

Members:

Sen. Patricia Miller, Chair
Sen. Robert Meeks
Sen. Joseph Zakas
Sen. Rose Antich
Sen. Samuel Smith, Jr.
Sen. Vi Simpson
Rep. William Bailey
Rep. Charlie Brown
Rep. William Crawford
Rep. Ralph Ayres
Rep. Vaneta Becker
Rep. David Frizzell

LSA Staff:

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Authority: P.L. 130-1998



SELECT JOINT COMMITTEE ON MEDICAID OVERSIGHT

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MEETING MINUTES

Meeting Date: November 23, 1998
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St., Room 125
Meeting City: Indianapolis, Indiana
Meeting Number: 8

Members Present: Sen. Patricia Miller, Chair; Sen. Robert Meeks; Sen. Joseph Zakas; Sen. Rose Antich; Rep. William Bailey; Rep. Charlie Brown; Rep. William Crawford; Rep. Vaneta Becker; Rep. David Frizzell.

Members Absent: Sen. Samuel Smith, Jr.; Sen. Vi Simpson; Rep. Ralph Ayres.

Sen. Patricia Miller, Chair of the Committee, called the meeting to order.

EDS Update

Ms. Mary Simpson, EDS

Ms. Mary Simpson, EDS, updated the Committee on Medicaid claims processing. Ms. Simpson provided the Committee a document¹ containing statistics on (1) claims processing, including percentage of claims paid or denied and the amount paid by week and the average claim adjudication time; (2) suspended claims statistics, including the number of suspended claims and the percent of total claims adjudicated by week; (3) statistics from the EDS Provider Assistance Unit, including the number of phone calls, average hold time, and the average length of call by week; and (4) information regarding "call-backs" by the EDS Provider Assistance Unit, including the number of "call-backs" and the average length of call.

Ms. Simpson updated the Committee regarding the Medicaid Dental Program. She provided the Committee with a document² describing: (1) the dental claims payment history, including the number and percent of dental claims paid, the number and percent of claims denied, and the total amount paid by month; (2) dental claims processing statistics, including the number of claims processed and percent of

¹This document is on file in the Legislative Information Center, Room 230, State House, Indianapolis, Indiana. The telephone number of the Legislative Information Center is (317) 232-9856 and the mailing address is 200 W. Washington St., Suite 301, Indianapolis, Indiana 46204-2789.

²Copies of this document are on file in the Legislative Information Center (See footnote 1).

claims suspended, the number of claims suspended, and the number of claims correction forms by month; and (3) the average number of days from the service date to receipt of claims, the days from receipt to payment, and the average number of days from the service date to payment.

Ms. Simpson also provided the Committee with information³ regarding dental recipients and providers, including the number of enrolled and participating providers and recipients by month, and the number of enrolled and participating dental clinics.

Regarding the Medicaid payments to Clarian Health, Ms. Simpson stated that EDS discussed several issues with Clarian and that EDS provided in excess of \$11 million to Clarian for payment adjustments. She added that there were approximately 500 claims remaining to be processed.

Ms. Simpson, in response to a question from the Committee, described some of the outreach activities EDS was conducting to attract dental providers and to solve problems with providers. She added that, if there were any problems in any counties, EDS would go to any county and conduct a seminar or other outreach activity.

Jennifer Kugar, D.D.S., Dental Director, People's Health Center, Indianapolis, IN

Dr. Jennifer Kugar, Dental Director of the People's Health Center, stated that she would like to see continued improvement in access to dental services for Medicaid recipients. She stated that she was pleased with the strides that had been made, but that the state has further to go.

Dr. Kugar stated that five years ago, Indiana had one of the best Medicaid dental programs in the U.S. with over 2,200 providers participating. Then, in 1994, with the implementation of the Risk-Based Managed Care program, Indiana's dental program began to decline.

Dr. Kugar added that some of the problems that dentists have faced are: (1) poor reimbursement levels; (2) getting claims reimbursed; and (3) getting patients to show up for appointments (approximately 40% don't show up at her site). She also stated that Ms. Kathy Gifford, Assistant Secretary for the Office of Medicaid Policy and Planning (OMPP), has been very good to work with and that Ms. Gifford has been listening to recommendations from the Medicaid Advisory Panel. Dr. Kugar added that the problems with the Medicaid dental program took several years to develop and it will take several years to resolve those problems.

Dr. Kugar stated that, at a recent conference that she attended, individuals from other states were now having the same problems that Indiana experienced. She added that Indiana is now far ahead of some other states. However, she also stated that Indiana still had a major problem in the provider enrollment process and that sometimes it can take from three to six months for a provider to get enrolled in the Medicaid program.

Ms. Kathy Gifford stated that OMPP experienced a difficult enrollment period in May and June but that the state was now making a concerted effort to expedite providers' enrollment.

Concerns were expressed by the Committee regarding what might be done to reduce the problem with Medicaid recipients failing to show up for their appointments.

Ms. Sharon Steadman, OMPP, indicated that a suggestion provided by the Clinical Advisory Committee appeared to be having some success. She suggested that, as soon as there was a missed appointment, an immediate follow up phone call from the provider rescheduling the recipient, was having some success at getting the recipient back and making the next appointment.

Rep. Brown indicated that this was an opportunity for the state to be creative and possibly employ welfare recipients to make those phone calls.

³Copies of this document are on file in the Legislative Information Center (See footnote 1).

OMPP Update

Ms. Kathy Gifford, Assistant Secretary for OMPP

Ms. Kathy Gifford, OMPP, provided the Committee with copies of a press release⁴ (November 18, 1998). The press release indicated that the state would provide Medicaid coverage for a range of smoking cessation efforts. Medicaid reimbursement will be provided for the following services and products: (1) behavior modification counseling; (2) nicotine replacement gum, patches, and inhalers; and (3) drugs such as Zyban, which the U.S. Food and Drug Administration has approved for reducing nicotine cravings.

Ms. Gifford stated that, not only would Medicaid recipients benefit from smoking cessation, the state would realize a fiscal savings in the future due to reduced Medicaid expenditures for medical costs. She estimated additional costs in the first year of \$4.5 million (\$1.7 million in state dollars). However, after three years, she predicted savings of \$7.7 million (\$2.8 million in state dollars).

Sen. Meeks asked whether hypnosis would be reimbursable under Medicaid. Ms. Gifford stated that she did not know at this time whether hypnosis would be included as a counseling activity.

Issue of Reimbursement for the Visiting Nurses Association of Southwest Indiana

Ms. Lisa Benjamin, Visiting Nurses Association (VNA), Evansville, IN

Ms. Lisa Benjamin, VNA, explained to the Committee that VNA had received advance payments of \$25,530, but since had received no reimbursement. She added that other funding sources have been subsidizing Medicaid and that, in 1999, VNA would be in a position of having to lay off 18 people. She also stated that there are other health providers in the Southern Region who were experiencing similar problems in receiving Medicaid reimbursement.

Mr. Ken Kubisty, Director of Administration for Government Programs, Maxicare Indiana, Inc.

Mr. Ken Kubisty, Maxicare Indiana, provided background information on the origins of the problem (detailed in previous minutes for this Committee). Mr. Kubisty and representatives of Option Care stated that all reimbursements should be paid within the week and this would make everything current to July 1, 1998.

In explaining the time frames the providers and subcontractors work with, Mr. Ron Ferguson, Option Care, explained that Option Care forwards claims to MaxiCare within three business days. MaxiCare, in turn, responds to Option Care within 30 days. Then, Option Care reimburses its providers within another seven days. During this time period, there is no interest earned by any of the companies.

Committee members questioned whether OMPP would be evaluating the business and contracting arrangements for the Risk-Based Managed Care organizations. Ms. Gifford responded that there perhaps needs to be an evaluation over how and what contingency planning is done to prevent or handle these kinds of situations.

Sen. Miller stated that this was intended to be the final meeting of this Committee for this year. However, if this problem is not resolved by December 1, the VNA should contact Rep. Vaneta Becker who should, in turn, contact Sen. Miller and another meeting can be held.

Medicaid Reimbursement of Federally Qualified Health Centers (FQHCs)

Ms. Felice Vargo, Associate Director, Indiana Primary Health Care Association (IPHCA)

⁴Copies of this document are on file in the Legislative Information Center (See footnote 1).

Ms. Felice Vargo, IPHCA, provided the Committee with documents⁵ describing the estimated Medicaid payments to FQHCs, the phase out schedule for payment rates, the Medicaid dollars involved if the phase out is implemented, the types of services provided by FQHCs, and a Health Care Financing Administration transmittal to state Medicaid directors clarifying that federal financial participation would be available up to 100% of the allowable costs of an FQHC. Ms. Vargo added that there are currently seven FQHCs operating in the state at 17 different sites.

Consideration of PD 3822

A preliminary draft of legislation, PD 3822⁶, was prepared for the Committee's consideration. PD 3822 would require the state to reimburse FQHCs at 100% of their reasonable costs.

Sen. Miller asked LSA staff what the fiscal impact of the legislation would be. Staff responded that prior to the passage of the Balanced Budget Act of 1997, states were required to reimburse FQHCs at 100% of their allowable costs. The Balanced Budget Act of 1997 permits states to reduce the rate of reimbursement according to a specified schedule (95% in FY2000; 90% in FY2001; 85% in FY2002; and 70% in FY2003). Since OMPP has not indicated what the state's future action would be, the fiscal impact of the bill to the state would be that the bill would prevent the state from reducing Medicaid expenditures on services provided by FQHCs. A memo⁷ prepared by LSA staff describing the fiscal impact was provided to the Committee.

After a motion was properly moved and seconded, a roll call vote was taken to recommend PD 3822 to the General Assembly. The roll call vote resulted in 5 yeas and 4 nays. However, the affirmative vote was short of the required seven necessary to qualify as an official Committee recommendation.

Traumatic Brain Injury Waiver

PD 3828⁸ was presented to the Committee. PD 3828 would require OMPP to seek a home and community-based waiver for Traumatic Brain Injuries (TBI). A memo⁹ was provided to the Committee by staff providing background information on TBI and on the various waivers operated by 18 other states.

The Committee, by voice vote, proposed that the number of waiver slots to be recommended in the preliminary draft be 200. A motion to recommend PD 3828 with 200 waiver slots was properly moved and seconded. A roll call vote was taken resulting in 9 yeas and no nays to recommend PD 3828 to the General Assembly.

Chiropractic Issue in Northwest Indiana

Mr. Chip Garver, representing the Indiana State Chiropractic Association, indicated that he was available to answer any questions that the Committee might have regarding the chiropractic investigation in Northwest Indiana.

Sen. Miller inquired as to where we were with respect to action from OMPP. Ms. Kathy Gifford explained that the state has taken several actions with respect to imposing some service limitations and clarifying billing practices. She indicated that OMPP would, in the near future, like to discuss medical policy for children's chiropractic services with the two state chiropractic associations.

⁵Copies of this document are on file in the Legislative Information Center (See footnote 1).

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Rep. Charlie Brown indicated that he would appreciate being informed by the state when situations like this arise in a legislator's district.

There being no further business, the meeting was adjourned.