

Blue Ribbon Commission on the Future of MaineCare

October 11, 2005 Meeting

MEETING NOTES

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

1. Welcome and Introductions

- Commission members introduced themselves and provided suggestions for the purpose and direction of the commission's work
- Suggestions offered regarding Commission's overall purpose/direction:
 - Provide recommendations to put MaineCare on a steadier path for the future and stabilize the program going forward
 - Clarify the state's policy goals for the MaineCare program
 - Develop consensus on longer-term plan for MaineCare
 - Make policy decisions more proactive, less reactionary
 - Make recommendations to address anticipated trends in state revenue and demographics
 - Focus on ideas to move MaineCare forward with direction and purpose and to become proactive, innovative and effective in MaineCare policy making
- Suggestions offered for specific issues to examine/consider:
 - Develop recommendations to address cost drivers in MaineCare
 - Consider innovative and cutting-edge policy options
 - Explore options for high-cost populations within MaineCare and ways to maximize resources for special populations
 - Use data to inform MaineCare policy decisions
 - Examine options related to care management
 - Consider options for using private market forces to the state's advantage

2. Review of Resolve 2005, Chapter 117, duties of the Commission

- See handouts: "Resolves 2005, Chapter 117" and "Commission Duties"
- Staff presented an overview of the resolve establishing the Commission and the duties and requirements of the Commission
- Members discussed the duties before the commission and made suggestions for how to accomplish its duties:
 - With respect to MaineCare meeting current and future responsibilities, suggested the need to first determine what those responsibilities are and suggested setting aside time for members to discuss at the next meeting

- With respect to reviewing the effectiveness of models for financing and providing health care coverage to low-income populations, suggested focusing on models for Medicaid; suggested examination of targeted case management
- With respect to estimating future program costs, suggested asking DHHS to report on its new MaineCare forecasting model
- With respect to the economic effect of MaineCare and its impact on the provider network, suggested looking at economic effects not only on the provider network but broader effects as well
- With respect to the federal Medicaid Commission, suggested making recommendations to Maine Congressional delegation regarding September 2005 report of the federal commission and its recommendations for cost savings
- With respect to federal health care funding and policy issues, suggested discussing federal Medicaid match rate formula / how Maine is impacted by formula
- Commission members developed a preliminary list of questions that they need answered in order to accomplish their work:
 1. What does MaineCare look like today in terms of enrollment and costs? What does DHHS forecast for enrollment and costs in 5 years and 10 years given the same basic eligibility requirements and program structure?
 2. When does DHHS anticipate naming the Director of MaineCare Services? What are the reasons for the delay?
 3. With regard to MaineCare eligibility, what would be the gains and losses of decreasing the income and/or asset eligibility limits at the upper ends? Would like this information for MaineCare and prescription drug benefit programs.
 4. What is the status of the forecasting model being used by DHHS for the MaineCare program? Does the model include consideration of the Maine economy? Does DHHS have forecasts available now?
 5. Are there plans for innovations in managed care? What are the possible managed care options for high cost populations? Request for information on managed behavioral health benefits in MaineCare.
 6. What is the role of MaineCare in the overall State health care system? What is MaineCare's effect on bad debt and charity care?
 7. What does DHHS view as the mission of MaineCare and policy goals and responsibilities of the program? What are the responsibilities of the program under the original federal Medicaid law? What are the program responsibilities under current state and federal law?
 8. Under Federal law, what MaineCare services/benefits are "mandated" vs. "optional"? What are the current costs of the mandated vs. optional service categories?
 9. What are the current cost drivers in the MaineCare system?
 10. What are the inflationary pressures on MaineCare? How do they compare to the inflationary pressures in the private health care market?
 11. What are the legal requirements for hospitals and other health care providers with respect to providing charity care?

3. Overview of Vermont Global Commitment to Health

- See handouts: “Outline of Vermont Global Commitment to Health”; Letter from CMS to Vermont Agency for Human Services, including waiver terms and conditions
- Staff presented information regarding Vermont’s “Global Commitment to Health,” a Section 1115(a) Medicaid Waiver, under which Vermont will receive federal Medicaid funding in the form of a block grant, adjusted over time, with coverage for Medicaid populations capitated for 5 years.

4. Review of report of the federal Medicaid Commission, September 1, 2005

- See handouts: The Medicaid Commission September 1, 2005 Report and “The Medicaid Commission, Overview and Recommendations”
- Staff presented an overview of the federal Medicaid Commission’s September 2005 recommendations for \$11 billion savings in the Medicaid program over the next 5 years. It is anticipated that these recommendations will be considered in the next federal budget.
- Staff also presented an overview of the National Governor’s Association’s August 2005 recommendations for short-run Medicaid reform (see handouts: Short-Run Medicaid Reform from the National Governor’s Association August; 29, 2005 and “Short-Run Medicaid Reform, Overview and Recommendations”)
- Commission members requested additional information on the following:
 - Projected savings if states allowed to use Average Manufacturer Price rather than Average Wholesale Price in establishing prescription drug prices
 - Medicaid Managed Care Organizations in state Medicaid programs
 - Federal Long-term Care Partnership Program

5. Panel discussion on the status of MaineCare

- Trish Riley, Director, Governor’s Office of Health Policy and Finance, and Michael Hall, DHHS, Deputy Commissioner and Acting Director of Office of MaineCare Services presented an overview of the current status of MaineCare
- See handouts: GOHPF Memo “Blue Ribbon Commission on the Future of MaineCare”, Dirigo Health report: “Understanding MaineCare: A Chartbook about Maine’s Medicaid Program”, DHHS presentation: “Blue Ribbon Commission on the Future of MaineCare”
- Additional points made by presenters:
 - Maine has historically found program savings by limiting provider reimbursement rather than limiting eligibility or benefits/services
 - Current administration has established access to health care coverage as high priority and would tend to limit MaineCare benefits before limiting eligibility
 - MaineCare is on steep growth curve in terms of cost; need to look forward, beyond 12 months, to state’s capacity on the funding side; concerns about gap between state tax revenue and MaineCare costs going forward
 - States are interested in getting more flexibility in service delivery; current requirements relatively rigid once state decides to provide a service/benefit
- Commission members requested additional information on the following:
 - Federal Poverty Level guidelines for 2005

- Mandatory vs. Optional Services under Medicaid; minimum requirements under Federal law
- Medicaid managed care policy initiatives
- Current and future challenges facing MaineCare from cost and service delivery perspectives
- Recommendations from GOHPF and DHHS for proactive policy changes
- Federal Medicaid match rate and efforts to reform match rate formula

6. Planning for future meetings

- Commission chairs and members outlined a tentative agenda for the November 1, 2005, meeting, including:
 - Discuss responsibilities and policy goals of Medicaid/MaineCare
 - Invite former Governor King to speak about federal Medicaid Commission
 - Invite Kaiser Family Foundation and National Academy on State Health Policy to provide information regarding policy alternatives and innovations in state Medicaid programs
 - Briefing from DHHS on forecasting future MaineCare costs
 - Follow-up with DHHS and GOHPF regarding MaineCare policy issues and options and questions raised at 10/11/05 meeting

<h3>Future Meeting Dates</h3> <p>Tuesday, November 1, 2005, 9:30am to 3pm, Room 209, Cross State Office Building, Augusta</p> <p>Tuesday, November 15, 2005, 9:30am to 3pm, Room 209, Cross State Office Building, Augusta</p> <p>Tuesday, December 6, 2005, 9:30am to 3pm, Room 209, Cross State Office Building, Augusta</p>
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