MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes of the Meeting
of the 2021 Interim

July 21, 2021

Call to Order and Roll Call

The meeting of the Medicaid Oversight and Advisory Committee was held on Wednesday, July 21, 2021, at 3:00 PM, in Room 171 of the Capitol Annex. Senator Stephen Meredith, 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: Dr. Sheila Schuster, Ph.D., Executive Director, Kentucky Mental Health Coalition; Veronica Judy-Cecil, Deputy Commissioner, and Leslie Hoffmann, Chief Behavioral Health Officer, Department for Medicaid Services, Cabinet for Health and Family Services; Richard Bartlett, Trauma Coordinator, Kentucky Hospital Association; Dr. Julia Costich, Associate Director, Kentucky Injury Prevention and Research Center and Chair of the Kentucky Trauma Advisory Council; Gary Rutherford, Chief Clinical Officer and Cofounder and Christopher T. Carlson, Senior Vice President, Government Affairs and Compliance, HealthPlan Data Solutions, Inc.

LRC Staff: Ben Payne, Hillary Abbott, and Amanda DuFour.

Approval of Minutes

A motion to approve the June 16, 2021, minutes was made by Representative Prunty, seconded by Senator Carroll, and was approved by a voice vote.

Suspension of Prior Authorization for Behavioral Health Services

Dr. Sheila Schuster, Executive Director, Kentucky Mental Health Coalition, provided the committee with an overview of Medicaid managed care organizations (MCO) prior authorization process, how prior authorization requirements affect the delivery of behavioral health services, and the positive effect the suspension of prior authorization requirements during the COVID-19 emergency has had on the behavioral health community. Dr. Schuster questioned the need for prior authorizations if, on average, only one percent of claims are denied and recommended that the Department for Medicaid Services (DMS) eliminate prior authorization requirements entirely because they are a barrier to treatment.

In response to questions and comments from Senator Carroll, Dr. Schuster stated that while she remains steadfast in her belief that all prior authorization requirements should be eliminated, she would be willing to survey the population to see if blanket prior authorizations for providers could be a short term solution.

In response to questions from Representative Willner, Dr. Schuster stated that the elimination of prior authorization requirements could help mitigate barriers to treatment for individuals with a substance use disorder (SUD) which could in turn lower the overdose rate.

In response to questions and comments from Senator Alvarado, Dr. Schuster stated that if prior authorization requirements are in place to accommodate the one percent of denials then it does not make sense to punish the majority of participants for the denials.

In response to questions and comments from Representative Prunty, Dr. Schuster stated that oversight and accountability for providers comes from the accreditation process, eliminating prior authorization requirements should not decrease provider accountability.

In response to questions and comments from Representative Sheldon, Dr. Schuster stated that prior authorization requirements have forced providers into choosing medications for a patient based on what they know will be approved, not based on what is best for the client which goes against the participant-first approach of DMS.

Veronica Judy-Cecil, Deputy Commissioner, and Leslie Hoffmann, Chief Behavioral Health Officer, Department for Medicaid Services, Cabinet for Health and Family Services provided the committee with an overview of behavioral health utilization rates with and without prior authorization requirements. Ms. Hoffmann stated that during the suspension of prior authorization requirements for behavioral health services, DMS has observed a decrease in members accessing behavioral health services, an increase in behavioral health claims, and an increase in total behavioral health costs. Ms. Judy-Cecil stated that DMS believes the data has supported the need for a suspension of prior authorization requirements during the COVID-19 public health emergency and the data has also shown that prior authorization requirements serve an important purpose when there is not a state of emergency.

In response to questions and comments from Senator Meredith, Ms. Hoffmann stated that she can provide the committee with a COVID-19 impact breakdown report. Ms. Judy-Cecil stated that the state of the public health emergency is evaluated every 90 days, can be extended in 90 day increments, and the suspension of prior authorization requirements is evaluated at that time.

In response to questions and comments from Representative Prunty, Ms. Judy-Cecil stated that while the Centers for Medicare and Medicaid Services (CMS) dictates what

services are covered by Medicaid, MCOs are permitted to decide which services require prior authorization. For example, currently two MCOs require a prior authorization for targeted case management, but the other MCOs do not.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that blanket denials should not be happening and if there are situations where providers are experiencing blanket denials, they should be reported to DMS. DMS cannot address problems that it is unaware of. Ms. Judy-Cecil confirmed that MCOs have the authority to override a treatment on the basis of medical necessity.

Senator Alvarado stated that it is important to see the loss-rate percentage for MCOs from denial claims to justify having prior authorizations and would like DMS to provide those figures to the committee.

In response to questions and comments from Representative Willner, Ms. Judy-Cecil stated that DMS is committed to meeting the patient's needs first, arbitrary limits for treatments should not be set by MCOs, and providers need to inform DMS through the appeals process when they encounter any barriers to care.

The Kentucky Trauma Network

Dr. Julia Costich, Associate Director, Kentucky Injury Prevention and Research Center and Chair of the Kentucky Trauma Advisory Council and Richard Bartlett, Trauma Coordinator, Kentucky Hospital Association gave an overview of the Kentucky trauma network, the trauma system's data, the trauma system's impact on Medicaid and Medicaid's impact on the trauma system and trauma patients. Dr. Costich stated that with additional funding, Kentucky's trauma system has the potential to add hospitals in underserved areas and further enhance quality of care.

In response to questions from Senator Meredith, Mr. Bartlett stated that the approximate funding needed from the General Assembly is $300,000 to sustain the work of the Kentucky Trauma Network. A long-term funding programs, like Georgia's super-speeder fine program, which provides roughly $23 million in funding annually, would help Kentucky's trauma system achieve more ambitious goals.

In response to questions and comments from Senator Alvarado, Mr. Bartlett stated that there is a need to increase trauma centers in areas where crashes are happening the most which is in rural areas. There are several trauma programs in the development phase in rural western Kentucky.

Medicaid Pharmacy Benefit Integrity

Gary Rutherford, Chief Clinical Officer and Cofounder and Christopher T. Carlson, Senior Vice President, Government Affairs and Compliance, HealthPlan Data Solutions, Inc. presented an overview of the company's continuous auditing pharmacy software

which helps provide accountability for pharmacy benefit managers (PBM) and can lead to savings for states that utilize their software.

In response to questions and comments from Representative Sheldon, Mr. Rutherford stated that HealthPlan has held several meetings with DMS and Commissioner Lisa Lee. Mr. Carlson stated that HealthPlan can tailor payment options and established contracts have utilized both per member-per month and per claim options.

In response to questions and comments from Senator Carroll, Mr. Rutherford stated that HealthPlan's software gives health systems more leverage to address errors in PBM claims and overpayment because the software is an all-encompassing, continuous audit program.

In response to questions and comments from Senator Alvarado, Mr. Carlson stated that while HealthPlan has not spoken directly with MedImpact, the new state PBM, HealthPlan believes their software is compatible with the services MedImpact provides.

In response to questions and comments from Representative Prunty, Mr. Carlson stated that historically, invoice claims a state receives can total as many as 100,000, and it would be difficult for a state auditor to oversee that number of claims. Mr. Carlson added that HealthPlan's software would simplify the process and eliminate the need for another level of bureaucracy, potential for human error, and time-wasting.

In response to questions for DMS from Senator Meredith, Ms. Judy-Cecil stated that DMS is 21 days into the single state PBM model and is constantly evaluating the rollout. Ms. Judy-Cecil added that statute requires complete transparency and that any decisions DMS makes will be transparent, based on data, and will have to go through the procurement process. Ms. Judy-Cecil stated that she will be happy to testify before the committee after several months of PBM data is collected.

Adjournment

There being no further business, the meeting was adjourned at 5:00pm.