

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes

September 23, 2020

Call to Order and Roll Call

The meeting of the Medicaid Oversight and Advisory Committee was held on Wednesday, September 23, 2020, at 3:15 PM, in Room 171 of the Capitol Annex. Representative Daniel Elliott, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stephen Meredith, Co-Chair; Representative Daniel Elliott, Co-Chair; Senators Ralph Alvarado, Danny Carroll, Jimmy Higdon, and Morgan McGarvey; Representatives Jim Gooch Jr., Melinda Gibbons Prunty, Steve Sheldon, and Lisa Willner.

Guests: Kevin Moore, Vice President of Policy, Health, and Human Services, UnitedHealthcare Community and State; Dr. Jason Dees, Chief Medical Officer, Molina Healthcare, Ryan Sadler, Kentucky Chief Executive Officer, Passport by Molina Healthcare; Kelly McGivern, Assistant Vice President, Government Affairs, Passport Health Plan by Molina Healthcare. Lisa Lee, Commissioner, Jessin Joseph, Pharmacy Director, Department for Medicaid Services, Cabinet for Health and Family Services.

LRC Staff: Chris Joffrion and Hillary Abbott.

Introduction to New Managed Care Organizations

Kevin Moore, Vice President of Policy, Health and Human Services, of UnitedHealthcare Community and State stated that UnitedHealthcare (UHC) provides Medicaid benefits to nearly six million members, including more than 2.7 million children. UHC, while new to the Medicaid market in Kentucky, has been serving the commonwealth in the private market for years. Mr. Moore stated that this “foot-in-the-door” will help UHC build relationships with the Medicaid providers and the community. Mr. Moore stated that UHC has invested over \$500,000 in local community based organizations.

Mr. Moore stated that UHC is focused on member engagement and communication by holding member listening session across the Commonwealth, developing member material and platforms to simplify communication, and encourage ongoing member engagement, and that UHC realizes the importance of community based organizations in supporting and engaging members. Mr. Moore stated that UHC is committed to ongoing engagement to identify and mitigate challenges within the network to ensure an ideal experience for members and providers. Mr. Moore stated that UHC’s priorities include

creating strong partnerships with providers, especially in rural and underserved areas, improving health and health outcomes through alternative payment models, and using telehealth to expand access, support members, and improve care.

Mr. Moore stated that UHC prioritizes social determinants of health by developing and deploying innovative approaches by addressing substance use disorder (SUD) and opioid use disorder (OUD) in communities, keep addressing neonatal abstinence syndrome through support of families, mothers, and newborns, and by supporting member's goals and addressing social barriers.

Mr. Moore stated that going forward UHC will have a continued focus on fundamentals, provider and member communication, continued transparency between UHC, the commonwealth, providers, and members to meet goals, and to ensure a supportive partnership in the commonwealth's COVID-19 "new-normal".

In response to questions and comments from Senator Meredith, Mr. Moore stated that UHC's commitment to social determinants of health is a priority and that UHC understands the regional differences and barriers in Kentucky, with investment in rural communities remaining at the top of the priority list. Mr. Moore stated that UHC understands the communication barriers that can happen and is committed to ramping up communication with provider networks to make sure that needs are being met and contractual gaps are known so they can be addressed. Mr. Moore stated that UHC's private insurance network of providers in Kentucky will be a useful foundation to leverage partnerships and build a robust network for Medicaid members.

In response to questions and comments from Representative Sheldon, Mr. Moore stated that UHC is prepared to integrate state polices, like 20 RS SB 50, into their master plan to ensure the laws are followed and the best care is given to the members. Mr. Moore stated that UHC has a history of working with many different states and thus, with many different pharmacy programs. Mr. Moore stated that UHC is dedicated to security and views security as fundamental.

In response to questions from Representative Elliott, Mr. Moore stated that some of the top problems facing the Kentucky Medicaid population is access to care and opioid and substance use disorders. Mr. Moore stated that UHC is committed to providing solutions to these problems.

In response to questions from Senator Carroll, Mr. Moore stated that clients have the ability to choose their plan by opting out of auto-assignment. Mr. Moore stated that UHC will have a base of 100,000 enrollees.

Passport Health Plan by Molina Healthcare

Kelly McGivern, Associate Vice President, State Affairs, Passport Health Plan by Molina Healthcare stated that Passport was purchased by Molina Healthcare in 2020 and will be expanding its current, broad, geographic footprint that serves more than 3.8 million individuals, of which 88 percent are Medicaid beneficiaries, in 16 states. Ms. McGivern stated that 315,000 members in Kentucky were served by Passport Health Plan as of June 30, 2020.

Dr. Jason Dees, Chief Medical Officer, Molina Healthcare stated that Molina Healthcare was founded by doctors and is committed to providing members with access to high quality healthcare and a balanced experience among all they serve. Dr. Dees stated that Molina Healthcare prioritizes ensuring a high quality experience for members is by providing local training to local providers, and investments in the region where they are to serve. Dr. Dees stated that Molina Healthcare is committed to providing low cost, transparent, and effective high quality access to care while providing reliable service as a partner of choice. Molina Healthcare is recognized by the National Committee for Quality Assurance and has 3 plus star ratings on all of their Medicare plans by the Centers for Medicare and Medicaid Services (CMS).

Ryan Sadler, Kentucky Chief Executive Officer, Passport Health Plan by Molina Healthcare stated that Passport's contract was novated to Molina Healthcare of Kentucky on September 1, 2020 and that Passport Health Plan intends to expand employment beyond the roughly 500 Kentucky-based current Passport health employees. Mr. Sadler stated that Passport Health Plan is committed to providing 1,100 jobs, to hiring locally with its headquarters remaining in Louisville, and to invest \$2.5 million in community organizations as well as provide innovations to address social determinants of health. Mr. Sadler stated that Molina is opening six one-stop-shop help centers across Kentucky, in Covington, Bowling Green, Hazard, Lexington, Louisville, and Owensboro. Mr. Sadler stated that these help centers will help promote enrollee and provider walk-ins and serve as community resource centers that focus on meeting the needs of enrollees and providers. Mr. Sadler stated that the one-stop-shop help centers will provide training, education, and access to programs, free WI-FI, meeting rooms, and telehealth capabilities. Mr., Sadler stated that the help centers will also serve as a conduit to identify problems with the networks so they can be addressed immediately.

Senator Meredith, Senator Alvarado, Representative Gibbons-Prunty, and Representative Sheldon stated that prior to being acquired by Molina, Passport, historically has not had a good relationship with the committee or with the General Assembly. The legislators stressed that transparency problems have plagued Passport. They specifically cited concerns about large executive bonuses paid while Passport claimed they could not reimburse providers and the favoritism shown to Louisville providers over rural providers. The legislators urged Passport Health Plan by Molina not to repeat the mistakes committed by their predecessors and to work with the General Assembly to ensure quality care to all Kentuckians.

In response to questions from Representative Gibbons Prunty, Ryan Sadler and Kelly McGivern stated they did not know if Molina Healthcare had acquired the Passport Health Plan Foundation, a 501(c)(3), and its assets when Molina Healthcare acquired Passport. Mr. Sadler and Ms. McGivern stated they would follow-up with the committee on an answer to that question.

In response to questions and comments from Senator Alvarado, Mr. Sadler said that Passport Health Plan will follow-up on its usage of appendix reimbursement and stressed that Passport Health Plan has a desire to be transparent from the beginning.

In response to questions from Representative Sheldon, Mr. Sadler stated that there will be a \$1.25 dispensing fee in independent pharmacies.

Implementation of Single Pharmacy Benefit Manager Requirements (20 RS SB 50)

Lisa Lee, Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services, stated that Senate Bill 50 (SB 50) was enacted by the General Assembly in 2020. Commissioner Lee stated that SB 50 requires DMS to establish a single preferred drug list (PDL) for use by each Medicaid Managed Care Organization (MCO). Commissioner Lee stated that SB 50 requires DMS to contract with a single state pharmacy benefit manager (PBM) for all MCOs by December 31, 2020. Commissioner Lee stated that the contract with the state PBM will establish the PBM's fiduciary duty owed to the department; comply with provisions outlined in SB 50; require the use of pass-through pricing and the use of a single preferred drug list, reimbursement methodologies, and dispensing fees established by the department as well as prohibit spread pricing and other practices related to pharmacy benefits.

Jessin Joseph, Pharmacy Director, Department for Medicaid Services, Cabinet for Health and Family Services, stated that beginning January 1, 2021, the five MCOs will follow the fee-for-service (FFS) PDL effective January 1, 2021. Mr. Joseph stated that MCOs will follow the FFS clinical criteria for PDL classes which may be less restrictive but cannot be more restrictive and that MCOs can manage criteria and preference for drug classes that are not included on the FFS PDL (i.e., cystic fibrosis). Mr. Joseph stated that Magellan tracks several non-PDL classes and reviews them with DMS annually and classes will be added as appropriate.

Commissioner Lee stated that the release of the Request for Proposal (RFP) was released on August 14, 2020 and the vendor's first set of written questions were received Tuesday, August 25, 2020. Commissioner Lee stated that the Commonwealth's response to the first set of vendor's written questions were sent out on Tuesday September 1 2020 and the vendor's second set of written questions were due Tuesday September 8, 2020, with a response from the Commonwealth due on Tuesday September 15, 2020.

Commissioner Lee stated that proposals are due by 3:30 PM EST Tuesday October 6, 2020 and the anticipated contract award date is on or before December 31, 2020.

In response to questions from Senator Meredith, Jessin Joseph stated that a single formulary is currently in use.

Adjournment

With there being no further business, the meeting was adjourned at 4:45 PM.