Governor's Commission

To Review and Advise on the Implementation of
New Hampshire's Medicaid Care Management Program

MINUTES
June 11, 2015
Merrimack County Nursing Home

Welcome and Introduction

The meeting is called to order by Commissioner Mary Vallier-Kaplan at 1:10 pm. Present in addition to Commissioner Vallier-Kaplan is Donald Shumway, Nicholas Toumpas, Roberta Berner, Thomas Bunnell, Wendy Gladstone, MD, Gus Moral, Jo Porter, and Susan Fox. Commissioner Doug McNutt and Yvonne Goldsberry are unable to attend. Commissioner Vallier-Kaplan welcomes everyone. Commissioner Vallier-Kaplan invites the Commissioners and the public to introduce them.

Commissioner Vallier-Kaplan states that the materials and the minutes from the meeting will be posted on the Governor's website and the DHHS website. She states that agenda is usually available the Monday before the meeting so that those interested in reviewing it.

Commissioner Vallier-Kaplan references minutes from the May 14, 2015 meeting. A motion is made to approve the minutes and seconded and the minutes of the May 14, 2015 meeting of the Commission are approved.

Typically Commissioner Toumpas gives an update on things that are going on with Step 1 now we are adding Step 2 updates to the agenda.

Commissioner Vallier-Kaplan introduces Commission Nick Toumpas to present the Department of Health and Human Services update.

DHHS MCM Update

Commissioner Toumpas opens by stating that his update is a standard agenda item. The presentation focuses on enrollment updates for Step 1, the Key Program Indicator (KPI) report, and general Q&A from the Commission and the public. The Key indicator report will be kept at a high level and there will be a discussion on the future of this report. Then there will be a review of Step 2 activities and the meeting will be opened up for a Q&A. The MCM program began on December 1, 2013 and has been underway for 19 months. The principles of the program include whole person management and care coordination, increasing the quality of care, payment reform opportunities, budget predictability, and purchasing for results and delivery system integration. Commissioner Toumpas states he will go through the monthly enrollment update, NHHPP, Key Indicator Report. He will then open the meeting up for Q&A regarding these numbers.

Monthly Enrollment Update

As of June 2015, there were 158,636 people enrolled in the MCM program. This is both traditional Medicaid and NHHPP. The 18,067 enrolled in Medicaid but not enrolled in MCM consists of several groups: those who are not mandatory and therefore cannot be mandated into the program, those who have opted out of the program, those who have been deemed eligible for the New Hampshire Health Protection

Program (NHHPP), and those who have enrolled in the MCM program but have not yet selected a plan and therefore remain in fee-for-service (FFS) until they do so. The trend line between NHHF and Wellsense remains relatively the same since we transitioned Meridian exited the market. In terms of MCM program enrollment by plan, Well Sense has 85,974 members enrolled and New Hampshire Healthy Families has 72,662 members enrolled. Low income pregnant women and children make up the majority of MCM program population, as it does in the Medicaid program itself. Other areas include non-MCM enrollees and NHHPP enrollees who have not yet selected a plan, as well as the others who have not yet opted into the program.

Commissioner Toumpas asks if there are any questions from the Commissioners or the public. There were no questions.

NHHPP Update

Commissioner Toumpas opens by stating that the Department hit a milestone a couple of weeks ago with 40,000 enrolled in the program. Projections were to hit 50,000 over the next couple of years so this is a significant achievement. Commissioner Toumpas states that there are 40,476 recipients enrolled in NHHPP as of June 5, 2015 and 20,000 are new to the Department. These are people that were uninsured and now they are enrolled into the program. There are 10,425 new to the NHPPP but have been clients in the past. The medically frail category is a relatively small number. Of these, 426 have standard Medicaid. There are 337 enrolled in the HIPP program, which is the program for those that have access to employer insurance and it is deemed cost effective for them to be in the program, remains relatively small. This number was projected to be much higher but it far less than the estimate of 12,000 people. There is an uptick over the last month of those enrolled in HIPP and the Department will look into it and monitor it. Another piece of data not reflected on this NHHPP Update slide is the number of people who are working. So within the numbers roughly 25% enrolled in the program are above 100% FPL. Of these 75% are working. Of the 75% that are below 100% FPL, 35% are employed. This is only NHHPP. For the people unemployed they are being referred to employment security to assist with finding employment.

Question from the public: When you say employed do you mean part time?

Commissioner Toumpas: No this is all employment. This is based on self-attestation.

Currently, 19,527are enrolled in Well Sense Health Plan and 17,338are enrolled in NHHF. The remaining 3,062 are in Fee for Service as they have not yet enrolled in a plan. .

Commissioner Toumpas opens the meeting to the Commissioners and public for comments and/or questions on MCM enrollment numbers. There were no questions.

Key Indicator Report

Commissioner Toumpas refers to the Key Performance Indicator (KPI) report released by DHHS, which is part of the overall Medicaid quality program. The Commissioner states that the Department will continue to keep this report updated but there will be changes in the way the report is presented to the MCM Commission. Commissioner Toumpas reviews a couple of key slides in the Key Indicator Report. The key indicator numbers have leveled off so there are not major changes month to month. Commissioner Toumpas refers to the slide on the Emergency Department. He explains that this graph does not include NHHPP population. This slide shows that utilization of the Emergency Department (ED) indicates that members are using the ED at a lower rate than NH Medicaid Pre-MCM. The blue bar is NH MCM 2014-Q4, the orange is NH Medicaid Pre-MCM, the red is New England Medicaid Managed Care and the green is National Medicaid Managed Care. NH numbers are better than the national numbers. The

next slide is New Hampshire Hospital members with follow-up appointments seven (7) calendar days post discharge from NH Hospital. This number has increased to rates higher than Pre-MCM, National and New England Managed Care rates. The Department is monitoring this. There is no data prior to MCM to compare this number to.

Commissioner Toumpas then presents the Pharmacy Service Authorization Requests and Decisions, Follow-up slide. This chart shows that there is a 40% pharmacy denial rate. Additional information on the pharmacy service denial rate from one MCO indicates that 59% of denials are being given for business reasons (i.e., preferred drug is available or no coverage for the drug requested), and 41% of denials are for clinical indications (e.g., medical necessity not met). The Department continues to look at this area. Commissioner Toumpas states that the Key Indicator Report is one of many MCM reports and activities coming in and the Department needs time to assimilate and look at this data in a more holistic way. There will be no report in August and the report in September will change focus from process to outcome. The Department is moving to a quarterly report because some of the indicators are quarterly focused. The August report will be suspended and will be reformatted for September.

Commissioner Ken Norton comments that now that he is on the Commission's Consumer Protection workgroup he understands that the language that the 59% of denials are given for business reasons (i.e. preferred drug is available) doesn't mean preferred by the client but preferred by the MCO.

Question from Commissioner Bunnell: Could the pharmacy service request decisions be broken out by Behavioral Health versus Non-Behavioral Health? NAMI released a report last month that shows there continues to be a lack of parity related to mental health substance use disorders

Commissioner: We will see if we can do that if the data is available. If the data is not available we will see what we have to do to get it.

Commissioner Tom Bunnell: When do you think the first quarter of 2015 will be available and will it be broken out?

Commissioner Toumpas: Keep in mind there is a three (3) month lag in the data. Some of the data is dated because of the lag.

Commissioner Susan Fox states that she is concerned about the 40% of pharmacy denial and that it is still going up. This is a huge issue. Thinking of it from a consumer protection perspective, they are being denied for business reasons and for clinical reasons but for those clients, particularly with mental health issues that are not getting their medication, this is significant. Knowing why they are denied is one thing but addressing the problem of not having so many denials is the key. Looking at outcomes is important to bring the denial rates down particularly for mental health.

Commissioner Toumpas states the importance of segmenting by mental health especially since most of the 160,000 people are children without multiple prescriptions. So to look at this in more detail is a fair comment.

Commissioner Tom Bunnell: As the Commission is planning ahead in the pharmacy prior authorization world are there ways to streamline prior authorizations to be more uniform between the carriers?

Commissioner Toumpas: If there was a do over button it would be to streamline Prior Authorization and Service Authorizations. Come January of next year there will be more plans on the marketplace. There are five plans on the marketplace. Those other carriers are likely to have other prior authorization forms to look at. This is a lesson learned that the Department should have looked at this closer.

Commissioner Jo Porter: If you look at the pharmacy service authorization slide in the presentation there is a change in the denial rate from 2014 Q2 (19%) to 2014 Q3 (37%). Was there a policy change that happened here in\ this fiscal year?

Commissioner Toumpas: No there was no policy change. This is an area where our pharmacy team is working with our MCOs to identify what has happened. This is not a report that we are putting out to say what a good job we are doing. If we have a problem we go in and try to drill down. I am not privy to all of the details but our department is working with the MCOs to identify what is happening.

Commissioner Mary Vallier-Kaplan acknowledges we don't spend time going over all of the indicators that are doing well and the vast majority the Commission is looking at and tracking are those that we are concerned about.

Commissioner Toumpas states that the Department is not going to do an August report but that. Dr. Lotz will come to address the issues regarding pharmacy with the Commission.

A question was asked related to the NH Hospital follow-up appointments, and if these appointments are at the point of discharge is that correct?

Commissioner Toumpas: This is correct.

Commissioner Ken Norton: The Emergency Room numbers are very encouraging. Are there any lessons learned and do we have any understanding as to why we are so much lower than other states?

Commissioner Toumpas states that Dr. Lotz will address this. We have an uptick in 2014 Q2 which shows old habits but then it trends down once MCOs started to work with them.

Question from the Public: We see the denial rate on prescriptions but how are people doing?

Commissioner Toumpas; we want to focus now on outcomes. What you are looking at is process indicators. At a personal level there may be a change in condition that will result in a medication change. Someone may request the prescription but it is denied.

Ms. Paula Minnihan from the NH Hospital Association: Is the formulary the original Medicaid formulary or is there a separate MCO formulary? Is there a discussion about letting the MCOs use their own formulary?

Commissioner Toumpas: The current formulary is the Medicaid formulary but there is discussion to let the MCOs use their own formulary and this is in the budget bill.

Question from public: Are you expecting to present the SUD measures at this meeting today?

Commissioner Toumpas: No.

Follow-up question: Do you know when they will be available?
Commissioner Toumpas states that he does not but will find out.

Commissioner Vallier-Kaplan acknowledges that she would like to discuss where the Department is headed with the Key Indicator reports and moving to outcomes.

Commissioner Susan Fox states she believes that both outcomes and quarterly reports are good.

Commissioner Toumpas confirms that the Department will continue to monitor dramatic aberrations in the numbers and not wait until the quarterly report to bring those to the attention of the Commission.

Commissioner Vallier-Kaplan asked Commissioner Porter for her input on the changes.
Commissioner Jo Porter states that she agrees with moving to quarterly reporting. There is also a tremendous amount of analysis that will be done in real time. Commissioner Porter will keep the Commission updated on those other real time reporting so they do not have to wait for the quarterly Key Indicator Report to be released. There will be better mechanisms moving forward with all of this reporting.

Commissioner Toumpas: The Department is in the midst of redesign and the area of quality and quality management is being brought forward to the Department level. Quality has been elevated to the top of the organization with leads being Ms. Diane Langley and Dr. Doris Lotz. We are building data capability and dashboards and creating a more comprehensive view of quality across the Department at both the service delivery level and operations level.

Commissioner Mary Vallier-Kaplan asks for clarification if the report will focus on outcomes in addition to current process indicators.

Commissioner Toumpas: Yes, the Department will continue to have both.

Commissioner Vallier-Kaplan states that as the Department moves to new phases of Step 2 perhaps it will be important to move back to the monthly report to more carefully monitor during implementation phase.

Commissioner Toumpas agrees and states that as new people and services are being moved into the program it will be important to capture a different profile and that outcomes are not to replace process because both are important.

Step 2 Update

Commissioner Toumpas states that as the Department is gearing up for Step 2, there are several initiatives taking place to include all of the four waivers being aligned under one individual (Lorene Reagan). We have also added expertise to the Department. The Department has hired two people and both will start on June 29th. One of those hires is Ms. Deborah Scheetz who will be working for Commissioner's office and will be working on the design and implementation of Step 2. Another person has also been hired and will work with Ms. Lorene Reagan. Commissioner Toumpas explains where the Department is with the Step 2 timeline. There are four phases of Step 2. Phase 1 is mandatory, those that have opted out of the program and this requires the 1915 (b) waiver. The target date is July 1st. Commissioner Toumpas states that the Department will be submitting the waiver this week. CMS has time to review this, but they have been working with us so there are no surprises. We will not begin enrollment activities until the waiver is approved. Looking at the timeline July 1st is optimistic but this is the date the Department is targeting. Once individuals are notified to enroll, they will have 30 days to choose or be auto assigned. Target date to go live is September 1st but this means that all those individuals will have to make their selection before the end of August. So again, the timeline will slide based on when we get the approval from CMS.
Step 2, Phase 2 is Choices for Independence (CFI) Waiver services and the target date is January 1 2016. Phase 3 of Step 2 is nursing home services and this is targeted for July 1 2016. The timeline for the remaining waivers DD, ABD has not been determined yet.We will be doing a lot of education and

outreach for Step 2, Phase 1 now. Individuals who were "voluntary" or who "opted out" in Step 1 require a high level of planning, education and outreach. This education and outreach will be at the individual, provider, MCO and Department level. The Commissioner discussed the next two slides in the presentation that provide information about these individuals/populations.

Commissioner Toumpas presents a bar graph slide showing in blue those receiving Waiver services or Nursing Home services and currently enrolled with an MCO for their medical care and in red the individuals receiving Waiver services or Nursing Home services who will be required to enroll with an MCO for their medical care during Mandatory enrollment. There are a total of 9,890 individuals. The slide shows that 64% of people opted out of managed care. Commissioner Toumpas goes on to discuss the next graph which in blue are the numbers of individuals with complex needs who are currently enrolled with an MCO for their medical needs and in red are the individuals who will be required to enroll with an MCO for their medical care during mandatory enrollment. The total is 23,000. These are the folks that will be the focal point in terms of education and outreach. The Department is reaching out to providers that are enrolled with Medicaid but not yet enrolled with a health plan

The Department is working on a number of education training and support initiatives for MCOs, individuals and providers. There has been intensive MCO education and training provided by DHHS to ensure that the MCOs have the information necessary to serve individuals with complex needs in the Care Management program.

Commissioner Toumpas then discusses MCO Readiness Reviews and states that the Department met with Well Sense on May 27, 2015 and New Hampshire Healthy Families on May 28, 2015. The scope of the Readiness Review for Step 2, Phase 1 was to assess the MCOs ability to service the newly Mandatory population to identify strengths, unacceptable transition risks and assess the MCOs readiness to manage care for an increased number of complex individuals. Ms. Reagan and others on the team were satisfied with the work that the MCOs had done in preparing this. The Department gave the MCOs scenarios of individuals with complex conditions and were asked to demonstrate how they will address the needs of these individuals.

Commissioner Toumpas opens the meeting up for questions.

Commissioner Wendy Gladstone has two questions. When you speak of providers enrolled in Medicaid but not yet enrolled in a health plan are you are talking about providers that are enrolled that give services to patients?

Commissioner Toumpas: They are enrolled with Medicaid but because they are providing services that are not part of Step 1, they need to be enrolled in the managed care network.
Commissioner Gladstone states that it is confusing because clients enroll and providers enroll.
Commissioner Toumpas states that it is the providers he is speaking of.

Commissioner Gladstone's other question relates to children in foster care and who makes the decision about opting out.
Commissioner Toumpas states that it is probably the guardian but that he will follow-up.

Commissioner Tom Bunnell is concerned about confusion about calling this Step 2 phase 1 because it is really Step 1.

Commissioner Toumpas responds that Step 2, Phase 1 is not adding any additional services but it is for those that have opted out of medical during Step 1 and now must enroll in care management. Step 2, Phase 2 brings in CFI services, Phase 3 brings in Nursing Facilities and Phase 4 are the other Waiver services.
Commissioner Bunnell states that these are about Step 1 services and not later phase in waiver services. This is confirmed by Commissioner Toumpas.

Commissioner Jo Porter asks about the education and trainings being offered and wonders if these trainings have already occurred or if they are in the future and if these sessions would be offered to the MCM Commission. She also asked when the materials would be available.

These sessions are part of an education and training plan that is eleven pages long. Some of these sessions have already occurred and some are in the future. These sessions will be made available to the Commission.

Commissioner Shumway asks if there will be multiple readiness reviews.
Commissioner Toumpas states that this was the first one. Both MCOs passed the review. There will be another one at the next phase.
Commissioner Shumway states that even with the passing of the readiness review there is still work to be done.

Commissioner Toumpas gives the Commission an update on the MCO contracts. He states that the Department is working diligently to get the two year extension executed but it is large and complex. The original plan was for the contract to go before Governor and Council on June 10th and have it tabled until June 24th to allow the Commission and others to review the contract to make it public. The Department is now considering an amendment to provide time because the current contract expires on June 30, 2015. This maintains the terms, conditions and rates as they are right now.

Commissioner Mary Vallier-Kaplan appreciates the update and states that it is helpful to know.
Commissioner Shumway states that the first goal is the extension of time but then asks if there is a scope of service change?
Commissioner Toumpas responds that the primary goal is to get a contract in place for the two year period that has the four phases of step 2 as well as other terms and conditions that are a result of feedback. The Department has a concept of a placeholder for a short term agreement with the same terms and conditions and the same rates. It is a straight forward amendment

One of the Commissioners asks if there be a facilitator who is experienced with the long term care population.

Commissioner Toumpas responds that the other person that was hired by the Department has this capability and the Department continues to look for additional resources.
Commissioner Bunnell: wants to know if there will be a third MCO and where is the process right now?
Commissioner Toumpas responds that an RFA was issued and the plan is to have a third MCO. The applications from the various vendors are due at the end of June. Timeline to begin is January 2016. This MCO would serve the existing population. The Department will not negotiate. They must accept everything that is negotiated.
Commissioner Tom Bunnell then asks if the third MCO would have to pick up the Nursing Facility piece in July 2016 and Commissioner Toumpas confirms this.

A question is asked regarding the new Managed Care proposed regulations that CMS has released and what that means for New Hampshire. Commissioner Toumpas explains that CMS is running a series of

meetings and the Department has several people going through the proposed rule and looking doing a gap analysis.

A member of the public asks if there is anticipation if any of the new changes will be built into the MCO contract. Commissioner Toumpas responds that the Department is working with a consultant that formerly worked for CMS to assist with this. The proposed regulations are still in the comment period and the deadline for submitting comments is July 27, 2015 to CMS. The Commissioner states that if anyone has any comments they should submit them to the Department.

Update on Commission Step 2 Workplans: Commissioner Mary Vallier-Kaplan then discusses the work that the Commission in doing related to Step 2. She stated that at the last meeting the Commission provided an overview of the structure of the workgroups which promoted comments. The Commission has organized into four groups and all groups have met outside of the formal meeting. Each workgroup lead gave a summary of their work since the last meeting. The four groups include Assure Adequate Network of Providers, Provide Community Based Services, Consumer Protection, Assure Effective Operations and Payment Systems. A handout was provided of the summary from each group. The Commission welcomes comments from the public.

Commissioner Jo Porter reviewed the network adequacy draft work plan which included the purpose to assure an adequate network of providers for Step 2 populations and services and future agenda topics for the Commission. These topics included current services and provider for the LTSS network, network adequacy assessment standards, contractual obligations/expectation for MCOs, care coordination parameters, plans for inclusion of providers of Step 2 services in tracking of claims processing, satisfaction surveys, authorization processing rates and other measures of provider operations, and plans for tracking encounter and payment data to these providers.

Commissioner Susan Fox summarized the issues, key conversations the Commission should have, the data needed, and potential speakers with time frames for Community Bases Services.

Commissioner Gus Morales, Commissioner Norton and Commissioner Bunnell reviewed the Consumer Protection draft and their priorities. These include establishing upfront that consumer protections are in place and provide information that is accessible and understandable to all and they would like to have access to the client ombudsman for assistance. They will look at the grievance and appeal process and make sure that today's strong system of advocacy is sustained.

Commissioner Tom Bunnell summaries the preliminary draft topics, questions, and suggestions for consideration to assure effective operations and payment systems. This is an ongoing Step 1 issue that continues to matter for Step 2. There are respectful questions to be asked to the Department which includes if the Department is planning to streamline prior authorization and if so, how?

Commissioner Mary Vallier-Kaplan states that there will be a staff liaison from the Department working with the Commission workgroups and this will happen over the next couple of months.

Long Term Care Financing

Commissioner Roberta Berner introduces Dr. Jonathan McCosh who is the Assistant Professor at Colby-Sawyer College to discuss Long Term Care Financing. Dr. Mcosh discusses the mix of LTC payers and explains that Medicaid is a significant payer to Nursing Facilities. He explains that the Federal, State and County are all payers to Nursing Homes and the county participates in Nursing Homes, Home Health Care and Mid-Level Care. Other Medicaid funding that is not County related includes provider payments, Medicaid Quality Incentive Program (MQIP) and Prospective Share (ProShare). Grants also make up part

of the Long Term Care funding. Dr. McCosh then shows a slide with acuity-based rate calculations and states that this is a complicated system.

A question was asked whether MQIP has anything to do with quality. Dr. McCosh stated that this program was modeled after the DSH (Disproportionate Share) program.
Dr. McCosh then summarized issues that could be related to Managed Care. These include:

- Acuity-based reimbursement has been in effect since 1999 and it is well understood by providers
- Provides incentives for facilities to take higher acuity residents
- Need for this level-of-care due to demographic trends and to offer a full continuum of care
- Most states with Medicaid Managed Care continue to use State calculations for Nursing Facility rates
- Limited history on MCO rate calculation for long-term care
- LTC is generally not a profit center for MCOs.

Commissioner Roberta Berner introduces the NH Health Care Association and NH Association of Counties to discuss the quality of Long Term Care services today, how LTC is funded, how skilled nursing facilities are reimbursed, and the important principles of LTCSS in Step 2.Ms. Luann Rogers and Mr. Michael Lerhman represent the organizations. Ms. Rogers explains the quality of LTC in New Hampshire is something we can all be proud of. Ms. Rogers reviews the Quality Initiative from the LTC tracker in NH as compared to the Nation. NH rates are better in all aspects from high risk pressure ulcers at 3.4% versus 5.8% to citation standards of 1.3% versus 10.1%. This number reflects the actual harm found at a site. Ms. Rogers then discusses the staffing in New Hampshire and that we have more RN's than LPN's and direct staff turnover is <40% in NH versus 60% on the national level. An overview of Nursing Home funding is describes a 3-legged stool with private pay and others at 20.8%, Medicare at 14.1%$ and Medicaid at 65.1%. It was explained that that nursing homes as a provider group are highly dependent on Medicaid dollars. A graph showing where Medicaid funding comes showing State General Funds of $10Million for all of LTC. This graph also shows the county tax dollar at approximately $86 Million and Federal Match at approximately $96 Million. It illustrates how the nursing home bed tax, the Federal Match, MQIP and Pros hare impact the total dollar base rates.

Commissioner Mary Vallier-Kaplan invites the team back to the next meeting to finish their presentation as it is 4:00PM. Commissioner Vallier-Kaplan opens the meeting up for questions

Commissioner Tom Bunnell asks how many people are in private homes versus. County homes.

The response is there is a higher percentage of Medicaid patients in County homes but Mr. John Poirier will find out what the percentage of people in private nursing homes. He states there is one nursing home in the state that does not take Medicaid.

Question: Are these nursing homes only or also assisted living?
The response is only this is only nursing homes.

Commissioner Jo Porter asks if there is a census of nursing homes to show the geographic distribution in the state.
Mr. John Poirer responds that he will provide this information.

Commissioner Mary Vallier-Kaplan closes the meeting by stating that next month's meeting will focus on Home Care and will be located at the Grafton County Senior Citizens Council in Lebanon, NH and anyone who would like to come to lunch is welcome.

Meeting is adjourned at 4:00PM.

Follow-Up Items

The following items were noted during the June MCMC Meeting:

- Commissioner Toumpas will ask Dr. Lotz to attend the August MVM Commission meeting to answer questions about pharmacy and other key indicator report questions.

- Commissioner Toumpas will inquire if pharmacy service request decisions can be broken out by Behavioral Health vs Non-Behavioral Health.

- Commissioner Toumpas will inquire who can choose a health plan for a foster child.

- The education and training sessions will be made available to the MCM Commission.

- Mr. John Poirier will provide information on the census of nursing homes to show the geographic distribution in the state.

- Commissioner Toumpas will inquire as to when the SUD key indicator measures will be ready to share.