

**MINUTES
HEALTH REFORM LEGISLATIVE
TASK FORCE**

October 24, 2016

The Health Reform Legislative Task Force met Wednesday, October 24, 2016 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, John Cooper, Keith Ingram, and Jason Rapert.

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

Non Legislative Members Attending: NONE.

Other Legislators Attending: Senator Joyce Elliott, Jeremy Hutchinson, Missy Irvin, Gary Stubblefield, and Jon Woods. Representatives Charles Armstrong, Mary Bentley, Charles Blake, Andy Davis, Jana Della Rosa, Jim Dotson, Jon Eubanks, Kenneth Ferguson, David Fielding, Vivian Flowers, Michael John Gray, Ken Henderson, David Hillman, Douglas House, Joe Jett, Julie Mayberry, Micah Neal, Betty Overbey, Laurie Rushing, Sue Scott, Dan Sullivan, Jeff Wardlaw, and Marshall Wright.

Call to Order & Comments by the Chairs

Co-Chair, Representative Charlie Collins called the meeting to order.

Consideration to Adopt the Minutes from the September 28, 2016 Meeting (EXHIBIT C)

Without objection the minutes from the September 28, 2016, meeting was approved.

Hybrid Health Care Model

Cindy Gillespie, Director, Department of Human Services (DHS), Dennis Smith, Senior Medicaid Advisor, Department of Human Services, Kelley Linck, Liaison, Legislative Intergovernmental Affairs, DHS, and John Stephen, Managing Partner, The Stephen Group (TSG); presented the proposed Hybrid Health Care Model.

Ms. Gillespie gave a brief background on how DHS has been developing a concept for a Hybrid Health Care Model, which will be provider-led organizations working in a capitated type structure. Other states have had success with this model type. Ms. Gillespie stated that the Governor is comfortable with this model, and agrees that DHS should move forward into the next step of designing this program.

Mr. Smith presented an overview of this concept and the planned work schedule that is necessary to develop this Hybrid Health Care Model. Both DHS and the insurance commissioner will regulate this health care model while following federal rules that govern Medicaid managed care. Ms. Gillespie agreed with Senator John Cooper, that home and community-based services is an important cornerstone of quality health care, and will be included in this proposed health care model.

Health Management Associates (HMA) is the consulting firm that has been working on this concept. HMA is a national consulting firm consisting mainly of former federal health & human services secretaries, and Medicaid directors.

Senator Keith Ingram wants to know if Arkansas asked for a type of waiver regarding language that dealt with entitlements, and if we did, what is the status of that request? If a regional model is being considered, Senator Ingram cautioned DHS to look closely at these models, as there are serious concerns since it was not successful at UAMS because it veered away from community-based services.

Mr. Stephen again emphasized to the members that Arkansas has to move away from the Fee-For-Service model; and that a care coordination model *has* to be defined before TSG can prepare the report to be presented in December.

Representative Collins recessed the meeting at 11:30 until 1:00 p.m.

The meeting re-convened October 24, 2016 @ 1:00 p.m.

Several legislators voiced concerns of not being notified of DHS-held meetings concerning the formation of Arkansas's hybrid health care plan. Senator Irvin also had concerns of health care professionals not receiving enough compensation for their services so they can sustain their practices.

Senator Chesterfield wanted to know how much the HMA contract cost, and who paid HMA. Partners for a Healthy Arkansas (PHA) contracted with HMA to develop the proposed hybrid health care model. PHA is a collaborative partnership with Baptist Health, St. Bernards Healthcare, UAMS, and Washington Regional Medical System.

Ms. Gillespie stated that going forward; DHS will be totally transparent through the process of developing the new health care system for Arkansas, including all reports and meeting notifications. Ms. Gillespie stated that DHS will post in advance the dates of the next five meetings, along with the subjects to be heard and discussed at each meeting.

This project is on a very tight timetable, but DHS will bring all updates to the Health Reform Task Force meetings. Mr. Smith will complete a draft of the framework of the concept that DHS is developing.

Representative Michelle Gray requested that the Bureau of Legislative Research find out how much HMA was paid by Partners for a Healthy Arkansas.

After much discussion and concern by the task force members, Mr. Stephen clarified the following:

- ❖ DHS will present an update of the drafted concept for the Hybrid Health Care Model to the Health Reform Task Force on November 22, 2016
- ❖ DHS will present the final proposed drafted concept for the Hybrid Health Care Model to the Governor on November 28, 2016
- ❖ DHS, if approved by the Governor, will present this final proposed drafted concept for the Hybrid Health Care Model for approval, to the Health Reform Task Force on December 14 & 15, 2016

Mr. Smith stated that the federal government requires a final readiness review on behalf of the beneficiaries of the finalized plan of any new proposed health care plan. This is to ensure that all beneficiaries are protected and have access to the needed health care.

Representative Collins called task force member's attention to the written drafted motion that was passed out to each task force member. He asked that each member read this drafted motion, so the task force can vote on it at the end of today's meeting. This motion will allow (TSG) to work with and collaborate with DHS in this short timeline, during the coming month developing this new health care model.

The Stephen Group (TSG) Update on DHS Developmental Disabilities Savings Reforms and Estimates

- Department of Human Services (DHS) Developmental Disabilities Savings Reforms and Estimates
- DHS Therapy Rule Change/Prior Authorization
- DHS Therapy Cap Fact Sheet

John Stephen, Managing Partner, Richard Kellogg, Senior Consultant, Will Oliver, PhD., Senior Consultant, all with TSG; and Melissa Stone, Director, Developmental Disabilities Services Division, DHS, Dawn Stehle, Director, Division of Medical Services, DHS, Amy Denton, representing the Clinical Healthcare Management Services (CHMS) Association, Janie Sexton, representing the Developmental Disabilities Provider Associations, Stephanie Smith, representing the Developmental Disabilities Provider Associations, and Cheri Stevenson, representing the Arkansas Speech and Hearing Association, provided this update.

Mr. Stephen outlined the updates to be discussed, including individual assessments and RFPs. Arkansas is considering moving to a tiered waiver program in the Developmental Disabilities Division, similar to that of Tennessee. A tiered waiver program will include therapy caps, prior authorization, and independent assessments.

Therapists Ms. Denton, Ms. Sexton, Ms. Stephanie Smith, and Ms. Stevenson, commented on their view of the proposed changes, and the progress of the collaboration taking place between DHS, therapists, and stakeholders. This workgroup is close to having an estimated projected savings amount from this new program, to present to the task force.

Representative Dan Sullivan formally requested to be provided with a formal report on what the status is and what Arkansas plans to do to study the cost settlement adjustment in reference to UAMS.

Mr. Stephen emphasized there is still a care coordination component missing from this plan, and it is critical to the success of any health care program. DiamondCare and Managed Care programs have this component.

TSG Status Report Update

- Follow-up Questions from September 28th Task Force Meeting
- Private Option Impact on Traditional Medicaid
- Pharmacy Savings Estimates Updated
- Independent Assessment Request for Proposal (RFP)
- 911 Impact
- Jail Diversion Program
- DHS Psychotherapy Rule Outreach Efforts
- Remaining Recommendations/Final Report

John Stephen, Managing Partner, Richard Kellogg, Senior Consultant, and Stephen Palmer, PhD., Senior Consultant, all with TSG; presented more updates.

And

Department of Human Services (DHS) Update

- Group Psychotherapy 911 Tracking – Act 911 of 1989
- Communication Plan/Stakeholder Outreach for Rule Changes
- Update on Timeline for Implementation of Transformation Plan

Cindy Gillespie, Director, DHS, Dawn Stehle, Medicaid Director, Medical Services Division, DHS, Charlie Green, Director, Behavioral Health Division, DHS, Paula Stone, Deputy Director, Behavioral Health Division, DHS, and Steve Domon, M.D., Medical Director, Arkansas State Hospital; presented further updates.

Ms. Stehle opened the discussion on the 911 Group Psychotherapy population. She listed the type of reports and information that are used to determine the status of each 911 client, and discussed the services and treatment they are receiving. There are 496 of the 911 recipients receiving group psychotherapy.

Dr. Domon stated there are currently 55, 911 patients that are in the state hospital. Birch Tree, and Mid-South are the largest community-based 911 housing residences in Arkansas.

Beacon Health Options Update on Changes to Group Psychotherapy-Act 911 of 1989 Populations & Authorization Process

Nicole May, Vice President, Beacon Health Options, and Melissa Ortega, Project Director of Clinical Services, Beacon Health Options; presented for Beacon Health.

Ms. May explained their report and monitoring system. Beacon reviews each person on a case-by-case basis to assess their treatment plan, and determine if any changes or adjustments need to be made. There are 186 adult beds at Beacon, and the cost per patient per day is approximately \$680. Representative Hammer suggested that Beacon Health present another update at a November meeting. Representative Collins agreed they would be invited back to present another update.

Dental Managed Care Update/Eligibility and Enrollment Framework (EEF) Program Assessment Update (ITEM G)

And

Update on Long Term Care Memorandum of Understanding (MOU) and Timeline with Arkansas Health Care Association (ITEM J)

Representative Collins announced that Items 'G' and 'J' will be moved to the November agenda.

Update from the Human Development Centers (HDC) Subcommittee

Representative Kim Hammer presented an update on the developments at the HDC Subcommittee meetings within the last 3 or 4 months.

Representative Hammer stated that the HDC Subcommittee is presenting their recommendations to the Health Reform Task Force for approval. Mr. Stephen verified these recommendations have been agreed to by DHS, TSG, and the providers.

Representative Hammer made a motion to submit these recommendations to the full task force for consideration to incorporate with the other plans moving forward. Representative Collins, without objection, stated the motion carried.

Other Business

Representative Collins made a motion for the task force to authorize himself and the Senate Co Chair to work with BLR on an amendment to the present contract, regarding an additional contract dollar amount, not to exceed \$100,000. The chairs will provide all of the task force members with the final draft of the amendment prior to the chairs presenting the amendment to the full Legislative Council for its approval at the November 18, 2016, meeting.

Representative Hammer seconded the motion. A quorum was called and there was not a quorum present. As a result, the motion was not considered.

The meeting adjourned at 4:05 p.m.