

TITLE XIX ADVISORY COMMITTEE MEETING
November 18, 2011

Face-to-Face Meeting

Courtyard Marriott
 Seattle South Center, Tukwila
 400 Andover Park West
 Tukwila, WA 98188

MINUTES

<u>Members Attending</u>	<u>Members Not Attending</u>
Joan Brewster	Claudia St. Clair, excused
Gerry Yorioka, MD	David Gallaher, excused
Eleanor Owen	Heather Milliren, excused
Lan Nguyen	Mike Hassing, excused
Kyle Yasuda, MD	
Thomas Trumpeter	
Molly Firth	
Dean Riskedahl, OD	
Ginger Kwan	
<u>Staff</u>	<u>Guests</u>
Doug Porter, Director, HCA	Bob Perna, WSMA
Jim Stevenson, Chief Communications Officer, HCA	Huy Nguyen, NW Justice Project
Tonda Taylor, Executive Assistant, HCA	

Approval of Minutes and Agenda

The agenda was approved.

The September 23 meeting minutes were approved with administrative changes.

Kyle Yasuda chaired today's meeting in the absence of Claudia St. Clair.

Director's Report

Director Report items were incorporated as agenda items.

New Member Introduction

The meeting marks the appointment of three new members to the committee:

- Doug Porter introduced new committee member **Ginger Kwan**, a parent advocate. Ms. Kwan is the Executive Director and Founder of the Open Doors for Multicultural Families in Kent.

This is a family-driven organization that responds to the needs of many multicultural King County families of children with disabilities.

- **Heather Millirin** is another new member and was unable to attend today. Ms. Milliren is a Skagit County Parent-to-Parent Coordinator for the NW Washington Children with Special Health Care Needs and is a Regional Representative on the Parent Advisory Board.
- Doug congratulated **Molly Firth**, formerly a regularly attending guest, now joining the Title XIX Advisory Committee as a new member.

Budget Update

The Governor's budget was released on Wednesday, November 16, and the Legislature will now decide on both cuts and new revenue. Doug said he is not sure how or what the Governor will decide to buy back if her revenue proposals succeed once they go before voters, possibly in March. Doug said voters will see service cuts if the revenue package is not passed. Governor Gregoire is not likely to propose bringing back all the cuts – most insiders suggest the revenue package would only cover about one-third of the cuts she is proposing.

A tax increase would have to be endorsed by two-thirds of the voters, and Doug said legislative leadership is unlikely to move those measures ahead if the Legislature itself cannot muster more than two-thirds for passage. That means the vote could be delayed well into spring, and Doug quoted Marty Brown, Office of Financial Management Director, as saying that voter turnout in an off-year election is most likely to bring out senior citizens and Tea Party-type voters. These are the voters least likely to vote for tax increases and revenue packages.

A special session begins on November 28, and Doug said insiders predict the session will not meet all of the budget concerns. Any cuts will be deeper unless the state takes a stand and decides how to handle the budget cuts.

Lan Nguyen asked about the caseload forecast now slowing down slightly. Doug said this actually helps HCA meet its budget target. Because caseload growth was slower than originally estimated, the state can avoid some of the most drastic cuts HCA originally proposed, including the suspension of adult pharmacy.

Reasons for the caseload being low could be that people have jobs and things are stabilizing even though that's not apparent yet. Washington State doesn't have an income tax and relies on sales tax, but this is not always a good indicator for an improving economy.

Joan Brewster said things are definitely not improving in her jurisdiction (Grays Harbor County). She said they are continuing to eliminate programs and have nowhere to cut without problems. Joan said they held a community forum this week and leaders shared what will happen with program eliminations. She was pleased that 200-300 people showed up.

Lan asked about approval from CMS (ex: Apple Health for Kids) and premium increases? Doug said HCA has been pursuing waiver requirements from CMS, and the Governor sent a proposal to the Super Committee in Washington, D.C. Doug said that the Governor was notified that her

proposal would not be approved because it falls outside the Affordable Care Act, and CMS will not approve the waiver.

Supercommittee/Congress

Doug said the national budget picture looks grim. He was in D.C. for the fall National Association of Medicaid Directors (NAMD) conference in early November and met with key staffers from Senators Murray and Cantwell. He said staff is “closed-lipped” with what is going on with the Supercommittee. Doug said NAMD members’ principles are to look at savings from both federal and state governments. His personal opinion is that sequestration will be triggered and Medicaid and Medicare will be spared, but this sequestration will hurt Washington State in other areas like defense spending. There was brief discussion on defense spending, taxes, and the Department of Corrections.

Joint Procurement RFP Update

Doug said we will not know the savings until the bids come in from plans – bids are due December 2 – and after those bids are evaluated in mid-January. He is encouraged that the market will be competitive for managed care. This is a new opportunity for several hundred thousand covered lives. Out-of-state plans have always been able to enter the market, but there has been little interest in the past. He hopes the state will benefit as these changes occur.

Molly Firth said her organization (Community Health Plan/Community Health Network of Washington) is concerned about being disadvantaged because new plans have an inside track to get new enrollment.

Gerry Yorioka asked if there will be a review, and Doug said that will most likely happen. He said staff has been measuring every two years and, by 2013, we’ll know more, since our figures are from September 2011.

Thomas Trumpeter said he is concerned that the transition might allow predatory market practices, and he urged the state to be diligent about preventing that.

Kyle Yasuda said, from a provider standpoint, it is okay to involve new companies from out of state; however, if the contract is not sustainable, he said it could create some access issues.

Doug reassured members that the RFP built in additional requirements – these stringent and demanding rules will hold plans accountable and should guard against abuse.

Thomas said it usually takes three to five years for issues to come forward and wondered if there would be a public forum or “watchdog” group? Doug said he was not aware of such a group, but that staff would watch for trends.

Thomas also asked how it would work for plans who might want to re-enter the bidding process after sitting out this current procurement. Doug said he would have to talk to Preston Cody, Assistant Director for the Division of Health Care Services, to see how that conflict might be resolved.

Lawsuits

Doug discussed the Hospital Assessment fees, which allowed hospitals and the state to leverage increased federal funds for last year's budget assessments. Last summer, the Legislature opted to negate that agreement, but the hospitals challenged the move in court, saying the state could not cast the arrangement aside. The state's case was upheld in an October court decision, but it was not known in mid-November whether the hospitals would appeal.

A second provider lawsuit was also in court in November, challenging the legislative-driven directive to stop reimbursing hospitals for non-emergency visits to the Emergency Room. The judge's ruling in that case followed strict procedural guidelines, finding that the agency failed to follow proper rulemaking guidelines, but not ruling on the actual issues in the case. Doug said the state is reviewing its options.

Health Benefit Exchange Update

Doug said staff is on track for the national health care reform deadline of January 1, 2014. Bids are due back by December 8, 2011, and staff has already received 15 letters of intent.

The project team is in place. Doug met with Commissioner Kreidler, of the Office of Insurance Commission, and said he expects him to weigh in heavily. Doug said the Exchange will "spin-off" into its own quasi-governmental entity by March 2012. The Governor will appoint the Exchange Board in mid-December, and the board will be jointly sponsored by the Governor and the Commissioner. One of the board's first actions will be to hire an Executive Director.

1738 Update

Doug said the agency and DSHS have received feedback from across the state on the merger of Medicaid and the Public Employee Benefits (PEB) system in the new Health Care Authority. The agency is preparing to present different options about how to integrate behavioral health and acute medical. There is no consensus between DSHS and HCA at this point; therefore, each agency will present options in a paper brief to the Governor.

The main differences are on timing, and one option will include the driver on how health care is purchased. That policy should stay with agencies – DSHS and DOC.

Doug said the agency moved quickly to bring Medicaid and the Health Care Authority together – two vastly different cultures were successfully merged, with a good blend of senior executives and dispensing of myths. He said it will be one year in July for the merge and by February 2012, all HCA staff, except for Seattle, will consolidate in the Olympia Cherry Street Plaza and Town Square offices.

Doug said HCA has made excellent progress on C-sections within the Medicaid market. He said we are receiving data that is much more definitive.

The Medicaid program is also working with other state health agencies to reduce deaths due to narcotic overdoses (Washington is one of the top ten highest death-rate states). New developments include the launch of a new prescription-monitoring program by DOH in 2012.

Doug said he is also proud of the ProviderOne MMIS system. Compared to other states, we have had the best implementation of a new payer system. We also were the first state certified by CMS with no findings (corrective action requirements). He commended staff for all of their hard work.

Review and Vote on By-laws

Doug thanked the subcommittee that worked to update the by-laws and Brian Jensen, Staff Attorney, who helped redraft and finalize the new points. The updated by-laws were approved.

Executive Committee Elections

Ballots were passed around to members for the Executive Committee elections. Ballots were tallied and the new Executive Committee members are: Molly Firth, Kyle Yasuda, and Ginger Kwan.

Claudia St. Clair will remain the Chair for another term at the request of Doug Porter.

Round Table Discussion

Eleanor Owen said she is concerned about the lack of sufficient funds to do what we have been doing and for people to pretend there is nothing wrong with the economy. She attended a forum last night with about 700 people and they were all asking not to cut their programs. She said everyone must consider giving up something.

Gerry Yorioka said he did a White Paper on free clinics and discussed E-health records and clinics. He said the independent clinics don't communicate with the free clinics and the need for free clinics will only increase.

Dean Riskedahl said he is waiting to see restructuring on the horizon in the optometry and vision area. He was pleased that purchasing of eye hardware can happen through Airway Optical.

Anne Shields, DOH, said they are working with their practice improvement section. She said they are following emerging local health trends.

Joan Brewster said her agency has laid off 25 percent of its staff and more cuts are still needed. She said the recent loss of their local OB-GYN clinic has had a negative impact. Joan said she has high unemployment in her Grays Harbor community of about 70,000. On the positive side, Joan said she sees a healthy community response to the situation, one that will play a role for community transformation work.

Bob Perna said he sees a theme of a downstream effect and even having positive outlook with such grim outlook. He does not sense yet there is leadership for making these pieces fit together. Bob briefly discussed the Exchange issue and adverse selection within the Exchange.

Lan Nguyen said it is important to push for new revenues and that there needs to be less talk about efficiencies. She would like people to push back when they hear this – focus on the legislative session and working with other organizations on adult and senior health. She wants to hear what is happening on the local level. Oral health is also an important issue.

Molly Firth talked briefly about the legislative session, Basic Health, and children's health. She said the challenge is the change to Disability Lifeline and no cash November 1 for medical. She is concerned about Medicaid expansion and outreach and education.

Doug shared that Manning Pellanda, Assistant Director for the Division of Eligibility and Service Delivery, is heading a steering committee on ACES and the Exchange.

Thomas Trumpeter said exchanges will occur regardless of what happened nationally in January 2014 and regardless of the politics. He agrees on pushing back and talking about revenue is where we need to be holding discussions. He stated two websites for people to visit.

Thomas also mentioned that a new clinic is being built – under one roof: pharmacy, dental, and medical.

Kyle Yasuda said it is important to address early on the integration of early brain development and discussed the Early Learning Commission established with Governor Locke. Kyle also mentioned the integration of health as it applies to Medicaid and the need to be creative – keep in mind the benefits.

Meeting adjourned at 11:45 a.m.

The next meeting is a conference call on January 27, 2012 (rescheduled from January 20).