

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes of the 2021 Interim

June 16, 2021

Call to Order and Roll Call

The meeting of the Medicaid Oversight and Advisory Committee was held on Wednesday, June 16, 2021, at 3:00 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: Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services.

LRC Staff: Chris Joffrion and Hillary Abbott.

Approval of Minutes

A motion to approve the May 20, 2021, minutes was made by Senator Alvarado, seconded by Senator Meredith, and was approved by a voice vote.

Medicaid Works Program

Lisa Lee, Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services provided the committee with an overview of the Medicaid Works Program including background, eligibility requirements, and enrollment statistics. The Medicaid Works program was established in 2007 and has enrolled a total of 15 unduplicated beneficiaries since its creation. The program currently serves five individuals. Commissioner Lee suggested that Medicaid expansion may help to explain the low enrollment numbers.

In response to questions from Senator Meredith, Commissioner Lee stated that this program serves a niche population which is also why enrollment is low.

Budgetary Impacts of Increased Medicaid Enrollment

Steve Bechtel, Chief Financial Officer, Department for Medicaid Services (DMS), Cabinet for Health and Family Services provided an update on the following: enrollment

of beneficiaries and providers, an overview of the Medicaid program's budget, and the impact of presumptive eligibility on enrollment and expenditures.

In response to questions and comments from Representative Elliott, Mr. Bechtel stated that unless a person who are presumed eligible completes the traditional application for full Medicaid, they will lose eligibility, three months after their presumptive eligibility is granted. Commissioner Lee stated that the three month presumptive eligibility period will decrease to one month once the state of emergency has ended.

In response to questions from Senator Meredith, Mr. Bechtel stated he would be happy to return to the committee to report the most recent budgetary impact of presumptive eligibility when those numbers are available in September. Mr. Bechtel stated that it is impossible to predict what post-COVID Medicaid enrollment will be.

In response to questions from Representative Sheldon, Mr. Bechtel stated that the 6.2 percent in the federal Medicaid reimbursement rate will end when the federal state of emergency ends.

Representative Gibbons-Prunty commented that she would like to see detailed graphs of presumptive eligibility when Mr. Bechtel comes back before the committee in September.

Application for Temporary Increase in Federal Medical Assistance Percentage for Certain Home and Community-Based Services

Commissioner Lee discussed the state's application for a one year, ten percent increase in the federal medical assistance percentage (FMAP) for certain home and community based services authorized by the American Rescue Plan Act. The Commissioner explained limitations and restrictions on the use of these funds, including that they must be used to supplement, not supplant or replace existing state funds for home and community-based services, and discussed how DMS might use these funds to enhance, expand, and strengthen services.

In response to questions and comments from Senator Meredith, Commissioner Lee stated that DMS will utilize performance metrics for the use of the FMAP funds to see what works.

In response to questions and comments from Representative Willner, Commissioner Lee stated that there are no plans to increase waiver slots with the FMAP funds because the FMAP funds are temporary; new waiver slots would require ongoing appropriations. Commissioner Lee stated that she will provide the committee with the latest data on long-term and institutional care.

In response to questions from Senator Carroll, Commissioner Lee stated that DMS is working on different ways to address the staffing shortage. Commissioner Lee stated she is aware that this population can be more difficult to serve, which is why DMS is exploring employee recruiting incentives and working with partners to increase the awareness of career pathways. Mr. Bechtel stated that DMS also provides graduate medical education (GME) funding to encourage residents to practice in rural areas that have a majority Medicaid population.

In response to questions from Representative Elliott, Mr. Bechtel stated that the approximate appropriation of restricted funds from the FMAP will be \$104 million.

Update on Medicaid Managed Care Organization Contracts

Commissioner Lee stated the legal dispute over the current managed care contracts is ongoing and cannot comment on the potential rebidding of those contracts. Commissioner Lee stated the request for proposals (RFP) period is a good time to review how programs are running, collect provider feedback, and find areas of improvement and opportunities for accountability of the managed care organizations (MCOs).

In response to comments from Senator Meredith, Commission Lee stated it is vital to break performance and quality metrics down by region to be able to see where more oversight and accountability are needed. Commissioner Lee stated that DMS is persistently exploring ways to improve access and member experience in the rural areas.

Senator Meredith stated that when discussing rural healthcare, the focus needs to be equity not equality because the rural healthcare delivery system is vastly different and has different challenges than a metropolitan area. Senator Meredith stated that you may have to pay rural providers more because they are having to work through more barriers than their metropolitan counterparts.

Senator Alvarado stated there needs to be regional improvements and suggested DMS look into a collaborative care model with public health departments and area development districts to strengthen MCO accountability and the rural healthcare delivery system. Senator Alvarado asked the Commissioner to insist that the MCOs show DMS and the legislature their performance metrics.

Representative Willner stated that she echoed her colleagues in requesting that there be accountability for the MCOs. Representative Willner stated that in light of the costly problems the state has had from MCOs over the years, it might be the time to explore another way to serve this population. Representative Willner added that she has yet to see what MCOs have contributed to the commonwealth.

Representative Sheldon stated a lot of states do not use MCO and it would be worthwhile for DMS to look at other states to see how they run their Medicaid program.

Representative Sheldon stated that he would like DMS to research pay equity in rural hospitals with the possibility of increasing reimbursement rates to incentivize providers to serve that population.

In response to comments from Senator Meredith and Representative Sheldon, Commissioner Lee stated that quality matters since the Medicaid program was designed with the members first in mind and that feedback from members will be crucial in determining the quality of care a MCO is or is not providing.

Senator Alvarado stated that the importance of graduate medical education funding cannot be overstated. Senator Alvarado added that DMS might want to look into the success the state of Maryland is having with a program that pays hospitals upfront instead of through reimbursements after services are delivered, eliminating the need for a middle man like the MCO.

There being no further business, the meeting was adjourned at 4:45 p.m.