ILLINOIS DEPARTMENT OF Healthcare and Family Services

Pat Quinn, Governor
Barry S. Maram, Director

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MEMORANDUM

DATE: September 11, 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 September 18, 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 September 18, 2009 meeting and the draft minutes/attachments from the July 17, 2009 meeting. The committee, for a lack of quorum, has not reviewed the draft minutes/attachments from the March 20, 2009 and May 15, 2009 meetings. These minutes, which were distributed with the July 17, 2009 meeting material, can be viewed on-line at: http://www.hfs.illinois.gov/mac/news/

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

September 18, 2009
10 a.m. - 12 p.m.

AGENDA

I. Call to Order

II. Introductions

III. Review of March 20, 2009, May 15, 2009 and July 17, 2009 Meeting Minutes

IV. Administrator's Report

V. Old Business
- All Kids Update
- PCCM Update
- DM Update
- Medicare Part D Update
- Follow-up Discussion on FFY2008 Form CMS-416 — EPSDT Report

VI. New Business
- Ethics Training
- Open to Committee

VII. Subcommittee Reports
- Long Term Care (LTC) Subcommittee – Report
- Public Education Subcommittee – No report.
- Pharmacy Subcommittee – No report

VIII. Adjournment

Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
July 17, 2009

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

Members Present
Robyn Gabel, IMCHC
Jill Fraggos, Children's Memorial Hospital
Myrtis Sullivan, DHS
Karen Moredock, DCFS

Members Absent
Eli Pick, Chairman
Robert Anselmo, R.Ph.
John Shlofrock, Barton Mgt.
Pedro A. Poma, M.D.
Kim Mitroka, Christopher Rural Health
Neil Winston, M.D.
Richard Perry, D.D.S.
Mary Driscoll, DPH
Karen Moredock, DCFS

HFS Staff
James Parker
Lynne Thomas
Jamie Tripp
Stephanie Hoover
Barb Ginder
Amy Wallace
James Monk

Interested Parties
Andrea Kovach, Sargent Shriver National Center on Poverty Law
Marsha Hurn, Comprehensive Bleeding Disorders Center
George Hovanec, Consultant
LaGenia Bailey, BMS Medical
Judy King
Jo Ann Spoor, Illinois Hospital Association
Kathy Bovid, Bristol Myers Squibb
Jason Verbrugghe, Allergran
Jeanna Guthrie, EMD Serono
Roy Pura, Glaxo Smith Kline
Robert Vlk, Azur Pharma
Mandy Ungrittanon, Quest Diagnostics
Mary Capetillo, Lilly
Kelly Dingle, MedImmune
Foster Ware III, Schering-Plough
Esther Morales, Harmony Health Plan
Vince Champagne, DCFS
Gerri Clark, DSCC

Illinois Department of Healthcare and Family Services
Medicaid Advisory Committee
July 17, 2009

I. Call to Order

Vice-Chairperson Gabel called the meeting to order at 10:09 a.m.

II. Introductions

Attendees in Chicago and Springfield introduced themselves.

III. Review of the Minutes

The March and May minutes were not reviewed for lack of a quorum.

IV. Administrator's Report

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

1) 2009 Legislative Session Update.

Mr. Parker reported that the Spring legislative session had ended with a general revenue appropriation that allows for timely payments to providers as required under American Recovery and Reinvestment Act of 2009 (ARRA).

A bill was signed in May to appropriate non-general revenue funds from the Child Care Trust Fund, Drug Rebate Fund and Tobacco Fund, as well as the General Revenue Fund line items for providers required by ARRA to be timely paid, at the level requested by the Governor. The rest of the General Revenue Fund line items, with prescription drugs being a big portion, along with other providers and contractors such as Automated Health Systems, McKesson Health Solutions and First Transit, were all put into a lump-sum line item and funded at a 50% level. The Governor vetoed this bill.

The legislators came back last week and passed a lump-sum budget for all the remaining provider lines as well as group health insurance and child support enforcement funded at 50%. In addition, the legislature passed two other lump-sum appropriations of about $1.2 billion and $3.2 billion. These funds are available to the Governor to distribute at his discretion with some limitations.

What was passed in the HFS budget is not enough to cover what was paid last year. A ballpark estimate of the amount of money that HFS needs to keep all providers at a 60-day payment cycle is about $1.2 billion, absent any of the lump sum appropriated to the Governor being allocated to HFS.

There have been various budget cuts proposed. A restructuring of Illinois Cares Rx was proposed with potential savings of $40 million. This could not be done, as it would require a statutory change. The department has determined that changes requiring

statutory amendments cannot be made now. Also, to ensure the enhanced federal match available under ARRA, certain reductions in Title XIX eligibility are off the table.

In response to a question on rate cuts to make up the shortfall, Mr. Parker said that other than drug reimbursement, there has been no discussion of cuts. A pharmacy fee payment cut was discussed, but it is not clear if it will be made.

There has been discussion of savings via managed care with an amount estimated at about $100 million. There has also been some discussion to enhance the department's Disease Management and Primary Care Case Management program.

Robyn Gabel asked that the department share information with MAC members when there is a change in the HFS budget.

The Caro vs. Blagojevich lawsuit was settled and legislation passed to allow FamilyCare coverage to about 4,000 "grandfathered-in" adults above 185% FPL. The department has released all service claims for payment.

2) ARRA Update.
Mr. Parker stated that the department is in compliance with prompt payments to providers as required under ARRA. The department had enough funds from the fiscal year 2009 appropriation to make timely payments.

V. Old Business

1) All Kids and FamilyCare update. Enrollment statistics through May 31, 2009 were provided (Attachments 1 and 2). Lynne Thomas, Chief of the Bureau of All Kids, stated that application processing is at 18 days. The application volume has been steady and enrollment continues to grow.

Ms. Thomas stated that beginning June 30, 2009, the All Kids Unit and the Department of Human Services' Family Community Resource Centers are approving FamilyCare coverage up to 185% of the Federal Poverty Level. Some previously approved higher income FamilyCare cases have been maintained in the All Kids unit. Some higher income parents may have fallen off due to ineligibility, but otherwise these parents remain eligible.

Ms. Gable noted that the HFS website shows medical program enrollment through June 2008 by county. She thanked the department for providing the data. She asked if the enrollment data will be updated and if Cook County data could be broken out by Chicago and other.

Ms. Thomas advised that enrollment data would be updated, but not sure if the county data could be broken down further. Mr. Parker added that MAC members or participants could contact him if there were requests for other data.

2) Primary Care Case Management (PCCM) activity. Mr. Parker provided the report. Meeting participants received a handout showing the number of medical homes and client enrollments statewide as of July 13, 2009 (Attachment 3). There were no questions on the handout.

- The department has amended McKesson Health Solutions contract to add about 8,000 persons to be case-managed. The change is effective July 1st. The department is in the processing of adding these persons to the PCCM program.

- There has been some discussion of auto-assigning a portion of new Medical Program enrollees who do not choose a medical home into Managed Care Organizations (MCO) in counties where MCOs operate. These include Cook, Metro East St. Louis counties and Metro Quad counties. The proposal is to assign "non-choosers" at the level of current MCO market penetration. For example if an MCO has 18% of the market, non-choosers would be assigned to the MCO at that rate. If auto-assignment to MCOs were implemented, the department would change some of the marketing rules for direct enrollment.

  Mr. Parker was fairly confident that such a change would not result in a significant increase in the MCO enrolled numbers as the percentage of non-choosers wouldn't be significant. He stated this idea is being discussed, but a decision has not yet been made.

- There is also discussion of assigning some portion of non dual-eligible, aged, blind or disabled participants to managed care through a Health Maintenance Organization (HMO). The department would look at geographic regions that have the client population to support two HMOs. The HMOs must have the provider network to serve the population. The policy would be to allow participants to voluntarily choose and auto-assign persons that did not make a choice. The department estimates about 150,000 potential participants statewide. It is estimated that an HMO needs about 15 to 20 thousand enrollees to be viable. About 40,000 enrollees would be needed to support two HMOs.

  HFS would be liable for pharmacy benefits for these enrollees. There is some discussion on the federal level to allow states to collect rebates on drugs reimbursed by Medicaid HMOs. If that happens, we could include the cost for the HMO rather than carve out that expense.

- Mr. Parker stated that the PCCM program would begin editing claims to determine if enrollees went to their assigned PCP or to another provider. An edit would be

created if a child or adult went to a provider other than their PCP. There are some edit exceptions as some services such as immunizations; family planning and OB/GYN visits do not require a referral.

A health department staff shared a situation where an enrollee was unable to get an appointment with their PCP and was instead referred to the local health department. Mr. Parker stated this is not appropriate and the department would want to know when this occurs.

Mr. Parker summarized the time frames for initiatives in case management. The McKesson contract amendment to add an additional 8,000 enrollees to a PCP is effective for July 1, 2009.

Putting in a new HMO-PCP program would require a rule change, which would take 150 to 180 days. The department is looking at a possible implementation during the last quarter of this fiscal year. Legislation is not required to implement this change.

It is expected that the PCP/referral edit would be activated on or about September 1st. The rollout would first occur in the Northwest counties region; followed by metro Chicago collar counties, then Cook County; followed by Central counties; and last in the Southern counties. The plan is to roll out the edit in a new region each month. It is anticipated that Cook County may take multiple months to roll out.

The department is taking a number of steps to ease the transition to the PCP/referral edit. PCPs will receive a count of patients affected, if the edit had been turned on including a look at who is on the panel, but not going to the PCP, and where those persons are going for services. This will allow the provider to see actual patients and services.

The department has approved a template letter for PCPs to send to clients advising that they are not going to their assigned PCP and provides instructions on how to change their PCP. The plan is to post the template letter on the website in the near future.

The department will increase the period after a services has been provided in which a referral may be obtained from 14 days to 60 days.

- Mr. Parker stated that the PCP bonus payments were mailed out over the last couple of weeks.

  A handout showing a summary of Illinois Health Connect bonus payments for high performance was reviewed (Attachment 4). The baseline for the bonus was to exceed the previous year's HEDIS measures. For example, if last year's immunization rate was 60%, the PCP would receive a bonus of $25 per child for

each one immunized above the 60% level. Mr. Parker noted that the bonus payments for developmental screenings were relatively high, as there was no HEDIS benchmark for this service. This year's rate of developmental screening would establish the benchmark for next year.

Ms. Gabel asked if the bonuses are a good method to improve health outcomes.

Mr. Parker stated that the bonuses are one method to have doctors change office practices and to ensure specific services are provided. He advised that the department has also discussed a billing change to make well child and sick child visits allowable for payment on the same day. This would likely increase the number of well child services.

3) **Disease Management (DM).** There was nothing additional to report for this period. Ms. Gabel asked if the department was still considering enrollment of high-risk pregnant women. Mr. Parker advised yes.

4) **Medicare Part D.** Mr. Parker provided the update. The department is approaching the period for approval of the 2010 plan design by the federal CMS. The federal guidelines come out in September and the department will review in the fourth quarter. The department is looking at not coordinating with plans that have higher premiums. He noted that about one-third of the cost of the plan is the premium.

VI. New Business

1) **Open Meeting Act Inquiry**
Mr. Parker stated that the department has responded to the letters from the offices of the Illinois Attorney General and Cook County States Attorney. The department is posting meeting agendas timely in a general public area at the meeting sites.

2) **FFY 2008 Form CMS 416 – Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Report**
The report was provided to MAC members and participants as a handout.

There were some questions about interpreting the report. Ms. Gabel asked what percentage of children are receiving EPSDT services. Ms. King and Ms. Gabel are interested in a breakout of data for Chicago from Cook County. Ms. King was also interested in data on children receiving preventive dental services to determine if there is any difference in compliance since the Memisovski lawsuit.
Mr. Parker advised that he would ask Deborah Saunders, Chief of the Bureau of Maternal & Child Health Promotion, to answer questions about the report at the next MAC meeting. He would also check to see if the data could be broken out for Cook. He was concerned that a county indicator might not be used in the data collection.

3) Open to Committee

Ms. Gabel wanted to know if there are any new Medicaid managed care payments.

Mr. Parker stated no, at this time, and advised that he would share any information with the committee. He stated that if anyone is interested in any provider edits, they should let him know before the next meeting in September.

Jill Fraggos suggested with major health care reform being discussed at the federal level, perhaps the department would want to share the discussion with the MAC. Changes in the DSH (Disproportion Share Hospital) payments are on the table and the MAC could look at the impact of these changes on Illinois. It may be useful for providers to "weigh in" or respond to some of the proposed changes for Illinois.

Ms. King asked if the department could provide the group with data on Medicaid patients that are PCCM or DM enrolled and those persons receipt of mental health services. She is interested in baseline data on persons receiving these benefits. Ms. King wants to determine to what extent persons with a primary care provider and getting mental health services are accessing both.

Mr. Parker advised that the DM vendor, McKesson Health Solutions, is responsible for looking at all patient needs and care, including mental health services. The department does have some data, but it is a matter of pulling data together. One concern is that we may not get complete data from providers.

VII. Subcommittee Reports

Long Term Care (LTC) No report for this period.

Public Education Subcommittee. Lynne Thomas reported that the Public Education subcommittee had met and discussed the survey project to better determine the number of uninsured children in Illinois. The department wants to look at rates of insurance for children in Illinois and the number of children with comprehensive coverage.

Another survey piece is to determine HFS health outcomes for children. There is also an interest in determining if there is migration by families in the state to get All Kids for children.

The primary researcher is Dianne Rucinski from the University of Illinois at Chicago. At the meeting, she described methodology for data collection through two survey components. One survey looks at children enrolled in All Kids and another conducts a random digit dial-up survey. The survey results are due by July 2010.The data will be summarized geographically the same as the earlier 2001 survey with regions defined as Cook, collar counties and the remainder of the state.

Ms. Gabel asked if there could be more geographic break out in the study as it makes it easier to plan outreach. She asked if a copy of the last study could be made available, possibly by putting it on the HFS website.

Ms. Thomas advised that she would need to check with Dianne to see if the requested data break out is possible.

Myrtis Sullivan asked for a copy of the new study methodology. She asked if this could be sent to participants or provided at the next meeting.

The next Public Education subcommittee meeting has not been scheduled yet.

Pharmacy Subcommittee. No report for this period.

VIII. The meeting was adjourned at 11:36 a.m. The next MAC meeting is scheduled for September 18, 2009.

Medicaid Advisory Committee
July 17, 2009
All Kids/FamilyCare Report

Enrollment

- Enrollment data is attached. Enrollment data as of 05/31/09:

a.	1,491,824	All Kids Assist (Up to 133% of FPL)
b.	74,905	All Kids Rebate, Share, Premium Level 1 (133% to 200% of FPL)
c.	70,708	All Kids expansion children
d.	6,201	Moms and babies expansion (133% to 200% of FPL)
e.	419,543	Pre-expansion parents (up to approx. 35% of FPL)
f.	187,084	FamilyCare expansion parents

Web-based application capability

We implemented our web-based application statewide on August 11, 2005. Since then, we have received a total 206,623 web apps: 140,250 from the general public and 66,373 from AKAA's.

MAC 07/17/09	2/28/2009		3/31/2009		4/30/2009	5/31/2009
	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Current Numbers	Current Numbers
Pre-expansion children	1,328,680	1,362,995	1,333,282	1,370,284	1,385,906	1,387,943
All Kids Phase I	112,837	113,292	113,696	114,541	102,531	103,881
All Kids Phase II	63,306	63,280	62,993	62,766	67,816	67,719
All Kids Phase III	9,660	9,659	9,868	9,839	6,797	7,186
All Kids Expansion	70,816	70,863	70,923	71,001	69,761	70,708
Moms and Babies Exp	6,632	6,732	6,493	6,681	6,238	6,201
Pre-expansion parents	416,268	418,831	416,787	421,696	421,619	419,543
FamilyCase Phase I	40,002	40,123	40,730	40,933	43,189	43,484
FamilyCare Phase II	46,110	46,385	47,200	47,671	52,721	53,328
FamilyCare Phase III	70,879	71,386	71,997	72,908	68,944	70,187
FamilyCare Phase IV	18,570	18,633	18,109	16,843	16,436	15,924
FamilyCare Phase V				3,612	4,069	4,161
TOTAL	**2,183,760**	**2,222,179**	**2,192,078**	**2,238,775**	**2,246,027**	**2,250,265**

Children	1,585,299	1,620,089	1,590,762	1,628,431	1,632,811	1,637,437
Parents	598,461	602,090	601,316	610,344	613,216	612,828

All Kids Assist	1,441,517	1,476,287	1,446,978	1,484,825	1,488,437	1,491,824
All Kids Rebate, Share, Premium Level 1	72,966	72,939	72,861	72,605	74,613	74,905
All Kids Expansion	70,816	70,863	70,923	71,001	69,761	70,708
Moms and Babies Expansion	6,632	6,732	6,493	6,681	6,238	6,201
Pre-expansion Parents	416,268	418,831	416,787	421,696	421,619	419,543
FamilyCare Parent Expansion	175,561	176,527	178,036	181,967	185,359	187,084
Total	**2,183,760**	**2,222,179**	**2,192,078**	**2,238,775**	**2,246,027**	**2,250,265**

Statewide Medical Homes and Client Enrollments as of July 13, 2009

Number of Medical Homes*	Panel Size	Eligible Client Count	Clients Enrolled in IHC	Clients Enrolled in MCO	Total Clients with a Medical Home
5,442	5,246,981	1,937,098	1,649,695	191,712	1,841,407

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

2008 Illinois Health Connect Bonus Payment for High Performance Program Summary

Program Summary

Of the 4,569 unique providers/sites that could qualify for a bonus, 4,126 qualified (received a bonus) for one or more bonus measurement at one or more sites. This means 90% of all eligible PCPs received a bonus for 2008. In total, 4,433 sites received a bonus. The bonus payment for each qualifying event under the 2008 Bonus Program is $25.00. A total of $2,896,125 was paid to qualifying PCPs/Sites under the 2008 Bonus Program.

All bonus payments were issued by mail to the PCPs payee the week of July 6, 2009. PCPs can access the patient specific detail of their bonus payments via the Illinois Health Connect Provider Portal through HFS'secure MEDI system. Providers can also access the 2008 Bonus Payment for High Performance Program Quality Indicators and benchmarks via the Illinois Health Connect website, at www.illinoishealthconnect.com, under Quality Tools. The 2009 Illinois Health Connect Bonus Payment for High Performance Program benchmarks are also available on this website.

Providers/Sites that Qualify for a Bonus in One or More Quality Indicators		
Provider Type	**Provider Count**	**Site Count**
010 – Physician	3,696	4,003
016 – Nurse Practitioners	22	22
030 – General Hospitals	3	3
040 – FQHC	195	195
043 – ERC	12	12
048 – RHC	193	193
056 – School Based / Linked Health Clinics	5	5
	4,126	**4,433**

Quality Indicator Summary

HFS looked at 362,050 unique clients under all 5 bonus measurements. For these clients there were 197,071 eligible events. Of these eligible events, 115,845 qualified for a bonus.

Bonus Payment Value and the Number of qualifying PCPs/Sites for each Quality Indicator				
Quality Indicator	**Age Group**	**Number of Qualifying Events**	**Total Bonus Payment Value by Indicator ($25.00 per qualifying event)**	**Number of PCPs/Sites receiving a bonus**
Asthma	5-9 yrs	5,856	$146,400	1,498
	10-17 yrs	6,053	$151,325	1,585
	18-56 yrs	6,821	$170,525	1,731
Breast Cancer	42-69 yrs	11,667	$291,675	1,464
DevScreen	By 12 months	27,428	$685,700	1,341
	Between 12 and 24 months	17,697	$442,425	1,141
	Between 24 and 36 months	10,147	$253,675	954
Diabetes	18-65 yrs	10,128	$253,200	1,669
Immunization	By 24 months	20,048	$501,200	1,116
Total Qualifying Events = 115,845			**Total Bonus Value = $2,896,125**	

Bonus Payment Range

Number of Qualifying Events by PCP/Site	**Number of Qualifying PCPs/Sites**	**Range of Bonus Payments**
1,024 - 1,128	3	$25,600 - $28,200
501 – 827	15	$12,525 - $20,675
253 – 471	57	$6,325 - $11,775
100 – 249	170	$2,500 - $6,225
50 – 99	273	$1,250 - $2,475
21 – 49	610	$525 - $1,225
1 – 20	3,305	$25 - $500