

**Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
May 18, 2012**

1919 W. Taylor Street, Chicago, Illinois
201 S. Grand Avenue East, Springfield, Illinois

Members Present

Susan Hayes Gordon, Chairperson
Kathy Chan, IMCHC
Mary Driscoll, DPH
Linda Shapiro, ACHN
Karen Moredock, DCFS
John Shlofrock, Barton Mgt.
Edward Pont, ICAAP
Andrea Kovach, Shriver Center
Renee Poole, IAFF
Jan Grimes, IHHC
Sue Vega, Alivio Medical Center

Members Absent

Alice Foss, IL Rural Health Assn.
Glendean Sisk, DHS
Eli Pick, Post Acute Innovations
Judy King, M.D.

HFS Staff

Theresa Eagleson
James Parker
Greg Wilson
Lora McCurdy
Ann Lattig
James Monk

Interested Parties

Scott Allen, ICAAP
Victoria Bigelow, Access to Care
Kathy Bovid, Bristol-Meyers Squibb
John Bullard, Amgen
Mary Capetillo, Lilly
Kelly Carter, IPHCA
Carrie Chapman, LAF
Geri Clark, DSCC
Laurie Cohen, Civic Federation
Kimberly Cox, Addus Healthcare Andrew
Fairgrieve, HMA
Eric Foster, IADDA
Hala Ibrahim, Meridian
Nadeen Israel, Heartland Alliance
Nicole Kazee, U of I Health Systems
Margaret Kirkegaard, IHC
Keith Kudla, FHN
Mike Lafond, Abbott
Phillip Largent, LGS
Randall Mark, CCHHS

Interested Parties

Grace Martos, Molina
Susan Melczer, MCHC
Diane Montañez, Alivio Med Center
Joy Mahurin, CBDC
John Peller, AIDS FDN of Chicago
Mary Reis, DCFS
Phyllis Russell, ACMHAI
Bernie Stetz, Molina
Chester Stroyny, APS Healthcare
Dave Vinkler, AARP

I. Call to Order

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Chairperson Gordon called the meeting to order at 10:05 a.m.

II. Introductions

Attendees in Springfield and Chicago introduced themselves.

III. Approval of March 16, 2012 Meeting Minutes

Chairperson Gordon stated that she would like to share and discuss some recent email comments from MAC member, Dr. Judy King regarding the draft minutes. The email had been sent to all MAC members.

Dr. King wrote that she wouldn't be present today to vote, but believed the draft minutes contained several errors and omissions. She wished to register her disapproval and surprise that in the vote to create the Access Subcommittee, she wasn't listed as an interested participant. She believed that there are issues concerning race and racism that should be addressed within HFS and the MAC. She also stated that a 10 day advance notice was not provided regarding the plan to amend the MAC by-laws, as the notice date was May 11, 2012.

Chairperson Gordon stated that in discussing with HFS staff, and her recollection of what occurred at the March meeting, was that when she asked for volunteers to serve on the Access subcommittee, she had a number of MAC members volunteer, but Dr. King wasn't one. She added that it made sense that Dr. King would want to serve as she has raised the issue of racial disparities for many months and that is why the MAC planned to amend the bylaws and create the new committee. Chairperson Gordon believed it was a misunderstanding and also that she'd planned to ask again today for volunteers to serve. Dr. King would be welcome to participate.

Dr. Pont asked if there had been further discussion with Dr. King regarding her concerns. Chairperson Gordon advised that she had not yet discussed it with her. She added that since 10 day advanced written notice wasn't provided on the amendment to the bylaws, action would not be taken by the MAC at today's meeting.

Members, Dr Pont, Andrea Kovach and Renee Poole advised that since they were not in attendance at the March meeting, they would abstain from any vote taken. Dr Pont noted that while there is a quorum present, without these voting members there wouldn't be enough members for the vote. He suggested that the approval of the minutes be tabled for the next meeting. The committee decided to review the draft March minutes at the next meeting.

IV. Director's Report

HFS' Medical Director, Theresa Eagleson, shared that Director Hamos was sorry she could not attend today's meeting and that she was glad to see so many attending today's meeting at the alternate Chicago location. She provided an overview of the ongoing budget process and what the department expects to come.

The state is entering the last stages of this legislative session. On some fronts, the department is pleased that some things are looking better, but there are still some pretty painful things going on with the large list of cuts the Governor put forth several weeks ago. The list of cuts has been reduced some, but there are both service and utilization cuts still being discussed. The Governor has proposed a cigarette/tobacco tax as a revenue source. If approved, it would take some of the pressure off the very large provider cuts that have been proposed. This is the good news. The department was looking at a potential 12 percent reduction to provider rates, but it may be closer to 5 percent. Ms. Eagleson encouraged participants to contact their legislators to support the cigarette tobacco tax (potential \$750 million in revenue) as it will help minimize provider reductions.

The department believes it may be able to publish a next version of service and utilization cuts in the near future. Ms. Eagleson noted that the department has almost 70 new "projects" on that list to implement, with almost all of the changes being effective July 1, 2012. In order to implement, the department will be required to take action in the form of RFPs, administrative rule-making and changed to provider payment policies. You will see a

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public notice come out on the Illinois register as early as this Friday. The notice will have the bigger reduction numbers in it. There will probably be another public notice on June 1 that covers what is actually passed by the legislature. HFS will likely have a public hearing on the budget reductions all of this.

The department extended the due date for the Innovations Project solicitation and this was put on the HFS website a couple weeks ago. The department is still very excited about this project and has received some really great responses.

Dr Pont asked about potential rate changes for primary care services effective January 2013. He noted that there is a proposed rule out now about increasing rates for primary care codes up to Medicare levels with the feds picking up the difference. Dr. Pont asked for clarification on how this fits with the provider rate cuts that HFS is contemplating.

Ms. Eagleson stated that HFS is currently in discussion to exempt physicians, dentists and community health centers from the rate cuts because of existing court and federal mandates. The decision is still in flux, but there will be notice coming out in legislative form in the next several days, as well as a public notice later.

V. Review of Amendment to MAC Bylaws

Chairperson Gordon reviewed that the plan to amend the MAC by-laws would not be voted on today because of the timely notice issue. She hoped that the committee would review the draft amendment for the next meeting.

VI. Review of Draft Charge for Access Subcommittee

Chairperson Gordon reviewed the draft charge for the Access Subcommittee that was included with today's MAC meeting materials. She asked members for recommendations for any revisions in the draft charge.

Mary Driscoll wished to look at access with an eye toward reducing disparities in race and socio-economic status.

Linda Shapiro stated that it is good in some ways to narrow the focus to racial/ethnic and socio-economic disparities because people may face other types of discrimination that are not listed here. Ms. Shapiro suggested adding a period after the word "need" in the first paragraph and then adding a sentence to that the subcommittee will have a special focus on reducing racial/ethnicity and social economic disparities and access to quality care without discrimination. She asked that a revised draft charge incorporating today's discussion be distributed in the meeting packet for consideration of the MAC at the July meeting

Renee Poole started that she agreed with Ms. Shapiro's comments, but she would also like to add addressing healthcare disparities in the initial summary paragraph.

At the last MAC meeting, Ms. Shapiro, Ms. Driscoll, Ms. Chan, Mr. Pick and Chairperson Gordon indicated a willingness to participate on the Access Subcommittee. Chairperson Gordon stated that Dr. King was interested and asked if there was anyone else interested in participating. Sue Vega and Andrea Kovach also expressed interest.

Margaret Kirkegaard asked if the subcommittee is open to people who aren't currently MAC members. She asked if someone could review how members of the MAC and the subcommittees are determined. She explained that she has had some persons interested in serving on subcommittees, but wasn't sure how the process works.

Ms. Eagleson stated that Director Hamos appoints members to the MAC and the process is outlined in the MAC bylaws. There has to be a certain number of members representing consumers of healthcare, as well as health providers. The MAC is authorized to create subcommittees and workgroups as it deems appropriate. The chair

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and members of subcommittees and work groups are appointed by the Chair of the MAC in consultation with HFS. HFS tries to follow the MAC bylaws in structuring the composition of the subcommittees. Voting membership is usually capped at 15 persons as larger groups can be unwieldy. Similar to the MAC, anyone is able to attend any one of the subcommittees and the department welcomes all input.

Chairperson Gordon read aloud Article II, Membership, Section 1 from the MAC bylaws. She advised the committee that she and the department had just finished selecting new members for the Public Education subcommittee and, today, she would be sharing the names of those persons who have agreed to serve. She suggested that people contact Director Hamos if interested in volunteering for the MAC or any of the subcommittees.

VII. Subcommittee Reports

Long Term Care (LTC) Subcommittee Report

Neither department staff nor a MAC member that attended the last LTC meeting was available to make a report. The agenda item was deferred until the next MAC meeting.

Public Education Subcommittee Report

Ms. Chan reported that the subcommittee has been meeting every other month. At the last meeting, the group reviewed HFS notices sent to families with children in All Kids that would no longer be eligible effective July 1, due to the change made last legislative session to limit coverage to families with income only up to 300% of the FPL. This is the population that was “grandfathered” for one year. Members had an opportunity to comment that day as well as submit comments later. She noted that partners at Health and Disability Advocates are getting a lot of calls from families who have received the notices and are trying to figure out other ways they might find health insurance.

The subcommittee also discussed the Integrated Eligibility System and how HFS is moving forward with that.

The next Public Education meeting is scheduled for June 14th. Depending what happens with the Medicaid reforms there should be robust discussion. Clients are concerned about what they are hearing.

Ms Shapiro asked if the HFS website shows when there is a notice that goes out to families about Medicaid. She asked if MAC members could be notified when there is something new like this notice, as providers are communicating with families and it would be great to get that information out. She thought it would be beneficial for providers to see what is being sent to patients so we can prepare to help and fortify those expectations.

Ms. Chan stated that All Kids Application Agents (AKAA) receive bulletins when there are new things changing for clients or a need to update manuals. She is not sure if AKAAAs get all the notices that go out to clients before they bring them in to walk through with them.

Ann Lattig stated that the client notices are maintained on the Department of Human Services (DHS) websites. She was not aware of electronic notification from DHS when new information is posted, but HFS could look into that.

Ms. Chan suggested that this could be brought up at the next Public Education Subcommittee meeting as a DHS representative is usually in attendance.

Chairperson Gordon shared the names of the persons that have agreed to serve on the Public Education Subcommittee. They are: Kathy Chan, Chairperson; Sue Vega, Alivio; Margaret Stapleton, Shriver Center; Henry Taylor, Mile Square Health Center; John Jansa, Progress Center for Independent Living; Margaret

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Dunne, Beacon Therapeutic; Cora Shaw, Client advocate; Nadine Israel, Heartland Alliance for Human Rights; Hardee Ware, Eastside Health District; Sonia McGrath, SIU School of Medicine; Diane Goffinet, Land of Lincoln LAF; and Paula Ramos, Community Healthcare.

She added that letters are going out thanking them for their willingness to participate. Also, everyone is invited to attend the Public Education subcommittee meetings.

VIII. Update on Care Coordination Initiatives Discussion of Subcommittees

Innovations Project

James Parker, Deputy Administrator of Operations, reiterated that the deadline for the Innovations Project solicitation was extended to June 15, 2012. The department received 75 Letters of Intent (LOI). HFS put out a notice informing people that the department would fund up to 10 entities in Cook County and 10 entities downstate. This is not a hard number, but gives people an idea of how many entities may be approved in this competitive bid process and in some cases encourages consolidation of proposals.

Dual Medicare/Medicaid Care Integration Financial Model Project

The federal CMS has posted the HFS proposal on their website for a 30-day comment period which ended recently. HFS has received a number of comments. The RFP for HMOs was posted at the beginning of this week. The department continues to work with CMS on this joint application process. CMS has an online system for HMO plans to apply. The deadline has passed for companies to file a LOI. The department received about 16 letters representing about 10 different companies. The plan is to announce the awards by the end of July.

The solicitation for coordinated care for children with complex health needs is still under development. Once the legislative session ends, the department can turn its attention back to this solicitation. HFS will have to wait to see what comes out of the legislature as far as managed care that may change the picture. As far as changes there have been a couple of minor things as far as mental health services being incorporated. There has been some discussion of time lines and speeding things up for managed care in general but nothing in writing as yet.

Mr. Parker addressed participant questions as summarized below.

Q: Kelly Carter asked if the list of companies that submitted letters of intent is available publicly.

A: When CMS initially sent the list it was identified as confidential, but now that the deadline has passed, we will have to check to see if it can be released.

Q: Chet Stroyny asked 2 questions. The department's RFP identified 136,000 dual-eligibles with 118,000 in the Chicago area and about 18,000 duals downstate. HFS talks about enrolling 5,000 a month once that process begins. 1) Does the department anticipate that once parties see the RFPs for the two geographic areas that some companies will choose not to file? 2) Does the department anticipate full enrollment at that number?

A: 1) Yes, there may be some who choose not to submit a proposal, as filing a letter of intent did not lock a company into responding to the RFP.

2) Total enrollment is really not known. The numbers represent potential enrollees that will be passively enrolled over time but since persons may voluntarily opt out HFS is not able to determine the enrollment rate. Some people are thinking a rate as high as 80 percent. Some think, and Mr. Parker indicated he believed, that the rate will be lower.

Q: Dr. Pont asked about the final role of Illinois Health Connect. He suggested that the department come out with some definitive statement about its' long term role with that program either in terms of geography or patient population as it impacts providers transitioning to a capitated model. It would be helpful for providers to have some lead time to know what the landscape is going forward.

A: Mr. Parker stated that he understands the concern. In the end the final direction on what HFS will do and how fast will come from the legislature. In discussions this spring, the department has asked for a clear signal

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on how to proceed. The problem is that issues are tied together in so many ways that they are unable, for understandable reasons, to provide clear direction. Things like hospital rate systems, nursing home rate systems and Cook County financing play into the ability to go to capitation. IHC will not go away totally. It will shrink as more people go into capitation. There will likely be large areas in the state where IHC will be the primary delivery system, as well as for certain populations regardless of where they are in the state. The Client Enrollment Broker RFP is posted now. Because of the need to score proposals and the pricing of proposals, HFS had to post a proposed managed care rollout schedule. There will be a Q & A posted with respect to that RFP. Mr. Parker warned that the rollout schedule is possible, and may be plausible, but should not be taken as a certainty.

Q: A meeting participant asked if the department has a broad sense of the number of lives that MCCN or MCE bidders hope to manage in their Innovations proposals.

A: Mr. Parker advised that HFS has tried to estimate a range for the number of lives to be covered by MCEs in the first full year of operation. The RFP requires an entity to cover at least 500, and for 20 entities the total lives covered would be about 10,000 at the low end. But, it's more plausible that the low end would be 50,000 and the high end in the area of 200,000.

Q: A meeting participant asked to the extent that there is a gap or difference between eligible lives and covered lives as a result of this project, can the department comment on what a plan might look like for the target population that doesn't get covered?

A: Mr. Parker indicated that when putting aside all of the issues that are involved in capitated managed care, HFS' plan would be to move the target population of seniors and persons with disabilities (SPD) to capitated managed care. We have the 50 percent law and have until 2015 to do it. After the legislative session the department can get a better idea of the number needed for 50 percent to be enrolled in managed care.

Q: A meeting participant asked if pharmacy is "carved-in" to the capitated program.

A: Mr. Parker clarified that it is currently in the Integrated Care Program and that Medicare Part D is under the dual eligible program and it would be included in any future RFPs.

Q: Keith Kudla asked for clarification on the Medicaid/Medicare Alignment Initiative RFP that describes awarding at least two, but no more than five health plans for each region, and an additional award to an MCCN that offers to implement the initiative in more than one county and whether or not the MCCN is in addition to the 5 HMOs?

A: Mr. Parker explained that HFS' plan is to have five plans in the greater Chicago area. If there is an MCCN, it would be one of the five. In central Illinois, there would be two plans and the MCCN would be one of the two. But, how it works out will depend on several factors. For example in central Illinois, if there is an MCCN that can only do a couple of counties, there would have to be at least three plans, as there must be at least two choices in every county. In Chicago, this will not likely be an issue.

Q: Keith Kudla commented on the Medicaid/Medicare Alignment Initiative RFP point scoring which asks about references from other states and experience in serving the target population. Since the MCCN is only in one state and may not have served the target population, one could argue that MCCNs may be 200 to 300 points in the hole as it is unable to respond to these questions.

A: Mr. Parker stated that the Q & A process for the RFP may be the best way to address this question. But, that there are ways for MCCNs to demonstrate their experiences. The department's goal is to find the providers that can best serve the population. Looking at people's experience is an important thing to do and as a new entity it can be hard to break in, but not impossible. A lot will depend on who the partners are in the MCCN and what they demonstrate they've done in the past.

Q: A meeting participant asked where HFS is in the creation of health homes in terms of your process and given the advocates' position now around the ability to draw down 90 percent Medicaid or community based services that come through health homes?

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A: Mr. Parker explained that one consideration is that we don't want to go too fast on health homes because if we do, we'll lose the money. Once a state plan amendment is filed the 8 quarters start running. If health homes haven't been implemented widely, the 90 percent match is lost. Health homes will require new structures. The department can get the match through the HMOs and we have already had discussions with Aetna Care and Centene. But, the health home 90 percent match cannot be claimed in a geographic region, unless there are health homes available for everybody. Since the Integrated Care Program only covers a portion of our population, we can't file a state plan amendment until health homes are for every categorically eligible group, including dual eligibles, AABD, children and parents. This is why the department hasn't filed anything as yet. The Innovations Project is designed to create health homes for everybody. Health homes are only available for people with chronic conditions. Health homes will not be something separate from Innovations. Once we add the children with complex medical conditions and other things are in place with the CCEs, the department will be in a position to start claiming the 90 percent match.

1115 Waiver Demonstration Project

Greg Wilson, Chief of the Bureau of Program and Reimbursement Analysis, reported that HFS is continuing to negotiate with the federal CMS. They have formed their 1115 review committee. In the last couple of days, CMS has submitted questions to us covering network structure and finance issues. The department continues to push for a July 1st implementation date. CMS understands that our ability to do the eligibility expansion is contingent on amending state law. Randall Mark added that the legislative piece is active and that CCHHS has been asked to alter the original language drafted by HFS and the General Assembly. This is moving quickly and we hope to have something by May 31st.

IX. Open to Committee

Jan Grimes advised that she is a new MAC member representing the Illinois Homecare and Hospice Council (IHHC). She stated that IHHC took Director Hamos seriously when she asked for constructive input on the current budget cuts. IHHC is currently looking at a 10 percent cut. IHHC commissioned the Health & Medical Policy Research Group (HMPRG) to pull together a report on what had happened in other states when these services were cut. Ms. Grimes said that the report did get significant news attention yesterday and is posted on their website at www.ilhomecare.org. The paper makes the case that when states cut back on homecare, their overall long term care rates went up. It makes sense that people seek emergency room or nursing facility care. The paper states that Illinois' rebasing effort needs homecare as part of its safety net so now is not the time to make the cut. She shared some copies of the press release and IHHC has shared the report with the legislature.

X. Adjournment

The meeting was adjourned at 11:15 a.m. The next meeting is scheduled for July 20, 2012.