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MEMORANDUM

DATE: September 12, 2005

TO: Members of the Medicaid Advisory Committee

FROM: Anne Marie Murphy, Ph.D.
Administrator, Division of Medical Programs

RE: Medicaid Advisory Committee (MAC) Meeting

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The next meeting of the Medicaid Advisory Committee will be on September 16, 2005. The meeting will be held via videoconference from 10 a.m. to 1 p.m. Those attending in Springfield will meet at 201 South Grand Avenue East, 3rd floor Videoconference Room B. Those attending in Chicago will meet at 401 South Clinton, 7th floor Videoconference Room.

The following meeting material has been posted to the department's Web site: The agenda for the September 16, 2005 meeting, the draft minutes and attachments from the July 15, 2005 meeting. Please note that the minutes from the May 20, 2005 meeting are on the agenda, due to the July meeting not having the member quorum needed to approve the minutes.

The meeting material has been sent to the committee members electronically. Interested parties can access the meeting information by going to: <http://www.hfs.illinois.gov/mac> or <http://www.hfs.illinois.gov/mac/news/>

In order to receive information on future MAC meetings, you will need to register to receive e-mail notification when information is posted to the MAC Web page. To register to receive the MAC e-mail notifications go to: <http://www.hfs.illinois.gov/mac/notify.html>

If you have any questions, or need to be reached during the meeting, please call 312-793-4706 in Chicago or 217-782-2570 in Springfield.

MEDICAID ADVISORY COMMITTEE

401 S. Clinton, 7th Floor Video-conference Room
Chicago, Illinois
and
201 South Grand Avenue East
3rd Floor Videoconference Room
Springfield, Illinois

September 16, 2005
10 a.m. - 1 p.m.

AGENDA

- I. Call to Order
- II. Introductions
- III. Review of May 20, 2005 Minutes
Review of July 15, 2005 Minutes
- IV. Administrator's Report
 - Hurricane Katrina Relief Efforts
- V. Old Business
 - KidCare/FamilyCare Update
 - HIPAA Update
 - Medicare Part D Update
 - Pharmacy Subcommittee
- VI. New Business
- VII. Subcommittee Reports
 - Long Term Care (LTC) Subcommittee
 - Dental Policy Review (DPR) Committee
 - Public Education Subcommittee
- VIII. Adjournment

DRAFT-DRAFT-DRAFT

Healthcare and Family Services Medicaid Advisory Committee

401 S. Clinton Street, Chicago, IL
210 S. Grand Avenue East, Springfield, IL

July 15, 2005

Members Present

Eli Pick, Chairman
Alvin Holley
Mike Jones – IDPH
Jill Fraggos for Susan Hayes Gordon
Marilyn Peebles for Debra Kinsey - DCFS

Members Absent

John Shlofrock
Pedro A. Poma, M.D.
Leticia Overholt
Richard Perry, D.D.S
Stephen Saunders – DHS
Kim Mitroka – Christopher Rural Health
Neil Winston
Diane Coleman
Robert Anselmo, R.Ph

HFS Staff

James Parker
Vicki Mote
Carla Lawson
Aundrea Hendricks
James Monk

Interested Parties

Ralph Schubert IDHS
Citseko Staples, Harmony Health Plan
Randall Mark - CCBHS
Claudia Quinn - Ortho Biotech

Medicaid Advisory Committee (MAC)
Draft Meeting Minutes

July 15, 2005

I. Call to Order

Chairman Eli Pick called the meeting to order at 10:10 a.m.

II. Introductions

Attendees in Chicago and Springfield introduced themselves.

III. Review of the Minutes

The minutes could not be approved, as there was not a member quorum.

IV Administrator's Report

On Dr. Murphy's behalf, James Parker, Deputy Administrator for Operations, reported on current Healthcare and Family Services (HFS) activities. Budget initiatives implemented were coverage changes for OTC drugs; the three brand-name drug limit; a substantial reduction in appropriations for Health Maintenance Organizations (HMO); and a freeze in outlier payments to hospitals.

1) There is a 3-brand limit on coverage drugs. A client notice was sent. Implementation date is not decided but will be no sooner than October 1. It will be several months before the edits are in place. In the meantime, HFS is talking with the UIC pharmacy regarding the drugs of patients over the 3-brand limit so that patients don't come up against the limit while at the pharmacy. The Kidney, Lung, Mental Health, Alzheimer and Epilepsy Associations as well as the American Assn for Retired People (AARP) have raised concerns about the 3-brand limit.

There is a change in coverage of certain over-the counter (OTC) drugs in the current HFS budget. The OTC cuts were to be effective on July 1st but have been delayed to August 1, 2005. The delay is at the request of the nursing home industries. Deputy administrators, Theresa Wyatt and James Parker visited a nursing home for a med-pass.

HFS continues working hard in preparation for Medicare Part D. Staff have been in touch with some plans that will be sponsors for Medicare Part D in order to coordinate the Cares Rx wrap program.. Some sponsors are secret, anonymous and hard to talk with. CMS has set a conference call with prescription drug plans (PDP) to participate anonymously and discuss issues with the Department.

Chairman Eli Pick anticipates questions from nursing homes regarding Part D and the 3-brand limit. He raised 2 issues. How will physicians be educated? With no alternative drug, how will we handle in advance that a drug is not covered?

Mr. Parker stated that certain classes of drugs would be exempt, e.g., anti-retro-virals, psychotropics and anticonvulsants. For another example, an Alzheimer drug as a 4th drug request will not have a prior approval edit. Statins will also be exempt from an edit. Also, if a brand name is cheaper than a generic, HFS will exempt the brand name drug.

- 1) As far as Medicare Part D, Mr. Parker stated that he does not want beneficiaries eligible for full Medicaid benefits, “dual-eligible” patients, to change a medical regimen based on the 3-brand limit in October 2005 and then change again when assigned to a PDP. Healthcare and Family Services is looking at exempting dual eligible patients from any edits.

V. Old Business

KidCare/FamilyCare. Vicki Mote, Chief of the Bureau of KidCare, provided the committee with an update on the KidCare/FamilyCare program. Refer to Attachment 1 and Attachment 2. There are about 2,000 pending applications. Complete applications are currently processed within 6 days.

The web-based interactive application is being piloted at 3 sites. Users have provided positive feedback about the application.

Eli Pick asked about plans for training KidCare Application Agents (KCAA). Ms. Mote stated that the plan is to send Alerts and have persons available to answer questions. She stated that the application is easy to use and she expects that KCAA will also find this to be true.

HIPAA Update. James Parker provided the update. He stated that implementation of HIPAA billing procedure is moving along well. There are some little quirks. He shared the example of the national drug code (NDC) being an 11-field code, however, the Blue Cross Blue Shield (BCBS) data entry system has only 10 fields for entry. This problem has been addressed and it was believed that BCBS has developed a coding solution.

Mr. Parker stated that all providers will be required to use the new reporting format. Eventually the old reporting format will not be accepted. Providers will be notified of the effective date.

Medicare Part D. James Parker provided the update. There is a lot of workgroup activity on outreach. The federal government has sent letters to all

states regarding dual eligible participants. Some letters are already out and we can soon expect to hear from persons getting the notices now.

Pharmacy Subcommittee Charge. James Parker reported that HFS has collected potential member names representing the diverse groups from whom the committee wished to draw, e.g., Illinois pharmacists, independents, long term care providers, and the Illinois Medical Society. The department will put a list together and send to the committee chair next week.

VI. **New Business**

There was no new business to discuss.

VII. **Subcommittee Reports**

Long Term Care (LTC). Eli Pick provided the update. He reported that the subcommittee discussed implications of Medicare Part D. A premise is that no one should lose benefits. However, SLF recipients may see a reduction in food stamp benefits. Also, SLF providers may see a revenue loss of about \$50 per person

Emergency rules are in place for more effective screening of sex offenders and parolees requiring long term care. Emergency rules are in place for 150 days, after which final rules will have been developed for the legislature to pass.

The subcommittee wants to make supportive living arrangements more available to the mental health population as there is no alternative to long-term care. The subcommittee discussed crafting legislation to meet this need.

Wayne Smallwood and Theresa Wyatt discussed a number of applications should be set aside for specialized populations, e.g., the visual and hearing impaired, although this will not appear in the first batch of approvals.

Dental Policy Review (DPR). The subcommittee has met since the last MAC meeting but there was no one that attended to report. A report will be made at the next meeting.

Public Education Subcommittee. Eli Pick provided the update. The group met about 2 weeks ago and discussed the committee charge. There was discussion about the practical functioning of offices in the neighborhoods and how information needs to be presented to consumers.

There was primary discussion on service processing barriers that included: 1) time spent waiting in the local office and 2) how a client may access information when he or she has no computer and perhaps not even a telephone. The group discussed the possibility of disseminating information in places that clients frequent, like grocery stores and pharmacies. The group discussed the nature of information to

be distributed, the form of distribution and languages to make the information available.

Chairman Pick commented that he was impressed with the level of interest and motivation within the group. There was a high level of sophistication within the group with representatives from such groups as the UIC health centers, poverty law clinic and UIC School of Public Health. He shared that he had emphasized to the group that their role was as an advisory not policy committee.

Ralph Schubert from the Office of Family Health expressed interest in his staff working with the group. Mr. Pick suggested that he contact Jackie Ellinger.

- VIII. Chair Eli Pick adjourned the meeting at 10:44 a.m. The next MAC meeting is scheduled for September 16, 2005.

Medicaid Advisory Committee
July 15, 2005
KidCare/FamilyCare Report

Enrollment

- We have around 2,000 pending applications in the KidCare Unit. We are processing clean applications at 6 days.
- Enrollment data is attached. Enrollment data as of 5/31/05:
 - a. 1,038,303 pre-expansion children (up to 100% of FPL)
 - b. 344,612 pre-expansion parents (up to approx. 38% of FPL)
 - c. 6,002 Moms and babies expansion (133% to 200% of FPL)
 - d. 65,729 Phase I (100% to 133%) and 38,104 Phase II expansions (133% - 185% of FPL)
 - e. 3,537 Phase III (over 185% - 200% of FPL)
 - f. 30,344 FamilyCare Phase I (38% - 49% of FPL)
 - g. 30,477 FamilyCare Phase II (49% - 90% of FPL)
 - h. 40,122 FamilyCare Phase III (90% to 133% of FPL)

FamilyCare Expansion

We are expanding FamilyCare to 185% of poverty January 1, 2006.

Web-based application capability

We are piloting our web-based application at three KCAA sites. We hope to roll the application out to all KCAA's and the general public by the end of August.

MAC 07-15-05
Attachment 2

	11/30/04		12/31/2004		1/31/2005		2/28/2005		3/31/2005		4/30/2005	5/31/2005
	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Current Numbers	Current Numbers
Pre-expansion children	1,031,262	1,031,468	1,035,319	1,035,682	1,028,679	1,029,971	1,030,075	1,033,452	1,031,863	1,037,237	1,040,944	1,038,303
KidCare Phase I	54,601	54,602	55,574	55,578	66,548	66,651	67,546	67,888	68,423	68,981	65,001	65,729
KidCare Phase II	35,149	35,169	35,475	35,502	35,734	35,772	35,852	35,871	35,686	35,686	37,557	38,104
KidCare Phase III	3,874	3,874	4,105	4,105	4,361	4,352	4,503	4,495	4,610	4,593	3,214	3,537
Moms and Babies Exp	4,963	4,970	5,002	5,010	6,314	6,335	6,321	6,391	6,319	6,444	6,052	6,002
Pre-expansion parents	333,436	333,627	337,263	337,579	339,971	340,859	340,561	342,886	341,465	345,300	345,568	344,612
FamilyCare Phase I	27,435	27,444	26,806	26,824	27,026	27,069	27,341	27,451	27,674	27,829	29,996	30,334
FamilyCare Phase II	28,210	28,213	28,524	28,533	28,762	28,825	28,871	29,069	29,189	29,511	30,348	30,477
FamilyCare Phase III	31,034	31,044	32,556	32,575	34,670	34,769	36,228	36,517	37,964	38,430	38,580	40,122
TOTAL	1,549,964	1,550,411	1,560,624	1,561,388	1,572,065	1,574,603	1,577,298	1,584,020	1,583,193	1,594,011	1,597,260	1,597,220

Illinois Department of Public Aid
Medicaid Advisory Committee

401 S. Clinton Street, Chicago, IL
210 S. Grand Avenue East, Springfield, IL

May 20, 2005

Members Present

Eli Pick, Chairman
Debra Kinsey - DCFS
Laura Leon – for Robyn Gabel
Alvin Holley
Mike Jones – IDPH
Susan Hayes Gordon
Diane Coleman
Robert Anselmo, R.Ph (by phone)
Neil Winston, M.D.

Members Absent

John Shlofrock
Pedro A. Poma, M.D.
Leticia Overholt
Richard Perry, D.D.S
Stephen Saunders, M.D. – DHS
Kim Mitroka – Christopher Rural Health

DPA Staff

Anne Marie Murphy
Jacquetta Ellinger
Joe Hylak-Reinholtz
Vicki Mote
Mike Hennesey
Shawna Ridley
Carla Lawson
James Monk

Interested Parties

Octavia Mailey - IPHCA
Debbie Belt - IHCA
J. Michael Patton - IPHA
Peggie Powers - IADDA
Scott Musser - AARP
Claudia Quinn - Ortho Biotech
Randall Mark - CCBHS
Kathleen Bovid - Bristol-Myers Squibb
Lisa Gregory – IPHCA
Nelson Soltman – Legal Assistance
Foundation
Nancy Mynard – Allied Medical

Medicaid Advisory Committee (MAC)
Meeting Minutes

May 20, 2005

I **Call to Order**

Chairman Eli Pick called the meeting to order at 10:15 a.m.

II. **Introductions**

Attendees in Chicago and Springfield introduced themselves.

III. **Review of the Minutes**

Alvin Holley moved to approve the minutes for March's meeting. Susan Hayes Gordon seconded the motion. The motion was approved.

IV **Administrator's Report**

Anne Marie Murphy, Ph.D., reported on current budget issues and gave an update on continuing medical projects.

1) The Department is involved with legislation focused on the hospital assessment. There is draft legislation over at LRB. The hospital assessment is difficult as the plan must be approved by the federal CMS and providers want the rules to be certain and in writing. The tax structure will be different than the previous version so that questions have been raised on how to deal with this change. DPA will be working on rules for tax and payment methodology.

Other legislation the department is working on includes the Community First bill. The bill allows and instructs DPA to survey Long Term Care residents for barriers to returning to the community and to modify existing waivers or develop a new waiver to allow greater choice of where to live. The key concept is to provide an option to live in the community when possible.

Partners at DHS/DMH have discussed the choice of location for persons with mental illness based on housing availability. And the possibility of creating a SLF, or another MI waiver, which includes case management services to allow moving patients to a less restrictive living environment.

There is a federal system transformation grant offering under which one area to address is mixed populations, e.g., young mentally ill and fragile elderly. We hope to work with DHS and improve patient entry points similar to SASS for children, e.g., developing an individual care plan to transition a person

from an institution to services in a community setting. DPA is engaging the Department on Aging to improve nursing home care with emphasis on the issue of mixing the patient population.

Eli Pick asked who determines who gets the grant. Dr. Murphy advised that federal CMS will determine the awardees. A state may receive only one award.

- 2) Dr. Murphy stated that the report regarding Medicaid Managed Care is out and that the state is looking at options. She shared that there is concern regarding the savings that can be realized and that the department is putting together an analysis of the report.

There was some discussion about hospital savings for inpatient care and pharmacy care. Dr. Murphy stated that Illinois has done a lot to control pharmacy costs with 64% utilization of generic drugs.

Dr. Murphy stated that DPA believes in the concept of managed care, but we need to recognize that there are a variety of models. We need good data to measure quality of care.

- 3) Dr. Murphy added that budget negotiations are underway. The department clearly wants full funding, although we didn't get full funding last year. The payment cycle is at 75 days.
- 4) Jackie Ellinger shared information on another piece of legislation regarding the issue of application processing and barriers for persons getting food stamps. The Heartland Alliance has gotten behind legislation to make processing changes at the DHS offices. A task force may be formed to discuss how to improve service.

Another element in the legislation is to streamline the process for counting income across different federal programs. The challenge is that many of the requirements are in federal law and the rules are different for different programs.

The MAC may be asked to help form the task force.

- 5) Dr. Murphy stated that work continues on the dental varnish project. The Dental Society voted yes to allow primary care physicians to do dental varnish applications for young children, as part of the project. The goal is to reduce the incidence of cavities.

Dr. Murphy stated that work also continues under the Michael Reese Trust Fund grant awarded to the department to review women's use of pregnancy related services over the past 3 years. The department is working with the

University of Illinois at Chicago School of Public Health to look at quality of care and identify best practices.

The department is also hoping to expand eligibility for the Illinois Healthy Women program to 250% of the federal poverty level.

V. Old Business

KidCare/FamilyCare. Vicki Mote, Chief of the Bureau of KidCare, provided the committee with an update on KidCare and FamilyCare (Attachment 1). There are about 2,000 pending applications. Complete applications are currently processed within seven days of registration. A written report was provided showing enrollment data of children and parents as of 3/31/05 (Attachment 2). The report shows 37,964 parents and caretaker relatives enrolled as a result of the FamilyCare income expansion from 90% to 133% of the Federal Poverty Level (FPL).

Part of the Governor's proposed budget included an expansion of the FamilyCare income standard to 185% FPL during the next fiscal year.

The web-based interactive application is being piloted in Champaign. If successful, the pilot will roll out to more KCAAs. There is not yet an expected completion date for the final roll out.

Vicki Mote reported that as of May 19, 2005, the Bureau of KidCare has received 498 applications as a result of the Jewel-Osco promotion, of which 303 applications have been approved, 191 denied and 4 are pending.

Supportive Living Update. Jackie Ellinger reported for Deputy Administrator Theresa Wyatt. The department has received 139 applications for proposal to develop 3,300 Supportive Living units. As of 5/19/05, the group has completed 119 interviews and 54 applicants have provided additional information.

HIPAA Update. Mike Hennessey, Chief, Bureau of Technical Support, provided the update. He stated that errors have been addressed. He also stated that some providers continue to use the old reporting format. These providers will be notified that the old format will no longer be accepted as of the end of this year.

Nancy Mynard advised that since the system went to "rent to purchase" on DME, there is a problem with payment that has been going on since December. This is now getting to a critical stage. It was decided that Jodi Edmonds would respond to the issue outside of the meeting.

Medicare Part D., Jackie Ellinger, Anne Marie Murphy and Joe Hylak-Reinholtz provided the update. Jackie Ellinger stated that Illinois' "wrap around" legislation has been introduced to ensure that SeniorCare and circuit breaker participants will have complete coverage when Medicare Part D goes into effect.

The department is working closely with the Department on Aging and DHS to ensure that SeniorCare and Circuit Breaker beneficiaries are enrolled for all available federal assistance, as well as the state wrap around. These beneficiaries must apply for the low-income subsidy.

Ms. Ellinger stated that the challenge is to make sure SeniorCare participants apply for the Part D benefits and choose a prescription drug plan (PDP) for benefits by 1/1/06. The federal government has been less helpful here. The federal CMS is more attuned than SSA to states' implementation issues.

SSA intends to process most low-income subsidy applications. However, the law requires that states also make determinations if asked by applicants. Dr. Murphy has talked with a number of states regarding how they will determine eligibility for the low-income subsidy. She found that few states are using technology and are doing the enrollments manually.

Mr. Hylak-Reinholtz advised that we are working on two fronts. One is coordinating interagency committees that are involved, e.g., DPA, DHS, DoA and the Senior Health Insurance Program (SHIP). The second front is Medicaid regional partners working with the federal CMS, providers and interested groups with questions on policy and implementation. There are some 40 persons involved with this. The first phase is a "train the trainer" concept. SHIP will do 20 trainings sessions for the state. Federal client education and outreach in Illinois will begin in June.

Eli Pick asked about who would help to do the outreach to non-acute, chronically ill persons with disabilities. He identified this group as representing 20% of the Medicaid population and 80% of the cost.

Dr. Murphy stated that "dual eligible" enrollees would be auto assigned if they do not make a choice. She anticipates an issue coming up with educating the enrollees on using the Mediplan card. If QMB, SLIB, SLMB or QI-1 recipients do not choose a PDP, they will be auto enrolled in May 2006.

She further stated that the National Council on Aging (NCOA) is concerned about under-enrolling. SSA is optimistic they can reach eligible individuals, but we are still concerned about reaching all who are eligible.

Dr. Murphy shared good news that the Senate has passed the Wrap around bill and it is now in the House. State representative, Barbara Flynn Currie, will sponsor the bill in the House of Representatives.

VI. New Business

Pharmacy Subcommittee Charge. A draft charge was provided to the MAC members for review. Robert Anselmo stated that he likes the charge as written and is thinking about how to involve more pharmacists.

Jackie Ellinger requested a revision to use the term Medical Assistance including Family Health Plans and AABD, instead of just Medicaid.

Mr. Pick made a motion to accept the charge with revision as discussed. Diane Coleman seconded the motioned and the charge was accepted.

There was discussion on the size and make up of the subcommittee. The committee recommended that the subcommittee include 10 members representing diverse sectors: pharmacists from chains, independents, hospitals, long term care; manufacturers; physicians; FQHCs; consumers, perhaps a foster parent; and advocates.

Jackie Ellinger advised that the committee should recommend names of candidates. Working with the department, the chair will look for balanced representation in his appointments.

Eli Pick asked that the department pull a list of potential candidates together within a month for the committee to discuss and settle on appointments that can be announced at the July MAC meeting.

VII. Subcommittee Reports

Long Term Care (LTC). It was decided to table the report until the next MAC meeting.

Dental Policy Review (DPR). A report would be provided at the next meeting.

Public Education Subcommittee. The first meeting is scheduled for June 6, 2005. Courtney Snyder will serve as chair as Robyn Gabel, who had previously agreed to serve as chair, is on sabbatical.

VIII. Chair Eli Pick adjourned the meeting at 11:40 a.m. The next MAC meeting is scheduled for July 15, 2005.