



LEGISLATIVE FINANCE COMMITTEE

59TH Montana Legislature

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MINUTES

HIFA WAIVER WORKGROUP CONFERENCE CALL

January 24, 2006
Room 102, State Capitol
Helena, Montana

Call to Order (Tape 1A-002)

The HIFA Waiver Workgroup met via conference call on January 24, 2006 at 1:30 p.m. in Room 102 of the State Capitol.

The following members were present:

Sen. John Cobb
Rep. Hawk
Sen. Carol Williams

John Chappius, Deputy Director, DPHHS
Jeff Buskas, Medicaid Policy Analyst, DPHHS
Rep. Mary Caferro
Rep. Emelie Eaton
Lois Steinbeck, LFD
Susan Fox, LSD
Diane McDuffie, Secretary

Attachments

Visitor's list #1
Comments on 115 Medicaid Waiver Concept Paper submitted by Gene Haire #2

Fiscal and Policy Summary of the Proposed HIFA Medicaid Waiver (Tape 1A-34)

The workgroup worked from the Fiscal and Policy Summary of the Proposed HIFA Medicaid Waiver report from Lois Steinbeck (Exhibit 1) and the Proposal to Provide Healthcare Services to Uninsured Low-Income Montanans Through an 115 Medicaid Wavier report prepared by the Department of Public Health and Human Services (DPHHS) (Exhibit 2).

The HIFA Waiver Workgroup was formed by the Legislative Finance Committee (LFC) to review the waiver proposal to expand Medicaid funded health benefits to selected populations of uninsured Montanans.

Chairman Cobb explained the workgroup would review the questions in Lois Steinbeck's report beginning on page 8 (Exhibit 1) and the DPHHS will be asked to comment. Lois Steinbeck will provide a summary of the workgroups recommendations and the workgroup will have a conference call early next week.

Maintenance of Effort

Legislative Issue

The legislature may wish to ask what the true HIFA waiver MOE will be. Legislative staff has interpreted federal policy to require an MOE of \$5 million per year, but the DPHHS waive proposal shows state funding at \$19.1 million per year.

Jeff Buska referred to the tables on pages 37 and 38 in the report by the DPHHS (Exhibit 2) Mr. Buska said the general fund/state special fund revenue total dollars is \$19,080,000. Included in that is all the funding appropriated in HB 667. Part of those dollars will be used for the HIFA waiver to fund services with Medicaid. It is the departments understanding after talking with CMS that none of those dollars are contributed to the MOE. About \$900,000 of state special revenue will be used as matching dollars for that portion of the waiver.

Rep. Caferro asked how MCHA (Montana Comprehensive Health Association) fits into the HIFA waiver.

Mr. Buska responded that individuals under MCHA would be uninsured if MCHA didn't exist. To sustain and maintain the financial liability of the program is to try to include it in the waiver program to provide the matching dollars. A waiver was approved by CMS in Illinois.

Cost Neutrality

Legislative Issue

The legislature may face requests to increase the level of state funding allocated to HIFA expansion populations in order to maintain enrollments. In addition, the legislature may wish to allocate enrollment reductions in other areas.

Mr. Buska said under the design of the waiver the only new funding is in HB 667. Under the existing services there is a finite amount of general fund and state special revenue to use. In the early stages of the waiver they have the ability to cover a high number of individuals. As time goes on and health care costs increase and there is no new general fund dollars then the number of individuals served decreases over time to make it budget neutral.

John Chappius said the ability to move funds around depends on the situation and how the budget is restricted. In general that possibility would exist in order to maintain populations provided they do not exceed the overall budget neutrality within the waiver.

Lois Steinbeck provided a follow-up question that would be in order to maintain cost neutrality how much additional state match would need to be appropriated to maintain populations and still live within the budget.

Jeff Buska said the process to identify the numbers to serve in the out years is based on the amount of general fund and state special revenue dollars over the life of the waiver.

Rep. Caferro asked what went into the decision to cut back on the CHIP look alike and the parents.

John Chappius said the department cannot reduce MHSP and they chose not to reduce SED youth, which only left the CHIP kids and parents. He also said the legislature could make the decision to put more money into CHIP in the out years.

Public Comment (Tape 1A-434)

Anita Roessmann, MAP, said the chart on page 9 (Exhibit 1) shows MHSP enrollments will stay the same throughout the life of the waiver. Since health care costs are expected to increase, the level of service provided to them will have to change if there is no additional funds put into the program.

John Chappius concurred with Ms. Roessman and said that may be an avenue the department would have to advocate for to try to increase the overall budget.

Beth Sirr, Nurse Practitioner asked if the department has looked at cutting services rather than cutting people. She also said that insurance costs do go up but physician reimbursements and Medicare costs are going down.

John Chappius said the department has thought about cutting services rather than people however the preference would be to provide a more complete package. The choice is to ask the legislature for additional money.

Senator Cobb requested a list with the following items to be considered:

- Whether the department should cut services rather than people
- Give more flexibility to the department to move money around

Funding for Mental Health Services

Legislative Issues

- Will DPHHS require that MHSP enrollees eligible for Medicare Part D enroll in the Medicare benefit?

Jeff Buska said the department will require MHSP individuals eligible for Medicare Part D to enroll in the Medicare benefit.

- Will DPHHS provide assistance to those eligible for Medicare who have not enrolled in Part D and if so, specifically what actions it will take?

Mr. Buska said the department is currently working with the mental health centers to identify those individuals to get them to enroll in plans and refer them into the network of CHIP programs to help them in selecting a prescription drug plan. Most of the individuals are eligible for MHSP at 150 percent of the federal poverty level and potentially would be eligible for assistance in getting their premium paid through the Social Security Administration. For the individuals that don't qualify the department is trying Big Sky RX in terms of being able to get their premium paid for Medicare Part D.

(Tape 1B-001)

Lou Thompson, AMDD, added that the department has requested information from the Social Security Administration in identifying individuals eligible for MHSP and Medicare. The community mental health centers have been using case management resources to assist individuals in signing up for plans that best appear to meet the needs of the individual. The department has prepared an Administrative Rule that does make it mandatory for individuals who are eligible for MHSP and Medicare to enroll in a Part D prescription plan or other Medicare plan.

- What is the estimated level of savings due to Part D coverage and what will be done with the funds that are saved?
- How will DPHHS use the \$1.3 million in additional funds for mental health services if the HIFA waiver is implemented as proposed?

John Chappius said the department does not have a plan on how the \$1.3 million will be spent. The department has discussed some of the priorities that may come up such as raising the \$425 limit and enhancing crisis intervention services.

In response to a question from **Senator Williams** regarding how long the department is prepared to cover individuals during the transition period, Mr. Chappius said there isn't an end date that has been set.

Rep. Eaton asked when the Big Sky Rx program is expected to be taking applications.

Jeff Buska said that the Big Sky Rx program is currently accepting enrollment and processing applications for individuals seeking assistance. Of the 1000 applications received, approximately 200 have been approved.

Sen. Cobb asked how many MHSP eligibles are enrolled in Medicare Part D plan. Lou Thompson said she did not have a specific number. The department created a web based application for mental health centers to enter the plan that the MHSP individuals have selected.

This will get the information into MMIS and the pharmacy claims will process appropriately through a coordination of benefits.

She also said the department expects 700 to 900 individuals that should be eligible for Medicare. Within the next 90 days the department should have better information to make projections.

Susan Fox, LSD said there are many more needs than \$1.3 million would ever begin to cover. Regardless of the waiver the Children Families Committee is concerned as to how the waiver will limit or restrict the ability make further recommendations to enhance or expand crisis services. The waiver is only a part of both the problem and the solution.

Use of Physical Health Benefit for Additional Mental Health Services (Tape 2B-245)

Legislative Issues

How will DPHHS ensure that payments from the funds allocated for physical health services:

- Do not supplant or augment the capitated or block grant payments to Community Mental Health Centers (CMHCs) for mental health services?
- Are not used to provide services that should be provided through the capitated or block grant payments to CMHCs?

Jeff Buska said the \$2,000 is intended for the physical health care benefit and not for provisions of additional mental health services. If the department continues to provide services either through a block grant at the community mental health centers or move to a capitated basis, the department would want to have rules; and policies and procedures; in terms of how that \$2,000 is spent and what services does it cover.

Administrative/Programmatic Components of the HIFA Waiver

Legislative Issues

Several questions that the legislature may wish to ask DPHHS regarding waiver administration include:

- How will enrollment outreach for the CHIP look alike be handled since enrollment in the current CHIP program is lagging legislative expectations and 3,000 children are expected to move from CHIP to Medicaid July 1, 2006?

Lois Steinbeck reported that CHIP enrollment for January is 50 children lower than in December. Ms. Steinbeck provided a copy of the CHIP – Community Outreach Activities plan (Exhibit 3).

John Chappius said approval was received to move ahead with the outreach plan. The enrollment and outreach for this waiver population would be done in conjunction with the main CHIP population.

Rep. Hawks asked how much the outreach plan would cost. Mr. Chappius said he has seen preliminary estimates but could not recall at this time.

Rep. Caferro asked if it is a possibility that the CHIP look alike could have an increased eligibility level above the 150 percent of poverty. Jeff Buska said that in order for the state to get Medicaid waivers for expansion coverage under CHIP is not have any caps on any services under your existing CHIP program. In order to go to 200 percent of poverty means the department would have to serve any and everybody that came through under the existing CHIP rules and regulations and would not be able to limit or cap the services by the amount of general fund available.

Comments by Rep. Mary Caferro

1. Look at the flexibility of the eligibility level going up beyond 150 percent of the federal poverty level for CHIP look alike.
 2. If the amount of money appropriated for the CHIP population is not spent than that amount of money be carried over to the next year for the CHIP look alike.
- How will CMHC administration of the physical health benefit provide a physical health “medical” home for MHSP recipients?

Jeff Buska said the physical health care benefit is intended to be a self-directed account. The department anticipated that CMHCs might assist the beneficiary in selecting the benefit to choose. The Medicaid funded benefit, which is similar to a medical savings account basis, would be administered by the state or by a third party administrator.

- What are the details of the plan to assist persons who are both MHSP and Medicare eligible in enrolling in the new Part D drug assistance benefit?
- How will DPHHS address the medically needy population of MHSP recipients who transition from Medicaid to MHSP depending on the level of medical bills they incur?

Lois Steinbeck made the clarification that the state of Montana includes medically needed as an optional Medicaid eligibility group. Some months these individuals are Medicaid eligible and some months MHSP.

Jeff Buska said this is one of the issues the department will address when they look at the data for MHSP clients. It could be problematic for the administration of the waiver.

Lois Steinbeck said this could have an impact on the PACT program.

- Will MHSP enrollees be allowed to purchase additional mental health services through their \$2,000 per year physical health plans?

Rep. Hawk asked for details on the cost of administering the program and for promoting openings in the new insurance program financed by the state.

Jeff Buska said there are 6 FTE under the staffing and administrative costs of the waiver. These are combined with staffing those identified under the eligibility requirements for HB 667. Mr. Buska explained that administration and system enhancements for FY 2007 is \$540,000 general fund which will be used for leverage to match with Medicaid (Exhibit 2, page 37).

Public Comment (Tape 2A-090)

Anita Rossemann, MAP, commented that the MHSP has been sliding for some years. There is more strain on the program and not much progress.

Gene Hair, Director, Mental Disabilities Board of Visitors, commented that the actual number of people in Montana who either qualify or would qualify for MHSP is about twice the number that are currently served. He asked the committee keep in mind when considering the waiver the difference between the needs and what's met.

Final Business (Tape 2A-160)

Senator Cobb said recommendations and comments need to be submitted to Lois Steinbeck by Friday, January 27, 2006.

Meeting Adjourned

Meeting adjourned at 3:25 p.m.

DRAFT