

Medical Care Advisory Council

Minutes

Date: August 29, 2007

Time: 1:00 – 4:30 p.m.

Where: Michigan Public Health Institute
2436 Woodlake Circle
Okemos, MI

Attendees: **Council Members:** Roger Anderson, Brandon Barton, Daniel Briskie, Jackie Doig, Andrew Farmer, Dave Herbel, Alison Hirschel, Jan Hudson, Anita Liberman-Lampear, William Mayer, Peter Schonfeld, Walt Stillner, Jocelyn Vanda, Larry Wagenknecht, Warren White, Claude Young, Harvey Zuckerberg
Staff: Lonnie Barnett, Steve Fitton, Edmund Kemp, Sue Moran, Neil Oppenheimer, Charles Overbey, Paul Reinhart, Kathy Whited, Nora Barkley, Chris Farrell, Karen Darling

Conference Call

Attendees: Diana Hines

Absent: Patricia Anderson, Priscilla Cheever, Vernice Anthony-Davis, Diana Haas, Dave LaLumia, Jackie McLean, Gregory Piaskowski, Paul Shaheen, Kim Sibilsky, Dean Sienko, Mark Tucker, Daniel Wilhelm

1:00 – Welcome and Introductions – Jan Hudson

FY07/08 State Budget Update – Chuck Overbey

The House and Senate are continuing to discuss the budget and possible resolutions. People are extremely worried that there are only five (5) weeks remaining before the end of the fiscal year. The Senate has not passed a DCH budget. The House-passed budget is contingent on new revenues which have not been approved. There are significant problems with a continuation budget. The major outstanding issues (sticking points) include: The level of revenues, government reforms, pension reforms, and healthcare reforms.

Significant budget cuts could be looming if additional revenues are not approved; Medicaid is one of the areas that require additional revenue to fund the current program in FY08. Our goal for FY2008 is to “maintain the current program.” There is still some tobacco money left that could be used in FY08.

Paul Reinhart indicated the Department is in a very difficult position because provider payments cannot be changed, by federal regulation, without a 30-day notice (which it is now too late to meet), and absent an enacted budget, there is no state authority to spend.

Based on member recommendation, Jan Hudson will draft a letter urging revenue solutions and not budget cuts to the current budget crisis, and forward it to the Governor and Legislative leadership.

DCH Senate Appropriations Subcommittee Chair – Senator Roger Kahn

Senator Kahn expressed concern about the future of Medicaid in addition to other programs funded in the DCH budget in view of the current Senate debates of cuts versus tax increases.

2007/08 – Everything is held up pending resolution of the debate of cuts vs. tax increases. The argument appears to be moving toward increased revenues. As of today, no budgets have been submitted to the House by the Senate. Thursday, August 30th, 2007 targets are expected to be announced; the Senate will then need 1-2 weeks to complete their budget recommendations.

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Charles Overbey provided an update of the target setting process.

The issue was raised that the Westside Mothers Access to Care court settlement prohibits the state from reducing payment rates in certain areas.

Dr. Barton argued for expansion of Health Kids Dental statewide. Paul Reinhart indicated the cost of statewide expansion would be \$40 million general fund. Senator Kahn indicated there is support in the Senate for expansion, but it would likely be incremental.

Dr. Mayer made a plea to the Senator to resolve the structural deficit and current budget crisis with revenues and not make any further cuts to programs, as cuts are detrimental to not only beneficiaries but also to the state's economy. "We cannot cut our way to economic growth."

Michigan First Healthcare Plan – Paul Reinhart and Steve Fitton

There is no new information to share, but there continues to be efforts to move forward. This remains a high priority for the Governor who continues to press for approval of a plan to cover as many low-income residents as possible. The failure to achieve broad-based SCHIP reauthorization to date does not bode well.

Estate Recovery – Paul Reinhart

The Federal government requires each state Medicaid program to have an estate recovery program. Michigan is the only state in the country that does not meet this requirement. The Centers for Medicare and Medicaid Services (CMS) is applying pressure to Michigan to come into compliance. CMS has threatened to begin a compliance action which could result in the loss of federal funding for long term care services. A September 30th implementation has been demanded by CMS. There are currently two Bills before the legislature, but there is still considerable opposition to passage.

The following questions/concerns were raised:

Might estate preservation might be acceptable to CMS as an alternative to estate recovery? Paul indicated he did not believe so, but is willing to ask.

What will the parameters of the program be? Paul indicated the program would have liberal parameters – no homesteads under \$75,000, no family farms, no homes in which a disabled child lives. In response to the question, Paul indicated a mature program is estimated to provide annual revenue of \$40-50 million.

Single Point of Entry Implementation Update – Mike Head and Staff

Nora Barkley provided an update and PowerPoint presentation on the Single Point of Entry project now called Long Term Care Connections. The goal is to have information available for people to make better decisions, streamline access and provide person-centered planning.

There are four demonstration projects that cover 43% of the Medicaid population. Implementation is scheduled November 1, 2007. The Long Term Care Connections staff will be the single agent to perform functional assessments and determine the level of care (previously done by nursing facility staff/waiver agents) need.

Their toll-free number is designed to ring at the appropriate Long Term Care Connections site.

Andy Farmer provided a brief update of the AARP health campaign *Divided We Fail*.

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Assuring Better Child Health & Development – Sue Moran

Michigan has been awarded a federal grant to implement policies and practices that result in the use of standardized screening tools for all children. Technical assistance, training, expert consultation and an electronic resource center will be provided under the grant.

Three Critical Success Factors:

1. Policy improvement at the state level and quality improvement at the practice level.
2. Public private partnership, with primary care physician leadership.
3. Policies based on stakeholder input and practical experience.

Michigan's approach – Internal workgroup; Partnership with the Michigan Academy of Pediatrics; Statewide advisory committee; Multi-stakeholders meetings twice/year with a goal of improving developmental outcomes for children.

Milestones: Core team attended technical assistance session July 11-13, recruited 10 pilot sites, held advisory meeting 6/19; Vermont Children's Health Improvement Program site visit 8/28-29; Community Partners meeting 9/25, Stakeholder and advisory meetings scheduled 10/8.

Access to Sub-Specialty Care – William Mayer

Bill expressed concern that there are significant issues with access to subspecialty care for Medicaid recipients in the Battle Creek region. Other members confirmed similar experiences in their areas of the state. Discussion followed with Jan requesting that a subcommittee be formed, including Bill and Sue Moran to pursue the issue and make recommendations to the group. Interested members should contact Bill to participate.

SCHIP Reauthorization Update – Jan Hudson

Jan provided a handout from Families USA summarizing the Senate and House CHIP Reauthorization and Medicare Improvement Plans.

Reauthorization bills were passed by both the House and Senate and a conference committee will resolve the differences; the date for conference committee action is not yet known, but it is critical that everyone stay on message that we need a good, clean bill passed.

CMS letter (handout) from Dennis Smith dated 8/17/07 has created a commotion; the letter 'clarifies' that state Medicaid programs no longer have the authority to increase SCHIP eligibility to a level greater than 25% of poverty without meeting several difficult criteria. At this point, Michigan is not in jeopardy because MICHild only covers children up to 200% of poverty.

Clarification from Steve Fitton: The 250% in the letter relates to GROSS income; the standard for Michigan's program, 200% of the federal poverty level, is after income disregards. There is a cohort of children (not sure how large it is) in the MICHild program that would exceed 250% of gross income; the disregards reduce their incomes to meet MICHild income requirements.

The MCAC sent a letter of support for SCHIP reauthorization to our congressional delegation in April encouraging swift action on the reauthorization. The Council members concurred with the suggestion to resend the April letter and re-emphasize the importance of maintaining benefits for those enrolled in the Adult Benefits Waiver.

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Policy Update – Ed Kemp, Toni Hornberger, and Chris Farrell

Citizenship Documentation (Ed Kemp) – Michigan implemented this provision of the Deficit Reduction Act effective 4/1/07. The law requires documentation of citizenship for new Medicaid applications and redeterminations. We are matching Social Security numbers with Vital Records where possible; if citizenship can be documented, it is shared with DHS to meet the requirements. We have been asked by CMS to come up with a unique identifier that the local DHS office uses to indicate Medicaid eligibility has been denied because of lack of citizenship documentation. BRIDGES staff has indicated they will not create a separate identifier. Concern was expressed by several members that Medicaid enrollment is declining. Staff is working with DHS staff to get Vital Records hook-up capability in the DHS local offices. Jocelyn asked Ed to send an email to her identifying the current issues related to Citizenship Documentation. Training has been raised as a key issue.

Durable Medical Equipment (DME) Workgroup (Toni Hornberger) - Wheelchairs are a major issue as they must be manually priced (acquisition plus 19% plus labor). To add to the complexity, Medicare has changed pricing three times in the last few months. The Department is finalizing a list of issues and will work with the providers to resolve them.

Adult Foster Care/Personal Care Payment Revision (Ed Kemp) - The good news is that staff have been working with advocates to get personal care at the worksite approved through a state plan amendment, especially for those individuals that are participating in 'Freedom to Work', and it was. However, because Personal Care is under the Home Help portion of our State Plan, CMS opened up the entire Home Help chapter of the State Plan. After reviewing how we reimburse facilities, CMS is now requiring a change in the reimbursement methodology for personal care services in adult foster care facilities and community mental health facilities. We must change the methodology within 13 months. This change will impact 11,000 beneficiaries, with total payments of \$18.4M. Currently, each individual with at least two ADL needs receives \$184/month with the payment going to the facility. CMS has indicated that a bundled rate is not acceptable, and that payments must be based on the individual and his/her activities of daily living (ADL) needs. The 2nd change required by CMS is that the payment must go to the provider of care, rather than the facility.

A workgroup has been established to draft policy and revised payment methodology to comply with the federal requirements.

Mobile Dentists (Chris Farrell) - A workgroup is being established to develop policies and procedures related to mobile dentists who are going into schools or nursing homes to provide limited services, but with no follow-up or treatment. The workgroup will review licensing requirements and who the mobile dental programs are in the state, and draft policy to require additional documentation and referral mechanisms when needed/appropriate. Dr. Barton will share information from the work he has done on this issue with Chris.

Other Issues

Dr. Barton made the motion that the Healthy Kids Dental Program be expanded statewide immediately. Council members concurred with the recommendation to Paul Reinhart.

The meeting adjourned at 4:35 pm.

The next meeting is scheduled for November 6, 2007 at the Michigan Health and Hospital Association Headquarters.