

201 South Grand Avenue East
Springfield, Illinois 62763-0002

Telephone: (217) 782-1200
TTY: (800) 526-5812

MEMORANDUM

DATE: May 13, 2009

TO: Members of the Medicaid Advisory Committee

FROM: Theresa A. Eagleson, Administrator
Division of Medical Programs

RE: Medicaid Advisory Committee (MAC) Meeting

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The next meeting of the Medicaid Advisory Committee is scheduled for May 15, 2009. The meeting will be held via videoconference from 10 a.m. to 12 p.m. Those attending in Springfield will meet at 201 South Grand Avenue East, 3rd floor Video-conference Room B. Those attending in Chicago will meet at 401 South Clinton, 7th floor Video-conference Room.

The following meeting material has been posted to the department's Web site: the agenda for the May 15, 2009 meeting; a copy of the response received from Senator Richard Durbin on increased FMAP for Illinois, and; the draft minutes/attachments from the March 20, 2009 meeting.

The current 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/index.html>

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 217-782-2570.

MEDICAID ADVISORY COMMITTEE

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

May 15, 2009
10 a.m. - 12 p.m.

AGENDA

- I. Call to Order
- II. Introductions
- III. Review of March 20, 2009 Meeting Minutes
- IV. Administrator's Report
 - 2009 Legislative Session Update
 - ARRA Update
- V. Old Business
 - All Kids Update
 - PCCM Update
 - DM Update
 - Medicare Part D Update
 - Senator Durbin's Response FMAP Increase
- VI. New Business
 - PCCM – Report of Quality Measures
 - Open to Committee
- VII. Subcommittee Reports
 - Long Term Care (LTC) Subcommittee – No Report
 - Public Education Subcommittee – No report
 - Pharmacy Subcommittee – No Report
- VIII. Adjournment

RICHARD J. DURBIN
ILLINOIS

COMMITTEE ON APPROPRIATIONS

COMMITTEE ON THE JUDICIARY

COMMITTEE ON RULES
AND ADMINISTRATION

ASSISTANT MAJORITY
LEADER

United States Senate
Washington, DC 20510-1504

March 16, 2009

309 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1304
(202) 224-2152
TTY (202) 224-8180

230 SOUTH DEARBORN, 38TH FLOOR
CHICAGO, IL 60604
(312) 353-4952

525 SOUTH EIGHTH STREET
SPRINGFIELD, IL 62703
(217) 492-4062

701 NORTH COURT STREET
MARION, IL 62959
(618) 998-8812

durbin.senate.gov

Eli Pick
Chairman
Illinois Medicaid Advisory Committee
201 South Grand Avenue East
Springfield, IL 62763-0002

Dear Eli Pick:

Thank you for contacting me about Medicaid funding in the economic stimulus bill. I appreciate hearing from you.

For many low-income Americans, Medicaid is the only source of health insurance. More than 50 million Americans, including 1.5 million in Illinois, rely on Medicaid for basic medical care, immunizations, prescription drugs, and necessary hospital care.

States are facing significant budget shortfalls. I have heard from many Illinois health care facilities that are struggling to provide care for Illinois' most vulnerable populations. I believe Medicaid hospitals are a vital part of our health care safety net. They deserve the assurance that they will be reimbursed promptly, fairly and adequately.

Congress took action to help states avoid or reduce Medicaid cuts in the economic stimulus bill that was passed in February 2009. The new law will bring \$2.9 billion, over two years, in additional Medicaid funding, to the state of Illinois.

Medicaid provides many valuable services to needy Americans, but many doctors, hospitals, and nursing homes are not reimbursed at rates that fully reflect the true cost of providing care. It is my hope that this federal action will help the state avoid further cuts or budget shortfalls will compromise the ability of health care providers, including hospitals and nursing homes, to continue to serve Medicaid beneficiaries.

I will continue to fight to protect funding for the Medicaid program so that it can keep providing care for the most vulnerable members of our society.

Thank you again for sharing your concerns. Please feel free to keep in touch.

3/16/2009

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Sincerely,

A handwritten signature in black ink that reads "Dick Durbin". The signature is written in a cursive style with a large, prominent "D" at the beginning.

Richard J. Durbin
United States Senator

RJD/ns

**Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
March 20, 2009**

401 S. Clinton Street, Chicago, Illinois
201 S. Grand Avenue East, Springfield, Illinois

Members Present

Eli Pick, Chairman
Robert Anselmo, R.Ph.
Mary Driscoll, DPH
Kathy Chan for Robyn Gabel, IMCHC
Susan Hayes Gordon
John Shlofrock, Barton Mgt.
Karen Moredock, DCFS

Members Absent

Pedro A. Poma, M.D.
Kim Mitroka, Christopher Rural Health
Neil Winston, M.D.
Myrtis Sullivan, DHS
Richard Perry, D.D.S.

HFS Staff

James Parker
Jacquetta Ellinger
Lynne Thomas
Deborah Saunders
Kelly Cunningham
Barb Ginder
Gina Swehla
Amy Wallace
Jamie Tripp
James Monk

Interested Parties

Michael Lafond, Abbott
Mara Siler-Price, CMS
Kate Tallent, Hemophilia Foundation of Illinois
Mandy Ungrittanon, Quest Diagnostics
Donna Malus, Quest Diagnostics
Roy Pura, Glaxo Smith Kline
Joe Winalski, Biogen Idec
Robin Scott, Chicago Dept of Public Health
Iris Carey, Chicago Dept of Public Health
Joseph Winalski, Biogen Idec
Judy King
Victoria Bigelow, Access to Care
Jennifer Vance, Legal Assistance Foundation
Dana Goheen, Legal Assistance Foundation
Hannah Doherty, Legal Assistance Foundation
Mary Capetillo, Lilly
Mary Davis, Comprehensive Bleeding Disorders Center
Marsha Hurn, Comprehensive Bleeding Disorders Center
Deb Matthews, DSCC
Kathy Bovid, Bristol Myers Squibb
George Hovanec, Consultant
Jason Verbrugghe, Allergan
Kelly Dingle, MedImmune

**Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
March 20, 2009**

I. Call to Order

Chairman Pick called the meeting to order at 10:02 a.m.

II. Introductions

Attendees in Chicago and Springfield introduced themselves.

III. Review of the Minutes

The September 2008, November 2008 and January 2009 minutes were approved.

IV. Administrator's Report

James Parker, Deputy Administrator for Operations, provided the report.

2009 Legislative Session Update

- 1) Mr. Parker stated that the Governor's budget for FY10 has no significant increases or decreases in rates. For FY09 the department has requested a supplemental appropriation. The extra funds will allow the department to pay providers on a 30-day payment cycle through the end of the fiscal year ending on June 30, 2009. The request will require legislative action to approve the supplemental appropriation and short-term borrowing to have enough cash.
- 2) The American Recovery and Reinvestment Act of 2009 (ARRA) requires that the department pay certain providers including hospitals, nursing homes and practitioners 90% of claims within 30 days. This requirement is effective for practitioners February 19, 2009; the date the bill was signed into law and 6/1/09 for nursing homes and hospitals. The department is already paying practitioners within 30 days.

The federal CMS will measure compliance on a daily basis. The department will meet with CMS to discuss the methodology to do this. If a state is out of compliance, it will lose the federal match for that day.

The department's first priority is to pay down outstanding claims to hospitals and nursing homes. The desire then will be to pay the rest of the providers. This may require short-term borrowing to pay claims and in turn draw the matching funds. One of the plans is short-term borrowing to refinance the \$1.4 billion borrowed in December 2008.

Everyone appears to be on board to not lose the federal matching funds. The department has experienced great cooperation from the Comptroller's office.

Mr. Parker reviewed the rate increases for specialty care provided to children that were effective February 2009. In June 2009 these rates will also be applied to services rendered to adults. The department's hope for the long term is to raise as much revenue as needed to fix the reimbursement system. The department is interested in feedback from providers as to where targeted rate increases should go.

**Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
March 20, 2009**

George Hovanec asked what providers are expected to do in light of the fact that increased provider payments are dependent on increases in tax revenue, borrowing and state pension give-backs. Mr. Parker responded that support from providers for the revenue increases needs to be there.

Jacquetta Ellinger, Deputy Administrator for Policy Coordination, stated that cuts in one place often result in increased spending in other areas. She added that anything we can do to put the impact of not increasing revenues in human terms is needed. The department needs support from advocates and legislators to get the message out to support the Governor's budget.

Mr. Parker stated that budget information is on the state website. Comparing a line item from FY10 to FY09 makes it appear that there is a \$500 million drop in FY10. Actually the change reflects the FY09 payment cycle buy-down that is a one-time expense. Ms. Ellinger added another way to understand the difference in spending is that the department will pay 14 months of bills this year to get current but will be able to stay current next year with enough funding to pay 12 months worth of bills.

V. Old Business

- 1) All Kids and FamilyCare update.** Enrollment statistics through January 31, 2009 were provided (Attachments 1 and 2). Lynne Thomas, chief of the Bureau of All Kids, stated that enrollment continues to grow with applications received at about the same level as this time last year. About 65% of applications are received online. Application processing is at 18 days, well within the federal requirement.
- 2) Primary Care Case Management (PCCM) activity (Attachment 3).** Mr. Parker reported that in April, the department would look at how the primary care providers (PCP) did on the patient quality measures established for bonus payments. This information should be available for the next MAC meeting.

Mary Driscoll indicated that at the last meeting she had volunteered to look for available data on how many Chicago children are receiving Medicaid dental services. Ms. Driscoll advised that IDPH would run data on utilization for Chicago children that have had a dental exam and are enrolled in Medicaid. The data would be provided to Deborah Saunders, MAC members and MAC participant, Judy King who had requested the information. Ms. Ellinger was interested in knowing if dental care data for children other than those receiving Medicaid was also available.

- 3) Disease Management (DM).** Mr. Parker stated that the department was about done with the second year reconciliation report. The report documents department savings as a result of patient enrollment in the Disease Management program. Last year's savings were about \$4 million and the expectation is that this year the savings would be about 2½ times that amount.

**Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
March 20, 2009**

Mary Driscoll applauded the increased savings and suggested that the department publish a journal article to share the results with other states.

- 4) **Medicare Part D.** Mr. Parker provided the update. He stated that changes for the new coverage year went fairly smoothly. Also, there is a bill in the legislature to change to Illinois Cares Rx to simplify the program, making it easier for seniors to understand the program and annual change in rates. It looks likely the bill will be passed.

Federal Medicaid Assistance Percentage (FMAP) increase. Mr. Parker provided the report. He stated a letter supporting an increase in FMAP was sent by the MAC committee to Illinois delegates and a response letter from Congresswoman, Jan Schakowsky is included in the meeting handouts (Attachment 4). The FMAP is increased from its current 50.32% to 60.48% for nine federal fiscal quarters, dating back to October 1, 2008. There is a stimulus fact sheet available at <http://recovery.Illinois.gov/>

VI. New Business

Report on Utilization of Dental Care Deborah Saunders, Chief of the Bureau of Maternal & Child Health Promotion, provided the report. She identified that Gina Swehla of her bureau is the dental manager and has a broad background in public health. Ms. Swehla also works with Julie Jansen from the Illinois Department of Public Health.

Ms. Saunders stated that there is a direct correlation between good oral health and improved health outcomes. Ninety Illinois counties complete assessments at provider stations.

The department tries to stimulate the private infrastructure and thereby increase access for children. The department has noted an increase in the percent of children receiving oral exams from about 29% to about 40%. The department spends about \$190 million for dental services each year and has worked to increase the number of dental providers. In 1999, there were about 860 providers compared to 2,100 dental providers today.

The department funds school programs giving preventive health services. Part of the quality improvement strategy during oral exams is to score children for dental needs. The department has found that about 10% of children served have a severe treatment need. A letter is sent to parents identifying the dental needs.

A fluoride varnish treatment program is available to all children under the age of 3. There have been 498 physicians trained to apply varnish. There are 97 physicians providing the service including 13 federally qualified health centers (FQHC).

Doral Dental uses a brochure for targeted outreach. After outreach about 10% of the children come in for services. The department continues to push for increases in access,

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assessment and treatment. Ms. Saunders asked that meeting participants encourage dentists to enroll with the department.

Kathy Chan commented that IMCHC members have noticed improved access especially with Doral Dental and peer assessment and wished to thank Ms. Saunders.

Ms. Saunders added that outreach and recruitment of dentists is done under the Dental Champions program in each area of the state.

Judy King asked if the 2008 annual report, federal CMS form 416, is available.

Ms. Saunders advised that the report is not yet available and also that the form is changing. She added that the form provides data on dental utilization for children ages 2 through 21 years.

Open to Committee

Kathy Chan asked if the department plans to draw down any of the Health Information Exchange (HIE) money.

Mr. Parker advised that the department would be issuing HIE planning grants. He suggested that Ms. Chan contact Laura Zaremba for more information. He added that the department wants to maximize the federal funding available under ARRA 2009. More information is available on the department website at www.hfs.Illinois.gov/hie

Eli Pick commended the state for addressing the revenue gap and recognizing the need to expand the state income tax. He noted that while there are short-term gaps in revenue, HFS and DHS needed to find efficiencies and look for improvements in technology to reduce cost. He identified the electronic Recipient Eligibility Verification (REV) system as a way to reduce the cost in paperwork.

Ms. Ellinger shared that the Health Benefits for Workers with Disabilities (HBWD) program has implemented an expansion effective February 1, 2009. Income eligibility is now at 350% of the federal poverty level. The asset standard is raised to \$25,000 and retirement accounts and medical savings accounts are now considered as exempt assets.

Ms. Ellinger advised that Illinois is 1 of 8 states receiving a Robert Woods Johnson foundation grant to study what states can do to improve children's enrollment and retention in state health plans. The project is directed by the National Academy for State Health Policy (NASHP). Illinois should receive about \$1 million over a 4 year period. The first phase is to analyze current policy through an external assessment team. In the department's application, the MAC's Public Education subcommittee was identified to work through this. If persons are interested in participating, they should let Ms. Ellinger know.

**Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
March 20, 2009**

VII. Subcommittee Reports

Long Term Care (LTC) Kelly Cunningham, Chief of the Bureau of Long Term Care, gave the report. The subcommittee last met on February 20, 2009. At this meeting:

- Jean Summerfield from the Office of the Director provided an update on the “Money Follows the Person” (MFP) federal demonstration project. The goal of the demonstration project is to encourage states to rebalance their long-term care systems as well as create a community transition program geared toward serving longer stay Medicaid residents of nursing facilities. There are new tracking and reporting requirements, as well as enhanced quality management and risk assessment activities, which the Department must comply. The department is working closely with the Illinois Department on Aging and the Illinois Department of Human services (DHS) on MFP implementation.
- Theresa Eagleson, Healthcare and Family Services Medical Director, provided an update on the American Recovery and Reinvestment Act of 2009 stimulus package.
- HFS’ Supportive Living Program currently has 113 supportive living facilities with 9,000 affordable apartments. There are 33 more facilities moving toward certification. The department has just finished soliciting additional facilities and has received 77 applications in targeted areas around the state.
- The next meeting of the Long Term Care Subcommittee is April 17, 2009.

Eli Pick shared that Ballard Healthcare is participating in a federal study looking at post acute care reform. The Post-Acute Care Payment Reform Demonstration includes Acute Care Hospitals and 4 Post Acute Care (PAC) settings. These include Long Term Care Hospitals, Inpatients Rehabilitation Facilities, Skilled Nursing Facilities and Home Health Agencies. The goal of the initiative is to standardize patient assessment information from acute PAC settings and to use the data to guide payment policy in the Medicare program. The project ends on April 30, 2009 and a report will be prepared for Congress. Mr. Pick expects that by 2011 the system for post acute care will see payment reforms initiated.

Public Education Subcommittee. No report for this period.

Pharmacy Subcommittee. No report for this period.

VIII. The meeting was adjourned at 11:05 a.m. The next MAC meeting is scheduled for May 15, 2009.

Medicaid Advisory Committee
March 20, 2009
All Kids Report

Enrollment

- Enrollment data is attached. Enrollment data as of 01/31/09:
 - a. 1,426,339 All Kids Assist (Up to 133% of FPL)
 - b. 74,156 All Kids Rebate, Share, Premium Level 1 (133% to 200% of FPL)
 - c. 71,331 All Kids expansion children

Web-based application capability

We implemented our web-based application statewide on August 11, 2005. Since then, we have received a total 185,546 web apps: 125,075 from the general public and 60,471 from AKAA's.

MAC 03/20/09

	9/30/2008		10/31/2008		11/30/2008		12/31/2008	1/31/2009
	Previous	Current	Previous	Current	Previous	Current	Current	Current
	Numbers	Numbers	Numbers	Numbers	Numbers	Numbers	Numbers	Numbers
Pre-expansion children	1,296,663	1,301,381	1,304,346	1,307,316	1,302,877	1,307,709	1,310,570	1,315,574
All Kids Phase I	104,568	105,030	106,808	107,041	108,459	108,847	109,750	110,825
All Kids Phase II	65,531	65,445	64,666	64,608	64,453	64,329	64,087	64,531
All Kids Phase III	8,269	8,265	8,632	8,627	8,898	8,884	9,141	9,625
All Kids Expansion	68,258	68,432	68,901	68,996	69,408	69,569	70,163	71,331
TOTAL	1,543,289	1,548,553	1,553,353	1,556,588	1,554,095	1,559,338	1,563,711	1,571,886
All Kids Assist	1,401,231	1,406,411	1,411,154	1,414,357	1,411,336	1,416,556	1,420,320	1,426,399
All Kids Rebate, Share, Premium Level 1	73,800	73,710	73,298	73,235	73,351	73,213	73,228	74,156
All Kids Expansion	68,258	68,432	68,901	68,996	69,408	69,569	70,163	71,331
Total	1,543,289	1,548,553	1,553,353	1,556,588	1,554,095	1,559,338	1,563,711	1,571,886

**Statewide Medical Homes and Client Enrollments
for March 1, 2009**

Number of Medical Homes*	Panel Size	Eligible Client Count	Clients Enrolled in IHC	Clients Enrolled in MCO	Total Clients with a Medical Home
5,423	5,352,272	1,865,899	1,611,002	181,422	1,792,424

* FQHC/RHC/ERC Sites are counted as 1 Medical Home

JANICE D. SCHAKOWSKY
9TH DISTRICT, ILLINOIS

COMMITTEE ON ENERGY AND COMMERCE

HOUSE PERMANENT SELECT
COMMITTEE ON INTELLIGENCE

CHIEF DEPUTY WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-1309
January 6, 2009

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820 DAVIS STREET, SUITE 1015
EVANSTON, IL 60201
Telephone: 847-328-3409
Fax: 847-328-3425

Mr. Eli Pick
201 South Grand Ave. East
Springfield, Illinois 62763-0002

Dear Mr. Pick:

Thank you so much for contacting me to ask for my support for providing a temporary increase in federal Medicaid payments in the economic recovery package. I appreciate hearing from you, and I strongly agree with you.

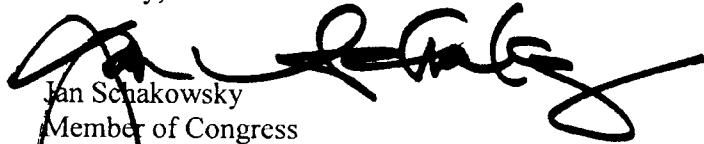
As you know, the downward spiral of our economy coupled with the rapid decline in employer-based coverage makes Medicaid coverage more important than ever in meeting the health and long-term care needs of children, pregnant women, persons with disabilities and senior citizens. I share your view that the federal government must step forward to help Illinois and other states meet those health care needs. Increased Medicaid spending is also important for the economy. As you may know, recent studies show that \$1 invested in Medicaid provides \$3 in economic stimulus. My colleagues and I are working hard to ensure that any economic stimulus legislation that we pass includes a substantial Medicaid assistance to the states, and I am confident that we will be successful in that effort.

I have been a long-time supporter of permanently increasing the Federal Medical Assistance Percentage (FMAP) for Illinois from 50 percent to 55 percent. I hope that the economy will get back on track soon but, without comprehensive reform to make health care affordable, it is almost certain that more workers and businesses will be unable to afford private insurance coverage, increasing the burdens on Medicaid. Without more federal aid, Illinois and other states may be forced to limit eligibility, reduce benefits, or cut payments to providers. Please be assured that I will do whatever I can to provide more federal resources for Medicaid beneficiaries and providers in Illinois.

Mr. Eli Pick
January 6, 2009
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Again, thank you for taking the time to get in touch on this critical issue. Please let me know whenever I may be of any help to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan Schakowsky", written over the printed name and title.

Jan Schakowsky
Member of Congress

P.S. I've created an **Email Newsletter** to provide periodic updates on a variety of issues. You can sign up for it by going to my website at <http://www.house.gov/schakowsky>.