DISTRICT OF COLUMBIA MEDICAL CARE ADVISORY COMMITTEE (MCAC)

Meeting Minutes
Wednesday, April 8, 2015
1:00 p.m. to 2:30 p.m.

Attendance

Shana Bartley, DC Action for Children
Danny Bellamy, HSCSN
Jessica Bronson, Health Insurance Counseling Project
Cyd Campbell, Medstar Family Choice
HyeSook Chung, DC Action for Children
Sarah Guerrieri, Children's National
Doreen Hodges, FVDC
Judith Levy, DC Coalition on Long Term Care
Kathleen Millian, TPM LLY
Emily Murray, LTC
Justin Palmer, DCHA
Patricia Quinn, DCPCA
Alan Rezaed, Self
Wes Rivers, DC Fiscal Policy Institute
Veronica Sharpe, DCHCA
Calvin Smith, Bridgepoint
Tim Sullivan, MEDSTAR
Ron Swanda, AARP-DC
Eric Vizka, DCPCA
Kimberly Waller, Children's Law Center
Alan Watson, THRASYS

Cavella Bishop, DHCF
Carleta Belton, DHCF
Sumita Chaudhuri, DHCF
Mary Devasia, DHCF
Kenneth Evans
Diane Fields, DHCF
Maude Holt, DHCF
An-Tsun Huang, DHCF
Irene, Hui, DHCF
Robert Howard, DHCF
Pearl Keng, DHCF
Danielle Lewis, DHCF
Angelique Martin, DHCF
Heather McCabe, DHCF
Laurie Rowe, DHCF
Surobhi, Rooney, DHCF
Claudia Schlosberg, DHCF
Portia Shorter, DHCF
Darrin Shaffer, OCFO
Dawn Smith, DHCF
Colleen Sonosky, DHCF
Deniz Soyer, DHCF
Lisa Truitt, DHCF
Wayne Turnage, DHCF
John Wedeles, DHCF
Yolanda Williams, DHCF
Dorinda White, DHCF
Cleveland Woodson, DHCF
Constance Yancy, DHCF
Yorick Uzes, DHCF

Participation Via Conference Call:
Natasha DeBose, DBH

Lawrence Williams, DHCF

I. Welcome and Introductions

Wes Rivers, MCAC Chair, called the meeting to order at 1:00 p.m. and called for a motion to approve the minutes of the February 25th, Medical Care Advisory Committee Meeting (MCAC). The motion was seconded and unanimously approved.

II. Budget Report

Director Turnage and the Executive Management Team presented on Mayor Bowser's FY2016 Budget for the Department of Health Care Finance (power point presentation).

III. Budget Report Cont'd.

Director Wayne Turnage

Director Turnage opened the presentation with a framework of the process for Mayor Bowser's inaugural budget for DHCF. The Mayor held forums, meetings with Council members and community groups to ensure her budget reflected her priorities for the needs of the District of Columbia. The process executed peaks to the Administration's commitment to outreach transparency and accountability. Director Turnage introduced his Executive team, who proceeded to outline the FY2016 Budget for DHCF.

Ken Evans, DHCF Chief Operating Officer

Mr. Evans provided an overview of the overall District Budget (slides 3-6).

- We must pay debt service dollars against the borrowing that we do for our bonds
- For the FY16 budget there was an increase of $52 million
- Funds carried over from current fiscal year to the next fiscal year is $47.9 million
- Dedicated funds, i.e. special purpose revenues, help balance the budget
- There was a slight modification with tax incremental financing that had to be accounted for of about $1.8 million
- There was a General Revenues increase of $26 million which gives a total revenue base of $7 billion on local revenue side
- The current services funding level budget is the base line budget that the CFO produces
- There were $182 million worth of reductions made by Mayor Bowser to allow for investments
- If you add the local fund numbers and dedicated tax fund numbers plus purpose revenue funds, over 70% of the revenue collected by the District to use for funding initiatives are collected locally and that's one of the things that is touted for budget autonomy
- $7 billion is allocated across the different clusters in the District. When Federal funds (Medicaid) are added, this number allows Human Support Services Cluster to jump to almost 40% of the entire District's budget
- Recurring theme is that investments are made in Human Support Services and Public Education. These two help raise the tide in terms of the citizens of the District to increase the Pathway to Middle Class

Darrin Shaffer, Chief Financial Officer

Mr. Shaffer provided background information on the budget development (slides 8-14). He spoke to the decrease and increase in funds for FY2015 approved and FY2016 proposed budgets and the percentage change between the two. Mr. Shaffer's presentation detailed the following formulation:

- Medicaid funds are going up, whereas local funds are going down largely due to the Affordable Care Act and newly eligible beneficiaries triggering a growth in the group
- Non-provider payment side – we are 95% provider payments and 5% everything else (personal services, fixed cost and contractual services).
- FTE's are a huge topic; the number looks big, but really only six truly new positions in our FY16 budget. The rest of the changes tend to be conversions or activities occurring in FY15, but after FY15 approved budget
- FY15 Budget was $716,602,825, FY16 Budget is $703,362,740 resulting in savings of $41.4 million
- Provider payments side of the budget, which are gross funds, are considered local and Medicaid, dedicated taxes, and special purpose
- Medicaid Mandatory Funds are 14 actual expenditures in FY15 and FY16 budgets
- Optional Services – biggest movement is Managed Care which has seen a 4% enrollment growth
- Local Fund Savings Initiatives are $41.4 million
- Recalculations are against current services funding level. First, start at FY15 budget, then go up to the current services funding level and all of the savings numbers are coming down off of that current services funding level number. Not a reduction off of FY15, but the reduction off the calculation of where we would have been

Sumita Chaudhuri, Deputy Director (Finance)

Ms. Chaudhuri outlined key facts regarding the Personal Care Savings initiatives (slides 15-19).

- DHCF is aligning the actual cost supported by the Home Health Care agencies and does not eliminate a planned rate increase. Cost reports are being review and audited. Still allow for increase of payments to Health Care Providers which will cover Medicaid allowed overhead cost as well as the fiscal impact to the living wage.
- Even though it is showing a reduction of $9.3 million, which is really a total of $31 million when you add in the Federal part, there are really no cut in services
- DC vs. other states – DC is one of the top few states that is at the 98% level for the District's DRG Payment, all others are below rate.
- For the EPD Waiver Savings, DHCF always budgets at the cap; never reaching the cap. The trend was explored to lower the budget. Total savings of $2.9 million or $9.7 million with Federal

Claudia Schlosberg, Senior Deputy Director/State Medicaid Director

Ms. Schlosberg provided information on the expenditure trends and DHCF's major activities planned for FY2016 (slides 21-47).

Medicaid Primary and Acute Care Expenditure Trends

- For the Enrollment Trend, there is a moderation in the enrollment growth in Medicaid. Between 2012 and 2014, there was a 3.7% growth rate
- DHCF spends roughly $2.3 billion on provider payments. One third is Long-Term Care, 60% is Primary and Acute Care
- Managed Care Enrollment Trend - there was an increase in enrollment, which was tied to Medicaid expansion
- The three major plans spent more than 85% on beneficiary medical expenses
- In the breakdown for expenditures of Managed Care Plan, nearly 50% is on hospital services (in-patient, out-patient and emergency room)

Medicaid Long-Term Care Expenditure Trends

- After the FBI raids, there was a significant drop off in terms of the people willing to return and have assessments to determine their eligibility. DHCF pretty much assessed everyone in the program – it grew to 4,727 and now down to 4,356
- For Medicaid challenges, DHCF is trying to fix the structure and infrastructure. There are issues in the Managed Care Program, in the Personal Care Benefit and in the Waiver, however DHCF is now poised to move forward

Alliance Enrollment and Expenditure Trends

- There was dramatic growth in the enrollment trends for the adult's and children's program in 2009 and 2010. With the expansion of Medicaid, it shifted a group of individuals from Alliance to Medicaid, bringing the numbers down. Subsequent to 2011, DHCF instituted a policy to require face-to-face re-certifications. The major concern was that non-residents would travel to DC for health care. Since this requirement, there has been a decline in the Alliance enrollment
- DHCF is beginning to see an uptick in growth of the program in terms of its cost
- People have inquired about Alliance's status. There was a committee that offered recommendations and DHCF is studying it. One of the challenges is that to eliminate that requirement and bring folks back into the program now will be very costly

DHCF's Major Activities Planned for FY2016

- The key initiatives for 2016 are the Pay for Performance Program for Managed Care Plans, Health Homes Care Coordination Program for Fee-For-Service Population, Medicaid Long-Term Care Reform, development of the Pace Program, rate-setting for several provider groups, and the development of the DCA Eligibility System
- DHCF has received $1 million for the SIM Planning Grant and we are moving right along with the planning

IV. MCAC Reaction and Questions to Budget

Director Turnage stated that the work performed around the budget was not possible when we came on board. All of DHCF reporting prior to 2011 was geared around financial reports; the genesis of upgrading the data unit. DHCF has put a lot of time, money and resources not only in identifying competent staff, but also providing them the tools to perform their work. (The Director recognizes data staff). Director Turnage yielded questions relating to the budget. (Questions/answers were provided in a handout).

Wes Rivers expressed concern regarding Alliance and the $42 million and $46 million stated in the answer to the questions - how does that align with what's in the budget book….is the rest administrative cost? Darin Shaffer responded that he would have to get back to him.

The second question from Wes Rivers focused on a similar question asked last year regarding the budget on Alliance and the difficulty with new enrollees….if the utilization cost increases overtime, than isn't that cost only going to get bigger if we don't do something about it now? Mr. Rivers also stated that that Alliance's enrollment is not going to be a giant jump in the first year. It will be a slow uptake as information gets out into the community. Director Turnage remarked to the first point- yes, if the per member cost continues to rise, if and when the enrollment process is changed and allows more people to come in, yes, those cost will increase. If delayed, it will delay the onset of that new cost. The challenge obviously is it was not a desire to turn away people who need care. The desire was to only pay for DC residents. We have to be cognizant of the cost, particularly when you see the uptake and particularly when you know that once you open doors back up, you will be dealing with a higher cost base. It is something that DHCF has to contend with.

Wes Rivers commented that in the Budget Support Act, there was a large amount of money that was being shipped out of Healthy DC to the General Fund. Mr. Rivers questioned whether it was a potential revenue source to contend with. Ken Evans responded that it would have to be an ongoing discussion with the Administration to determine if there will be alternative sources of funding. In order to balance the budget for this year, as well as the financial plan for the out years, there was a need to take funding from there as well as other places throughout the District. It gives DHCF the opportunity to have discussions as we move forward with FY2017 formulation.

Wes Rivers commented on the dedicated funding and what was being reported by the department on the decrease in the Health DC Fund. In the FY2015 budget, it's around $38 million that was projected. Perhaps offline he can receive assistance with the information. Ken Evans agreed to assist.

Wes Rivers opens questions up to the group.

Veronica Sharpe questioned the Waiver Program and the decrease in the number of enrollees to the EPB Waiver. Since EPB clients are nursing home level of care, was there an increase in the admissions to nursing homes? Director Turnage responded that it was an increase.

Further question on whether there has there been a decrease in the number of services to PCA services. Director Turnage responded that DHCF did not decrease PCA services, but moved people out who were ineligible. It's still an entitlement program of the State Plan Service. If a person qualifies for an income and qualifies according to the assessment, they will receive the services. The numbers in the Long-Term Program were tremendously inflated by fraud. There should not have been 10,000 unique beneficiaries in the State Plan Amendment. DHCF reached out to individuals who used to be in the program and did everything to identify people who needed cared. The fraud was blatant. DHCF is close to right sizing the program.

A question was asked regarding the improvement in the process. Claudia Schlosberg responded that the matter is a serious issue and one that DHCF has spent a lot of time on. Ms. Schlosberg suggested bringing in all of the players to layout the process improvement. Actions taken include MOU's with DCOA and ADRC, and hiring and training staff.

A question was asked in regards to page 183 and the increased funding for the Quality Improvement Organization Contract. Which QIO Contract was selected and what were the quality improvement activities; is it ECA Assessment, Qualis or Delmarva, etc.? Claudia Schlosberg responded that she believed it was Qualis, but will need to double check.

Wes Rivers stated that an interesting point was brought up yesterday where the national average of payment to cost ratio for inpatient hospital rates were 87% of DSH payments. Mr. Rivers would like to know if more analysis can be performed where we calculate in our DSH payments. Director Turnage responded that DHCF does not include DSH payments in the calculation of payment to cost, but it can be done. It will add $55 million to the payment side and will substantially boost them over 100%. Other states do it because the operating payments are so low. The District doesn't have a problem.

Ron Swanda commented on the slide which states that DCAS establish an automated eligibility system that allows applicants to Medicaid and other assistance programs to apply for benefits through an online automated process. Mr. Swanda inquired about the other assistance programs? Claudia Schlosberg informed the group that this was an initiative that started in the previous Administration. DCAS, in final design stage, will include Medicaid Health Benefit Exchange work flow and a single streamline application. In Release 2, Non-MAGI Medicaid will be added, which includes Long-Term Care. It will consist of all ABD eligibility groups and will include all other human services that DHS provides, TANIF, SNAP and 16 other programs. The idea is to provide individual information to which the system will perform a screening, and provide information on eligible programs.

Wes Rivers asked if this was Release 3. Claudia Schlosberg stated that the program should have most functionality by Release 2, which is scheduled for mid-fall 2016 and then locally funded programs will participate. The goal is to retire ACEDS, which is current legacy system. More information on DCAS is available upon request. Wes Rivers asked to be contacted as well since he meets with DHS often on DCAS issues.

A question was asked regarding the Waiver cost and whether the $8,000 is for PCA cost. Claudia Schlosberg responded that in looking at the breakdown of services in the waiver, the bulk of the utilization is PCA. Other services are under-utilized for various reasons including payment rates. DHCF is currently working on waiver amendments that will be posted hopefully this week for public comment. DHCF is increasing rates for certain services, i.e. homemaker, chore, adult day health to the Waiver. PTOT added. Again, with this budget, DHCF is constrained and we had to be conservative. The goal is to add additional services and increase rates for services that were under-utilized.

A member stated that there was a concern regarding the need for people in the EPD Waiver who needed an array of services and were never allowed to get. Director Turnage responded that DHCF made a policy change in 2010, where they were struggling with the growth in PCA cost and they thought the best way to deal with it was to cut the hours. When that happened, the subsequent response was to move everyone to the EPD Waiver. Many of the individuals didn't need EPD Waiver; many didn't need PCA, so some of the under-utilization was because some individuals shouldn't have been eligible for the program anyway. Now that it has been cleaned out, the question now is how many of the 4,500 that we are seeing on a monthly basis need more services than they are currently getting? Claudia Schlosberg added that DHCF is making changes to EAA so to eliminate barriers.

A member inquired about the increase in reimbursement rates. The rates under Medicaid are $65 for 30 years. Claudia Schlosberg responded that it was part of Home Health SPA that DHCF is currently working on along with rate methodology. Director Turnage responded that adjustment were made for severe cases; couldn't find anyone to staff them, so the rates were bumped up. Clearly, it's inadequate and needs to be fixed.

A member commented that the $150 a month was not adequate and further inquired as to what it will be. Claudia Schlosberg stated that she did have the information with her and does not want to give the wrong number, but can provide it.

A member inquired about the goals to identify the coordination of DHCF, DHC and Health Link and how will they be carried out. Claudia Schlosberg responded that DHCF actually coordinates with them daily including having some staff co-located at DHS. They are there on a fulltime basis working on planning and execution.

V. DHCF Director's Report

A. Enrollment Report

John Wedeles provided a hard copy of the report. No questions.

B. SPA Report

No Report

C. Medicaid DCAS Passive Renewal Update

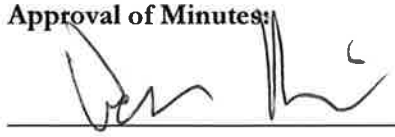
Claudia Schlosberg reported that an update will be provided at the next meeting.

VI. New Business

Next MCAC meeting will be held on Wednesday, May 27th at 1:30 p.m. to 3:00 p.m.

The meeting adjourned at 2:40 p.m.

Approval of Minutes:



Wes Rivers, MCAC Chair

6/24/2015

Date