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MEMORANDUM

DATE: July 8, 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

The next meeting of the Medicaid Advisory Committee will be on July 15, 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 July 15, 2005 meeting, the draft minutes and attachments from the May 20, 2005 meeting. The meeting material has been sent to the committee members electronically. Interested parties can access the meeting information by going to: <http://www.hfsillinois.com/mac/> or <http://www.hfsillinois.com/mac/news/>

I would like to take this opportunity to mention that effective July 1, 2005 the name of the Department of Public Aid (DPA) was changed to Healthcare and Family Services, HFS for short. You will soon see the new name on forms, letters and the Internet. Until existing form supplies are exhausted, however, we will continue to use materials bearing the former DPA name and logo. Either version of documents should be considered official regardless of the department name they bear. Only our name has changed. HFS's programs, staff, office locations, mailing addresses and phone numbers remain the same as DPA's. We believe our new name more clearly reflects our mission of service to the State of Illinois including providing access to health care for over 2 million Illinoisans. In our work, we deeply appreciate your participation in our programs. We hope this change poses no inconvenience or confusion for you.

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.hfsillinois.com/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

July 15, 2005
10 a.m. - 1 p.m.

AGENDA

- I. Call to Order
- II. Introductions
- III. Review of May 20, 2005 Minutes
- IV. Administrator's Report
- 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

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.

Medicaid Advisory Committee
May 20, 2005
KidCare/FamilyCare Report

Enrollment

- We have around 2,000 pending applications in the KidCare Unit. We are processing clean applications at 3 days.
- Enrollment data is attached. Enrollment data as of 3/31/05:
 - a. 1,031,863 pre-expansion children (up to 100% of FPL)
 - b. 341,640 pre-expansion parents (up to approx. 38% of FPL)
 - c. 6,319 Moms and babies expansion (133% to 200% of FPL)
 - d. 27,674 Phase I (100% to 133%) and 29,189 Phase II expansions (133% - 185% of FPL)
 - e. 4,610 Phase III (over 185% - 200% of FPL)
 - f. 27,674 FamilyCare Phase I (38% - 49% of FPL)
 - g. 29,189 FamilyCare Phase II (49% - 90% of FPL)
 - h. 37,964 FamilyCare Phase III (90% to 133% of FPL)

FamilyCare Expansion

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

Web-based application capability

We started piloting our web-based application yesterday at a KCAA in Champaign. If the pilot is successful, we will then roll out to more KCAA's. We do not yet have an expected completion date for the final roll-out.

Jewel-Osco Promotion

We are still receiving applications as a result of the Jewel-Osco promotion which we are processing. As of 5/19/05 we had received 498 applications. We have approved 303, denied 191 and 4 are pending.

MAC 5/20/05

	9/30/04		10/31/04		11/30/04		12/31/2004		1/31/2005	2/28/2005	3/31/2005
	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Previous Numbers	Current Numbers	Current Numbers	Current Numbers	Current Numbers
Pre-expansion children	1,025,829	1,026,130	1,028,907	1,029,416	1,029,725	1,031,262	1,031,210	1,035,319	1,028,679	1,030,075	1,031,863
KidCare Phase I	52,231	52,249	53,489	53,527	54,470	54,601	55,173	55,574	66,548	67,546	68,423
KidCare Phase II	34,385	34,423	34,457	34,501	35,104	35,149	35,465	35,475	35,734	35,852	35,686
KidCare Phase III	3,444	3,444	3,641	3,641	3,879	3,874	4,110	4,105	4,361	4,503	4,610
Moms and Babies Exp	4,842	4,848	4,872	4,882	4,932	4,963	4,923	5,002	6,314	6,321	6,319
Pre-expansion parents	330,659	330,945	331,077	331,534	332,371	333,436	334,640	337,263	339,971	340,561	341,465
FamilyCase Phase I	26,664	26,679	27,286	27,302	27,392	27,435	26,679	26,806	27,026	27,341	27,674
FamilyCare Phase II	27,372	27,386	27,850	27,869	28,113	28,210	28,266	28,524	28,762	28,871	29,189
FamilyCare Phase III	25,909	25,934	28,805	28,853	30,890	31,034	32,190	32,556	34,670	36,228	37,964
TOTAL	1,531,335	1,532,038	1,540,384	1,541,525	1,546,876	1,549,964	1,552,656	1,560,624	1,572,065	1,577,298	1,583,193