

**TITLE XIX ADVISORY COMMITTEE MEETING
Medicaid Purchasing Administration
May 20, 2011**

Conference Call

MINUTES

Members Attending

Claudia St. Clair, Chair
Gerry Yorioka, MD
Eleanor Owen
Joan Brewster
Dean Riskedahl, DDS
Kyle Yasuda, MD

Members Not Attending

Lan Nguyen, excused
Mike Hassing, excused
David Gallaher
Thomas Trumpeter

Staff

Doug Porter, Administrator, HCA/MPA
Jim Stevenson, Communications Director, HCA/MPA
Tonda Taylor, Executive Secretary, MPA
Preston Cody, Director, DHS and BH, HCA/MPA
Maria Nardella, Maternal and Child Health, DOH

Guests

Hugh Ewart
Molly Firth
Bob Perna
Janet Varon
Andrew Busz

Approval of Minutes and Agenda

The agenda was approved.

The March 18 meeting minutes were approved.

Budget Update

Doug said HCA and MPA were still waiting for an official budget. The holdup appears to be a worker compensation conflict between the Senate and the House with general agreement on most other policy bills. Governor Gregoire has said she would not hold a second special session. That means if work is not completed by July 1, the Office of Financial Management (OFM) will shut down. There was a question about how Medicaid clients would be affected by a government shutdown. Doug said he hopes the threat of a shutdown will “galvanize” legislators into action. The last time he saw this kind of impasse was in the 1990s in California. He believes that under a shutdown only essential personnel would report to work; however, Medicaid itself would probably not shut down immediately and would continue to make claims payments.

Health Innovation for Washington

Doug reviewed the addendum that was sent to stakeholders, describing the different parts of the Governor’s initiative: value-based benefit and payment reform, delivery system reforms, consumer engagement, prevention and wellness, administrative simplification, and stakeholder involvement.

- **Value-based benefit and payment reform** – the intent is a health care system where public and private payers and providers test, confirm, then adopt new common business models that sustain a strong primary care base and promote the delivery of value-based, patient-centered care.
 - The state is requesting maximum participation and alignment of Medicare and Medicaid in efforts to pay differently for services and care including – incentivizing managed care plans to utilize bundled payments or sub-capitation models, episode-based reimbursement, capitation/global the continuum of care and optimizing value. Doug said the primary aim of payment reform is to replace the Medicaid fee-for-service system, which pays for volume of services instead of outcomes.

Doug shared it is important to get Medicare to the table in order to share savings and bring the two systems into alignment. He said the Governor's proposals also would establish centers for experience and allow the state to contract with them. Overall, this portion of her request totals \$4.3 million and ten FTEs.

There was a question about sub-capitation versus capitation. Doug said an example was Community Health Plan of Washington. A recent federal audit provided an incentive to move away from sub-capitation to an encounter-based model, he said.

- **Delivery System Reform** – The intent is a health care system where care is integrated, culturally competent, and responsive to the varying needs of rural and urban settings, where providers respond to routine reporting that highlights efficient and inefficient practices, and where consumers, providers, and payers make informed decisions for more effective and efficient use of health care resources.

There was brief discussion on establishing health homes in communities without managed care. Doug said he hopes more is going on in this area and hopes CMS will embrace much of it. This portion of the request would total \$25 million over the next two years and 20 FTEs.

Joan Brewster said she will meet with stakeholders on Saturday and will be glad to assure them on the managed care issue. Doug said it is important to work with those who will use the new payment system.

Andrew Busz asked about combining Medicaid and Basic Health. Doug said we would build on the bridge waiver and believe that some of the Basic Health cost sharing will help change consumer behavior. He said CMS is reluctant about cost sharing, although we still are hopeful for the flexibility to make Medicaid look more like Basic Health in the future. Doug rated cost sharing as perhaps the most difficult challenge in the Governor's requests.

Janet Varon asked on behalf of low-income populations that cost sharing can be a hardship – lack of access, services – everything must be considered. Doug agreed, especially with prescription drugs. He said there are a lot of moving pieces and that adequate access is important.

This portion of the Governor's request totals \$1.8 million and 7.2 FTEs.

- **Consumer Engagement** – The intent is a health care system where consumers are informed and persuaded to take greater responsibility for managing their own health and where they have easy access to health facts, comparative information on costs and quality, and available care options.

- Funding practice improvement – Tobacco cessation – Medicaid clients have the highest use. The Governor is asking for \$2.5 million and 5.1 FTEs to expand the quit line.
- Medicaid also plans to participate in the Department of Health’s Prescription Monitoring Program.
- Prevention and Wellness – intent is to connect prevention-focused health care and community efforts to increase preventive services.
- Request is for financial participation in support of regional Centers for Excellence to promote community-based solutions aimed at preventing chronic disease and addressing the risk factors of chronic disease that contribute to high costs of health care.

Claudia asked about the flexibility between Medicaid and the Exchange. Doug said a market analysis is being conducted now and should be completed shortly.

Transition/Merger Status

Doug said the Single State Agency bill (HB 1738) passed the House and the Senate and that the Governor would sign it with an effective date of July 1. Staff from the Lacey office will co-locate to Cherry Street Plaza in Olympia. Seattle staff will remain where they are.

There was a question about a Cooperative Agreement between Washington and Oregon. Doug said there was a meeting between Governors that included natural resources, transportation, health care, and other common interests. Doug said Washington agrees with Oregon’s global budget concept and we want to work with them and share.

Joint Procurement Process

Preston said a draft request was posted on May 13. On May 27, staff plans to take all the information they received on the website and finalize comments. The RFP will be posted on July 29 and there is a response time of 90 days. We hope to award the RFP sometime in March 2012.

Preston reviewed other dates and timelines. There was a question if Basic Health will be considered Medicaid going forward? Preston said there are waivers that will allow BH to look like Medicaid (example: cost sharing).

Bob Perna asked about Interpreter Services. Doug said they are in negotiations now.

Bob also asked about ICD-10. Doug said they submitted funding for system changes, which did not happen. Now we are looking where we can get funds. There are real world impacts if this is not funded.

Meeting adjourned at 9:30 a.m.

Next meeting is July 22, 2011, and is a face-to-face meeting.