

DRAFT MINUTES
Senate Committee on State Agencies and Governmental Affairs
House Committee on State Agencies and Governmental Affairs
Meeting Jointly

Senate Committee on Public Health, Welfare and Labor
House Committee on Public Health, Welfare and Labor
Authorized

Monday, May 13, 2019
1:00 PM
Room A, MAC
Little Rock, Arkansas

Committee Members Present: Senators Ronald Caldwell, Chair; Trent Garner, Vice Chair; Bob Ballinger, Will Bond, Breanne Davis, and Jimmy Hickey Jr.

Representatives Dwight Tosh, Chair; Justin Gonzales, Vice Chair; Nicole Clowney, Andrew Collins, Jim Dotson, Jon Eubanks, Jimmy Gazaway, Gayla McKenzie, Josh Miller, John Payton, Jamie Scott, Brandt Smith and Les Warren.

Public Health Members Present: Senators Missy Irvin, Chair; and Kim Hammer.

Representatives Mary Bentley, Kenneth Ferguson, Lee Johnson, Fredrick Love, Austin McCollum, and Chris Richey.

Other Legislators Present: Senators Joyce Elliott and Mark Johnson.

Representatives Fred Allen, Stan Berry, Bruce Coleman, Deborah Ferguson, Denise Garner, Grant Hodges, Mark Lowery, Julie Mayberry, Tippi McCullough, Reginald Murdock, Aaron Pilkington, Johnny Rye, Jim Sorvillo and Dan Sullivan.

Senator Caldwell called the meeting to order. He recognized Representative Tosh for remarks.

Senator Bond made a motion to approve interim meeting minutes. The motion was seconded by Senator Hickey, the motion passed.

Discussion of Medicaid Reimbursement

Janet Mann, Director, Division of Medical Services, Department of Human Services;

Melissa Stone, Director, Developmental Disability, Department of Human Services;

Paula Stone, Deputy Director, Department of Human Services;

Dawn Stehle, Deputy Director for Health and Medicaid, Department of Human Services;

Cindy Gillespie, Director, Department of Human Services; and Kelly Linck, Chief Legislative and Intergovernmental Affairs, Department of Human Services, were recognized by Senator Caldwell to discuss the current state of Medicaid Reimbursements.

The following issues were included in the discussion:

- Overview of activities and meetings concerning PASSE compliance
- Open enrollment delayed, set for October 1st
- Priority of resolving issues with specific providers
- Update on provider enrollment, new application process and site visits
- Move to online enrollment, target date of January 1, 2020
- Provider enrollment education sessions
- Creation of PASSE operational procedures
- Concurrent timeline of payments to both the pharmacies and providers
- Optimum Assessment process and request for Optimum representatives to be present at next meeting
- Issues with the prior authorization process
- Capacity of DHS in regards to execution and management of tasks
- Availability and services provided by the Ombudsman's office
- Operational procedures for providing durable medical equipment
- Execution of readiness review prior to launch of new system

Discussion of Medicaid Reimbursement with PASSEs

Nicole May, Interim Executive Director, Empower Health Solutions; Jason Miller, Plan President, Summit Community Care; and John Ryan, President and Chief Executive Officer, Arkansas Total Care, were recognized by Senator Caldwell to discuss the current state of Medicaid Reimbursements.

The following issues were included in the discussion:

- Accuracy of readiness report
- Prior authorization process and request of top 3 denial codes
- Current training available for care coordinators
- Advance payments and outstanding balances

- Network adequacy and request of each PASSE to provide a geographic map of patients vs. available providers
- Patients referred to out of state pharmacies for specialty medications
- Reimbursement rates less than actual cost of medications
- Current dollar amount of outstanding provider claims
- Review of Arkansas works pharmacy component to be available in first quarterly report

Mr. John Vincent, Chief Operating Officer, Arkansas Pharmacy Association was asked to come forward to provide input on the current reimbursement rates for pharmacies. He stated the current issues include a wide variety from store to store depending on the drugs, and a new complicated formula, the generic effective rate. He also stated that current dispensing fees are \$0.00 - \$0.35.

Upon Senator Caldwell's request, Kelly Linck, Dawn Stehle, and Janet Mann came forward to respond to Mr. Vincent's concerns. Ms. Stehle stated that the issue of spread pricing was clarified with the Department of Insurance in regard to billing.

The meeting was adjourned at 4:28 P.M.

DRAFT MINUTES
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Thursday, May 16, 2019
10:00 AM

The House and Senate Interim Committee on State Agencies and Governmental Affairs met on Thursday, May 13, 2019, at 10:00 a.m. at the Hot Springs Convention Center, 134 Convention Blvd., Hot Springs, Arkansas, in conjunction with the Arkansas Rural Development Conference.

Committee Members Present: Senators Trent Garner, Vice Chair; Bob Ballinger and Bill Sample. **Representatives** Dwight Tosh, Chair; Nicole Clowney, Andrew Collins, Bruce Cozart, Jon Eubanks, Jimmy Gazaway, Megan Godfrey, Justin Gonzales, Douglas House, Jack Ladyman, Clint Penzo, and Jamie Scott.

Other Legislators Present: Senators Alan Clark and Terry Rice. **Representatives** Stan Berry, Harlan Breaux, Craig Christiansen, David Fielding, Lanny Fite, Lee Johnson, Ron McNair, Keith Slape, James Sorvillo and Jeff Wardlaw.

Representative Tosh called the meeting to order. He recognized Senator Garner for remarks.

Welcome Remarks – Arkansas Rural Development Conference

Representative Dwight Tosh recognized Becca Caldwell, Grants Manager, Division of Rural Services, Arkansas Economic Development Commission (AEDC).

Ms. Caldwell welcomed committee members to the conference and introduced the Arkansas Rural Services Commissioners who were in attendance-James Wyatt, Elizabeth Walker, and Davis Bell. Ms. Caldwell gave a brief history of the Arkansas Rural Development Commission (ARDC):

- The Arkansas General Assembly created the ARDC in 1991
- The Arkansas Rural Development Program began operations in 1992
- The ARDC Rural Services Division merged with the Arkansas Economic Development Commission in 2015
- The ARDC sets policy and long-term goals for the Division of Rural Services and decides which communities will receive grant funds
- Eleven commissioners represent rural Arkansas. Seven members are appointed by the Governor from each congressional district. The Senate President Pro Tempore appoints two members and the Speaker of the House appoints two members

Ms. Caldwell gave a Power Point presentation which provided an overview of the Rural Services Division's programs:

- The Rural Community Grant Program – this program is available to communities with a population of 3,000 or less. Grant funding up to \$15,000.00 is available with a 50/50 match by the community. The 50/50 match funds may include donated funds, city or county appropriations, or in-kind labor. The Division distributes approximately \$600,000.00 annually in two funding cycles in March and August. Eligibility for the grants includes approval by the local governing body through a mayor or county judge. Examples of projects: fire stations, fire trucks, any type of fire equipment, community buildings, libraries, community parks, storm shelters, tornado sirens, and baseball fields.
- The Rural Services Block Grant Program – This program provides funding for construction and renovation of community centers, fire stations, or the purchase of fire trucks, and protective equipment. Funding up to \$75,000.00 is available with a ten percent match by the community. The program can distribute up to \$1,000,000.00 annually. Eligibility requirements include a population of 3,000 or less with a minimum of 51% low to moderate income level and a paid administrator certified by AEDC. Ms. Caldwell said communities are encouraged to contact AEDC prior to submitting their request. AEDC staff works directly with the applicants to complete the application process. Examples of projects include the purchase of fire trucks, protective equipment, renovation and/or construction of fire stations, and the conversion of existing buildings into community centers.
- County Fair Building Grant Programs – Grant funding up to \$4,000.00 is available to communities with a 50/50 match grant. The program provides funding up to \$60,000.00 annually. The funds are available in two cycles in March and August. Eligibility requirements include a county population of 55,000 or less. Organizations must apply through their county judge. Project examples include repairing existing buildings, construction of new exhibit halls, adding heating and air units, building new restrooms, and livestock facilities.
- Arkansas Game and Fish Wildlife Conservation Education Grant Program – this is a new program with funding of up to \$750,000.00 available. The funding is obtained through the collection of fines by the Arkansas Game and Fish Commission (AGFC). The funding amounts are specific to the amount of fines collected in each county. The AEDC is working with the AGFC to create statewide funding rather than county specific. There are no matching funding requirements for the grants. Distribution of the funds varies by award cycles. Eligibility requirements include school districts who are implementing or operating a conservation program. Example projects include youth shooting sports, archery in school programs, fishing in the natural state, school yard habitat site development, Arkansas Stream, and Project Wild.

Discussion of Act 551 of 2019 – An Act to Create the Arkansas Legislative Study on Veterans Affairs

Representative Tosh recognized Senator Trent Garner to discuss Act 551 of 2019. Senator Garner briefly talked about his military service and stated that 22 veterans commit suicide every day in America. Arkansas veterans' suicide rates are a higher than any other southern state because of different economic, social and culture issues. Over the next few months the committees will conduct a study to address these issues. These meetings will be held across the state, not only in Little Rock. Senator Garner stated he wants to hear from people in local communities and invited the attendees to contact him, other committee members or the staff to get a list together of organizations that would like to participate in this study in each area of the State. Senator Garner would also like the members to make recommendations for the advisory board. The advisory board will be a sounding board for the committees on the local issues regarding veterans.

Consideration and Adoption of Interim Study Proposals (ISPs)

Senator Sample made a motion to adopt the following ISPs for study. Representative Cozart seconded the motion, and the motion passed.

ISP 2019-112 by Senator Clark – To authorize the Department of Finance and Administration to build a parking facility on the State Capitol grounds.

ISP 2019-113 by Senator Hammer – To Amend the Freedom of Information Act of 1967; and to amend the definition of “public records.”

ISP 2019-114 by Senator Hammer – To amend the Public Employees' Freedom Act of 1999 and to declare an emergency.

ISP 2019-116 by Senator Hammer – To amend the Freedom of Information Act of 1967; and to amend the definition of “public records.”

There being no other business, the meeting adjourned at 10:25 a.m.