

MEDICAID OVERSIGHT AND ADVISORY COMMITTEE

Minutes

June 22, 2022

Call to Order and Roll Call

The 1st meeting of the Medicaid Oversight and Advisory Committee was held on Wednesday, June 22, 2022, at 3:00 PM, in Room 131 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 Jimmy Higdon; Representatives Jim Gooch Jr., and Melinda Gibbons Prunty.

Guests: Steve Bechtel, Chief Financial Officer and Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services; Leon D. Lamoreaux, Medicaid Market President, David Crowley, Director, Kentucky Medicaid Behavioral Health, and Hope McLaughlin, Senior Director, Government Relations, Anthem Blue Cross Blue Shield; and Nancy Galvagni, President, Chief Executive Officer and Jim Musser, Senior Vice President, Policy and Government Relations, Kentucky Hospital Association.

LRC Staff: Chris Joffrion, Becky Lancaster, and Eric Rodenberg.

Update on Medicaid Budget and Enrollment

Steve Bechtel, Chief Financial Officer, Department for Medicaid Services, Cabinet for Health and Family Services, discussed the state fiscal year (SFY) 2022 Medicaid budget including expenditures, the estimated ending balance, and the managed care and fee-for-service expenditures.

In response to questions and comments from Representative Gibbons Prunty, Mr. Bechtel stated that the non-emergency medical transportation payments are a capitated payment paid to the Transportation Cabinet. He stated that there has been a trending increase in non-emergency medical transportation.

In response to questions and comments from Senator Alvarado, Mr. Bechtel stated that the dental reimbursement amount shown in his presentation represents the amount paid for fee-for-service population and the managed care expenditures total includes dental reimbursements.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that a monthly capitation payment goes to each of the managed care organizations (MCOs). Mr. Bechtel stated that the amount distributed to MCOs is calculated by the number of members per month based on enrollment. Ms. Judy-Cecil stated that the MCOs must spend 90 percent of the payment on services in a timely manner.

In response to questions and comments from Senator Meredith, Ms. Judy-Cecil stated that the MCO request for proposal (RFP) is still pending and is the subject of a lawsuit. She stated that Medicaid is creating a new provider type for rural health to adjust the business model. Mr. Bechtel stated that data is being collected regarding post COVID-19 impacts to the budget.

Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services (DMS), Cabinet for Health and Family Services (CHFS), discussed the increase in Medicaid enrollment from March 2020 to June 2022, temporary presumptive eligibility, and each 1915(c) waiver program's enrollment, availability, and waiting list.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that the waiver programs are in a redesign process, additional slots are awaiting approval from Centers for Medicare & Medicaid Services (CMS), and DMS is looking into new waivers or programs to provide services to individuals. DMS must have allocated funds in the budget before adding additional slots for individuals to the waiver programs. She stated that DMS is working with CMS to use the Federal Medical Assistance Percentage (FMAP) funds for the budgeted rate increases.

In response to questions and comments from Senator Meredith, Ms. Judy-Cecil stated that funding for providers through a basic health plan are different than Medicaid rates.

Approval of Minutes

A motion to approve the November 30, 2021, minutes was made by Senator Alvarado, seconded by Representative Elliott, and approved by a voice vote.

Medicaid Managed Care Organizations' Efforts to Improve Health Outcomes, Network Adequacy, and Access to Care – Part 1

Leon D. Lamoreaux, Medicaid Market President, Anthem Blue Cross Blue Shield, discussed how Anthem Blue Cross Blue Shield is addressing diverse health needs in Kentucky. He provided various statistics regarding medical claims, call center data, enrollment, and population health information. He discussed Anthem's eight areas of focus, the related performance metric for better health outcomes, and the actions Anthem are taking to impact Kentucky Medicaid members within each area.

In response to questions and comments from Senator Meredith, Hope McLaughlin, Senior Director, Government Relations, Anthem Blue Cross Blue Shield, stated that better health outcomes for members ensure that the costs of healthcare do not exceed per member per month capitation rate payments otherwise the insurer, not the state, is responsible for the overages. Mr. Lamoreaux stated that Anthem is introducing a value-based payment arrangement for providers.

Mr. Lamoreaux discussed contractual standards regarding access and distances to various provider types per area, appointment availability of providers, different programs used in the value-based payment program for providers, and the Healthcare Effectiveness Data and Information Set (HEDIS) findings and recommendations.

David Crowley, Director, Kentucky Medicaid Behavioral Health, Anthem Blue Cross Blue Shield, discussed Anthem's three-prong approach for substance use disorders, substance use clinical outcomes, and recidivism rates. Mr. Lamoreaux discussed Anthem's goals and strategies to improve health outcomes in rural areas.

In response to questions and comments from Representative Gibbons Prunty, Mr. Lamoreaux stated that the term childless adults was used to characterize the Affordable Care Act expansion population of which many are employed.

In response to questions and comments from Senator Alvarado, Mr. Lamoreaux stated that the quality measure totals were calculated by the HEDIS method and clarified various statistics. Mr. Crowley stated that the medication-assisted treatment (MAT) trend is based on MAT prescriptions filled and within 30 days the member receiving two supportive services.

In response to questions and comments from Senator Meredith, Mr. Lamoreaux stated that Anthem's Medicaid provider network is a derivative of the commercial network, and that credentialing is basically an opt-in through the contract to avoid providers having to repeat the credentialing process.

Update from the Kentucky Hospital Association

Nancy Galvagni, President, Chief Executive Officer, Kentucky Hospital Association (KHA), discussed the inpatient Medicaid hospital rate improvement program (HRIP), the implementation of the credentialing alliance, and the factors that affect the cost of care. She explained that recent hospital expenses are unsustainable and that the increases cannot be passed along to other entities. She discussed the need for an outpatient HRIP program to benefit rural hospitals and increase access to care for members.

In response to questions and comments from Senator Meredith, Ms. Galvagni stated that the CHFS Secretary is supportive of KHA's plan. She stated that the new Rural

Emergency Hospital designation is a last ditch effort to prevent a hospital from closing and a program should be in place for hospitals that need the option.

In response to questions and comments from Representative Elliott, Ms. Galvagni stated that Kentucky paved the way for other states to follow the inpatient HRIP but some states have also received approval from CMS for an outpatient program.

In response to questions and comments from Senator Carroll, Ms. Galvagni stated that KHA will have reports regarding vacancy rates for health professionals, contracts, and premium pay for providers. She stated that there has not been a reduction in the use of travel staff but a slight decrease in the travel staff rates with an increase in premium pay to retain current employees. She stated that there needs to be more training of bedside nurses and better programs to better impact the number of nurses available for hire. She stated that hospitals are approaching commercial insurers with data to negotiate rates due to increases in expenses.

In response to questions and comments from Senator Meredith, Ms. Galvagni stated that KHA wants to see people covered by insurance or Medicaid and wants to be a partner in assuring coverage for members however, KHA has concerns about the basic health program rates.

Update on the Implementation of Recently Enacted Legislation: 2020 Regular Session Senate Bill 50, 2021 Regular Session House Bill 438, and 2022 Regular Session House Bill 188

Veronica Judy-Cecil, Deputy Commissioner, Department for Medicaid Services, Cabinet for Health and Family Services, discussed 2020 Regular Session Senate Bill 50, the implementation of the Kentucky Medicaid pharmacy program's single preferred drug list and single pharmacy benefit manager, data regarding the increase in rebates, and issue with dispense fees for providers. She discussed 2022 Regular Session House Bill 188, and the implementation of telehealth regulations. She discussed the completed telehealth report required from 2021 Regular Session House Bill 140.

In response to questions and comments from Senator Carroll, Ms. Judy-Cecil stated that DMS is monitoring and auditing to identify and prevent telehealth fraud. She stated that DMS put standards into telehealth regulations but the system is evolving to protect members.

Ms. Judy-Cecil discussed 2021 Regular Session House Bill 438, the procurement, changes, protest filing, approval, and challenges faced in finalizing the single credentialing organization. She stated there are no complaints with the credentialing. She discussed the difference in the Medicaid enrollment and credentialing processes.

In response to questions and comments from Senator Alvarado, Ms. Judy-Cecil stated that she will send information as to where complaints can be filed.

Adjournment

There being no further business, the meeting was adjourned at 5:10 PM.