Medicaid Advisory Board
Meeting Minutes
January 22, 2009

PRESENT

Board: Christina Colombe (Member), Kristi Kistler (DHMC), Kay Van Woert (Vermont Family Network), Edna Fairbanks-Williams (Member), Peter Cobb (VAHAA), Larry Goetschius (VAHHA), Peter Taylor (VSDS), Garry Schaedel (VDH), Anita Hoy (COVE), Dale Hackett (Member), Sarah LittleFeather (Member), Sheila Reed (VVC), Lila Richardson (HCO), Julie Tessler (VCDMHS), Deborah Lisi-Baker (VCIL) and Lisa Bushey (Member).
Other Interested Parties: Valerie Lewis (VMS), Michelle Scanlon (BSPCA), Brendan Hogan (DAIL), Cherie Bergeron (EDS), Jackie Levine (DCF), and Jen Fredette (Maximus).
Staff: Susan Besio (OVHA), Lori Collins (OVHA), Clark Eaton (OVHA), Robert Larkin (OVHA), Kim Harnois (OVHA), Lorraine Siciliano (OVHA) and Stacey Baker (OVHA).

HANDOUTS

- Agenda
- December 18, 2008 Meeting Minutes
- OVHA Budget Adjustment Factors – Jan. 20, 2009
- OVHA Explanation of SFY '09 Rescissions – Jan. 22, 2009
- DAIL SFY '09 Budget Info – Jan. 21, 2009

CONVENE

Kay Van Woert chaired the meeting.

Approval of Meeting Minutes

The December 18, 2008 meeting minutes were submitted for approval. The minutes were approved unanimously by the board.

Director's Report – Susan Besio

Susan Besio, Director of the Office of Vermont Health Access (OVHA), provided an update regarding budget adjustment factors, stressing the lack of funds available in the current budget to pay for programs that are in place. For now, the effects of a proposed federal stimulus package are still uncertain. Within the last month, it has also become apparent that necessary cuts may be much larger in the future due to revised economic trends and updated forecasting.

Several MAB members felt that the Governor's budget adjustment recommendations seemed to be more pessimistic than advocates' information about the amount of the FMAP increase/stimulus package.

One proposed reduction would lower the current cap of $495 per patient for adult dental care to $200 effective April '09. Peter Taylor expressed concerns about the adult dental care program. Even the current cap doesn't provide much outside of emergency services.

If a $200 yearly maximum is implemented, very few services can be provided over the course of a year for a population that is likely to be in need of more extensive services.

An alternative might be to redesign the adult Medicaid Program to an emergency only program. This redesigned program would consist of the same criteria for eligibility as the current State General Assistance Program and the same benefits without a yearly maximum.

It was recommended that Peter Taylor prepare a proposal for later review. A dental small work group will meet to continue this discussion and make recommendations. The group will include Peter Taylor, Deborah Lisi-Baker, Lisa Bushy, Dale Hackett, Edna Fairbanks-Williams, Gary Schaedel, Lila Richardson, Sheila Reed, Kay Van Woert and Sarah Littlefeather. Clark Eaton will solicit other MAB members who may want to participate.

A proposed 4% reduction in the Provider Reimbursement Rate was discussed, to be effective with March 15, 2009 date of service. Dentists, nursing homes, hospitals, hospice care, FQHCs, and 99 codes used by physicians will be exempt from the reduction. Larry Goetschius expressed concern that many providers often feel that they are unfairly held responsible for deciding government priorities and what services should be cut for individuals given the constraints of the percentage cuts and reductions.

Kay Van Woert agreed, because it leads to unequal access to programs across the state. Also, Vermont Family Network has had recent complaints about cost shift between agency programs, such as between Home Health Agency Hi-Tech and DS Agency "goods" budgets. Peter Cobb remarked that this is also happening between Maternal and Child Health and Hi-Tech funding.

There was also a brief discussion regarding a proposed reduction in Crossover Reimbursement. These claims relate to individuals who are covered by both Medicare and Medicaid, including dual eligibles. In these situations, Medicaid is always the payer of last resort. Medicare processes the claim and serves as the primary insurer, leaving Medicaid to process any balance as secondary. Medicare covered claims are also subject to an annual deductible. Once the deductible is met, Medicare will pay 80% up to the allowed amount with a few exceptions. This leaves non-covered services, deductible and co-insurance to be considered by Medicaid for payment. Christina Colombe worried that many consumers cannot navigate the system effectively. Edna Fairbanks-Williams wondered where people could find the Medicaid rules.

The Director also discussed the proposed elimination of VPharm 1, 2 and 3. There is a population that does have Medicare for coverage and Part D coverage for pharmaceutical benefits. With the elimination of VPharm programs, the State would no longer make premium payments and beneficiaries would pay their premiums directly to their PDP's

for Medicare Part D coverage. This will save the State almost $300,000, which is incorporated in the VPharm savings amount. The Board stressed that the State needs to look more closely at the impacts that such eliminations would have on beneficiaries.

Dale Hackett asked if there would be any more rescissons and Susan Besio responded that she did not know. Susan Besio was not in a position to answer any questions about upcoming budget year recommendations. The OVHA's Medicaid Budget Document will be distributed /mailed to the MAB membership as soon as it is released.

Budget Discussion (DAIL) – Brendan Hogan

Brendan Hogan, Deputy Commissioner of The Department of Disabilities, Aging and Independent Living (DAIL) provided a handout and gave a brief synopsis regarding DAIL's August and December '09 rescissions and SFY '09 budget adjustment.

The August '09 rescission proposed a $100,000 reduction from the GF regarding the Attendant Services Program (ASP). This target will likely be exceeded, as DAIL does not yet know the amount of money saved in ASP, as the process is still ongoing. Estimated total '09 savings are $302,865. A $500,000 reduction for Choices for Care would reduce the cap on assistance for Instrumental Activities of Daily Living (IADL's) from 5.5 hours per week to 4.5 hours per week. These activities include cleaning, laundry, money management and non-Medicaid transportation. 952 participants were affected by the reduction for an estimated savings of $61,163/month. This contributed to an estimated savings of $366,978 for the balance of SFY09.

The December '09 rescission provided a 2.5% reduction from the post August rescission. Agencies were given maximum flexibility on how to manage reductions, with the caveat that reductions would have as little impact on consumers and families as possible. Examples of reductions submitted to DAIL included: staff reductions (52 filled positions and 6 vacancies), reduced staff hours and reduced salaries and agency administration costs.

The board expressed concerns that nursing home usage seemed to be increasing, perhaps as a result of the lack of community based options. MAB asked for more background information and trend analysis, including the State's need to look into more options regarding Home Health Care.

New Business – MAB Members

MAB Chair Kay Van Woert will draft a formal letter for the state administration that summarizes the board's questions and concerns regarding the SFY '09 budget rescissions and budget adjustment, as well as the SFY 2010 budget development.

Lila Richardson noted an area of concern regarding the federal SCHIP bill. There needs to be a letter of request from Vermont stating that the Administration's SCHIP reauthorization bill includes a state option to approve/verify citizenship. The board concurred that Lila Richardson take the lead on this initiative.

MAB Request Topics

- Department Budget Updates for February meeting
- AHS Secretary Presentation

Next Meeting
February 26, 2009
Time: 10:00AM – 12:00PM
Location: Capitol Plaza Hotel, Montpelier, VT