

**Medical Care Advisory Committee
Minutes Thursday, May 1**

Homer Site Visit

Welcome and Introductions

Members Present:

NP Deb Kiley, Chair
Dr. David Alexander
John Bringhurst
Tracy Charles-Smith

Marie Darlin
Gary Given, RPh
Megan LaCross
Karen Sidell

DHSS Staff:

Jerry Fuller

Sally Bowers, HCS

Members Absent:

Mark Walker

Amber Doyle

Approval of minutes:

Deferred approval of March 14th minutes

Approval of Agenda:

Members agreed the agenda was very full but approved as drafted. Concern was voiced that there will be limited time for developing the recommendations for FY2010. Karen Sidell noted that although there is a forum for tribal people to talk to the State of Alaska, they don't hear from providers from Ninilchik & Seldovia so she commented this was good to see them on the agenda.

Announcements:

There was a brief discussion about vacancies and prospective members. Positions are open for the physician, dentist and consumer. The main position of interest has been the physician. In addition to Dr. Mandsager and Dr. Eby, NP Kiley mentioned that she recently talked with Dr. Elizabeth Turgeon, a family practice doctor in Wasilla who also practiced in Cordova. A comment was made that her experience would be good since she has a rural perspective. Karen mentioned that she sent out an email to some people she had thought might be potential members, but she has not had a reply. She also has a recommendation for a consumer who lives in Nome and perhaps another potential good choice is the lady who runs the Medicaid office in Maniilaq. She assists people with Medicaid applications; plus she has children on Denali KidCare. NP Kiley mentioned Mr. William Carr, the gentleman who testified at the March meeting regarding his need for hyperbaric treatment prior to oral surgery, would be a potential choice. He is not able to receive the treatment locally since Medicaid does not have an approved provider. He is a recipient, well spoken and has an interesting perspective.

Marie Darlin mentioned she is aware of a new SEARHC dentist who has worked in the bush in SE. She has not been able to find out any other information but would still try. NP Kiley suggested that all names of interest should be submitted to Sally or encourage the person to send an email to Sally so that she can send them information. The physician and pharmacist positions are expired this weekend, so it is important to fill these positions as quickly as possible.

Old/New Business

1. FY10 Recommendations

Members were reminded to review the FY 09 recommendations in preparation for developing the new recommendations for FY10. Information was included in the packets mailed prior to the meeting and will be discussed during the next couple days.

2. Medicaid Director's Report - Jerry Fuller

- a. Federal Report: CMS has seven regulations issued that shift costs to the states. In their analysis CMS estimated \$12 billion in Federal funds would be saved over 5 years. Henry Waxman, Chair of the House Energy subcommittee surveyed all the states to get an idea of what states thought the impact would be. Approximately 45 states responded and they figured about a \$55 billion estimate from the

states; quite a different perspective from CMS' estimate for the fiscal impact. A great deal of attention is being paid to these regulations. House Bill 5613 passed and places a moratorium on these onerous regulations until April 09. The bill is now in the Senate. Some republicans are trying to kill it. The administration has said they would veto it; the House vote was 300+ to 69; so the House side is veto proof. Senate side remains to be seen. The Alaska delegation will vote for it when it gets up to a vote.

There have been several other Senate bills introduced that deal with the moratorium and they may influence how it is dealt with on the Senate side. Senator Grassley, in his floor speech for the Senate budget resolution, went through each of the proposed regulations and basically offered a middle ground. He noted that we have to have accountability but did not focus on the CMS rhetoric of fraud, waste and abuse. Jerry noted that it was a logical platform. Has sent it on to the Alaska delegation and the national Medicaid directors, offering it as a template of what needs to be done. In all likelihood there will be a moratorium that involves upper payment limit for public hospitals, graduate medical education, targeted case management, rehabilitation services, outpatient and clinic upper payment limit, and provider tax. Jerry noted that hospitals do a Medicare cost report that Medicaid uses to set their rates. There is not a separate Medicaid cost report. The administrative burden of the regulation dealing with upper payment limits for hospitals would require the states to hire more accountants to do what we are already doing and then to do a retrospective settlement where we currently have a prospective settlement. Several of these regulations will significantly increase the administrative burden for states. There is an Iraq bill and a second bill that has to pass legislation before June 30th in order to keep the Medicare practitioner reimbursement from dropping 10 %. Senate is making motions to tack this on to one of these must pass bills.

There will be a new administration that likely will not carry on the policies of the current administration. The National Medicaid Director's Association meeting is coming up in June. They will be discussing a position paper for the two final presidential candidates offering assistance for a quick and thorough transition at CMS. Several organizations will be there and they will attempt to get as many as possible behind them to get a quick change at CMS. Jerry noted that several thousand organizations have reviewed and commented/opposed these regulations and the goal will be to get as many as possible to support the position paper.

There was a brief discussion of the presidential candidates stand on medical policy. Concern was voiced that they may not have a good understanding of issues. The hope is that they will appoint staff that does have a better understanding.

- b. State Issues: SCHIP – the governor's official position is that she concerned about the federal funding and did not want to increase anything until she knows what the funding will be. The federal SCHIP expired and Congress passed an extension with some additional funding so that states did not have to cut their programs thru March 31, 2009; but it leaves one quarter of that FY unfunded. In the State's budget process, the State builds in an additional general fund in case we need to revert to the Medicaid match. We don't cut funding for kids, we revert to the Medicaid match. The FY09 budget is fully funded for that one quarter when it might revert to the Medicaid match (Medicaid is 52.48 and SCHIP is 65-66). The bill did not make it through but will be back next session.

There was a brief discussion about the issue of the backlog of Denali KidCare (DKC) eligibility determination. This is an issue that is mentioned by the providers who are on the agenda. Currently DKC is on a 6 month cycle – about half the states do it on a 12 month schedule. Alaska statutes permit us to go to a 12 month cycle. If we want to change it, it is under our control since it is not statutory and we don't need legislative approval. At the Medicaid Task Force meeting, it was mentioned that a letter would be sent to the Commissioner with recommendations that we go to 12 month eligibility. The Commissioner also had heard from a children's group that suggested the 12 month eligibility as well as presumptive eligibility. The budget people will be looking at the pros and cons – certainly a pro would be less administrative time since you would not have to process them every 6 months. They will need to look at whether there is a potential increased cost; look at all the impacts, do the assessment and offer recommendations to the deputy commissioners.

The State would have to rewrite the regulations to change from 6 months to 12 months. Since Curt West and Kevin Henderson are doing the regulations, it may be possible to do it expeditiously.

- c. **Mental Health:** Anchorage Community Mental Health (formerly Southcentral Counseling) is now taking patients again – chronically severely mentally ill. Concern was voiced about the moderately mentally ill which is a funding issue across the state. Jerry presented a report on the behavioral health budget from FY05 – 09 that is up to almost \$300 million from FY 05 when it was \$210 million. There was a brief discussion about the mental health trust that has property and money and how they contribute to the treatment of mental health patients. Members indicated they would like to have someone from the Trust come and talk with MCAC. Recently their agenda included the Residential Psychiatric Treatment Centers (RPTC). They helped with Bring the Kids Home. They do have small grants available to help consumers but these grants really are not widely advertised, so people need to be connected.

NP Kiley mentioned her participation in a recent meeting of multiple organizations that focused on chronic inebriates. She noted that this was a very narrow focus that really deals with only a small number of people. Concern was voiced that this group is not hitting on the much larger issue of the mental health in Anchorage. There is not a service that picks up the mentally ill who need treatment. MCAC members expressed interest in learning more about the name of the “group” and organizations participating.

Action Item: NP Kiley will provide the name of the organizing program for MCAC members.

- d. **Update on Senate Bill 61:** Within this bill there is a behavioral health aspect dealing with hiring a contractor to see what it would take to cover mental health/substance abuse and probably some pharmacology for all Alaskans under some % of the poverty level. This would provide Medicaid funding for some of the inebriates, etc. using best practices for the treatment. They will also be trying to figure out the provider side to be sure there is someone who can provide the services. RFP is not out yet. This would be a demonstration project to provide a limited benefit package that would be available to everyone, even the 22-64 y.o. This recommendation was based on the 2005 McDowell report estimated that there is about \$600 million annually lost related to car accidents, loss of work, health issues, jail time all related to alcohol and substance abuse. The next report, 2 years later, indicated that the cost was even higher – up to about \$750 million and would likely be close to a billion by now. This is one area where the State likely could get some return on investment if the state could get something started. Hopefully the RFP will be ready soon to enable something to be ready for the legislature next session.
- e. **Certificate of Need (CON)** did not pass so there will be no change in that process.
- f. A bill passed that will require long term fiscal plan (10 year fiscal plan) so that all Departments have to put that together for the Governor for the legislature. The Bill mandates a fiscal plan for the legislature to review for the next session.
- g. **Prescription data base.** Monitoring for controlled drug use (C2-5) passed. The regulations will now be written. Everyone who prescribes (writes), receives, or dispenses will be in the data base. Only those with a right will be able to access the data base to ensure it is secure. Forty other states already have this and should be a good thing for the State.
- h. A couple bills were wrapped together to expand the practice of dental hygienists and dental assistants. A lot of national interest in the dental therapists program in tribal Alaska that is being looked at everywhere since there is such a shortage of dentists.
- i. **Capital budget –** (over 200 pages long) the Department received funding for its requests. Significant monies allotted to Juvenile Justice to upgrade the lockups i.e. McLaughlin is in need of a lot of

improvements. The Pioneer Homes – will put a new roof on the Sitka Pioneer Home. There is money earmarked for long term care in Kotzebue, Maniilaq, & Bethel. This could be nursing home or assisted living; \$7 million to look at designing a 100 bed facility. All these need to be approved by the Governor. \$5 million for Anchorage Neighborhood Health Center to look at construction of a new facility; \$250K Family Centered Group Services for planning for a group home; \$2 million for the Alaska Family Residency; some money for health information technology (ALERT – electronic health records).

Fiscal notes that go with the operating budget.

- Cost containment
 - Evaluate an asset test for Denali Kid Care
 - It is the intent of the legislature that the Department eliminate the requirements for narrative and financial quarterly reports for all grant recipients whose grants are \$50K or less. This will decrease administrative time.
 - Pioneer Homes – ensure other sources of payment like Medicaid or anything else
 - Adult dental – do not overspend the authority
 - Community Health grants – 330 clinics – \$1 million for direct services
- j. The MMIS project is going well. It has to be up and running by June 2010 or will result in severe financial penalties from the Feds. One immediate concern is that the State needs to get information to providers so they will be aware of how the system will work and enable providers to plan for their own system updates. The new system is completely web based. They will be doing some field testing to see if the band width will work in the rural areas. Alaska is lucky in that this system will be up and running in two states prior to Alaska – North Dakota & New Hampshire.
- k. Operating budget – Health Care Services took a decrement of \$23 million general fund. Going into the session, they started with a slight surplus, estimated to be about \$15 million. They will have to move money around to make the budget; there is a very significant gap between the \$15-23 million that translates into about \$16 million deficit. Providence Life Flight is merging with a non tribal entity so we will lose the 100% reimbursable; estimate loss of about \$2 million. The Health Care Services budget will be very tight and may have to go back for a supplemental.
- l. Tamper proof prescription pads are now required. This has been a challenge for many practitioners and pharmacies. This change will eventually force everyone to go to electronic prescribing.

Action item: Jerry will provide a copy of budget for Sally to send to MCAC members.

Action Item: Contact the Mental Health Trust Authority to request a presentation to MCAC at an upcoming meeting in the Fall - Delisa Culpepper