Utah Health Policy Project

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UTAH Community Action PARTNERSHIP

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MONTHLY MEETING AGENDA: (*HEALTH ONLY THIS MONTH!*)

Date: **Wednesday, April 6th**
Time: **1:30 – 2:45 PM**
Location: **Dept. of Health**
Cannon Office Bldg.,
288 N 1460 W, Room 114

DOH/Health

1:30 Welcome and Introductions

1:35 Topics for Michael Hales, Director of Health Care Financing (Medicaid) and Staff from DWS

1. SB180-Medicaid Waiver: Substance & Process (30 minutes)

SB180, Medicaid Reform, sponsored Sen. Liljenquist will fundamentally reform the way Medicaid services are paid for and delivered in Utah. The premise for this legislation cannot be disputed: Medicaid spending *is* on an unsustainable trajectory and proven strategies are needed to ensure that beneficiaries and taxpayers are getting good value for the Medicaid dollar. While the overall intent of SB180 is positive, critical details have yet to be seen, and some of the language on spending caps and expectations for consumer behavior sets off alarm bells. This bill requires DOH to draft and submit a waiver to the Legislature by June 1, 2011, and then to CMS by July 1, 2011. Michael will discuss the waiver process moving forward touching on several points:

a. Waiver substance:

- What can you tell us about the content of the pending waiver?

Micheal Hales:

The State currently has 3 managed care organizations in place currently; Molina, Healthy U, Select Health. Each of the have a different form of managed care. The state will be moving these 3 into an ACO model. The strategy will be to move from FFS to a bundled payment-capitated risk system while meeting certain quality standards. This will allow the plans to be innovative in finding how to deliver quality care most efficiently, thus enabling them to create incentives for clients.

- What changes (proposed in SB180) require a waiver? Which do not?

  (Michael Hales)

  Pharmacy benefit will be included in the ACO contracts with the hopes of tying prescription into payment, we will capture savings. We are looking at different types of sticks and carrots
  - *Sliding scale*
  - *Optional benefits*
- How do you think CMS will respond to some of these proposals?

  (Michael Hales)

  We anticipate that we CMS may have some concerns, but that this has a good chance of approval and if approved will be implemented July 2012

  We anticipate that additional health plans that can meet the requirements of the ACO standards, and will be encouraging to these groups to become certified. We are encouraging innovation in this plan. Expanding outwardly to creation of new ACO's will certainly produce the benefits the state is hoping for in the reform.

  Bulk purchasing is largely from PDL, not as much from bulk purchasing. We don't currently get saving from bulk purchasing with Mental Health drugs. This is more applicable to rebates for the state more than a discount through bulk purchasing.

  We are keeping services of what is already being contracted with these 3 with the addition of pharmaceutical. Home health may have a limited piece of this separate from LTC.

  We are trying to exclude the LTC and Mental health, but the plans do have certain limited pieces of this section currently…there may be a small overlap.

  Clarification of how providers will now report, there will be a change in how providers report care given.

  We will look at the last 2 years of historical data based on their categorical grouping; the state will then adjust premiums based on clients enrolled and negotiate a capitated risk payment.

  We are hoping to purchase is a quality outcome more than a procedural outcome. Quality measures will be put into place during the process which may reflect the FQCA standards.

- How will the budget neutrality cap be structured?

  (Michael Hales)

  Will look at current budget expenditure rate which historically in Utah has been 8%

  We will be breaking this out by categorical clients; growth in enrollees does not affect this.

  CMS perspective will be to look at our plan which will be 5 years, if we do not meet our budget neutral plan, they will not allow the state to continue under the waiver

At the state level, will be looking to Oregon's process in prioritizing services for cuts if the program exceeds target

B. Waiver Process

- What will the waiver *process* look like?
- How can stakeholders have input from this point forward?

Over the next four weeks we will be continuing our public meetings. Each of these meetings will have different topics pertaining to the reform moving forward.

Meeting Schedule:

Medicaid Reform Public Meetings

CONFERENCE ROOM 125 for all meetings:

Wednesday, April 6th 8:30 AM -- 10:00 AM (Provider focus) Integrating the pharmacy benefit into the ACO, Out-of-Network Payments

Wednesday, April 13th 4:00 PM -- 5:30 PM (Client focus) Client incentives for healthy behaviors

Wednesday, April 20th 3:30 PM -- 5:00 PM (Provider focus) Capitated rate setting process and Data requirements

Wednesday, April 27th 8:30 AM -- 10:00 AM (Client focus) Cost sharing

Wednesday, May 4th 3:30 PM -- 5:00 PM (Provider focus) Provider assessment and UPL preservation

Wednesday, May 11th 3:30 PM -- 5:00 PM (Client focus) Quality Assurance

2. Update HB174 (15 minutes)

HB174 requires the Department of Health in collaboration with DWS create a proposal (RFP) to outsource eligibility processes to private entities by August 15, 2012. In multiple states throughout the U.S., privatization of Medicaid eligibility systems has been unsuccessful at best, disastrous at worst. From a fiscal standpoint alone, there is no valid reason to privatize Medicaid eligibility: in all the states that have taken this path, privatizing eligibility has cost more to taxpayers than it has saved.

- Where does this assignment stand? What will the study process look like?

Yvette Woodland updated the groups on the process that DWS will be following to implement HB174. They are looking to potentially use graduate students to compile the data needed for the report. They are just in the beginning stages of planning for the proposal but will be encouraging input from the community.