Blue Ribbon Commission on the Future of MaineCare
November 15, 2005 Meeting

MEETING NOTES

Members in attendance: Senator Michael Brennan (co-chair), Representative William Walcott, (co-chair), Senator Richard Nass, Representative Darlene Curley, Christine Hastedt, Paul Saucier, Jean Cotner, Ronald Welch, Lynn Davey

1. Welcome and introductions

2. Review of meeting agenda and information packet

3. Federal Medicaid Commission, The Honorable Angus S. King, Jr.

- Governor King reviewed the responsibilities and procedures of the federal Medicaid Commission.
- The first task of the commission was to identify $10 billion in reduced spending over the next 5 years. Governor King noted that the recommendations proposed $11 billion in cost saving initiatives, reducing the annual growth rate from 7.4% to 7.2%.
    - The Governor cited a report by McKinsey & Co. on financial sustainability of Medicaid and its conclusion that the Medicaid program, as currently operated by the states, is not sustainable.
    - The Governor discussed the demographics of Medicaid and their impact on spending, citing the fact that 23% of Medicaid enrollees are elderly or disabled, and they account for 75% of Medicaid expenditures.
- The second task of this Medicaid Commission is to develop strategies to maintain and improve coverage while putting the program on a sustainable financial path. The Governor mentioned the difficulty of trying to fix a broken part of a larger poorly functioning system, the whole US healthcare system. The Governor mentioned the following issues that may come before the federal commission: reliance on Medicaid for the long-term care needs of the country; electronic medical records; Medicaid managed care; disability benefits; and the relationship between Medicaid and Medicare. The Governor mentioned that the federal match rate is not on the commission's agenda.
- In discussion with the Governor, MaineCare Commission members the following issues were considered:
    - Home and community-based long-term care,
    - The relationship of Medicaid and Medicare to the veterans' health care system
    - The reality of an aging population and the costs it brings
    - Improving the quality of care
    - Long-term care insurance, and
    - Flexibility for states within Medicaid.

4. Managed behavioral health benefits – Brenda Harvey, Deputy Commissioner, DHHS

- Brenda reviewed the departments managed care initiative for behavioral health (see handout dated November 1, 2005)
- The department's initiative covers mental health and substance abuse services but not substance abuse prevention. Mental retardation services are not included as they are part of a separate waiver program.
- The department intends to grandfather in all current providers and all current services for the first year of the initiative.
- Consent decree and non-consent decree consumers will be covered by the initiative.
- The department has hired a consultant and anticipates having a draft statewide behavioral health plan by early December.
- Discussions will be needed with the Department of Corrections and the Department of Education about behavioral health care services provided through those departments. Coordination is also needed with the child welfare system within DHHS.

5. Other managed care initiatives – Mike Hall, Deputy Commissioner and Acting Director of the Office of MaineCare Services, DHHS

- **Disease management -** Mike discussed disease management protocols for HIV/AIDS and diabetes; the pilot for high cost MaineCare members; connections between disease management and quality assurance and quality improvement; and the tension inherent in care management that is provided by the payor rather than the provider.
- **Selective contracting** – Mike discussed the difficulty of selective contracting under restrictive regulations from the Centers for Medicare and Medicaid Services (CMS).
- **PHIP program** – Mike discussed the PHIP program under which DHHS can pay premiums and cost sharing for MaineCare eligible persons who are eligible for employer-based private health insurance; this is a voluntary program.
    - DHHS has 120 cases (covering 200 persons) on the program now and receives 5 referrals a week. DHHS does do some outreach, yet also acknowledges that enrollment perhaps could be higher.
    - Eligibility determinations require cooperation from the MaineCare member and analysis of the particular employer-based plan for cost-effectiveness for DHHS.
    - Mike reviewed information from a new premium assistance program in Oklahoma, funded with a new tobacco tax. In the program the employer pays 15% of premium, the employee pays 5-10% of premium and the state pays the remainder.

6. Public comment period –

- **Dawn Stiles, Spurwink,** discussed the importance of looking at the whole state healthcare system and considering the different departments and different populations in which MaineCare plays a role. She inquired about the goal of MaineCare and establishing measurable outcomes to gauge success.
- **Charlene Kinnelly, MACSP,** discussed services for persons with mental retardation and the importance of maintaining a level of services when young adults age into the adult system. She mentioned the complexities of matching individual service needs to programs and the MR waiver; the CMS requirement that persons eligible for the MR waiver are entitled to the full range of services.

- **Mary Anne Turowski, MSEA,** discussed leveraging private health insurance and wrap around services for state workers' children enrolled in MaineCare.
- **Kevin Flanigan, MD, Maine Medical Association**, discussed the frustrations of MaineCare administrative procedures, delayed reimbursement under MECMS, underpayment by MaineCare and the difficulty of obtaining accurate information from MaineCare in a timely manner.
- **Douglas Carr, Rite Aid,** discussed the possibility of the commission working through 2006, the need to adjust the MaineCare dispensing fee if the drug reimbursement formula is changed, possible changes in the co-payment system, retail dispensing of maintenance drugs for 90-day time periods, the Rx-PIP program providing incentive payments to rural pharmacies, generic and brand drugs and subsidization of private initiatives competing with retail pharmacies.
- **Richard Erb, Maine Health Care Association,** discussed Maine's ailing long-term care system, tax credits for long-term care insurance premiums, and the need for increased reimbursement for long-term care providers. He indicated support for pay for performance and resident satisfaction surveys.
- **Mary Mayhew, Maine Hospital Association,** discussed payments on MaineCare accounts owed to the hospitals, prospective interim payments, and bad debt and charity care.
- **Katie Fullam Harris, Anthem Blue Cross Blue Shield,** discussed initiatives to document and address quality of care, cost-shifting issues, looking at the whole healthcare system, administrative burdens in MaineCare and private insurance, and collaboration between MaineCare and private sector on technology and medical issues.
- **Joseph Ditre, Consumers for Affordable Health Care,** discussed looking beyond MaineCare at the whole healthcare system, determining actual costs of health care, the new template for reporting hospital costs, and a report on healthcare spending under Medicaid and private insurance (Hadley and Holahan).
- **Matt McDonald, MSEA-SEIU,** discussed the 950 new members of MSEA who work in consumer-directed home care under contracts with Attendant Services, Inc, a corporation related to Alpha One, the connection between the pay rate for those workers and the rate in the physical disabilities Medicaid waiver and opening the consumer-directed personal assistance services program to new consumers.

7. Planning for Future Meetings

- The next meeting is December 6 at 9:30am in Room 209 of the Cross State Office Building.
- The agenda on December 6th will include discussion of a preliminary draft of background information for the commission's report and review and discussion of the commission's recommendations. The preliminary draft will be mailed to commission members prior to the meeting on the 6th.
- An informal meeting may be held on December 14th from 1pm to 5pm in Room 209 Cross State Office Building to finalize the report.