

MINUTES

HEALTH REFORM LEGISLATIVE TASK FORCE

September 16, 2015

The Health Reform Legislative Task Force met Wednesday, September 16, 2015 at 10:00 a.m. in Committee Room A of the Big MAC Building, Little Rock, Arkansas.

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

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 Ronald Caldwell, Alan Clark, Linda Collins-Smith, Jonathan Dismang, Joyce Elliott, Missy Irvin, Uvalde Lindsey, Bill Sample, Gary Stubblefield, and Eddie Joe Williams. Representatives Bob Ballinger, Nate Bell, Mary Bentley, Charles Blake, David Branscum, Mary Broadaway, Andy Davis, Charlotte Vining Douglas, Trevor Drown, Kenneth Ferguson, Charlene Fite, Vivian Flowers, Ken Henderson, Mary "Prissy" Hickerson, Grant Hodges, Greg Leding, Kelley Linck, Fredrick Love, Mark McElroy, Josh Miller, Betty Overbey, James Ratliff, Sue Scott, Dan Sullivan, Jeff Wardlaw, and Marshall Wright.

Call to Order & Comments by the Chairs

Representative Charlie Collins called the meeting to order, and briefly outlined the timeline of events (beginning October, 2015 through December, 2015) surrounding the final tasks of the Health Reform Task Force that will reform healthcare in Arkansas. Then he outlined the agenda topics for today, and reminded everyone to be as brief as possible, due to the full agenda and the constraints of time.

Consideration to Approve the August 19 & 20, 2015 Meeting Minutes (EXHIBIT C-1 & C-2)

Without objection the minutes from the August 19 & 20, 2015 meetings were approved.

Update from The Stephen Group (TSG) and Putting Today's Topics in Perspective

John Stephen, Managing Partner of The Stephen Group, along with Richard Kellogg and Stephen Palmer, Senior Consultants, both with The Stephen Group; presented the updates outlined in the September, 2015 report from The Stephen Group (*Handout #1*).

Mr. Stephen and Mr. Kellogg led the discussion in each of the following categories in detail, along with giving explanations and answers to questions from the legislators regarding these categories:

- ◆ Arkansas Medicaid Long Term Care
 - Cost of care for Long Term Supports & Services (LTSS), which includes the aged, blind & disabled (ABD) (74% of traditional Medicaid)
- ◆ Developmentally Disabled
 - 2,640 people on the adult Developmentally Disabled (DD) waitlist
 - Cost of care for Developmental Disabilities Services (DDS) (23% of traditional Medicaid)
- ◆ Waiting List Cost Data
 - Many of the 2,640 people on the DD waitlist are receiving some services (total amount of claims and number of beneficiaries are broken down by types of service on slide #20 of the TSG handout)
 - Examples of claims for 2 waitlist beneficiaries with total dollar amount for a specific service is on slide #22 of the TSG handout

- ◆ Key Facts to Consider When Allocating Funds for Wait List Removal
 - Ensure requested funding considers cost of community services already being rendered
 - Ensure payment for “supportive living” is appropriate
 - Ensure removal is the right service, at the right time, & the right place
 - Ensure the 20% administrative costs for providers is appropriate (incentive is not always aligned with needs)
 - Can the 4265 Waiver cap be eliminated under a more global Section 1115 Waiver without costing more
 - Global 1115 Waiver could integrate “supportive living” & “supportive employment” with flexibility to meet needs
- ◆ Facts surrounding The Community First Choice Option
 - Mr. Stephen listed and discussed the features of The Community First Choice Option (CFCO) on slides #30-31 of the TSG handout. He also stated that the Centers for Medicare & Medicaid Services (CMS) must submit an evaluation report on the effectiveness, impact, & comparative costs of CFCO to Congress by December 31, 2015.
 - An Important Note: States may design Home & Community-Based Services (HCBS) similar to CFCO under an 1115 Waiver as long as it does not result in a new entitlement (Example: TennCare)

States that has implemented a CFCO program with adjustments to fit the needs of their citizens are California, Maryland, Montana, Oregon, Washington, and Texas.

RSPMI and Inpatient Psych account for \$900 million (22% of traditional Medicaid)

Mr. Kellogg acknowledged there are some states that have hybrid plans, i.e., there are recipients who are able to reside at home in the community through Home & Community-Based Services (HCBS), and there are other recipients who are some severely disabled and have to live in Human Development Centers. Washington and Texas have hybrid plans.

Representative Collins recessed the meeting at 11:35 a.m., until 1:00 p.m.

The meeting re-convened at 1:05 P.M., September 16th

Representative Collins called for a motion to adopt a draft amendment into the Consultant Services Agreement. This amendment will enable TSG to scrub additional DHS records that were not included in the original scrub. Because the consultant company (TSG) was not at fault, they will not be fined. Senator Linda Chesterfield made a motion to adopt this draft amendment, Senator Jason Rapert seconded the motion, and without objection the motion was adopted.

Representative Collins said the next step for the task force is to initiate an implementation contract as we move into 2016. The task force needs to vote today on how to best proceed; so that the Bureau of Legislative Research (BLR) may begin work on this contract. The two choices are:

- ◆ Use a Sole Source Contract with our existing consultant for the new contract
- OR
- ◆ Initiate a Separate Competitive Bid.

Representative Collins feels it will be more productive to use a Sole Source Contract with our existing consultant. Representative Collins asked the task force to authorize BLR to approve the Sole Source Contract program. Senator Linda Chesterfield made a motion to authorize BLR to approve the Sole Source Contract program, Senator Terry Rice seconded the motion, and without objection the motion was adopted.

Update on Behavioral Health Issues and Special Populations

The following agencies and their representatives presented updates on varied behavioral health issues and on special populations:

- ◆ Mental Health Council of Arkansas
 - Doug Stadter, CEO, Centers for Youth & Families & Board Member of the Arkansas Mental Health Council (*Handout #2*)
 - Jannie Cotton, CEO, Professional Counseling Associates & Board Member of the Arkansas Mental Health Council
- ◆ Private Rehab Services for Persons with Mental Illness (RSPMI) Providers
 - Carol Moore, LCSW, Vice President, Rehab Services for Persons with Mental Illness (RSPMI) Providers (*Handout #4*)
 - Max A. Baker, M.D. (*Handout #5*)
- ◆ Alliance for Health Improvement
 - Robin Raveendran, Executive Director, Alliance for Health Improvement (*Handout #3*)
- ◆ DHS, Division of Behavioral Health Services
 - Charlie Green, PhD, Director, Division of Behavioral Health Services, Department of Human Services (DHS) (*Handout #6*)
 - Julie Meyer, Director of Policy, Division of Behavioral Health Services, Department of Human Services

Discussion of the Community First Choice Option Plan (CFCO) (EXHIBIT G-1)

John Selig, Director of the Department of Human Services (DHS), James Brader, Director, Division of Developmental Disabilities Services (DDDS) and Craig Cloud, Director, Division of Aging & Adult Services (DAAS), both with DHS; presented the discussion of the Community First Choice Option Plan (CFCO).

Mr. Selig gave a brief overview of CFCO and the involvement and work put into this program by The Department of Human Services since its inception in 2012. He also explained CFCO guidelines and how the program works. Mr. Selig stressed that independent assessments of each client is a must in order to match their assessment to their level of need, thus ensuring clients receive the services they need, and not more than they need and/or require. Mr. Selig stated that individualized care plans need to be taken into consideration.

Follow-up from August Meeting Discussion, and the Status & Format of the Final Report

John Stephen, Managing Partner, The Stephen Group; and Richard Kellogg and Stephen Palmer, both Senior Consultants with The Stephen Group (TSG).

Mr. Stephen and the TSG team researched issues raised by the task force members at the August meetings and brought the requested information to the task force today. Mr. Stephen also presented an overview of what to expect in the final report that will be presented at the next meeting scheduled for October.

Mr. Stephen said the final report will be approximately 100 pages sectioned into three volumes. *Volume one* will contain assessments, *volume two* will be TSG's recommendations (the Governor's 7 points will be included), and *volume three* will be the 'test bucket area'. TSG will also prepare a 20-page executive summary of the three-volume report.

Update on Developmental Disabilities Issues and Special Populations (EXHIBIT F-1)

David Ivers, Attorney, with Mitchell, Blackstock, Ivers, Sneddon & Marshall, PLLC, and Sara Israel, Executive Director, & Mike McCreight, Chair, Governmental Affairs, both with The Developmental Disabilities Provider Association (DDPA); presented updates on Developmental Disabilities issues and their special populations on behalf of The Developmental Disabilities Provider Association (DDPA). Along with the updates, they offered suggestions from the association for improving services, cutting costs, and presented policy decisions that will need to be made. Mr. Ivers stated that waiver services are already well managed in Arkansas.

Amy Denton, President, of Child Health Management Services (CHMS) of the Providers Association of Arkansas, presented a description of CHMS's programs and services. Task force members noted that the programs and services of CHMS is an excellent example of total care coordination (*Handout #7*)—the quality needed in Arkansas healthcare.

Parents of Human Development Center Residents

Parents of Human Development Center Residents, Jan Fortney, Carole Sherman, and Darrell Pickney shared with the task force members, TSG, and the audience, their stories of the critical role that the Arkansas Human Development Centers play in the lives of their developmentally disabled children.

Senator Rapert would like for TSG to be able to tour the Conway Human Development Center. Representative Collins stated that due to limited reimbursement funds to pay for research trips for the TSG team, this will not be possible. However Representative Collins stated that the task force will be sure to give this presentation and information to TSG. Ms. Sherman said that no one could truly understand the importance of these centers until they visited them.

Groups or Associations Supportive of the Community First Choice Option

The following persons spoke in support of the Community First Choice Option. Each person testified to the critical urgency of providing everyone who is on the waiting list with all of the treatment and services they and their families need in order to live comfortable, safe lives.

- ◆ Keith Vire, Ph.D., CEO, Arkansas Support Network (also President of the Arkansas Waiver Association)
- ◆ David Deere, Director, Partners for Inclusive Communities
- ◆ Di Vardy, Parent of Child with Disability
- ◆ Nancy Shaw, Parent with a child on the waiting list
- ◆ Ruth Eyres, Parent with a child on the waiting list
- ◆ Sarah Israel, Executive Director, Developmental Disabilities Provider Association

Ms. Israel said that she will send her statement in support of the CFCOs to Phil Price, Senior Legislative Analyst for the task force.

The task force adjourned at 6:25 p.m.