

## Medical Care Advisory Council

### Minutes

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**Date:** November 6, 2007

**Time:** 1:00 – 4:30 p.m.

**Where:** Michigan Health and Hospital Association Headquarters  
6215 West St. Joseph Highway  
Lansing, Michigan

**Attendees:** **Council Members:** Jan Hudson, Bill Mayer, Pat Anderson, Anita Liberman-Lampear, Harvey Zuckerberg, Dave Herbel, Peter Schonfeld, Brandon Barton, Dean Sienko, Walt Stillner, Dave LaLumia, Larry Wagenknecht, Diane Henry, Paul Shaheen, Jackie Doig, Greg Piakowski, Andy Farmer

**Staff:** Paul Reinhart, Jocelyn Vanda, Dick Miles, Sue Moran, Neil Oppenheimer, Toni Hornberger, Steve Fitton, Ed Kemp, Kathy Whited, Karen Darling

**Visitors:** Ellen Speckman-Randall, Rebecca Cienki, Diane Heinz

#### Conference Call

**Attendees:** None

**Absent:** Daniel Briskie, Vernice Davis-Anthony, Dianne Haas, Jackie McLean, Warren White, Daniel Wilhelm, Kim Sibilsy, Jocelyn Vanda, Edmund Kemp

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#### Welcome and Introductions – Jan Hudson

#### Membership Update and Meeting Dates for 2008 – Jan Hudson

Several council members have terms that are expiring. Those members have been notified by letter so each should be aware of their status. Leadership has a strong interest in continuity and is open to these members renewing for another term. Where the member is representing an organization, we will look to that organization for the (re)nomination. Obviously we will accept the nomination of the organization being represented. The MCAC Chairmanship is open. Jan Hudson indicated her openness to step down and let someone else have the experience of chair but graciously agreed to continue to serve as chair for one more year if there were no takers. The enthusiastic applause strongly suggested that she will be chair for another year.

2008 Meeting dates – Same timing as last year: February, May, August and November. Billie Hargrove will send out potential dates and create a calendar for the New Year.

#### Federal Issues Update – Chris Priest

**SCHIP Reauthorization** – The current status is that the Bill passed but it was vetoed by the President. The House lacked the majority needed to override the veto so it was sustained.

Key provisions included: 1) A significant increase in overall funding which can sustain and expand the number of children served by SCHIP; 2) ABW to be transitioned to Medicaid (1<sup>st</sup> version in FY2010 with an enrollment limit tied to individuals served in prior years) (2<sup>nd</sup> version has an FY2009 transition tied to historical funding inflated); 3) An FMAP fix (GM pension fund) that would dramatically increase our federal matching rate for 3 fiscal years (06 to 08) and result in a large financial adjustment for the State Of Michigan.

Paul complimented Chris for his role in getting the pension fund fix into legislation and the hard work in advocating for the various positions that are important to us.

## Medical Care Advisory Council Minutes

November 6, 2007

Page 2 of 5

---

The two major sticking points in the disagreement between the Administration and Congress are: 1) the Administration is opposed any new taxes to finance the increase in funding proposed by Congress; 2) the Administration is opposed to SCHIP funds being used to support adults in any form.

Peter Schonfeld observed that Michigan's delegation has supported these bills across party lines (although not unanimously) and this is cause for some encouragement in terms of the responsiveness of our Congressional representatives to the state specific issues involved in this legislation.

### Regulatory Provisions

There are numerous regulations having a negative impact on states that have been proposed and/or issued by CMS. These include:

- Public providers – narrowing definition of what entities qualify and limited reimbursement to cost
- Provider tax restrictions – CMS latitude broadened to “we will know it when we see it” for disallowances
- Graduate Medical Education – original enabling legislation reinterpreted to prohibit GME payments even though they have been a part of the program since its inception in 1966
- Outpatient hospital UPL and payment limitations – again a narrowing of amounts that can be paid for these services
- Rehabilitation definition – narrowing of definition of rehab in context of medical necessity
- Pharmacy pricing – regulations that limit amounts states can pay for drugs; complexity makes these nearly incomprehensible to other than the most specialized staff
- School Based Services – transportation and administration costs no longer qualify for Medicaid coverage and reimbursement

Paul Reinhart talks addressed the public provider and provider tax regulations, describing the depth of their impact. MCAC members expressed concern about how these regulations could jeopardize services to Medicaid beneficiaries in Michigan, particularly in light of Michigan's fiscal situation and the inability to replace lost federal funds.

Jan Hudson asked Chris what the MCAC should do. Chris encouraged members to get vocal, especially with the MI congressional delegation. Fax, email and phone are more effective; mailed letters are greatly delayed. Chris invited members to work through him and he would be happy to coordinate advocacy efforts. He then provided his contact information which is:

Chris Priest, Federal Policy Advisor

Washington DC Office of Governor Jennifer M. Granholm

444 N. Capitol NW, Suite 411

Washington DC 20001

Phone (202) 624-5840/ Fax (202) 624-5841

Peter Schonfeld related that MHHA has been working with Congress to communicate how damaging these regulations are and also to enlist Congress from the perspective that the administration is ignoring their will.

## **Medical Care Advisory Council Minutes**

November 6, 2007

Page 3 of 5

---

Chris said that besides the SCHIP reauthorization effort, there is only one other piece of substantive health legislation expected and that will extend SNPs and fix the Medicare physician fee reduction.

Andy Farmer asked for a document that provides analysis of key elements in SCHIP bill.

### **2008 Budget Update – Paul Reinhart**

The 2008 Appropriations Act was finally passed into law near the end of October. Paul thanked the many individuals around the table for helping to get Medicaid through without significant cuts. Paul gave an overview of the key funding figures in the DCH and Medicaid budgets.

State Budget Office (SBO) had estimated a deficit of \$1.8 Billion from the funding level needed to run the government at '07 policy levels. This included some inflation. Tax increases brought in \$1.3 billion or so making the problem less than \$500 Million. That allowed most programs to stay relatively intact.

There were reductions that were necessary from previously proposed levels in order to balance the budget. This required that some Executive Budget recommended cuts be adopted. Caseload estimates were revised, partly because of citizenship and that was helpful to the budget, although not to affected applicants. Paul described his DSH proposal that closed the deal. This required the support of MHHA and he expressed his gratitude to Peter for their partnership even though it involved an increased provider tax on hospitals.

Specific noteworthy items in the budget included the following: all of Healthy MI cuts were restored; the Healthy Kids Dental program was expanded to Saginaw and Genesee counties (implementation is later in the year); Home Help providers received a very modest rate increase; and foster care children will be mandatorily enrolled in managed care.

A general discussion followed with members generally positive about the fact that the program emerged relatively intact in a very difficult fiscal environment. Jackie Doig expressed particular relief that the budget maintained current eligibility groups. Paul Shaheen and others expressed dismay about the impact of the citizenship requirements as a barrier to enrollment. He proposed presumptive eligibility while waiting for documentation.

### **Long Term Care Issues – Ed Kemp and Staff**

**Estate Recovery/Preservation** – Ed addressed the estate recovery legislation and referenced a background document. Estate recovery was initially required federally through OBRA 1993. Now that we have this legislation (last state in the U.S.), we need CMS approval of the program and that will be in response to our State Plan Amendment (SPA). They were not willing to act on the legislation itself so the substantive evaluation of the legislation in meeting federal requirements is through the SPA process. Questions and discussion centered on the effective date, how MSA planned to implement, and what we have budgeted as savings

**SPEs and LOCD** – The four SPEs currently in operation are now solely responsible for completing Level Of Care Determinations in their locales. This new function was effective 11/1/07. Pat Anderson reports problems in the Upper Peninsula which MSA staff said they would investigate.

### **Policy Update – Ed Kemp and Staff**

Skipped policy update other than to point to the information on policy bulletins issued during the last quarter.

## Medical Care Advisory Council Minutes

November 6, 2007

Page 4 of 5

---

### Access to Sub-Specialty Care – William Mayer

Bill Mayer referenced discussion of this problem in a prior meeting and conference call that he had with Sue and other staff. He then handed this over to Sue to describe how we plan to evaluate this issue given less than complete information currently.

Sue Moran talked about how we have had methods to monitor this but upon examination felt the need to develop an updated approach with redesigned instruments. She also talked about Westside Mothers lawsuit and obligation to take various steps to measure and assure access to care.

There followed considerable discussion on this issue fueled by the tremendous concern that members have with access and some experiences that do indicate a problem of some degree. Bill Mayer described efforts in Calhoun County where they have had some success with dentists and are working on restoring Medicaid participation by the two orthopedic groups now declining MA. They have a community workgroup that is seeking to identify high impact/low cost strategies. After three meetings they have identified 5 such strategies.

Paul Shaheen mentioned a project to expand dental access in Detroit and that the MI Health Council is a resource on access data.

### Report from MCAC Subcommittee on the Long Term Future of Medicaid – Bill Mayer

Bill described the Innovations Project as a method to improve the MA program. This project uses the Stagegate Model (a method used in industry and developed in Canada) as a funnel for innovative ideas. Criteria for ideas that would have a sufficient significance include: \$10M in annual savings (or cost effectiveness) or a substantial impact on outcomes/quality (for which there is a highly technical definition). U of M and MSU are partners in this endeavor and we are anticipating involvement of a fair number of faculty and researchers at both universities.

Steve Fitton was supportive from the MSA perspective indicating that this is a valuable approach to the longer term shape and quality of the program. He is excited about this project building even stronger relationships with the state universities.

### What's Wrong with Medicaid: Suggested Fixes – Jan Hudson

Jan Hudson introduced this agenda item with a couple of thoughts. The primary idea behind this is that the Council is intended to advise the Medicaid Director/Program so this is a time for members to contribute their ideas to Paul and staff. Obviously the focus will generally be on problems where improvement is desired. It would be best if members can articulate proposed solutions or, at least, a direction that could be pursued for improvement. She ended with a plea that this time should not be to just dump on MSA staff. The following captures issues that merited additional efforts:

- Prior authorization policies and practices for orthotics, prosthetics, and durable medical equipment need to be updated. **Anita Liberman-Lamphear** agreed to review other insurance prior authorization policies and draft materials to reflect "best practices."
- **Anita** also raised the issue that Medicaid recipients are referred to UM for treatment, but because of HMO contract restrictions, the recipients are not then able to receive orthotics, prosthetics, and durable medical equipment from UM during the same visit. No resolution was suggested.
- Citizenship documentation continues to cause problems for potential recipients. **Jackie Doig** has again requested that DCH and DHS provide responses to inquiries and will re-Email the unanswered questions that she has previously raised. She is also concerned about tape matches to streamline the application process. **Sue Moran** will contact Glen Copeland (registrar) for an update and will share with the group. Jackie suggested streamlining the eligibility process to enhance continuity and allow recipients move from

## Medical Care Advisory Council Minutes

November 6, 2007

Page 5 of 5

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one program to another without loss of coverage. **Andy Farmer** suggested more automation of the eligibility process as was accomplished with Medicare Part D. **Andy**, would you be willing to draft a proposal?

- The issue of unsustainable federal demonstration projects (once the federal funds have been exhausted) was raised. **Dave Herbel**, I didn't catch a suggested solution if you had one – did I miss something?
- To improve children's health status, **Brandon Barton** suggested increasing preventative dental rates for children. He will provide studies on the issue to as well as assist in developing costs.
- To improve pregnancy outcomes and reduce neo-natal intensive care costs, **Bill Mayer** suggested intensive dental care for pregnant women. He agreed to provide studies documenting the impact of poor oral health on pregnancy outcomes. **Bill**, I think that Dan Briskie could help with that.
- Medical transportation is a major issue for Medicaid recipients (**Jocelyn Vanda**). A contract is under development to provide transportation services; I'm not clear if there is any action that can be taken by this group. Access for special populations (e.g., migrants) is also an issue. **Becky Cienki** agreed to provide information from the Primary Care Association's work (attached).
- Multiple drug formularies for different programs and health plans are major problems for recipients as well as providers. **Larry Wagenknecht** agreed to contact the health plans to begin a discussion about the health plans coming together to develop a single formulary.
- Health care status is greatly impacted by social and economic status. **Andy Farmer** suggested that discussions among the various departments (DHS, DCH, DLEG, Education, etc.) be held to look for solutions. **Jocelyn** indicated some of those discussions are occurring in the interagency meetings. **Jocelyn**, would it be possible to include this issue specifically at a future interagency directors' meeting? **Andy**, Marianne Udow in her new job is hoping to develop a demonstration project on the "underlying issues that impact health status – poverty status, care in the first 3 – 5 years of life, etc.

4:30 pm - Meeting adjourned

2008 Meeting Dates: February 13, May 14, August 27, and November 6; 1:00 pm – 4:30 pm; all quarterly meetings to be held at Michigan Public Health Institute, Okemos, MI.