

Members

Sen. Patricia Miller, Chairperson
Sen. Luke Kenley
Sen. Ryan Mishler
Sen. Vi Simpson
Sen. Sue Errington
Sen. Connie Sipes
Rep. William Crawford
Rep. Charlie Brown
Rep. Peggy Welch
Rep. Timothy Brown
Rep. Suzanne Crouch
Rep. Don Lehe



SELECT JOINT COMMISSION ON MEDICAID OVERSIGHT

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MEETING MINUTES¹

Meeting Date: September 1, 2009
Meeting Time: 2:00 P.M.
Meeting Place: State House, 200 W. Washington St.
Senate Chambers
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Sen. Patricia Miller, Chairperson; Sen. Ryan Mishler; Sen. Sue Errington; Sen. Connie Sipes; Rep. William Crawford; Rep. Charlie Brown; Rep. Suzanne Crouch.

Members Absent: Sen. Luke Kenley; Sen. Vi Simpson; Rep. Peggy Welch; Rep. Timothy Brown; Rep. Don Lehe.

Chairperson Miller called the meeting to order at 2:05 p.m. and introduced Commission members. Chairperson Miller stated that there are some Medicaid issues that have been assigned to other interim study committees and that the Commission would not address these issues.

Expansion of the Indiana Check-up Plan

Ms. Seema Verma, representing the Family and Social Services Administration (FSSA), informed the Commission that the cigarette tax revenues collected to date are \$346 million dollars. \$138 million have been expended, leaving a balance of \$208 million. Ms. Verma stated that none of the cigarette funding has been diverted for other use.

Ms. Verma stated that the Indiana Check-up Plan (Plan) is operated through a Medicaid waiver and the federal government requires waivers to prove budget neutrality. Ms. Verma reported that budget neutrality was established in the initial Medicaid waiver request through

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

diverting disproportionate share hospital (DSH) dollars; however, the federal government capped the Plan's participation of childless adults at 34,000. FSSA has requested additional childless adult slots and the federal government asked FSSA to show budget neutrality of federal dollars. FSSA responded by showing the savings of consolidating pharmacy benefits which would allow coverage for 7,000 more childless adults and FSSA is waiting for the federal response. Ms. Verma also noted that it is important to watch the federal healthcare reform debate because reform may include coverage for childless adults.

Ms. Verma informed the Commission that there are 46,206 participants enrolled in the Plan. See Exhibit 1. 23,000 childless adults have been deemed eligible for the Plan but have been placed on a waiting list due to the Plan reaching its capitation for childless adults. 3,500 individuals have been deemed eligible for the Plan but have not yet made their first monetary contribution as required by the Plan. When asked by Commission members whether Indiana could increase the eligibility requirements of the Plan or fund additional childless adults with the money that is in reserve, Ms Verma stated that there is a monetary surplus now because the Plan did not start when the collection of the cigarette tax did. However, cigarette tax revenue is decreasing and the cost of the Plan is increasing as more individuals are added. Ms. Verma stated that if there is an expansion, funding issues for the Plan would come at an earlier date. When asked why the Plan is not more popular with uninsured parents, Ms. Verma stated that FSSA is planning on revamping marketing efforts to reach more people. When asked whether the required monetary contributions by an individual are impeding people from enrolling, Ms. Verma stated that only one percent of people have been dropped from the Plan for not making the required contributions. Ms. Verma stated that there has not been a study on whether this contribution has impeded people from enrolling in the Plan.

When asked whether legislation was required to raise the number of childless adults covered under the Plan, Ms. Pat Casanova, Director of the Office of Medicaid Policy and Planning (OMPP), stated that legislation is not required. When asked whether further DSH dollars were going to be diverted to pay for the Plan, Mr. Doug Elwell, Deputy Director of OMPP, stated that the \$50 million in DSH money will be annually diverted. However, Mr. Elwell stated that hospitals are overall ahead through receiving payments for services to participants covered under the Plan, although the money is distributed differently among the hospitals.

General Medicaid questions

Commission members asked FSSA why Indiana has not increased income eligibility in the Children's Health Insurance Program to 300% as required by state law now that the federal government has lifted its prohibition on this level. Ms. Casanova stated that Indiana is still gathering the paperwork required for a Medicaid state plan amendment to do this and that the state plan amendment request has not yet been submitted to the federal government.

When asked by a Commission member for an update to the Family Planning waiver, Ms. Casanova stated that this waiver request has been submitted to the federal government, but the federal government has not yet taken action on the request.

EDS Update

Mr. Rick Shaffer, EDS, provided the Commission with the EDS Medicaid claims report summary. See Exhibit 2. Almost sixty-eight percent of Medicaid claims received were approved. One of the top claim denial reasons was requiring the provider to bill another insurance company first. The payment period for a claim is approximately seven days.

Managed Care Organization Update

Ms. Pat Casanova provided the Commission with a chart summarizing the number of Medicaid medical providers by region. See Exhibit 3. In response to a question from the Commission, Ms. Casanova stated that there are about 600,000 Medicaid recipients who participate in managed care. The Commission asked for further claims data from the managed care side of Medicaid for the next meeting.

Children's oral health

Mr. Doug Bush, Indiana Dental Association, informed the Commission of some programs that the Indiana Dental Association supports concerning children's oral health. The Give Kids a Smile Program provides charity dental care for uninsured children on the first Friday in February. Over 200 dentists have volunteered for this program. Mr. Bush stated that the program is currently being reviewed to determine whether it would be better to provide care throughout the year. The Born to Smile Program started in Allen County and has the goal of getting children to see a dentist earlier. Mr. Bush stated that a brochure setting forth preventative oral health measures is given to the parent when the parent receives the child's birth certificate. If the parent completes some information, the parent will later receive a free dental check-up for the child when the child is one year old. This program will be expanding to Monroe County next. Commission members asked Mr. Bush to provide the Commission with a list of incentives that can be given to a dentist to participate in the Medicaid program.

Dr. Polly Buckey, Regional Dental Director, Kool Smiles, provided the Commission with information on Kool Smiles. See Exhibit 4. Dr. Buckey stated that Kool Smiles was first opened in Atlanta in 2002 to provide dental coverage in under served areas and opened its first office in Indiana in 2005. Dr. Buckey informed the Commission that tooth decay is the most common childhood chronic disease and that oral health plays a critical role in a child's success in school and the child's self esteem. Dr. Buckey testified concerning Kool Smiles' training and performance auditing of personnel. Dr. Buckey stated that Kool Smiles sees about 26 Indiana Medicaid patients a day.

Dr. Kent Smith, Director of Oral Health, Indiana State Department of Health, stated that dental access needs to be improved and that a dental home should be established by the time the child is one year old. Dr. Smith informed the Commission that the National Conference on State Legislatures has conducted a study that indicates that the costs for dental services for a child who has a dental home at the age of one are forty percent less than a child without a dental home. Dr. Smith stated that the federal Health Resources and Services Administration has awarded a grant to the Department to study the problem of oral health in Indiana and that recommendations will be available in sixty days.

Dr. Caroline Dobberling, FSSA, informed the Commission of a study conducted by the Medicaid Medical Advisory Cabinet that compared utilization of dental services among children in Medicaid in 2002 and 2007. See Exhibit 5. Dr. Dobberling stated that in the first quarter of 2009, 68% of the Medicaid Care Select children visited the dentist in the previous year. In response to a question by the Commission concerning what can be attributed to the improvement of recipients receiving dental care, Dr. Dobberling stated that there has been both a local and national effort to improve oral care, including coordinating dental care with the recipient's medical home. In response to a question by the Commission concerning how FSSA oversees dental provider complaints, Ms. Casanova stated that FSSA performs both data mining and review of complaints. Ms. Casanova stated that FSSA reviews about two percent of dental health providers at various different levels of review. Ms. Casanova commented that FSSA is looking at moving in the direction of reviewing utilization patterns within the next year.

Medicaid managed care prescription drugs/ pharmacy carve out

Mr. Mike Sharp, FSSA, stated that FSSA will assume responsibility for processing all outpatient pharmacy claims and services beginning January 1, 2010. See Exhibit 6. Currently each managed care organization provides pharmacy services as part of the managed care capitation rate and each managed care organization has its own drug list and prior authorization process. Mr. Sharp stated that operating under one preferred drug list will simplify administration and offer significant savings. Mr. Sharp also stated that there will be one place to go to receive prior authorization and FSSA will have access to both federal and state supplemental drug rebates. Mr. Sharp informed the Commission that 28 other states have pharmacy consolidation.

Mr. Sharp described some of the administrative actions that would be taken in the transfer of pharmacy responsibility to FSSA to ensure that there is no lapse in coverage. In response to questions by the Commission, Mr. Sharp stated that EDS will be processing the pharmacy claims and that ACS will act as the pharmacy benefit manager. Mr. Sharp stated that the pharmacy benefit manager arm of ACS is separate from the modernization project. In response to a question from the Commission concerning whether FSSA still believes that quality of care will not be affected by this change, Mr. Sharp agreed that there is no indication that the change will affect quality of care. Mr. Sharp said that in general there has been support for the consolidation of pharmacy services.

Ms. Stephanie DeKemper, representing herself, stated that she has some concerns with the pharmacy consolidation. Ms. DeKemper questioned whether the vendor has experience with the Medicaid population and wonders how data sharing will occur in a timely manner. Ms. DeKemper informed the Commission that she was pressured not to testify in her professional capacity.

Mr. Clary Butler, Indiana Minority Health Coalition, stated that there are many unanswered questions concerning the pharmacy consolidation. Mr. Butler stated that the consumer is losing the ability to choose by the consolidation.

When asked by the Commission whether OMPP had pressured individuals not to testify, Ms. Casanova stated that her division has not pressured anyone concerning testifying.

The meeting was adjourned at 4:35 p.m.