

MINUTES

HEALTH REFORM LEGISLATIVE TASK FORCE

November 24, 2015

The Health Reform Legislative Task Force met Tuesday, November 24, 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: Senators Cecile Bledsoe, Vice Chair; Linda Chesterfield, Bart Hester, Keith Ingram, Jason Rapert, Terry Rice, and David Sanders.

House Health Reform Task Force Members Attending: Representatives Charlie Collins, Chair; Reginald Murdock, Vice Chair; Justin Boyd, Joe Farrer, Michelle Gray, Kim Hammer, and David Meeks.

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

Other Legislators Attending: Senators Alan Clark, Jonathan Dismang, Joyce Elliott, Jane English, Stephanie Flowers, and Greg Standridge. Representatives Scott Baltz, Nate Bell, Mary Bentley, Ken Bragg, David Branscum, Andy Davis, Gary Deffenbaugh, Jim Dotson, Trevor Drown, Kenneth Ferguson, Vivian Flowers, Jeremy Gillam, Joe Jett, Sheilla Lampkin, Fredrick Love, James Ratliff, and James Sorvillo.

Call to Order & Comments by the Chairs

Representative Charlie Collins called the meeting to order, gave an updated overview on the content of previous meetings, and stated the next task force meeting dates would be December 16 and 17, 2015.

Consideration to Approve the November 10, 2015 Meeting Minutes (EXHIBIT C)

Without objection the minutes from the November 10, 2015 meeting were approved.

Follow-up on Questions from the November 10th Task Force Meeting

John Stephen, Managing Partner, Richard Kellogg, Senior Partner, and Rory Rickert, Senior Consultant, all with The Stephen Group (TSG), provided more detail and clarity to questions posed by the task force members at the November 10, 2015 meeting (*Handouts #1 & #2*). In addition, Mr. Rickert discussed the information he gathered from his research on Arkansas's vaccination issue.

TSG's recommendations for pharmacy savings and pharmacy quality improvements are listed on pages 3-4 of Handout #1. Mr. Rickert learned the following information on Arkansas vaccinations:

- ◆ Arkansas has a low vaccination rate
- ◆ The adult vaccine and administration reimbursement fee is combined (except for the influenza vaccine)
 - This is not common in other states
 - However, Arkansas Private Option carriers reimburse vaccine and administration fees separately

TSG's recommendations for improving Arkansas's vaccination program are listed on slides 5-7 of Handout #1. Mr. Rickert stated there are also reporting and data issues with Arkansas' vaccination program.

Mr. Stephen discussed the findings on the 'lockout history research' in relation to the lockout rules in Indiana, and several other states. The key issue of the 'lockout' is uncompensated care to healthcare providers.

Senator Terry Rice asked Mr. Stephen to provide the task force with an update on slide #17 (Arkansas Nursing home residents by gender) for the years 2014-2015; and to show a comparison of nursing home resident's incomes from state to state. Mr. Stephen said he would provide this information.

Since the acuity level is rising in nursing homes, Senator Ingram wanted to know what the reimbursement rate should be, according to the acuity level. Mr. Stephen stated that most states do pay for Nursing home Medicaid residents based on acuity. Mr. Stephen will provide this information

TSG highly recommends a managed care, full risk, capitated health care plan, and recommends that the task force review the healthcare programs of Texas, Tennessee, and Kansas.

Report from the Diagnosis Related Group (DRG) Subcommittee

Representative Joe Farrer and Senator Keith Ingram gave a brief overview of the discussion on the DRG payment types at the DRG Subcommittee meeting that was held November 16, 2015. Representative Farrer stated that the 3M Company, and various stakeholders testified at this meeting (*Handout #3-Representative Farrer's summary of the meeting*).

Senator Bledsoe recessed the meeting at 11:50 a.m., until 1:00 p.m. for lunch

The meeting re-convened at 1:10 p.m., November 24th

(Updates from John Stephen Continued)

Other issues addressed and discussed by TSG and the task force were:

- ◆ Marketplace plan updates
- ◆ Arkansas nursing homes
- ◆ ElderChoices and AAPD Waiver
- ◆ State care management/Medicaid payment reform models (referencing all states)
 - Special emphasis on Texas, Tennessee, and Kansas
- ◆ Overview of Common Service—Level Cost-Savings
- ◆ Alternate proposal (Arkansas Works) and the high level features of this program

Tennessee has operated successfully under a managed care plan for a long time. Their program includes an impressive long term care program that has generated huge savings, due to more seniors being able to live at home in the community longer than in the past years.

Kansas developed KanCare, a managed care program that included Long-Term Services and Supports with a physical and behavioral health program in it. Kansas later added the developmentally disabled to this program. Mr. Stephen went on to discuss the Kansas health care program in more detail.

Timing and Process for Centers for Medicare and Medicaid Services (CMS) Waiver Negotiation

John Selig, Director, Department of Human Services (DHS), and Suzanne Bierman, Assistant Director, Arkansas Medicaid, DHS, discussed the timing and process for the CMS Waiver negotiation.

Mr. Selig discussed his concerns with each proposed plan, but in concurrence with about two-thirds of the recommendations listed on slide #62, stated that these recommendations are already in process.

Since the implementation of a new health care program will be a lengthy process involving multiple agencies and timelines, the task force needs to let the governor know very soon which health care program the state plans to pursue. It is imperative for Arkansas to inform CMS some time during this coming week, of their intention to amend the existing waiver that is already in place. Mr. Selig stated that amending the current waiver, rather than implementing a new waiver will be more beneficial.

The meeting adjourned at 2:55 p.m.