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**Medicaid & Exchange Advisory Board**  
**Meeting Minutes**  
February 23, 2015

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**Board Members Present:** Trinka Kerr, Lisa Maynes, Kay Van Woert, Joan Lavoie, Donna Sutton Fay, Madeleine Mongan (phone), Sharon Winn, Gladys Mooney, Larry Goetschius, Jackie Majoros, Paul Bakeman, Christina Colombe (phone), Nate Waite, Dale Hackett, Sharon Henault (phone), and Sheila Reed.

**Board Members Absent:** Peter Espenshade, Bram Kleppner, Shannon Wilson, Clifton Long, Laura Pelosi, Rebecca Heintz, Julie Tessler, Amy Vaughan, Clifton Long, Cathy Davis and Tim Ford.

**Other Interested Parties Present:** Matt McMahan, Betty Morse, Kelly Barnier, Susan Gretkowski (phone), and Kristen Bigelow-Talbot.

**Staff Present:** DVHA: Lindsey Tucker, Selina Hickman, Dylan Frazier, Jason Pope and Clark Eaton.

**HANDOUTS**

- Agenda
- Medicaid & Exchange Advisory Board (MEAB) January 26, 2014 Meeting Minutes
- DVHA SFY '16 Budget Document (2/23/15)
- DAIL SFY '16 Budget Testimony (2/3/15)
- Vermont Health Connect (VHC) Update (2/23/15)
- DVHA Proposed Admin Rule: Qualified Health Plans Certification (2/19/15)

\*all are posted to the VHC website

**CONVENE**

Donna Sutton Fay chaired the meeting.

**Welcome/ Introductions/Approval of Minutes**

Board members and meeting attendees introduced themselves around the room. The meeting minutes for January 26, 2015 were reviewed and adopted (14 yeas, 0 nays and 1 abstention).

**State Health Care Budget Discussion – Mitzi Johnson**

Mitzi Johnson, State Representative and Chair of the House Appropriations Committee, discussed the back drop regarding the state's budget and the Governor's SFY '16 budget proposal. Revenues in the state are growing at 2.5/3% (growth was in the 5% range prior to the recession). Recovery has been slower than expected and future revenues are expected to be at a similar level. However, budget pressures are growing at about 5% to meet a number of requirements, including: retirement obligations, support of caseloads in most of the state's programs, state employee contracts, and legislature policy/programs. The Governor's budget had taken steps to close the gap working with projected revenue, but after the budget was introduced, there was another revenue downgrade -- another \$18 mil gap needed to be made up from the General Fund. Revenue will continue to be part of the solution, but changes to spending and spending priorities also need to be a part of the total solution. Mitzi listened to questions and took notes on concerns from board members. A summary of concerns follows: 1) Trinka Kerr stressed that the highest

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priority would be to continue to cover the Medicaid expansion population. There is also the concern for the reduced payment rate for PCPs who have lost the ACA plus-up; this could reduce access to primary care; 2) Sharon Winn expressed concern for clinics for the uninsured, access to primary care, adequate funding for Medicaid, and continued work on Blueprint payments; 3) Kay Van Woert noted the importance of prioritizing Medicaid and leveraging federal dollars as well as addressing provider reimbursement; 4) Lisa Maynes pointed out that CHIP funding approval is still needed; 5) Gladys Mooney cautioned that cuts in mental health services may end up costing the state more in the long run; 6) Paul Bakeman addressed the concern about the year-to-year increase in total Medicaid costs and how this increases service needs beyond basic Medicaid services; 7) Larry Goetschius expressed appreciation that there is focus this year on the cost shift. He also identified the concerns that Medicaid rates are too low and that there are some providers (like home care) who can't cost shift; 8) Jackie Majoros noted that if there is any increase in Medicaid provider rates, it needs to be for those who provide the full spectrum of providers and focus on long-term care. There is also concern with the DAIL budget and decreases in case management; 9) Sheila Reed advised against implementing the portion of the Governor's proposal that would erode the Reach Up program; 10) Dale Hackett felt there needs to be a multi-year approach to solving budget needs and meeting human service needs; 11) Sharon Henault expressed concern about mental and physical services and an undesirable shift to more institutional living; and 12) Madeleine Mongan was very supportive of the Medicaid reimbursement increase, but was concerned about the elimination of the loan repayment program. Mitzi responded to comments and how the process would move forward. The Appropriations Committee is wrapping up the final bits of testimony on the Governor's budget and will be starting "Mark-Up", which means going back through the entire budget and present back (section by section) to the committee (including generated questions). The Legislature will need to work on how to close the gap. There is no way to incorporate rate increases with existing revenues. Loan repayment programs are still very much on our radar. Apart from the rate increase issue, Mitzi felt the DVHA budget included services that are well-protected and that caseload and eligibility are also well-protected. The Choices for Care program has a fairly large increase to cover some of the home and community-based services. The place in DAIL that presents difficulty is the DS caseload/high school grad increase. Mitzi wants to continue the conversation on how government can do a better job vs. how we balance the budget. She is interested in looking at how we could possibly do a multi-year budget.

**DVHA SFY '16 Budget Discussion – Mark Larson/Steven Costantino**

DVHA's outgoing Commissioner, Mark Larson, joined DVHA's new Commissioner, Steven Costantino, in providing an overview of DVHA's SFY '16 Budget proposal. Mark took the time to walk through the essential elements of the document, first noting the consolidated "fast facts" for the department. He went on to budget considerations, highlighting the need for a total of \$78,202,381 in new appropriations (federal and state combined). With the adult Medicaid expansion, DVHA's caseload and utilization will require an additional \$31.1 mil. Mark briefly described the projected SFY '16 caseload and per member per month (PMPM) by Medicaid

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Eligibility Group. He also covered additional projected trend changes (ups and downs), including: 1) Buy-In Adjustment, 2) an increase in “Clawback”, 3) Opiate Care Alliance, 4) Inpatient Cost Savings, 5) Clinical Utilization (CURB) & Drug Utilization Review Board (DURB) Target, 6) Expiration of the ACA Primary Care Physician Rate Increases, 7) Applied Behavior Analysis (ABA) Transfer to DMH, 8) Independent Direct Care Provider Rate Increases, and 9) Change in Federal Participation Match Rate. Mark also reviewed the Governor’s recommended initiatives that also included addressing the cost shift. Also, there are key new investments in Vermont’s Blueprint for Health program, including: 1) Aligning Community Health Team (CHT) Costs with Insurer Market Share, 2) Increase CHT Blueprint Payments, and 3) Increase Primary Care Medical Home Payments. Board members shared their comments and concerns on the DVHA Budget. Sharon Henault asked if there could be more oversight on the CURB and DURB boards. DVHA will provide the link to CURB and DURB meeting notes to board members. Sheila Reed wondered if there is an alternative “game plan” to turn to if the payroll tax does not go through. Paul Bakeman stressed that there needs to be a good alternative plan if the payroll tax plan stalls. Sheila suggested that MEAB Co-Chair Donna Sutton Fay go before the House Ways and Means Committee and testify on the importance of dealing with the budget gap in terms of Medicaid. The board approved a motion that Donna arrange to testify before the Ways and Means Committee on the MEAB’s concerns. Update: Donna Sutton Fay contacted Rep. Janet Ancel, Chair of House Ways and Means, about testifying on behalf of the MEAB in support of the provider increase and continued funding of current caseload and utilization, and the need to ensure an alternative revenue source in the event the payroll tax doesn't pass. She replied that her Committee is waiting for House Health Care to send over its "big bill" and she suggested that Donna also let the Health Care Committee know of the MEAB's concerns. Donna emailed Rep. Lippert, Chair of House Health Care, to reinforce the MEAB's support for the provider rate increase and making sure there is a revenue source for it (as well as funding for caseload and utilization).

**DAIL SFY '16 Budget Discussion – Susan Wehry**

Susan Wehry, Commissioner of the Department of Disabilities, Aging and Independent Living (DAIL), provided an overview of DAIL’s SFY ’16 Budget proposal. Everyone is aware that this was going to be a difficult year, so DAIL had to figure out how, with prioritization, how it was going to do its job and provide necessary services with less. Susan covered the highlights, including satisfaction measures, for each of DAIL’s five Divisions: 1) Division for the Blind and Visually Impaired (DBVI), 2) Developmental Disabilities Services Division (DDSD), 3) Division of Licensing and Protection (DLP), 4) Division of Vocational Rehabilitation (DVR), and 5) the Adult Services Division (ASD). Under ASD, Susan highlighted the Choices for Care (CFC) long term care program and the CFC Waiver for Medicaid that the state has worked with since 2008. The nine core objectives measured by DAIL in its CFC quarterly data reports were reviewed. Susan also described some of the significant budget changes when the proposed DAIL SFY ’16 budget is compared to the SFY ’15 budget. Jackie Majoros stressed that the proposed reduction in case management will particularly impact small and medium community facilities. Kay Van Woert suggested there be a future discussion on what, within DAIL, are shaping up as unmet needs within the state. Susan is supportive of this and noted that DAIL is already taking some preliminary steps to identify and address unmet needs.

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**AHS Secretary-Remarks/Discussion – Hal Cohen**

Hal Cohen, the new Secretary of the Agency of Human Services (AHS), introduced himself to the board and provided some insight to his new role moving forward. His initial vision for the agency is to bend the curve on poverty. More and more individuals and families are finding themselves in poverty situations that are many times the result of things that are beyond their control. Hal went on to address homelessness and would like to be part of a consolidated effort to end family homelessness by 2020. Agency-wide, there will need to be continued emphasis on integrating services and breaking down human service siloes throughout the state. AHS is strongly supporting the state's efforts to introduce payment reform and bundled payment options as means to improve outcomes for families. Secretary Cohen fielded comments and thoughts from board members. Lisa Maynes pointed to the link with poverty for disabled children and children with special needs – there needs to be continued attention there. Kay Van Woert suggested AHS take a closer look at Medicaid planning for meeting Early & Periodic Screening, Diagnosis & Treatment (EPSDT) needs. Jackie Majoros suggested there be better coordination between long term care services and mental health services. Gladys Mooney shared that single parents (with children with special needs) in the Northeast Kingdom are having difficulty receiving necessary assistance. Sharon Henault also noted that there are new ADA requirements that needed to be recognized to improve support programming. Hal Cohen also indicated that he is aware of apparent delays at emergency rooms for certain populations.

**Vermont Health Connect (VHC) Handout**

The Vermont Health Connect (VHC) did not brief during the meeting, but did provide a handout that addressed the current VHC Open Enrollment Period and the VHC Dashboard.

Current VHC information and activities can always be viewed at [www.vermonthhealthconnect.gov](http://www.vermonthhealthconnect.gov)

**MEAB Discussion – Board Members**

Donna Sutton Fay asked board members to consider and review potential agenda items (listed below) for the March 23 MEAB meeting. Lindsey Tucker, DVHA Commissioner's Office, reminded the board about the upcoming Orientation for new members that will be conducted just prior to the March 23 MEAB meeting and also prior to the April 23 meeting. Also, Lindsey and the Co-Chairs will be reaching out to individual members to schedule one-on-one meetings to discuss ways to improve board operations, efficiency and effectiveness. MEAB Work Group guidelines are also being developed and standardized where appropriate.

**Public Comment Opportunity – Co-Chairs**

There was no public comment at the meeting.

**Adjournment**

The meeting was adjourned at 3:00PM.

**Topics for Regular Update:**

- Vermont Health Connect Topics/Discussion
- Commissioner Updates (Current Topics Discussion)
- Duals/VHIP/SIM Update/Discussion

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- GC Waiver (as Necessary)
- Medicaid Shared Savings Program
- MEAB Work Group Meeting Reports
- Quarterly Advocate Report (Legal Aid)

**Draft Topics for March 23 Meeting:**

- DVHA SFY '16 Budget Update/Discussion
- State Health Care Budget Discussion
- DCF SFY '16 Budget Discussion

**Future Meeting Topics:**

- Health Care Reform - single payer models
- Reinvestment in Community Based Services
- Affordability and reinvestment pertaining to provider rates
- Minimizing administrative complexity for businesses that offer insurance

**Data Request(s) for Future Meeting:**

Termination Data from Carriers

Total Medicaid Budget – what portion is entitlement/what is not?

**Issue Tracker List:**

- Inventory of Perverse Incentives
- Diapers
- Medicaid transportation
- Out-of-State travel
- Specialist or preferred providers
- Mental Health fee schedule changes
- Prior Authorization concerns
- Coordination of Benefits between Medicare and Medicaid

**Ongoing Small Group Works**

- EPSDT Work Group
- Improving Access Work Group
- Small Employer Work Group
- Individuals and Families Work Group
- Caregiver Reimbursement Work Group

**Next Meeting**

**March 23, 2015**

**Time: 11:00AM – 3:00PM**

**Site: DVHA, 312 Hurricane Ln, Williston, VT**

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

[http://info.healthconnect.vermont.gov/advisory\\_board/meeting\\_materials](http://info.healthconnect.vermont.gov/advisory_board/meeting_materials)