

ALABAMA MEDICAID AGENCY
Medical Care Advisory Committee Meeting
Wednesday, November 4, 2009

Commissioner Carol Steckel called the meeting to order at approximately 1:30 p.m. in the Medicaid Boardroom.

Members Present

Carol Steckel, Alabama Medicaid Agency
Cary Kuhlmann, Medical Association of the State of Alabama
Jim Carnes, Alabama Arise (via telephone)
Jean Stone & Peggy Givhan, (Irene Collins), Alabama Department of Senior Services
Celeste Drayden (Mary Finch), Alabama Primary Health Care Association
Mike Horsley, Alabama Hospital Association
Faye Nelson (Nancy Buckner), Alabama Department of Human Resources
Marsh Raulerson, MD, Medical Association of the State of Alabama
Grace Nelson (Don Williamson), Alabama Department of Public Health
Louise Jones, Alabama Pharmacy Association (via telephone)

Members Absent

Roosevelt McCorvey, MD	Pattisue Carranza
Wilburn Smith, Jr., MD	Linda Lee
A.Z. Holloway, MD	Commissioner John Houston
Commissioner Cary Boswell	Holly Midgley

Others in Attendance

Angela Williams	Terry Bryant
Kim Davis-Allen	Lee Rawlinson
Bill Butler	Gretel Felton
Paige Clark	Nancy Headley
Kelli Littlejohn, Pharm. D	Mattie Jackson
Kathy Hall	Anita Charles
Sharon Parker	Marilyn Chappelle

Opening Remarks

Commissioner Steckel expressed appreciation for those present and participating in via iLinc. The meeting proceeded according to the printed agenda.

Budget Update:

Terry Bryant reported that the Agency is currently preparing its fiscal year 2011 budget in hopes of finalizing it by the end of the week. The General Fund Budget will be very tight in 2011.

The Stimulus money will end December 31, 2010. There is some discussion in the health care reform bill about a possible six-month extension.

The Commissioner reported that the Agency will draft its budget and submit it to the Finance Director's office for review. The Finance department will send it to the Governor who will make the final decision on what the state's budget proposal will be to the legislature. The Governor is required to submit the proposal on the third legislative day of the session, January 2010.

Legislative Update

Henry Davis reported that the 2010 legislative Session begins January 12 and ends April 26. In Congress there are 32 Bills in the House and 27 in the Senate. Only two Bills are moving targets in the House, H.R 3962- The Health Care Reform for American and H.R 3961-Medicare Physician Payment Reform; both contain public options, which from a financial stand point, will affect Medicaid. There were two Bills not combined in the Senate one was the mandatory coverage for Preventive Services; however, Pfizer was successful in getting smoking cessation included in the Bill, but it did not expand coverage to adults. The Senate version includes expansions for all populations up to 133% FPL, whereas the House version is up to 150% FPL. Both Bills have mandatory coverage with no co-pays and co-insurance for preventive services. Both versions include a variety of other programs that will impact our budget. Medicaid is facing the possibility of high expansions. Medicaid redesigned the Maternity Care Program to include smoking cessation for pregnant women, through the maternity waiver, but because of budget constraints, coverage of smoking cessation products for all recipients was not expanded.

The Commissioner stated that there is access to a Medicaid list serve for Health Care Reform discussion on the Agency's website. A new side by side from NASMD of the House and Senate Bills is posted on the website for the committee to review. Another provision in the House Bill is a \$6 million bonus payment for nursing homes. Today, Managers' Amendment to the House Bill was released and will be posted on the website as well.

Mike Horsley expressed his concerns about the insured individuals in the state of Alabama being below the 150% FPL. The Commissioner added that the Senate Bill extends CHIP and maintains S-CHIP. The House Bill does away with S-CHIP and has the individual above 150% moving into the exchange. The provisions in the Senate give individuals between 100% and 133% of the FPL, the option to choose the exchange or Medicaid. If the individual chooses

the exchange, Medicaid will pay the average cost for adults and EPSDT wrap around for children. Because Medicaid has only mandatory coverage groups, except for children, our average cost is going to be significantly higher than a state like New York that has a bigger healthier pool.

Jim Carnes expressed his concerns about a recent article reporting that the estimated cost to the state is \$1.2 billion. Commissioner Steckel indicated that was a projection done by FFIS, a very reputable financing information services, but it is total dollars both state and federal; it is just for one year. Another provision is the pharmacy exchange. They increased the rebate program. The rebate percentage on both generics and brand name drugs, but it will not save money. Commissioner Steckel stated that the Agency does an extraordinary job with supplemental rebate. It will cost the Agency money to make those changes. We are pushing extension of stimulus monies and no new mandates. The House Bill could not be kept below \$900 billion without expanding Medicaid. Additionally, the Commissioner stated that the DSH payment is a major issue for Alabama and the payments will decrease. Also, none of the Bills cover illegal aliens.

Express Lane Eligibility Update

Anita Charles reported that the Express Lane Eligibility (ELE) is a streamlining process authorized by CHIPRA. Under ELE, Medicaid will not have to obtain certain eligibility information already provided to and verified by other need based programs. A SPA with an effective date of October 1, 2009 has been submitted to CMS for implementation of Phase I, which will allow the use of income findings from SNAP and TANF to redetermine Medicaid eligibility for children. The Agency already has the capability to access certain DHR inquiry screens. Children who are eligible for SNAP or TANF will be eligible for continued Medicaid coverage automatically. If findings from DHR reveal a child is ineligible for these programs, then Medicaid must use its standards, policy and procedures to determine eligibility for medical assistance. The Commissioner stated that ELE has become the Governors' number one project and linking TANF, SNAP, Unemployment Compensation, and Child Caring Foundation all into one application before he leaves office. Additionally, Lee Rawlinson stated that school nutritionist program is being studied for inclusion in the future as part of the ELE. Also, we are working on our templates to receive some of the CHIPRA bonus money.

The Commissioner stated that unemployment is now at 10.7% and Medicaid enrollment has increased 5,000 per month, which is an 8% increase, most are children. Dr. Raulerson said SCHIP numbers have decreased because this group is now eligible for Medicaid due to the job market. Lee Rawlinson stated that the online application numbers are still constant and currently the Agency is not marketing the tool. Dr. Moon noted that Medicaid now covers over 50% of deliveries in Alabama.

TFQ Update:

Kim Davis-Allen reported on Together for Quality (TFQ) which is a \$7.6 million grant received from CMS about 18 months ago. Basically, there are three components: QX-Agency inoperability, Q4u which is our chronic care management program that will focus on asthma and diabetes and Q Tool-electronic health record and clinical support tool for physicians. The grant expires September 2010 and will serve as the foundation for the HIT grants through the Office of the National Coordinator and CMS. These grants will fund the infrastructure for a statewide health information exchange and the implementation and payment of meaningful use incentives. Beginning in January, workgroups will be formed much like the TFQ stakeholder workgroups. Most of the information regarding these grants is published on the Agency website. The goal is to write the strategic plan by April 1, 2010. We plan to contract with outside resources to assist with this initiative. The Commissioner explained that she recommended to the Governor that Medicaid take the lead role in the state mainly because Medicaid is the only agency that can draw down 90/10 matching funds. All of the rules and regulations governing these funds are still being reviewed, issued and defined. The long term vision is to transition to a 501c entity. A governing board will be chosen and will be responsible for developing policy for the 501c because we are moving away from a Medicaid initiative to a true statewide project representative of all payers, providers and patients..

Long Term Care Update:

Marilyn Chappelle addressed a question from Lawrence Gardella regarding physical and chemical restraints form the nursing homes are asking the client or sponsor to sign waiving their rights. Marilyn explained that federal rules do not allow the family to waive this right and that the state survey agency looks for documentation of any restraints. The nursing home must document that a patient has a medical condition. The Commissioner said the form was not approved by the Agency and we would be willing to talk with the nursing home using the form.

LTC Rebalancing Advisory Committee:

Marilyn reported that the Long Term Care Rebalancing Committee began in July 2009. It is a joint resolution created by Senator Linda Coleman. Her goal was to give Medicaid an opportunity to start talking about how we address the aging population in such a way that we are encouraging community based services without bankrupting Medicaid. The committee consists of five subcommittees that include Medicaid staff and advisory groups: *The Needs Assessment and Services Subcommittee, Resource Development Subcommittee, Single Point of Entry Subcommittee, Economic Impact Subcommittee and Legislative Matter Subcommittee.* The Needs Assessment and Services Subcommittee identify what services are needed by the individual to be eligible for LTC. The Economic Impact Subcommittee determines what the impact would be to the Agency. Each subcommittee had a six week turnaround period

from July 16, 2009 to submit a report. The first three sub-committees were the first to submit their report. The report from the Economic Impact Subcommittee is still under review. Once the review is completed, the report will be submitted to the Legislative Subcommittee to determine what legislative actions will be needed. The final report will be submitted to the Commissioner, the Governor and then to the Legislature. The overall purpose of this committee is to develop a vision for a better, more responsive long-term care system and the policies to promote the new system. Additional information is located on the Agency's website www.medicaid.alabama.gov.

Maternity Care Program

Nancy Headley reported that the Maternity Care contracts have been awarded to 13 out of 14 districts. The final district will be rebid and evaluated. We will be revamping some of the contract components such as adding smoking cessation products for the maternity recipient, Plan First mothers who have the option of going to a regular pharmacy to receive contraceptive products and primary contractors will have some quality measures that they will have an opportunity to receive performance improvement and incentive payments, if our budget allows. Dr. Moon stated that providers have been supplied with report cards to record data. Additionally, we are working with ADPH and ADMH to allow Substance Abuse Screening Education and intervention for delivery health care professions. The Agency will be working with Mental Health to allow claims reimbursement. Dr. Raulerson said that pregnant women are a priority for referral for treatment. Commissioner Steckel indicated that DMH had two rounds of budget cuts, unlike Medicaid.

Patient 1st Update

Paige Clark reported that the In-Home Monitoring Program currently has 692 recipients and is steadily increasing. The Agency has been selected to participate in the State Consortium to Advance Medical homes for Medicaid and CHIP Program Participants, being funded by the Commonwealth Fund. There were 19 applications submitted and 8 new states were named to the Consortium. Alabama was one of the states. The session will be held in Baltimore Maryland, October 19-21. Kim Davis-Allen is attending the learning session.

The Shared Savings program shared \$4.7 million with providers on the October 2 checkwrite. Providers were paid based on efficiency fee and performance fee. Some providers received fees for both measures, and others received one or the other. A few phone calls have been received from providers with questions about moving forward with calculations and adequate data. Plans are to meet with Patient 1st Advisory group and discuss some alternative methodologies for reimbursement.

Pharmacy Update

Kelli Littlejohn reported that the division held a recent routine PDL quarterly update meeting. There will be a Pharmacy and Therapeutics (P&T) meeting November 18. The Drug Utilization Review (DUR) meeting was held last week. Synagis/RSV season began in October; the agency held a successful statewide conference related to the Synagis criteria that is included in the new 2009 AAP guidelines. All information regarding Synagis is available on the Agency's website www.medicaid.alabama.gov. The commissioner thanked the Alabama Chapter of AAP for supporting the Agency in adopting the updated criteria which included the 2009 AAP guidelines. Medimmune, the sole source supplier, rejected AAP/s recommendations and appealed to the state legislature. The Agency prevailed because of the clinical evidence, as well as the support from the AAP.

Vaccines

Dr. Littlejohn stated that upon CMS issuance of a State Health Officer letter; the Agency put into effect policy and procedures to begin reimbursing pharmacies, effective November 2, to administer the H1N1 and the seasonal flu vaccine. In an effort to support the "medical neighborhood" concept, a communication a form has been developed for pharmacists coordinate vaccine administration with the recipient's PCP. a claim. So far, there have not been any claims for the first week, but staff will monitor. The information is available on the Agency's website www.medicaid.alabama.gov. Louise Jones applauded the Agency for recognizing the value of the pharmacies in the H1N1 distribution and in their willingness to move forward on the reimbursement for the administration.

Other issues:

Dr. Raulerson asked that the Agency consider covering topical treatment for teenage acne because it is a serious illness and it is tied to suicide. This recommendation was duly noted. Dr. Littlejohn explained that the treatment is considered cosmetic and we cannot cover it due to budget constraints, the optional drug class of cosmetic agents is non-covered.

Larry Gardella discussed the recent State Supreme Court reversal of three AWP lawsuits. Dr. Littlejohn is working on a replacement pharmacy reimbursement methodology on a state as well as a national level.

Closing Remarks:

The Commissioner stated that there is a lot going on with the budget. Medicaid is trying to continue to make progress and focus on doing things better for the recipients and the providers by developing tools to provide better care to our recipients.

There being no further business to discuss, Commissioner Steckel thanked everyone for coming and adjourned the meeting at 3:22 p.m.

Respectfully submitted:

Carol H. Steckel
Carol H. Steckel, Commissioner

Angela Williams
Angela Williams, Recorder

Attachment:

Alert -Reimbursement for Seasonal Influenza and H1N1 vaccines
Alabama Medicaid Eligibility Update- Express Lane Eligibility