
Medicaid & Exchange Advisory Board
Meeting Minutes
June 26, 2017

Page 1

Board Members Present: Bram Kleppner, Kay Van Woert (phone), Lisa Maynes (phone), Jessa Barnard, Joan Lavoie, Sharon Winn (phone), Laura Pelosi (phone), Dale Hackett (phone), Paul Bakeman, Julie Tessler, Gladys Konstantin, Nate Waite and Mike Fisher (Healthcare Advocate).

Board Members Absent: Lila Richardson, Amy Vaughan, Vaughn Collins, Erin McIntyre, Christina Colombe, Michelle Fay, Sharon Henault, Rebecca Heintz, and Sherry Griefzu.

Other Interested Parties Present: Kelly Lange (BCBS), and Brendan Hogan (Optum)

Staff Present: Department of Vermont Health Access (DVHA): Commissioner Cory Gustafson, Deputy Commissioner Michael Costa, Ashley Berliner, Mary Beth Bizzari and Molly Waldstein; Vermont Department of Health (VDH): Betty Morse (phone).

HANDOUTS

- Agenda
- Legislative Update: Telemedicine (presentation)
- Advisory Board Statutory Review (handout)
- MEAB 5-22-17 Draft Minutes
- ACO Reporting (presentation)

*all are posted to the VHC website

CONVENE

Mike Fisher and Bram Kleppner chaired the meeting.

Welcome/Introductions/Approval of Minutes

Board members and meeting attendees introduced themselves around the room. A quorum of 12 members was present. May meeting minutes were approved, with two abstentions. It was agreed that future meeting minutes should focus more on discussion within the advisory board and less on the details of AHS presentations.

Legislative Update: Telemedicine—Ashley Berliner

Ashley Berliner, Director of Healthcare Policy, discussed the implications of legislation affecting Vermont's current telemedicine program. A question was raised regarding current utilization of the program. Ashley responded that the program is currently underutilized, due in part to the IT requirements placed on providers at the federal level. It was then asked whether there is a vendor platform available to serve this purpose. Kelly from BCBS responded that several platforms are available, but that the uptake has been slow. Ashley indicated that DVHA is contemplating the development of a broader platform for providers. A question was raised regarding current utilization by Vermont mental health agencies. Ashley responded that Medicaid does not generally cover use of telemedicine outside of facility to facility, except when used in primary care. Effective October 2017, a wider utilization is anticipated within the designated agency setting.

The DVHA team is currently exploring definitions of clinical appropriateness for telemedicine. A question was raised regarding cost of transportation for patient care, in light of increased telemedicine usage, and Ashley responded that DVHA was indeed monitoring this question. A question was raised regarding changes to informed consent regulations, and Ashley responded

Medicaid & Exchange Advisory Board
Meeting Minutes
June 26, 2017

Page 2

that informed consent was not anticipated to be a barrier, but that DVHA would have more information after October. A discussion ensued regarding determination of clinical appropriateness on a code by code basis. More work in this area will be on-going as DVHA staff perform the background research and conduct internal conversations, with a goal of developing a program to increase patient access to services while reducing transportation costs.

A concern was expressed regarding out of state providers and telemedicine, specifically in situations involving on-going care. The discussion referenced some of the challenges involved in attracting specialized providers to live in the state of Vermont, and how that may impact availability of in-state specialists. The point was also made that all out-of-state providers are required to be licensed by the state of Vermont.

Advisory Board Statutory Review—Addie Strumolo

Addie Strumolo, Health Care Director, reviewed relevant statutes and regulations governing the advisory board. She focused the discussion on state law, as many of the federal regulations have been subsumed into state law. A member raised concerns about meeting the qualifications for membership in the advisory board, and it was made clear that being a Medicaid beneficiary was ample qualification for being a MEAB member (in addition to membership in provider, advocate and consumer-based organizations, among others.) It was also observed that the group could improve its efforts to serve in an advisory capacity, and there was general agreement on this point. In particular, group members called out the following statutory language as an example of practice falling short of statute. It was also observed that fulfilling this clause requires some level of accountability from advisory board members:

(c)(1) The Advisory Committee shall have an opportunity to review and comment on Agency policy initiatives pertaining to quality improvement initiatives and to health care benefits and eligibility for individuals receiving services through Medicaid, programs funded with Medicaid funds under a Section 1115 waiver, or the Vermont Health Benefit Exchange. It also shall have the opportunity to comment on proposed rules prior to commencement of the rulemaking process pursuant to 3 V.S.A. chapter 25 and on waiver or waiver amendment applications prior to submission to the Centers for Medicare and Medicaid Services.

(2) Prior to the annual budget development process, the Department of Vermont Health Access shall engage the Advisory Committee in setting priorities, including consideration of scope of benefits, beneficiary eligibility, health care professional reimbursement rates, funding outlook, financing options, and possible budget recommendations.

A member pointed out that the federal statute requires a certain degree of staff and technical assistance, which the group might utilize to greater effect moving forward, now that dedicated staff has been identified.

It was also observed that the statute requires the board to advise on Medicaid functions broadly, which involves a variety of state agencies. It was suggested that more input from AHS and other state agencies would be helpful in fulfilling that mandate. It was also pointed out that DVHA is responsible for approximately 70% of Medicaid spending in Vermont, so input from other agencies should be weighted appropriately.

Medicaid & Exchange Advisory Board
Meeting Minutes
June 26, 2017

ACO Reporting—Michael Costa

Michael Costa, Deputy Commissioner, outlined the background and reporting requirements for the ACO program. He explained some of the details involved in establishing benchmarks for the coming year, as well as the actuarial organizations involved in the acceptance of those benchmarks. Commissioner Gustafson pointed out that the ACO program priorities are 1) the establishment of an incentivized system of value-based payments; and 2) mitigation of fragmentation among payers. Additionally, Vermont's work with the ACO program represents an opportunity to leverage work that is currently being done within CMS.

A member raised a concern regarding the availability of monetary investments needed to remove fragmentation among payers. Michael observed that, although perfect world circumstances might be elusive in the short term, incremental steps towards the goal is likely to create positive momentum. This year's goal is to get the ACO to set up aligned programs in Medicare and in the commercial marketplace, and to allow the Green Mountain Care Board to establish its regulatory process, in addition to increasing membership.

Michael outlined some of his impressions about the future of the ACO, and explained that claims lag continues to be a factor in developing a reliable projection of the program's finances. He described a need to develop more awareness and involvement within AHS regarding the ACO program.

A member described concerns about physicians leaving the state and resultant delays in scheduling. She subsequently raised concerns that the ACO project may be too focused on financial analysis and not enough on the implications to the provider workforce, and therefore to patient access. It was acknowledged that the workforce concern was likely to exist in Vermont regardless of the ACO project.

Another member asked whether ACO reporting parameters had been finalized, expressing a desire to capture data about preventive measures in healthcare. Michael extended that member the invitation for further discussion on the subject.

Public Comment

There was no public comment.

Federal Cuts Exercise—Michael Costa

Michael Costa, Deputy Commissioner, led an informal discussion regarding potential future budget pressures in light of proposed Federal legislation. During discussion of prospective budget cuts, he pointed out that this could bring the possibility of state budget pressures in the form of a revenue downgrade, which might mean budget rescission, and could also affect 2019 planning. Additionally, basic healthcare cost pressure would likely exceed both inflation and revenue growth in this scenario. It is clear that the question is a complex one, and merits a more lengthy investment in time to discuss in full.

Medicaid & Exchange Advisory Board
Meeting Minutes
June 26, 2017

Michael postulated that the proposed federal House healthcare bill would cut approximately \$200 million from Vermont Medicaid, of which DVHA's share would be about \$136 million. Regarding the potential of a budget challenge of this magnitude, he suggested that there are two questions on which DVHA particularly desires the advice of the board: 1) discussing priorities when considering budget reduction; and 2) developing advice for the Commissioner as to how to close the budget gap.

Regarding the development of a potential budget reduction strategy, Michael outlined a number of possible approaches:

- Limit the populations that receive Medicaid
- Remove optional services
- Reduce programs or investments (particularly in managed care organizations)
- Cut rates (it was acknowledged that Medicaid rates are already quite low, and a rate reduction may result in concerns about access to medical services)

In thinking about the potential budget impacts of proposed and future legislation, Michael suggests first ranking the above four categories to develop a strategy. To that end, he asks the board how DVHA might structure a budget exercise that would be most helpful to them in developing such a strategic approach.

A member raised the question of other ways to maximize efficiencies, thereby reducing budget spending. She cited examples such as unoccupied nursing home beds, or lifestyle changes to reduce dependence on pharmaceuticals. Michael indicated that these considerations are important to factor in as part of this exercise.

A question was asked regarding the degree to which federal cuts would impact state programs. Michael explained that the federal match rate per program would be a determining factor in understanding the impacts of the federal cuts on the state Medicaid budget. This presents a challenge in doing a budget cuts exercise in advance of federal legislation, as assumptions about eliminated federal programs may not be accurate. In addition, a member observed that the timing of the proposed cuts would also play a role.

A member offered concerns about the impact of budget cuts on consumers in terms of reduction of services, as well as a general loss of well-being. Michael responded that the best way to mitigate the pain consumers may feel is by planning carefully and conscientiously to absorb budget cuts in ways that cause the least amount of public distress. However, depending on the magnitude of the budget cuts, it would be unrealistic to assume that all pain could be avoided. DVHA's task is to plan, evaluate the impacts, and ensure that the governor, policy makers and advocates have the information they need to make informed choices.

A question was asked about timeline for the next stage of the exercise, and it was agreed that the answer to that would lie with the Commissioner and the co-chairs, also considering the timing of developments on the federal level. Michael asked board members to keep observations about the proposed exercise appropriately within the context of the advisory board, bearing in mind that

Medicaid & Exchange Advisory Board
Meeting Minutes
June 26, 2017

Page 5

budget cuts under discussions are projections only. This was generally understood and agreed upon by the group.

Adjournment

The meeting was adjourned at 12:20 PM.

Topics for Regular Update:

- Vermont Health Connect Quarterly Update
- Commissioner Updates (Current Topics Discussion)
- GC Waiver (as Necessary)
- Quarterly Advocate Report (Legal Aid)

Future Meeting Topics:

- **Legislative Update Following the June Veto Session**
- **Advisory Board Statute Review**
- **Implication of Federal Budget Cuts**

Next Meeting

September 25, 2017

Time: 10:00AM – 12:00PM

Site: DVHA, State Office Complex, Waterbury, VT

Please visit the Advisory Board website for up-to-date information:
http://info.healthconnect.vermont.gov/advisory_board/meeting_materials