stated that $1 billion is spent on nursing facility services annually using combined state and federal money. An additional $100 million of combined state and federal money is spent on Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). During state fiscal year 2017, there were 5,950,698 paid Medicaid days for nursing facility services, averaging to 16,303 residents per day. The occupancy rate is declining, however long-term care (LTC) facilities are seeing sicker patients creating greater costs. It is DMS’ goal to allow more people to age at home. LTC facilities create increased costs. DMS works on maximizing community based services, the remaining population in nursing facilities will continue to have an increasing case mix index. DMS staff consulted with 500 individuals at 10 meetings across Kentucky to gather information and hear comments regarding the Home & Community-Based Services (HCBS) 1915(c) waiver redesign.

In response to questions from Senator Alvarado, Commissioner Miller stated that DMS is in constant contact with LTC facilities. The increased costs that LTC facilities are incurring with the sicker population show that the acuity level has gone up and will continue to rise. DMS has tried to keep a base line budget and continues to seek out more efficiencies to lower costs.

In response to questions from Senator Carroll, Deputy Commissioner Hunter stated that DMS has added $500,000 to the contract and a year to complete the redesign of the 1915(c) waiver program. The schedule for the redesign is to continue to gather comments and information through the fall, have meetings with Navigant to synthesize those comments through the winter and spring with the goal of a having a proposal submitted to CMS in the summer of 2018. DMS has sent letters to community mental health centers asking for assistance in addressing the wait lists for the Michelle P. waiver (MPW) and the Supports for Community Living (SCL) waiver. DMS is continuing to fill HCBS 1915(c) waiver slots daily.

In response to questions from Senator Alvarado, Commissioner Miller stated that the reimbursement levels for the providers differ in the 1915(c) waiver programs. The 1915(c) waiver redesign should address some inconsistencies but must also be budget neutral. He stated there are federal requirements that determine reimbursement rates for the CMHCs. Deputy Commissioner Hunter stated that it is difficult to predict if LTC facility admissions will continue to decline. She stated that DMS has seen a trend in people wanting to age in their homes but has also noticed that younger people are entering LTC facilities for reasons not planned on by DMS. Commissioner Miller expects to have a number of options and recommendations from Navigant and the redesign to contain costs for the new budget cycle.

**Update on Benefind**

Deck Decker, Executive Director, Office of Administrative and Technology Services, Cabinet for Health and Family Services, stated that the Benefind solution or Integrated Eligibility and Enrollment System (IEES) provides Medicaid benefits to over 1.4 million residents of Kentucky. Benefind processes over 1 billion dollars in Supplemental Nutrition Assistance Program (SNAP) and Kentucky Transitional Assistance Program (K-TAP) benefits every year. The child care assistance program has been added to Benefind. CHFS workers are maintaining caseloads on Benefind. CHFS has eliminated the 45 minute annual recertification interview with an enhancement for an automated process that verifies Medicaid recipients’ information during their annual recertification using federal and state data sources. Benefind allows case workers to focus on better customer service and reducing fraud and waste in public assistance programs.

The Department for Community Based Services (DCBS) has eliminated the mandatory 10 percent overtime for staff. Benefind processing time is averaging less than three days for tasks to be completed through the system. The cost savings to Kentucky is approximately $9 million a year due to the productivity improvements. Benefind systems have improved self-service capabilities to allow Kentuckians easier compliance with program requirements. The Medicaid Management Information system (MMIS), the payment system for Medicaid, has been improved. CHFS has achieved a reduction in provider billing issues and complaints after implementing a series of enhancements streamlining Medicaid data across CHFS systems. Starting on October 1, 2017, the Child Care Assistance Program was incorporated into the Benefind system. In the first month, 3,810 new child care applications were processed at a rate seven times greater than the average of 500 applications prior to Benefind.

Integrated and automated verifications have reduced the instances of overpayments and issuance of incorrect benefits to members. Kentucky transitioned to the Federal Facilitated Marketplace (FFM) via HealthCare.gov to process Qualified Health Plans (QHPs) and Advanced Premium Tax Credits (APTC) eligibility. Federal guidelines provide 45 days to process Medicaid applications. Kentucky internally tracks progress based on a 30 day schedule from program application. All complaints are inputted by a citizen, DCBS staff, Ombudsman or other CHFS staff and tracked in one location. CHFS has implemented a comprehensive integrated complaint resolution solution that allows Kentuckians to raise concerns and seek issue resolution.

In response to questions from Representative Gibbons Prunty, Eric Clark, Chief of Staff, Cabinet for Health and Family Services, stated that there is a moratorium on Kinship Care that stopped additional individuals from entering the program but those individuals who were previously in the program are still receiving payments.

In response to questions from Senator Alvarado, Mr. Decker stated that CHFS has saved approximately $20 million not using Kentucky’s state exchange system.

In response to questions from Senator Meredith, Commissioner Miller stated that money saved goes to other departments in CHFS to help balance the Cabinet’s budget.

**Adjournment**

 There being no further business, the meeting was adjourned at 2:13 PM.