



Select Committee on Efficiency in Government

62nd Montana Legislature

SENATE MEMBERS

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MARY CAFERRO
JIM KEANE
EDWARD WALKER
DAVID WANZENRIED

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GALEN HOLLENBAUGH
PAT NOONAN
SCOTT REICHNER
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DAVID NISS, Staff Attorney
DAWN FIELD, Secretary
SUE O'CONNELL, LSD, Health Care
SONJA NOWAKOWSKI, LSD, Nat'l Res.
QUINN HOLZER, LFD, Health Care
TARYN PURDY, LFD, Budgeting Process
BARBARA SMITH, LFD, Technology
LOIS STEINBECK, LFD, Health Care

Subcommittee on Health Care/Medicaid

MINUTES

January 9, 2012

Room 102, State Capitol
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

Rep. Pat Noonan, Chair
Sen. Mary Caferro
Sen. Edward Walker
Rep. Mark Blasdel

STAFF PRESENT

Sue O'Connell, LSD, Health Care
Dawn Field, Secretary

AGENDA & VISITORS' LIST

Agenda, Attachment #1.
Visitors' list, Attachment #2.

COMMITTEE ACTION

The Health Care/Medicaid Subcommittee of the Select Committee on Efficiency in Government:

- approved the November 15, 2011, meeting minutes, as written; and
- approved a motion to hold a teleconference call to finalize recommendations for the full Select Committee on Efficiency in Government.

CALL TO ORDER AND ROLL CALL

00:00:00 REP. NOONAN called the meeting to order at 1:00 p.m. The Secretary called roll, all members were present (Attachment 3). SEN. WANZENRIED was also in attendance.

00:00:39 **SEN. WALKER moved to approve the minutes from the November 15, 2011, meeting. The motion passed on a unanimous voice vote.**

MEDICAID APPLICATION PROCESS

00:00:58 **Sue O'Connell, Research Analyst, Legislative Services Division (LSD)**, reviewed a staff briefing paper on the Medicaid application process (EXHIBIT 1).

00:04:01 **Christie Twadorski, Medicaid Program Policy Manager, Department of Public Health and Human Services (DPHHS)**, provided a demonstration of the online Medicaid application process.

00:10:56 **Becki Kolenberg, Montana Interactive**, described how the application information is transferred directly to the county in which the applicant resides, in order to expedite the application process.

04:1801 Ms. Twadorski resumed her demonstration.

Committee Questions

00:13:07 SEN. CAFERRO said it would be more efficient to have more than one question at a time appear onscreen. Ms. Kolenberg said it is a technology issue because, depending on how the person answers the question, additional questions may be triggered.

00:14:45 SEN. WALKER asked what happens if the person stops the application process or if the Internet fails. Ms. Twadorski said an applicant is logged in, the information is saved as it is put in and that the data base can retrieve the information back 60 days.

00:15:44 SEN. CAFERRO asked if a single application for Medicaid and CHIPS were both collected centrally, as CHIP is. Ms. Twadorski said no because the Medicaid application still has to be sent to the applicant's county office at some point.

00:16:57 SEN. WALKER asked about the processing time for manual applications versus online applications. Ms. Twadorski said both take about the same amount of time to process.

00:19:01 REP. NOONAN asked why the Medicaid applications are sent to county offices, rather than being centrally processed. Ms. Twadorski said that there are over 74 Medicaid programs and that the social workers in the counties know the programs and the makeup of their community, which aids in the application processing.

00:21:07 SEN. WALKER asked how many applications are submitted online every month. Ms. Twadorski said that of approximately 3,305 Medicaid applications per month, between 275 and 300 applications are completed online.

Public Comment on the Medicaid Application and Application Process

00:22:14 **Andree Deligdisch, Great Falls**, discussed computer literacy issues and her concern that requiring online applications could prevent people from applying for services. Ms. Twadorski agreed that computer literacy could be a problem but said that county offices work directly with people to prevent this from happening.

00:24:32 Ms. Deligdisch questions Ms. Twadorski about documentation and verification of online applications.

00:26:59 **Kristina Davis, Director, Children's Defense Fund**, discussed concerns about the application process and county offices. She said it can end up being somewhat of a "lottery" situation and that services ought to be able to be accessed in multiple ways.

SYSTEM OF CARE ACCOUNT

00:29:06 Ms. O'Connell reviewed the Children's System of Care Account staff briefing paper (EXHIBIT 2).

00:32:24 REP. NOONAN asked what the status of the account is currently. Ms. O'Connell said that one-time-only funding was allocated in 2007 but that there has been no funding since then. REP. NOONAN said the program could be a very effective tool and that it would be nice to be able to utilize it.

Public Comment

No public comment was given.

LONG-TERM CARE INSURANCE PARTNERSHIP PROGRAM/WASHINGTON STATE TRANSFER OF ASSETS LAW

00:33:52 Ms. O'Connell reviewed the long-term care insurance partnership program staff briefing paper (EXHIBIT 3).

00:37:52 REP. NOONAN asked if purchasing numbers are available since the ban was lifted. Ms. O'Connell said the numbers are not easily tracked because insurance companies are not required to report the number of policies sold.

Public Comment

00:38:39 **Rose Hughes, Executive Director, Montana Healthcare Association**, said that this idea was brought to the SCEG because long-term care partnerships could solve a number of problems facing Montana senior citizens. She said she would like to see the DPHHS be more proactive in educating seniors about this program.

00:46:08 Ms. O'Connell reviewed the staff briefing paper on Washington's transfer of assets law (EXHIBIT 4).

Public Comment

- 00:48:31 **Rose Hughes, Executive Director, Montana Healthcare Association**, said that Montana should look at this law. She said that a hardship provision could be crafted to exempt certain cases from the requirements and that just the threat of a lawsuit would prevent the transfer of assets. She said the law makes sure that those that need it get the care they need, that the state is compensated, and that the nursing home is paid.
- 00:53:09 Andree Deligdisch, Great Falls, commented that it is difficult to predict how the 2014 federal legislation will deal with this problem and that if Montana chooses to do something similar, that there is followup to see how many people are affected and what the fall out is.

MEDICAID LAWS AND RULES

- 00:55:03 Sue O'Connell discussed the elements of the staff briefing paper on proposed changes to Medicaid laws and rules (EXHIBIT 5), the stakeholder suggestions (EXHIBIT 6), and the staff briefing paper on proposed changes to non-Medicaid laws and rules (EXHIBIT 7). She noted that David Niss, Staff Attorney, prepared a legal memorandum regarding certain proposed changes to Medicaid laws (EXHIBIT 8).

BREAK

Proposed Changes to Medicaid Laws and Rules

- 01:09:13 REP. NOONAN called the meeting back to order at 2:20 p.m. He said the stakeholder responses would be read and discussed individually (EXHIBIT 5) and that Ms. Dalton would respond to each suggestion and committee questions and comments. **Suggestion 1: amend state law and administrative rules to allow mental health centers operated by tribes to act as Medicaid provider before obtaining state licensure, and Suggestion 2: amend 53-6-101 and 37-1-305, MCA, to allow Medicaid reimbursement of mental health professionals who are under contract with a tribal mental health center regardless of the person's licensure status.**
- 01:10:09 Ms Dalton discussed the Department's response.
- 01:13:33 REP. NOONAN asked how many tribal mental health centers there are and the status of their licensure.
- 01:17:19 SEN. WALKER asked if there are licensing differences between a tribal health center and Community Mental Health Center.
- 01:18:50 **Suggestion 3: Amend administrative rules to eliminate unit billing for mental health services.** Ms. Dalton explained the rationale for using a 15-minute billing unit.
- 01:23:15 REP. NOONAN asked about individual case reimbursement.
- 01:26:31 SEN. CAFERRO thought the 15-minute billing unit was burdensome to case managers and takes away from providing patient care.
- 01:31:35 SEN. CAFERRO discussed documentation practices used for reimbursement.

- 01:38:33 **Suggestion 4: Amend 37.82.204, ARM, to limit the timeframe for determining Medicaid eligibility for nursing home care.** Ms. Dalton discussed the Department's response.
- 01:41:06 REP. NOONAN asked if the timeframe could be 45 days, rather than 90.
- 01:42:28 **Suggestion 5: Amend 37.86.5110, ARM, and revise other procedures related to Medicaid reimbursement for services provided to Passport to Health enrollees.** Ms. Dalton discussed the Department's response.
- 01:45:38 **Suggestion 6: Amend Title 37, chapter 40, subchapter 4, of the Administrative Rules of Montana to eliminate the requirement that critical access hospitals transfer patients in need of nursing home care.** Ms. Dalton discussed the Department's response.
- 01:48:16 REP. NOONAN asked for additional history that triggered this rule.
- 01:50:25 REP. NOONAN asked if care provided in a critical care hospital is more expensive.
- 01:51:27 **Suggestion 7: Amend 2-15-2230, MCA, which requires dispute resolution for contracts for human services.** Ms. Dalton discussed the Department's response and referred to the Niss legal memorandum (EXHIBIT 8) in her discussion.
- 01:54:53 **Suggestion 8: Allow a 2-year eligibility period for a person who qualifies for Medicaid.** Ms. Dalton discussed the Department's response.
- 01:55:46 SEN. WALKER asked what the requirement for eligibility currently is.
- 01:56:48 **Suggestion 9: Require the Department of Labor and Industry (DOLI) to provide the DPHHS with verification of a provider's licensure status upon request of the provider.** Ms. Dalton discussed the Department's response.
- 01:58:24 **Suggestion 10: Explore the use of value-based payment models and primary care medical homes.** Ms. Dalton discussed the Department's response.
- 01:59:06 REP. NOONAN asked for additional explanation of value-based payment.
- 02:00:30 **Suggestion 11: Undertake a 5-year pilot project to test tort reforms that would protect Medicaid providers.** Ms. Dalton discussed the Department's response.
- 02:01:36 **Suggestion 12: Consider implementation in the Medicaid program of two programs used in Washington state.** Ms. Dalton discussed the Department's response but noted that the suggestion was directed to the Legislature rather than the Department.
- 02:02:00 **Suggestion 13: Maintain the status quo on hospital and nursing home utilization fees.** Ms. Dalton discussed the Department's response but noted that the suggestion was directed to the Legislature rather than the Department.

- 02:02:30 **Suggestion 14: Require DPHHS to create a work group that would include providers as stakeholders, in order to examine issues related to the expected increase in Medicaid enrollees under federal health care legislation.** Ms. Dalton updated the Subcommittee on the Department's preparations for the rate increase.
- 02:04:19 **Suggestions 15 and 16 were not discussed. Suggestion 17: Amend 37.82.101, 37.83.201, and 37.83.501, ARM, and related sections of the Medicaid policy manuals to increase the amount of income and assets people may have when qualifying for Medicaid.** Ms. Dalton discussed the Department's response.
- 02:08:10 SEN. CAFERRO asked if the change would affect all Medicaid clients or just certain populations.
- 02:09:35 **Suggestion 18: Direct DPHHS to amend its Home and Community-Based Services waiver for DD services to allow for use of a daily reimbursement rate system for congregate services.** Ms. Dalton discussed the Department's response.
- 02:10:54 **Suggestion 19: Require DPHHS to review the language in its contracts with DD providers to standardize the language and include specific dates for the initiation of contract negotiations.** Ms. Dalton discussed the Department's response.
- 02:11:35 REP. NOONAN asked why providers would want more standardized language and initiation of contract negotiations.
- 02:13:33 **Suggestion 20: Require state agencies to review the state and local inspection requirements for DD group homes.** Ms. Dalton discussed the Department's response.
- 02:16:10 REP. NOONAN and Ms. Dalton discussed issues related to accreditation.
- 02:20:15 SEN. WALKER said that he sees two issues of concern, one being a provider who is audited by both a state and national agency. He said it takes time to prepare for the audits and asked what a provider is to do if it passes one audit but not the other.
- 02:22:46 **Suggestion 23: Require DPHHS to work with DD providers, clients, and their families in several areas to determine more efficient processes.** Ms. Dalton discussed the Department's response.
- 02:24:48 REP. NOONAN asked if the Department is thinking of a process to meet with providers to streamline Medicaid and to eliminate redundancies and duplication.
- 02:27:47 REP. NOONAN asked if the DD system is going to be structured similarly to the Children's Mental Health Bureau and if one structure is better than the other.

Proposed Changes to non-Medicaid Laws and Rules

The Subcommittee did not discuss all of the proposed changes to non-Medicaid laws and rules (EXHIBIT 7). REP. NOONAN began the discussion with Suggestion 5.

- 02:30:55 **Suggestion 5: Amend 37.106.1916, ARM, to allow review of mental health treatment plans every 180 days, rather than every 90 days.** Ms. Dalton discussed the Department's response.
- 02:32:55 **Suggestion 6: Amend 37.106.1906, ARM, to eliminate the requirement that mental health centers provide five specific services in order to be licensed.** Ms. Dalton discussed the Department's response.
- 02:34:20 REP. NOONAN asked if there is purpose to having five services and if there is a federal tie to the requirement.
- 02:35:53 **Suggestion 7: Amend 24.189.620, ARM, to establish a time limit for completion of the required oral examination for a psychologist applying to have licensure from another state recognized in Montana.** Ms. Dalton said this was a Department of Labor issue.

Public Comment

- 02:38:14 **John Lynn, Deputy Director, Western Montana Mental Health Center (WMMHC),** commented on several of the proposed changes to Medicaid laws and rules (EXHIBIT 5), specifically licensure issues, billing protocol and questions, and case rate for case management services under the Magellan contract.
- 02:45:53 **Dan Aune, Executive Director, Mental Health America of Montana,** commented on suggestions 1, 2, and 3 relating to licensure in EXHIBIT 5.
- 02:54:14 **Bob Olsen, Montana Hospital Association,** commented on suggestion 4 of EXHIBIT 5 relating to the time frame for determining Medicaid eligibility.
- 02:56:25 Mr. Olsen commented on suggestion 6 of EXHIBIT 5 relating to transfer of patients from critical care hospitals to nursing homes.
- 03:01:45 Mr. Olsen commented on suggestions 7 and 8 in the proposed changes to non-Medicaid laws and rules (EXHIBIT 7).
- 03:03:42 **Matt Kuntz, Executive Director, NAMI - Montana,** commented on suggestion 3 relating to the 15-minute billing unit (EXHIBIT 5).
- 03:07:16 Rose Hughes, Executive Director, Montana Healthcare Association, commented on suggestion 4 (eligibility determinations for nursing homes), and suggestion 6 (eliminate requirements for critical care hospitals to transfer patients to nursing homes) of EXHIBIT 5.
- 03:15:49 **Mike Foster, Catholic Hospitals of Montana,** commented on suggestions 11 (5-year pilot project) and 12 (implementation of two Washington state Medicaid programs) of EXHIBIT 5.
- 03:20:26 Andree Deligdisch, Great Falls, thanked the Subcommittee for soliciting the input.

Committee Questions

- 03:21:53 REP. NOONAN asked Matt Kuntz to further discuss his concerns about the 15-minute billing unit. Mr. Kuntz said that NAMI is working on a three-year project to measure outcomes. He explained how the online tracking mechanism is used by patients and providers to monitor the patient.
- 03:25:59 REP. NOONAN asked John Lynn, WMMHC, to comment. Mr. Lynn said that performance-based contracting is sweeping the nation and that the WMMHC is sponsoring training on performance-based contracting in Helena in June of 2012.
- 03:27:25 REP. NOONAN said that the Subcommittee has heard much about outcomes. He asked Ms. Dalton where the Department can begin to implement outcome-based measurements. Ms. Dalton said the first step is to agree on what the term means. She said it is very complicated and that the outcome measures would have to be very rudimentary at first.
- 03:31:51 REP. NOONAN said it is very likely that outcome-based legislation will be introduced at the 2013 Legislature. He asked if just one outcome measure for each program or service could be implemented. Ms. Dalton said that would be possible but cautioned that it will be very difficult to tie reimbursement to an incentive.

BREAK

COMMITTEE WORK SESSION

- 03:58:37 REP. NOONAN said that there is a great deal of information to process. He suggested that the Subcommittee members take some time to digest and study it and schedule a conference call for early February to finalize its recommendations.
- 04:00:17 The Subcommittee members discussed REP. NOONAN's suggestion and how the recommendations should be presented to the full SCEG.

ADJOURNMENT

- 04:05:38 **REP. NOONAN moved to adjourn and schedule a teleconference committee meeting to finalize recommendations. The motion passed on a unanimous voice vote.** The Medicaid Subcommittee meeting was adjourned at 5:18 p.m.

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