
Medicaid & Exchange Advisory Board
Meeting Minutes
January 7, 2013

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Board Members Present: Bram Kleppner, Christina Colombe (phone), Clifton Long, Donna Sutton Fay, Julie Tessler, Kay Van Woert, Larry Goetschius, Wendy Davis (for Harry Chen), Michael Sirotkin, Randy Cook, Trinka Kerr, Joan Lavoie, Cathy Davis (phone), Shannon Wilson, Lisa Maynes, Ellen Gershun, Susan Barrett, Elizabeth Cote (phone), Sharon Henault, Tim Ford, Sheila Reed, Laura Pelosi, Julie Lineberger (phone) and Dale Hackett.

Board Members Absent: Harry Chen, Floyd Nease, Catherine Hamilton, Gladys Mooney and Paul Bakeman and Madeleine Mongan.

Other Interested Parties Present: David Hoffman (phone), Katina Cummings, Betty Morse, Scott Deluca, Caroline Fisher, Rob Stokes (phone), Jill Guerin, Christine Oliver, Michele Blanchard, Gretchen Begnoche, Cherie Bergeron, Sonia Tagliento and Kristen Bigelow-Talbert.

Staff Present: AHS: Stephanie Beck, DFR: Margot Thistle; GMCB: Marion Hines, Ena Backus; DAIL: Marybeth McCaffrey, DCF: Beth Rowley, DVHA: Mark Larson, Lindsey Tucker, Emily Yahr, Paul Hochanadel, Erick Carrera, Tena Perrelli, Sean Sheehan, Michelle Lavallee and Clark Eaton.

HANDOUTS

- Agenda
- Medicaid & Exchange Advisory Board (MEAB) December 10 Meeting Minutes
- DVHA SFY '13 Budget Adjustment Document
- Vermont Health Connect Updates (slides)
- Affordable Care Act (ACA) Affordability Comparison for Vermonters (slides)
- Vermont Campaign for Health Care Security Cost Comparison Chart (1/7/13)

CONVENE

Kay Van Woert and Bram Kleppner chaired the meeting.

Welcome and Introductions

Board Business

Following introductions, Bram Kleppner asked for adoption of the December 10, 2012 meeting minutes. The board reviewed the December minutes and voted to approve the minutes, with 18 yeas, 0 nays and 2 abstentions.

Commissioner's Updates -- Mark Larson

Budget Update: The Department of Vermont Health Access (DVHA) Commissioner, Mark Larson, provided a handout of DVHA's SFY '13 mid-year Budget Adjustment and discussed the highlights/factors impacting DVHA's recent submission. Overall, DVHA is requesting a \$57,414,019 budget reduction – a decrease in program related expenditures of \$58,711,209 and an increase in administration costs of \$1,297,190.

Mark reviewed and covered several of the key adjustments by categories that have been submitted to the Legislature. Significant areas reviewed included: 1) Caseload Revisions (a reduction of \$6,070,223) – caseloads appear to be leveling off more dramatically than anticipated, resulting in a need for less funding than originally projected, 2) Utilization (a reduction of \$26,663,226) – there are several categories of service (including inpatient and physician costs) for

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which spending is coming in at less than anticipated. It is a significant projected drop in utilization, 3) Transfer of DVHA Funding to the Department of Mental Health for New Service delivery (a reduction of \$6,823,321) – principally to support continued appropriate services and supports to families and children, 4) Global Commitment Not Needed Due to Fund Encumbrance (a reduction of \$5,233,149) – this corrects an erroneous underpayment on outpatient services, and 5) State-Only Appropriation General Fund Carry-forward Use (a reduction of \$5,792,879) – DVHA carried forward general fund dollars from SFY '12 in anticipation of need around the state-only pharmacy initiative. Continued collections of rebates on retroactive billings have negated this need.

Concerning the Utilization area, a \$26,663,226 reduction, Kay Van Woert asked if it would be possible to get a breakdown of what the cost reduction was for each category of service for the Budget Adjustment recommendation. Board members also inquired on how and when would be the best way to weigh in on budget development and areas of emphasis. Mark Larson stressed that he takes note of board advice meeting-to-meeting and factors it into DVHA's budget development throughout the process.

Mark reported that the Governor's SFY '14 budget address is scheduled for January 24th; the SFY '14 budget proposal will be discussed in more depth at the February 4 MEAB meeting.

Dual Eligibles Project Update: DVHA is beginning the process of negotiating a Memorandum of Understanding (MOU) with CMS for a Dual Eligibles demonstration project that would allow the state to manage Medicare federal funding for beneficiaries who have "dual Medicaid and Medicare eligibility." A draft document will be going forward to CMS soon, so there should be more to discuss on this project by the February 4 MEAB meeting. As part of this future process, DVHA will propose that the current Dual Eligibles Stakeholder group be formally linked to the MEAB so that there is cross-coordination and collaboration of this effort.

The Commissioner also reported that DVHA has two key position vacancies to fill: 1) Deputy Commissioner – Health Services & Managed Care, and 2) Policy Director.

Exchange Updates – Lindsey Tucker

Lindsey Tucker, Deputy Commissioner, Health Benefit Exchange, provided updates on current Exchange topics.

Exchange blueprint: On January 3, Vermont's Health Benefit Exchange was granted conditional approval to proceed with the development of its state-based exchange to begin enrollment in October, 2013 for operation in January, 2014. Vermont is one of 20 states that now have conditional approval to move forward. The four conditions that apply include: 1) the demonstrated ability to perform activities in line with the blueprint application plans, 2) complying with regulations and expected milestones, 3) conducting a risk assessment, and 4) acquiring legislative approval for a self-sustainable financing plan.

Staffing: The Vermont Health Connect Exchange is now up to a team of 11. Recently added staff members include: Sean Sheehan, Director, Education and Outreach; Tena Perelli, Project Director, Customer Support Center; and Maureen Connolly, Project Director, Finance. There currently are three positions open to be filled.

Contracts: The Exchange System Integration contract (awarded to CGI) was finalized in December and work has begun. The Premium Processor RFP is still open and a vendor selection

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should be made soon. Also, bids are due on January 8 for forms for the Qualified Health Plan RFP.

Outreach: There are two upcoming public forums in January on the new Vermont Health Connect Exchange: 1) a small business forum at the Stowe Town hall on January 17, and 2) a presentation at the Brownell Library in Essex Junction on January 23. The Exchange also has its new website up and running: www.vermonthealthconnect.gov. The website will be going public very soon; any input and comments for improvement will be appreciated. Lastly, the Exchange should have a response by mid January on its grant request to support the In-person Assistance program.

Broker Program: The broker program is being finalized in the next few months and a briefing will be scheduled for a future MEAB meeting.

Office Move: The Vermont Health Connect Exchange, along with other elements of DVHA's Health Care Reform Division, is scheduled to move to new office space in Winooski (within the Vermont Student Assistance Corporation [VSAC] building) at the end of January. More specific information should be available in the coming weeks.

Administrative Rules Overview – Les Birnbaum and Erick Carrera

Les Birnbaum, Health Care Policy Analyst for Economic Services Division, and Erick Carrera, Health Care Policy Analyst for the Exchange, provided an overview of the new administrative rules changes being developed/implemented to coincide with the introduction of the Exchange in January, 2014. A series of public stakeholder meetings are scheduled and occurring to review the revisions and developments of these administrative rules.

The Affordable Care Act impacts health care delivery in three main domains; 1) the creation of a new health care insurance marketplace (the exchange), 2) substantive changes to Medicaid eligibility, and 3) significant changes in the way eligibility is granted and maintained. For the latter, there will be a more rational approach, using data matching and verification processes that will only require change efforts if something has changed for an individual that will alter program eligibility. For Medicaid, if there are no significant changes annually, there will be no need to resubmit or update an eligibility application.

All administrative rules are being rewritten and reformatted; in total, the rules document will still be long, but it will be easier to read and understand. Les noted that the state hopes to have the newly proposed rules filed by March for review. The review/approval process should take about six months, so the finished product would be ready by September.

Erick Carrera discussed the challenges in writing the new rules so that they clearly spell out the eligibility requirements for small business employers. Some eligibility elements, including clearer definition of workforce size, need to be worked through the legislature during this current session. Also, the rules process needs to address all of the employers' options when selecting plans for employee insurance coverage. It is still a collaborative process and the exchange will be seeking stakeholder feedback over the next few weeks. Michael Sirotkin asked if there are certain things that Vermont (state rather than federal) would have a choice in when structuring a viable small business model. Kay Van Woert also suggested that key questions/areas of concern be spelled out, so that board members have something specific to focus on.

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Sharon Henault expressed the need for the new employer rules to provide some incentive for the disabled population to work, rather than not be working. Les noted that there is a report due soon to the legislature concerning the Working People with Disabilities Program. The rules development process needs to take into account the findings of this report. To improve understanding and subsequent feedback, Donna Sutton Fay also suggested that a synopsis of each rule draft section be provided. Stakeholders and board members would be better informed to contribute with these types of summaries.

Exchange Affordability – Board Member Discussion

Devon Green, Health Care Policy Analyst, Administration, briefed the board on affordability aspects of standing up the new Exchange. Devon reviewed a series of slides showing that projected costs under the Affordable Care Act will be less affordable to Vermonters when compared to the current Catamount/VHAP programs. Using a second level Silver plan as the baseline example, Devon went on to describe the chart comparisons between premiums, out-of-pocket maximums and deductibles. Based on questions regarding premium comparisons, Devon will provide DVHA/board members with the more detailed methodology used to graph these comparisons.

At a future meeting, Devon will present a follow-up demonstration with more details on the subsidies and costs to consumers. Donna Sutton Fay also provided and described for the board a handout (prepared by Vermont Campaign for Health Care Security) that showed comparisons of out-of-pocket costs under the current Catamount Health/VHAP programs versus the projected Exchange costs.

Ed. Note: There was some confusion about the role of the second-lowest costs silver plan in the Exchange. This will be clarified at the next meeting. Please see Donna's follow-up to the group for more information.

Prior to the Governor's budget address on January 24, Clifton Long felt the board should show its support in Vermont to ensure health care remains affordable for individual Vermonters. After a motion and discussion, the board approved (13 yeas, 1 nay, 4 abstentions) the following formal recommendation for DVHA and the Administration: "Vermont's current Green Mountain Care programs have made health care available to Vermonters who could not otherwise afford it. The Medicaid & Exchange Advisory Board recommends that the programs of the Vermont Health Connect be no less affordable for people currently eligible for Green Mountain Care programs."

Board Work Plan Discussion – Board Members

Kay Van Woert summarized future topic areas for agenda making and discussion in February and March. These topics are listed below. Other new information requests also have been added under Information/Data requested.

The March MEAB will be shifted from March 4 to March 11. This change will be distributed for board notification; the March 11 meeting may also be shifted to the VSAC building in Winooski –to be determined.

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The Early, Periodic Screening, Diagnostic & Testing (EPSDT) optional work group met immediately after the January 7 formal meeting. The intent of the meeting was to identify and prioritize the key focus areas for the group moving forward.

Public Comment

There was no public comment at this meeting.

Draft Topics for February 4 Meeting:

- DVHA SFY '14 Budget Proposal update
- Insurance affordability
- Global Commitment waiver renewal update
- Dual Eligibles project update
- Blueprint for Health (utilization data, ICP, ACO)
- Chronic Care Initiative update
- OHSU work/Guiding Principles – presentation and discussion

Draft Topics for March 11 Meeting:

- Other AHS Department SFY '14 Budget Updates
- Insurance affordability (with CGI)
- Exchange blueprint submission update
- IT preparedness related to Health Care Reform update

Future Meeting Topics:

- Perverse incentives in eligibility, cost sharing, and benefit structures (fraud & abuse)
- Independent Living (e.g. DME, reinvestment in community based services)
- Integrated Family Services
- Trend & utilization data used in budget preparation
- Affordability and reinvestment pertaining to provider rates
- Minimizing administrative complexity for businesses that offer insurance
- How can businesses not offering insurance subsidize employees' health care costs?

Topics to Monitor/MEAB Updates as Work Progresses:

- Exchange development and outreach
- Habilitative services benefits in the Exchange
- Navigation for the Exchange

Information/Data Requested (when DVHA acquires/develops in the course of their work):

- SFY '13 DVHA Budget and/or trend data as a frame of reference for the SFY'14 budget development process.
- Utilization cost breakdown by category for DVHA's SFY'13 Budget Adjustment
- A summary of issues concerning the Administrative Rules revisions
- Legislative report concerning the Working People with Disabilities Program
- Savings generated by the Exchange
- Costs of adding dental and vision benefits to the Exchange

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Next Meeting

February 4, 2013
Time: 11:00AM – 3:00PM
Site: DVHA, Williston, VT

Please visit the Advisory Board website for up-to-date information:

<http://dvha.vermont.gov/advisory-boards>

DRAFT