**MINUTES**

**HEALTH REFORM LEGISLATIVE**

**TASK FORCE**

May 28, 2015

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The Health Reform Legislative Task Force met Thursday, May 28, 2015 at 10:30 a.m. in Committee Room A of the Big MAC Building, Little Rock, Arkansas. The starting time was delayed 30 minutes due to activities of a Special Legislative Session which concluded on this date.

**Senate Health Reform Task Force members attending were:** Senators Jim Hendren, Chair; Cecile Bledsoe, Vice Chair; Linda Chesterfield, John Cooper, Keith Ingram, Jason Rapert, and Terry Rice.

**House Health Reform Task Force members attending were:** Representatives Charlie Collins, Chair; Reginald Murdock, Vice Chair; Justin Boyd, Joe Farrer, Deborah Ferguson, Michelle Gray, Kim Hammer, and David Meeks.

**Non Legislative Members Attending**: Gregory Bledsoe, M.D., Arkansas Surgeon General.

**Other legislators attending were:** Senators Joyce Elliott, Stephanie Flowers, Jimmy Hickey, Jr., Jeremy Hutchinson, Missy Irvin, and Blake Johnson. Representatives Mary Bentley, Vivian Flowers, Mickey Gates, Ken Henderson, Greg Leding, Robin Lundstrum, Micah Neal, Milton Nicks, Jr., Dan Sullivan, and Brent Talley.

**Call to Order & Comments by the Chairs**

Senator Jim Hendren briefly outlined the meeting agenda for today, and reminded everyone that all of the exhibits are posted on the website.

**Consideration to Approve the May 4, 5, & 6, 2015 Meeting Minutes** (EXHIBITS C-1, C-2, & C-3)

The minutes were approved without objection.

**Overview of Section 1332 Waivers**

Lanhee J. Chen, PhD., Research Fellow at Hoover Institution, Director of Domestic Policy Studies, and Lecturer in the Public Policy Program at Stanford University, explained in detail what Section 1332 Waivers are about, how they work, and how they relate to health reform *(Handout #1)*. The purpose of Section 1332 Waivers for state-designed healthcare systems are:

* To use ACA (Affordable Care Act) funding
* To waive major ACA provisions
* To meet core ACA requirements
* To provide a unified waiver for all federal health programs

In addition to the flexibility of the Section 1332 Waivers, state health reform plans must comply with the following federal guidelines:

* Provide coverage at least as comprehensive as defined in Section 1302(b) & offered through Exchanges
* Provide protections against excessive out-of-pocket spending that are at least as affordable as in ACA
* Provide coverage to a comparable number of people as ACA would provide (Note: not necessarily the same people)
* They must not increase federal deficit in the 10-year window

*Senator Hendren recessed the meeting at 11:28 a.m., and reconvened the meeting at 1:00 p.m.*

*The meeting re-convened at 1:00 P.M.*

**Discussion with the Stephen Group, Consultants Hired by the Task Force—Plan of Action**

John Stephen, Managing Partner, and Richard Kellogg, Senior Consultant, both with The Stephen Group (TSG); discussed their proposed plan of action to help reform the Arkansas Healthcare System, and informed the task force of their activities and progress so far. Mr. Stephen agreed with Dr. Chen’s comments on the comprehensive nature of the Section 1332 Waiver information.

Allen Kerr, Commissioner, Arkansas Insurance Department, stated that the insurance department will provide TSG with the needed information to assess the current healthcare insurance plans. Senator Hendren and Commissioner Kerr agreed that to ensure no HIPAA (Health Insurance Portability & Accountability Act of 1996) violations occur, all correspondence between TSG, state agencies, & the insurance companies, shall be copied to Commissioner Kerr.

Mr. Stephen presented three (3) subcontractors to the task force for approval to work with TSG. If approved, TSG will, with the help of the three subcontractors, begin ‘scrubbing’ the Medicaid eligibility rolls. The three proposed subcontractors are:

* *Lexis/Nexis* (beneficiary eligibility file—they work with the FBI and the Arkansas State Police)
* *Acuity* (they are the contractor for the Social Security Administration—they check banking assets of everyone in the U.S. who apply for disability
* *The Arkansas Foundation for Medical Care*

Senator Hendren stated that the task force members need to vote on whether or not to approve the 3 subcontractors to work in conjunction with TSG. Senator Chesterfield made a motion to accept the three subcontractors, and the motion carried.

**Overview of Cost for Medically Frail Private Option Enrollees & Traditional Medicaid** Enrollees (EXHIBIT F)

Dawn Stehle, Director, Division of Medical Services, Department of Human Services (DHS), explained traditional Medicaid vs. the medically frail population, and then compared the cost data of these two groups.

Traditional Medicaid focus

* Children
* Pregnant Women
* Low Income Parents with dependent children
  + Historically Arkansas has had the lowest rate in the nation of Medicaid coverage for parents with dependent children
* Disabled Individuals
* Frail Elderly

Ms. Stehle agreed to provide the following information that was requested by the task force members:

* A breakdown of the annual cost per service of mandatory services listed in Ms. Stehle’s report.
* A copy of the guidelines that determine whether or not a person is medically frail (the medically frail are 100% federally funded).
* After the medically frail were moved to Medicaid, did this drive up the Medicaid cost of per member per month or per year (Ms. Stehle stated that DHS is currently researching and working with TSG to get this information)?

Senator Hendren recessed the meeting until 3:00 p.m.

*The meeting re-convened at 3:15 P.M.*

Ms. Stehle stated there are approximately 25,000 people enrolled in the Private Option. Ms. Stehle agreed to provide Senator Hendren and the task force members with the cost in claims data per person for each of the ten Essential Health Benefits (EHB) in the Qualified Health Plan (QHP) benefit package.

**Discussion of Medicaid Eligibility Verification**

John Selig, Director, Department of Human Services (DHS) and John Stephen, Managing Partner, The Stephen Group, discussed Medicaid eligibility verification, the redetermination process, and the scrubbing of the Medicaid rolls. The two data systems that managed this information have been replaced by newer, more efficient systems.

**Review of Arkansas Medicaid Dental Operations** (EXHIBIT H)

Billy Tarpley, Executive Director, Arkansas State Dental Association (ASDA), gave a brief overview of the current Medicaid Dental program and the recommended changes that the ASDA says are necessary. Mr. Tarpley stated that currently, the Medicaid Dental program is dysfunctional.

The Arkansas State Dental Association (ASDA) recommends the creation of a Dental MMIS (Medicaid Management Information System) to manage the dental program. In addition the ASDA recommends outsourcing the administration of the Arkansas dental program to a dental-specific entity.

The meeting adjourned at 4:30 p.m.