

# **MEDICAID OVERSIGHT AND ADVISORY COMMITTEE**

## **Minutes of the 5th Meeting of the 2021 Interim**

**September 30, 2021**

### **Call to Order and Roll Call**

The 5th meeting of the Medicaid Oversight and Advisory Committee was held on Thursday, September 30, 2021, at 1:00 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, and Morgan McGarvey; Representatives Jim Gooch Jr., Melinda Gibbons Prunty, Steve Sheldon, and Lisa Willner.

Guests: Dr. Sandra Guerra, MD, MPH, Chief Medical Officer, WellCare; Jeb Duke, Regional Vice President for Medicaid, Humana; Liz Stearman, Director of Behavioral Health, Humana; Leon Lamoreaux, Anthem Medicaid Market President and Vice-Chair of the Kentucky Association of Health Plans; Tom Stephens, Executive Director, Kentucky Association of Health Plans; Dr. Sheila Schuster, PhD. Executive Director, Kentucky Mental Health Coalition; Emily Beauregard, MPH, Executive Director, Kentucky Voices for Health; Steve Shannon, Executive Director, Kentucky Association of Regional Providers; Lisa Lee, Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; and Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services

LRC Staff: Chris Joffrion, Ben Payne, and Hillary Abbott.

### **Approval of Minutes**

A motion to approve the August 17, 2021, minutes was made by Senator Alvarado, seconded by Representative Gooch, and was approved by a voice vote.

### **An Update on Prior Authorization Requirements, Provider Network Adequacy, and the Sufficiency of Substance Use Disorder Services Covered by MCOs**

Dr. Sandra Guerra, MD, MPH, Chief Medical Officer, WellCare, discussed the major functions of Managed Care Organizations, including quality of care oversight, ensuring an adequate and credentialed network of providers, and provided statistics on the Medicaid managed care program and the quality of care and health outcomes.

Jeb Duke, Regional Vice President for Medicaid, Humana, and Liz Stearman, Director of Behavioral Health, Humana, provided an overview of behavioral health and substance use disorder treatment services covered by MCOs in accordance with the Kentucky Department for Medicaid Services State Plan.

Ms. Stearman discussed why prior authorizations (PA) requirements are used for certain behavioral health services and explained the differences between services that require a PA and those that do not.

Ms. Stearman provided testimony on the impact of the suspension of PA requirements for behavioral health services in response to the COVID-19 public health emergency, including limiting MCOs' ability to ensure that services delivered are appropriate and support discharge planning, limiting the MCOs ability to ensure quality of services delivered, limiting the ability to monitor for fraud, waste, and abuse, and the decrease of access to services for enrollees. Mr. Duke discussed the financial impact of the suspension of PA including increased utilization and cost.

Ms. Stearman recommended reinstating PA requirements for behavioral health and suggested that possible strategies for reinstatement might include reinstating PA requirements for inpatient before outpatient services which is a similar approach taken with physical health, seeking PA for inpatient and residential services concurrently with the start of services instead of prior to starting services, selecting services including residential substance use disorder to resume PA based on demonstrated misuse or abuse, and establishing an advisory committee to determine where lack of authorizations and coordination are having the most negative impact on member outcomes and program integrity.

Leon Lamoreaux, Anthem Medicaid Market President and Vice-Chair of the Kentucky Association of Health Plans, discussed provider network adequacy and provided information on contractual requirements, oversight reporting requirements, and access and availability standards.

Senator Meredith made comments relating to the testimony.

In response to questions and comments from Representative Sheldon, Mr. Duke stated that they would be happy to follow up on the types of audits they have requested since the suspension of prior authorizations.

In response to questions and comments from Senator Alvarado, Mr. Duke stated that there is an increased focus on social determinants of health and that Humana is committed to raising Kentucky's health rankings.

In response to questions and comments from Representative Prunty, Ms. Stearman stated that MCOs are actively working with community providers and corrections to help participants transition from substance-use treatment while incarcerated to community based substance-use treatment.

In response to questions and comments from Representative Willner, Mr. Duke stated that he will follow-up on denials of service and that all providers must comply with MCOs equity standards. Ms. Stearman stated that MCOs are gathering information in regards to increased fraud arising from the suspension of prior authorizations.

### **Medicaid Managed Care Provider Network Adequacy**

Dr. Sheila Schuster, Ph.D., and Executive Director of the Kentucky Mental Health Coalition, emphasized the positive impact of the removal of PA for the behavioral health community and discussed the statutory obligations of MCOs to have a robust and accessible provider network.

Emily Beauregard, MPH, and Executive Director of the Kentucky Voices for Health, discussed the experiences of Medicaid participants in navigating the inaccessible provider network and the barriers to care participants are facing such as long wait times for appointments, insufficient information provided, and lack of up-to-date provider lists. Dr. Schuster provided the committee with recommendations to improve the MCO provider network system.

### **The Effectiveness and Sufficiency of Substance Use Disorder Treatment and Services Provided or Covered by MCOs**

Steve Shannon, Executive Director of Kentucky Association of Regional Providers, provided background information on behavioral health service organizations (BHSO) and the facilitation of treatment for substance use disorders (SUD). Mr. Shannon discussed the positive impact of treatment, the need for accessible treatment that is covered by MCOs, the dire state of staffing for BHSOs and staffing substance-use treatment facilities, as well as the need for an increase in the reimbursement rate for providers. Mr. Shannon noted that much of the red tape that burdens BHSOs and providers could be resolved if MCOs would view SUD and behavioral health like they do physical health and pay accordingly.

In response to questions and comments from Representative Sheldon, Mr. Shannon stated that he believes the process for PAs in SUD and behavioral health services should be to start services immediately and due the PA later. Mr. Shannon added that those first encounters with someone seeking treatment are crucial to continued engagement and should not be delayed for the PA process.

In response to comments from Senator Alvarado, Mr. Shannon concurred that for the providers he represents, their experience is different from the provider experiences the MCOs described in their presentation.

In response to questions and comments from Representative Elliott, Mr. Shannon stated that other states have a behavioral health and SUD carve-out in the their Medicaid plan and that he fully supports the idea of both in Kentucky.

### **Department for Medicaid Services Budget Update**

Lisa Lee, Commissioner, and Steve Bechtel, Chief Financial Officer, Department for Medicaid Service, Cabinet for Health and Family Services, discussed the state Medicaid budget for state fiscal year 2021 and the continued impact of the COVID-19 public health emergency on spending and projections for future budget considerations.

In response to questions and comments from Senator Meredith, Mr. Bechtel stated that they will follow-up with the cost incurred by DMS in responding to COVID-19. In response to an additional question from Senator Meredith, Commissioner Lee stated that 75 percent of fee-for-service Medicaid population is vaccinated and 35 percent of the managed care population is vaccinated.

In response to questions and comments from Senator Alvarado, Commissioner Lee stated that under the federal maintenance of effort directive, an individual must ask to be disenrolled from Medicaid and that the state could not disenroll members currently. In response to follow-up questions regarding the MCO contracts and the presentation earlier in the meeting, Commissioner Lee stated that they are pleased with the MCOs but believe that in the current contract re-bidding process, she would like to see MCO contracts that have stronger enforcement mechanisms for accountability.

### **Adjournment**

There being no further business, the meeting was adjourned at 4:00pm.