

## Medical Care Advisory Council

### Minutes

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**Date:** May 13, 2008

**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, Priscilla Cheever, Jacqui Day, Jackie Doig, Andrew Farmer, Diana Hines, Alison Hirschel, Jan Hudson, Dave LaLumia, Anita Liberman-Lampear, William Mayer, Gregory Piaskowski, Peter Schonfeld, Paul Shaheen, Kim Sibilsky, Walt Stillner, Mark Tucker, Larry Wagenknecht, Warren White (by phone)

Staff: Lonnie Barnett, Jim Brandell, Steve Fitton, Sheila Embry, Don Mussen, Neil Oppenheimer, Paul Reinhart, Kathy Whited

Guests: Louis Warshaw, Cynthia Garraway

#### Conference Call

**Attendees:**

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1. 1:00 – Welcome and Introductions – Jan Hudson
2. Report on 7 Deadly CMS Regulations – Paul Reinhart

Paul Reinhart provided a general introduction and update to the topic. He first itemized the various regulations: Public Provider; Graduate Medical Education; Provider Taxes; Outpatient Hospital Reimbursement; Rehabilitation; School Based Services; and Targeted Case Management. In addition to the 7 deadly regs, there is another regulation that is threatening to states and that is in relation to the Departmental Appeals Board.

Paul related that the moratoria that apply to most of the regulations go through late May. He referenced the Waxman Report (produced by Congress) and Dick Mile's work in developing the Michigan contribution. The Waxman Report quantified the impact nationally at \$50 Billion over 5 years. Our projection for Michigan is \$4 Billion 5 years. The prevailing view among states, provider organizations, and advocates is that the regulations are primarily a gigantic reduction in federal matching funding to states; hence this amounts to a cost shift to states.

Peter Schonfeld provided a general update on the legal front. Public hospitals have filed a lawsuit against CMS. He was not completely sure of its status and thought it to be pending.

The Council authorized Jan Hudson to draft and send, without Council review, whatever correspondence would be helpful in stopping implementation of these regs.

**3. State Revenue Projections – Jan Hudson**

Revenue shortfalls are again expected so we are likely looking at deficits and potential budget cuts. Jan Hudson announced an event sponsored by the League for Human Services to look at tax expenditures rather than program cuts. There was a brief discussion around the difficulty of having to revisit the same issues annually.

**4. Citizenship Verification – Steve Fitton & DHS Staff**

A letter was sent by the Council to Dr. Ahmed, the Director of the Department of Human Services, expressing the view that DHS should move to a proactive strategy of verifying citizenship where possible before asking applicants to obtain documents for that same purpose. Don Mussen, the DHS representative sitting in for Jocelyn Vanda, indicated that DHS is responding proactively and moving to clarify policy so that citizenship is verified through Vital Records before asking/requiring the applicant to get the birth record. He did not have a date certain when this can be accomplished.

Jackie Doig commented that the Dr. Ahmed letter expressed interest in other state best practices and she hoped that the State would research them. As an example, she cited Illinois and a letter that goes to applicants to facilitate this process and enhance communication with the caseworker.

A second issue is that it is not clear in the on-line application that applicants may not need to obtain their birth record. She would like modification of that process to make that clear.

Steve Fitton reported on the BRIDGES project, the complete systems replacement for virtually all automated data processing support of DHS eligibility processes, and its potential impact on citizenship verification. The complexity of the project has been a major challenge and full of unanticipated complications. One that is being worked on is the disruption of the link between DHS eligibility systems and DCH's vital records system where birth records are stored electronically. This has been extremely important in trying to minimize the barrier of citizenship verification for applicants. There is a priority fix in process to maintain this link thru all stages of the implementation process.

**5. Adult Benefit Waiver (ABW) – Paul Reinhart/Steve Fitton**

Steve started by noting that the expiration date on the ABW is January 31, 2009 and that CMS has communicated their internal decision that it will not be renewed. Although Paul sent a letter to Dennis Smith (CMS Medicaid Director) requesting CMS cooperation in a waiver renewal, CMS has responded only verbally that they are not willing to do so. Absent written evidence, MSA does not view the CMS position as definitive.

There was a long discussion about the implications of this situation and enormous concern regarding the impact on the beneficiaries of that program. It was further observed that the infrastructure support that is provided for local initiatives of County Health Plans could undermine those local programs as well.

There was considerable sentiment for taking a series of actions to bring attention to this issue across a range of constituencies. There was an extended discussion about the media including TV, radio, and print. Some members supported preparing an op ed or editorial piece for a major newspaper. Possible political strategies were discussed. Some favored approaching Michigan's congressional delegation and others our state legislators.

Arguments to be made were primarily about the human impact but others included the financial hit on safety net providers and a negative economic impact on Michigan (at a rather inopportune time).

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There was lengthy discussion about whether to move immediately to communicate the possible termination of ABW to providers and beneficiaries. One view was that it was the responsible thing to do since they would be directly impacted. In that sense it is information sharing and recognizes beneficiaries as partners in the program. There was considerable concern expressed about possible negative ramifications of such a communication, especially on beneficiaries. Jackie Doig had reservations about how well such a letter would be understood by beneficiaries. Jacqui Day urged that such a communication only occur if we are absolutely clear about what action we want beneficiaries to take. Without a compelling need and absolute clarity, she argued that this shouldn't be done since these letters are so scary to people. This discussion ended without a conclusion to move forward in the short term with a communication to either providers or beneficiaries given the reservations expressed. Paul indicated that he and his staff would review options for provider/client notifications.

At the conclusion of this topic, Paul Reinhart conveyed that he is directing staff to prepare the waiver renewal despite CMS discouragement of that option. Jan Hudson will take the lead in exploring possible advocacy options and indicated that she would be drafting either a letter or op ed to get the message out. As always, this will be circulated to MCAC members for comment.

### 6. MCAC Long Range Future of Medicaid Subcommittee – Bill Mayer

Jan introduced this topic and turned the discussion over to Bill Mayer with kudos to Bill for his energy and leadership on this initiative.

Bill Mayer recapped the Innovations concept and the work effort that has fleshed this out for application to Medicaid. He covered how this model has worked in the private sector, the objectives we have developed for Medicaid, the process of generating ideas, priority areas to help focus ideas, criteria for evaluating proposals, and then stagegate process. He covered the important role of Michigan's research universities and their engagement.

There was a description of the meeting with Janet Olszewski (including Subcommittee leadership, university partners, and MSA leadership) and her enthusiastic response.

MCAC members were positive in their response but did have some questions and comments. Larry Wagenknecht wondered if the \$10M threshold for monetary impact wouldn't be discouraging. Bill responded that it was not a rigid amount but was intended to convey the idea that we are looking for ideas that are of a breakthrough nature.

Jan Hudson made a pitch for a name for this initiative. Members were encouraged to make suggestions for names. This is essential for us to move forward as the universities are creating a webpage as a key part of implementation.

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### 7. Member Activities – All Members

Anita Liberman-Lampear: Her area of concern is Prior Authorization (PA) for orthotics, prosthetics and DME. Anita hasn't been able to connect with Ed Kemp. She stated that the approval time for PAs has increased considerably over the last 6-8 months. She will schedule a meeting with Jim Brandell to work on solutions.

Anita Liberman-Lampear: A second issue has to do with U of M's ability to effectively interact with HMOs and their patients in the area of orthotics, prosthetics and DME. She was hopeful to catch Sue Moran at the meeting but conveyed her message to Sheila Embry from Sue's staff.

Jackie Doig: Jackie's issue was citizenship documentation. This was already covered in the meeting and she stated that DHS and DCH have her suggestions and she and concerned others are looking forward to improvements.

Brandon Barton: His issue is children's health status but with dental needs as his main area of concern, this boils down to getting the Healthy Kids Dental (HKD) program expanded to SE Michigan. No magic involved; just more money. Paul Reinhart reminded the group that there will be expansion of HKD to Saginaw and Genesee on 7/1/08 so there is some progress but still great need as conveyed by Dr. Barton.

Bill Mayer: Bill's issue is improving pregnancy outcomes through perinatal dental care. He sees the opportunity to expand benefits and achieve tangible results. Specifically, he is recommending expanding dental services and folate supplements as benefit enhancements to Plan First. He stated that it is clear there are better outcomes although he is not sure about absolute cost effectiveness. Dan Briskie stated that his organization is interested in prenatal health and have designated a lead person to take on developing partnerships for dental care with health plans. Peter Schonfeld suggested working with HMOs to develop a regional pilot.

Medical transportation – No update.

Larry Wagenknecht: He was pursuing a common drug formulary among HMOs but found little interest from HMO side. There was lengthy discussion. Brandon Barton observed that such a change would ease administrative burdens and costs for a range of providers. It could also have a positive impact on quality of care. Mark Tucker provided the HMO perspective. Since some HMOs are multi-state, they negotiate drug discounts across states and having a Michigan specific formulary would be disruptive to them. There is also the ability of HMOs to emphasize generics thru a variety of processes and that would likely be compromised. Finally, approaches to pharmacy benefits do have some proprietary implications for HMOs. His final comment was somewhat encouraging inasmuch as Medicaid HMOs are exploring a collective process where they would contract with an e-prescribing vendor. That would be a necessary precondition before a common formulary could be adopted.

Andy Farmer: Andy indicated he would provide a report at the next meeting..

### 8. Policy Update – Kathy Whited

A list of policy changes was distributed but there were no issues that merited extensive discussion.

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### 9. "Upstream" Member Input Ideas – Jan Hudson/Paul Reinhart

Paul Shaheen focused on Managed Care. He is concerned about the disconnect between contract requirements and performance. He is interested in financial consequences and other kinds of accountability and enforcement. If you buy it, you should get it. In his area of Maternal and Child Health, preventive services for kids are a point of emphasis. Finally, the medical home model is being pushed as a means to put the physician in a leadership position.

Dave LaLumia focused on the Developmental Disability & Substance Abuse populations. He cited the "coordination gap" for MA beneficiaries. He also mentioned the lack of basic care for poor individuals without MA.

Walt Stillner would like to see simplification in the system and improvements in Medical Transportation. He lamented the inability for rural patients to get to providers.

Larry Wagenknecht would like to see pharmacy management (integration of medication services) in the Medicaid program.

Peter Schonfeld's first concern was to protect financing. (Perhaps he has the 7 deadly regs on his mind.) He noted an ongoing interest in investing in research and development for Medicaid and health care systems. He likes the innovations concept because of his interest in a long term direction.

Dan Briskie started with expansion of Health Kids Dental to all counties. He would also like there to be an effort to promote a visit for all children < age 1 to a dentist and expanded services for pregnant women and persons with disabilities.

Andy Farmer advocated the development of a State Strategic Plan for improved health outcomes for all populations. In his view, this creates a framework for health reform for the state.

Priscilla Cheever wants true choice for beneficiaries receiving Long Term Care services. This would be Money Follows the Person in actuality.

Jackie Doig wants streamlined eligibility and redetermination processes to insure access and continuity of care.

Roger Anderson advocated for the Covered Lives Model and that perspective. He would convert all fee for service to managed care or the Covered Lives model. He referenced the common goals of MSA and providers but competing needs.

Brandon Barton would scrap the whole system and recommended development of a managed PPO for everyone.

Diana Hines wants universal coverage so that all groups can access health care, particularly dental and health care for developmentally disabled.

Anita Liberman-Lampear advocated for streamlining of Medicaid processes. She pushes for methods that will make MSA more comfortable with providers of care so that fraud and abuse concerns are alleviated but with fewer barriers to service delivery.

Alison Hirschel echoed the money follows the person theme for long term care.

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Jacqui Day started with the statistic that 40.7% of persons with disabilities report their health as fair or poor while only 10% of the non-disabled make that same report. There should be access to care for all persons and the Medical Home model is a good place to start, with more integration of physical and mental health services and dental services.

Greg Piaskowski pushed for true choice of LTC service options and true exploration of what is currently available in existing systems.

Cynthia Garraway contributed by citing quality and access as critical centerpieces of the system. She is interested in diversity of perspectives on these important principles.

### 10. Other Issues

Paul Shaheen commented that after all of the ideas for improvement, it occurred to him that we need to reinforce how positive Medicaid is in what it currently accomplishes from access, quality, and efficiency perspectives.

Peter Schonfeld encouraged members to follow legislation that will change auto coverage to allow minimum coverage of \$50,000. This will lower premiums but drive up costs for Medicaid and providers (in the form of uncompensated care). Brain injuries are an example of the types of health problems that are currently covered in much more comprehensive ways under current law.

Jacqui Day noted that there are very significant changes in oxygen and DME policy and procurement under development for the Medicare program. She stated she was unclear about the exact details but said that the changes are related to the DRA. She had a folder from Airway Oxygen with information on some aspects of these changes.

*The meeting adjourned at 4:30 pm*

*Next Meeting: August 27, 2008 at Michigan Public Health Institute in Okemos (rescheduled to September 11, 2008)*