Medical Care Advisory Committee (MCAC)
February 1, 2008
9 a. m. Noon Teleconference

Present: Deb Kiley, NP; Gary Givens, R.Ph.; David Alexander, MD; Tracy Charles-Smith; Marie Darlin; & Sally Bowers. Jerry Fuller joined the meeting @ 10:00 a.m. & John Bringhurst joined the meeting @ 10:20 a. m.

Meeting was called to order @ 9:05 by Deb Kiley, NP, Chair

The agenda was reviewed and approved with additional items were added:

1. Dave Alexander, MD offered concerns about information recently received indicating Providence Hospital will be discontinuing their Nurse Help line that serves as a triage for patients needing help after hours.
2. Dave also noted that a couple providers recently mentioned to him that Medicaid is not adequately reimburse the cost for Bicillin injectable. The providers are paying $47 and Medicaid is reimbursing $35.

Minutes Approved:
Marie Darlin moved and Tracy Charles-Smith seconded. Passed unanimously.

Announcements:
Deb Kiley, NP noted that MCAC needs to seriously consider recruitment of new members.

1. The dentist representative position is vacant with the resignation of Todd Wortham, DDS.
2. In addition, MCAC will need to replace 2 esteemed members whose terms expire early this Spring.
   - Gary Givens, R. Ph. MCAC's pharmacist representative who has devoted 9 years of expertise to the MCAC will complete his term in early this Spring (March). He has represented the pharmacist position on the committee.
   - Dave Alexander, MD (pediatrician) has also devoted 9 years of his expertise to the Committee and will be leaving this Spring (May).
3. In addition MCAC has a consumer advocate position open.

Public Comment:
Opened at 9:30 A.M. None given. Public comment was closed at 10:00 A. M.

Old/New Business:

- **Medical Director Report, Jerry Fuller**
  - Federal side – There is a report in the Washington Post this morning – President Bush will seek a virtual freeze on domestic spending programs while cutting billions of dollars from federal health programs to reach his goal of balancing the budget by 2012. This has the potential to take money from Medicaid. Some programs would be favored. Bush will seek a 19 percent increase in funding for border security and border enforcement. Proposed budget savings would be found in federal health-care entitlements. The growth of such programs would be trimmed by $208 billion over five years, with 82 percent of that, or $170 billion, coming from Medicare. The Medicare savings would come largely from freezes in payments to doctors, hospitals and other care providers, as well as efforts to better align Medicare payments to the cost of service. We will be having a difficult time to keep Medicaid on an even keel. We are looking at $12 billion in Federal savings from current proposed regulations and a potential political nightmare over the next 12 months.

- During the past year, CMS has proposed six regulations relating to cost limits for public providers, payment for graduate medical education, payment for hospital outpatient services, provider taxes, coverage of rehabilitative services, and payments for costs of school administrative and transportation services. These regulations have a potential for a significant negative impact on Medicaid funding. Congress passed a moratorium that blocks CMS from passing the proposed regulations but the moratorium will expire May of this year. However, unless congress takes action, there is reason for concern; since CMS has made the regulations effective the day the moratorium ends, May 25, 2008.
  - Representative Henry Waxman of CA, Chair of the Committee on Oversight and Government Reform has asked CMS to assist the Committee and the public in understanding the state-specific impact of each of the six proposals. This information may be used as a lever to get legislation passed. He has requested a fiscal and client impact analyses, that is, a state-specific analysis of the impact of each of the proposed rules, including an estimate of the expected reduction in federal Medicaid funds to each state over each of the next five years and documentation specific to the development of the federal outlay estimates.
- Another regulation discussed has no direct fiscal impact; but since 1973 HSS has had a department appeals board. When CMS has findings indicating a state did not follow the state plan or there was a federal fund disallowance, the state could appeal to Departmental Appeals Board. The Board was obligated to follow statutes and regulation and CMS was obligated to follow board recommendation. Department Appeals Board (DAB) generally finds in favor of CMS. CMS wants to change the regulation so the DAB must follow all regulations, statutes and *all other CMS guidance on an issue and giving the Secretary the final review and authority for all decisions.* CMS appears to be trying to gain absolute control. The only true appeal or due process remaining for states would be through judicial review, a slow and expensive process.
- Legislature is working at lightning speed to get the budget out in 90 days. Budget process moving very quickly.
- Rates for home care and waiver programs have been frozen for the last 4 years and providers have not had an increase in (Personal Care Attendant) PCA rate (fee for services) for 10 years. The governor's budget has a $24 million placeholder and House HESS will hold a hearing Feb. 8 to hear the department proposal for increases to fee schedules for dental, emergency transport, child care, PCA, etc; but there is no guarantee of what services or fee schedule increases will pass.
- SB160 – a proposal by Senators French, Ellis & Wielecowski is a bill proposing to establish an Alaska health care program to ensure insurance coverage for essential health services for all residents of the state; this would mean expanded coverage. Debate starting to occur. This is a question of whether the State should increase access to health care & if so how it will be done.
- Under SB 61 from last session, ANTHC has new contractors to look at their future service array. Currently there is no significant long term care; one nursing home in Nome. They get 100% federal funds for nursing homes. This was one of the recommendations of Pacific Health Policy Group report.
- We are doing quarterly updates on work that came out of SB 61, Pacific Health Policy Group report looking at what the state is doing to cut costs without cutting services.
  - Looking at a national contractor- new RFP maybe next week.
  - Looking at the CAMA program – ways to pull in Federal funds to either expand or save money.
  - Pioneer Homes - how can we save there. Would money be saved or could we gain Federal funding if there was a waiver expansion.
  - Behavioral Health is looking at the possibility of Medicaid expansion to cover a lot more Alaskans with a Medicaid waiver to cover substance abuse. McDowell report

estimates $750 cost annually related to loss of productivity, automobile accidents, corrections and health care due to substance abuse.

- Governor's budget includes a request for money from the general fund to make up for the change in the Federal Medical Assistance Percentage (FMAP) decrease of 1% and changes due to loss of private proshare.
- SB212 – introduced by Senator Bettye Davis to increase eligibility of Denali Kid Care from 175% to 200 % of poverty level. Governor Palin has not yet taken a position. Federal SCHIP program extension & supplemental funding to take the SCHIP thru 3/2009; the supplemental funding should be sufficient for Alaska to not revert to the lower Medicaid match rate during this time. If SB 212 is passed this change could add about 1100 kids & 400 pregnant moms to Medicaid roles. Jerry thought the fiscal note is about $3 million (actually is $2.2 mil).

Action Item: Jerry will get a copy of the fiscal note.

- SB196 sponsored by Senator Lyda Green would require the Pharmacy Board to establish and maintain a controlled substance prescription data base. Gary indicated this is a good concept. This would include all insurers as well as self pay. This law would help identify and limit the abuse of controlled drugs. Similar law has already been enacted in about 30 states. Medicaid will save money in the long run. An issue arose when state troopers wanted access to the data base; but that will not happen. This is another bill worth watching.
- SB245 & HB337 identical bills – Heard on both sides, expecting amendments. House substitute presented yesterday. Many changes have occurred since the original bills were introduced; however, in summary the bills are dealing with three points:
    1. Establishment of the Alaska Health Care Commission
    2. Establishment of the Alaska Health Care Information Office with the purpose of creating transparency in Alaska health care. This would involve an extensive data base of provider information; and
    3. Repealing the Certificate of Need (CON) – many facilities & hospitals are opposed to this. It is also reported that a coalition of providers are supporting the elimination of CON.
- There is reference to child care facilities within the statutory reference. The bill may need to define the facilities. The fiscal note is $1.2 million- the set up of the Commission, 2-3 positions for the web. Transparency is evolving. What seems like a simple concept will take more to figure it out and how to make it work. In some states pharmacies post the cost of drugs for consumers. Theoretically consumers can shop for the lowest cost. But this brings up a concern that they also need to look at quality of care.
- Marie mentioned that she has been at hearings on both. They both have been heard. The House worked on HB337 yesterday. Commissioner Jackson and Jay Butler presented.

These bills are result of recommendations from the Health Care Strategies Planning Council; although it appears that most of what is in the bill is not what actually came out of the planning council. There has been a lot of discussion and the bills are too fluid at this point to really discuss. MCAC needs to follow this legislation for the impact to the Medicaid Program and its beneficiaries.

The House is currently working on version E. There has been a recommendation to move the CON into a separate bill and move forward with the remainder. All the points in the final version E are not yet available but Marie did note that they did change the membership from 3-6 members but put the CON back in. Much discussion has revolved around the cost to hospitals and providers with regard to creating the data base and reporting required information. They are now talking about a gradual phasing in.

Deb noted that the Commission, as it stands in the proposed bill, includes no providers and no consumers – all state workers. Concern was voiced that if that is the case, the Department may end up making decisions for facilities that have a license. She also noted that the final report from the Health Care Planning Strategies Council appears to be "watered down" i.e. the council emphasized consumers taking ownership of their personal health and that is not well reflected in the final report.

- Mentioned to Rep. Mike Hawker on Finance Subcommittee that governor's budget includes $2.5 million recommendation dealing with disease management. Other states have reported implementing programs but the reports of the costs have basically been all over the page – some costing more than they would be saving. Wyoming has a contractor showing return on investment in about 2 years – $3 for every $1 spent. John Bringhurst expressed interest in receiving additional information about the Wyoming results.

Action Item: Jerry will provide MCAC additional information regarding the Wyoming program.

  - It was noted that disease management needs to be addressed before the disease becomes a disease. Prevention is important.
  - Deb also mentioned the U.S. Food and Drug Administration said that the relatively new anti-smoking drug Chantix seems to be linked to serious psychiatric symptoms. After an analysis of cases of depression, suicidal thoughts and other unusual behavior in patients on the medication, evidence shows a strong association between these symptoms and Chantix which blocks nicotine receptor in the brain. There was discussion about the possibility that perhaps some people who continue to smoke are schizophrenic and that smoking actually may be one way they self medicate.
- Deb mentioned the reports that Jerry provided on the geographical breakdown of Medicaid recipients were very helpful. A request was made to see if they can be broken down even further i.e. to see what is in Bethel; perhaps take it down to zip code or other geographical indicator. Jerry noted the reports he supplied are routine but he would check to see what additional breakdown can be done.
- Deb noted that there appears to be a significant melt down of community mental health centers and mental health services. Anchorage Community Mental Health Center has a 5-6 month wait for an appointment. Individual practices do not have the resources to offer a person who has multiple mental health issues.
- Marie mentioned SB106 which provides for an appropriation $2,337,103 to Department of Health & Social Services to be used as a grant to the Alaska Primary Care Association for Community Health Centers Program -over $960K is for operational costs.

- **Consideration of letter from Commissioner Karleen Jackson, PH.D responding to MCAC meeting request.**
  - **FY 08 calendar and meeting discussion; how to attract more public participation.** Discussion dealing with MCAC and constraints recently placed on the committee due to limited travel for face to face meetings included:
    - MCAC objectives. Members bring diverse experiences that help identify issues of concern dealing with health care in Alaska, especially Medicaid recipients, and determine how to address the issues. Committee members all agreed they feel there was significant progress being made dealing with Medicaid issues e.g. Medicaid travel issues remarkably resolved.
    - Teleconference challenges. Tracy noted and members agreed that it is very difficult to participate in these meetings via teleconference. Tracy is dealing with considerable disruptions related to the challenges she faces in the care of her family

while she attempts to participate in a teleconference. It was also noted that it is very difficult for rural members to participate via teleconference.

- Importance of public comment. Marie noted the importance of the public comment and that the MCAC would get significant public input and comments when visits were made to communities, especially the facilities. Members noted that work was being done even during the travel time and joint meal time as relevant discussions and brainstorming would take place. That is when and where we get the questions and generate discussions to find resolutions. John noted that the meeting at which CHAPs came in and talk was extremely valuable. It was suggested that the Committee pick a group for each of our teleconferences and push for public input. The role of the staff person is very important to get the word out to the public.
- Concern over cost of MCAC activities. Members noted that the money spent for Committee members to do our job is very minor relative to the potential for saving Medicaid monies as a result of Committee findings and recommendations. Members also noted that they recognize that there are many boards/committees with costs that need to be considered and monitored. Deb voiced concern of Medicaid dollars wasted on extensive paper associated with the report from the Drug Utilization and Review Committee (DUR) that routinely mails out reams of paper that is too cumbersome for providers to read which renders the information meaningless.
- Recent decline in attendance. Concern was voiced that less member participation may be related to a perception of decreased productivity related to the change to teleconference meetings rather than face to face in communities where discussions take place with the public/consumers. MCAC members need to feel their valuable time is productive and they are seeing results. Deb noted that one of main goals is to improve the quality of Medicaid. This is important work but if members don't feel they can affect change, they do not want to waste their time in meetings. Dave noted that his predecessor questioned him when he expressed interest in being an MCAC member and indicated MCAC was a useless committee. He recalled at that time, 9 years ago a letter from the committee to the commissioner and strategies recommended by an outside consultant with the result being an effective and productive committee. At this point we need to look at what we have been successful at and ensure the Commissioner is kept informed of the Committee activities and results.
- Commissioner Jackson's comment: Marie Darlin mentioned her recent meeting with Commissioner Jackson noting the Commissioner alluded to the fact that as she and the legislators consider recommendations recently made by the Health Care Strategies Council things might change quite a bit.
- MCAC recognizes that Commissioner Jackson needs substantiation of the benefits of MCAC to defend the Committee. When the Committee does travel we need to show that we are making improvements. The Committee needs to provide evidence that we are effective. Being successful in getting the word out about the Committee's presence is critical to ensuring public involvement.

➢ **Schedule for Homer meeting May 1-3; facilities/programs of interest to visit.** Tasks to complete:

- Flyer to key players. We want them to identify what the issues are regarding Medicaid; Medicaid patients in Homer and adjacent communities; where do they get their care?
- Newspaper ad - money in the budget can be used.
- Agenda- need to start looking at budget year 2010 to develop recommendations.
- Identify facilities. We want to be sure to be effective and see results from our meetings while we are in Homer. We should consider consumers; medical

professionals, facilities e.g. hospital (Tour); any other medical facility; Russian community 30-40 miles out; pharmacist; women's & children shelter; (AWAIC, domestic violence); tribal clinic; mental health clinic; special needs kids; seniors; dental community contact; and perhaps the university. We may want to focus on access to care since we know there are transportation issues, especially getting specialized care and travel to Anchorage. The Committee should work with Homer district office of public assistance to be sure to get information to the manager to let people know. Also we should notify agencies and programs associated with senior services, behavioral health; Office of Children's Services to assist in identifying issues regarding Medicaid services for their care & custody and encourage them to participate. When we set up tours to visit facilities we need to be sure to schedule adequate time to talk.

- Potential visit to Seldovia; however, people likely get all their health care in Homer.
- Our goal is to get the best picture of how Medicaid is doing from the community perspective; i.e. what the community sees as issues with Medicaid, both good and bad in the Program. We need to develop a framework for outreach to the community to increase participation including getting people to call in since this is how we can gauge our success. Public participation will make the visit successful.
- Marie mentioned that she will be attending the Commission on Aging meeting and will make them aware that we need more public input.
- It was noted that the South Peninsula Hospital is embroiled in the CON issue.
- Flight arrangements: Fly down Thursday night – meet Thursday evening and then start with breakfast meeting Friday morning. There are generally is 1-2 flights/day. Need to arrange travel Saturday afternoon that will enable SE and Fairbanks members to still get home that evening.
- Accommodations: Hotel with meeting room (preferably free) and a restaurant for breakfast meeting. Check with Best Western, Badarka and Lands End.

Action Item: Sally will get the schedule and post to all MCAC members.

- **Discussion regarding potential new committee members to fill current/impending vacant positions: focus on recruiting rural community members.**
  - Members are considering these vacancies. Dave mentioned there is a person from Nome who may be interested in applying for the physician representative. He also put the information in the Pediatric newsletter; nobody in the bush replied. Dave noted he feels pediatricians are an important specialty for the MCAC. Gary mentioned he has brought the pharmacist vacancy to the attention of the Pharmacy Association which meets this week. They will bring it before their Board for consideration. Members noted the importance of recruiting members from the rural areas, ensuring native community representation and diversity. Deb encouraged members to think of creative ways to encourage medical professionals to consider working on the MCAC, noting the importance of the committee and the impact it can have on Alaska's Medicaid program. Deb noted that a family practice provider also would offer strong representation. She had an experience with a local physician who was on the Health Care Strategies Council and thinks she is another name for consideration. Also mentioned was the Lewin report that showed issues related to geriatrics and perhaps a provider with that specialty could be considered. Tracy noted that she will also work on recruitment of a consumer and perhaps a contact from Andrew Isaac Health Center.

Action Item: Sally will review the attendance for the past year to evaluate member participation as well as public comment and determine a % of change in attendance.

- **Discussion of SB 245 and HB 337** (Identical Bills) – **see above under Director's Report**

- **Patients moving to Alaska to take advantage of Medicaid benefits.**
  Deb reported this was an issue that she brought to the agenda. She has had patients tell about an "underground internet blog" that seems to be more prevalent in Texas and Oregon. This is of concern after hearing from her patients that they can find information about states that have better Medicaid benefits. Many of them are mental health patients who need a great deal of care, especially pharmaceuticals & mental health treatments.

  The question was raised if we could we require a 1 year residency. Jerry responded that that would be not possible with the way the Medicaid regulations are written. The way it is right now a person can get off the plane & say they are going to stay and they are considered a resident.

- **Consumer Issues:**
  - Tracy noted that she is swamped with paper work related to reviews for her son Rory. In May there was ICAP & TEFRA review. In December Rory had the medical review. They had to go over all his medical records. In order to qualify, they have to re-evaluate autism every 3 years. There was an appointment in Anchorage with Dr.Brennan, but also had to have a visit to psychologist that is not paid by Medicaid. She has $420 bill and a recommendation that Rory receive ongoing psychology services. Psychologist services are not paid by Medicaid unless employed by psychiatrist.
  - Marie mentioned the introduction of HB324 and SB231 which deal with homelessness. They are trying to create a trust fund and council to address homelessness. Mental Health Trust will kick in $2.5 million; $2.5 general fund and Rasmussen foundation will also provide funding to operate housing for homeless. There was a study that followed homeless that showed that they actually cost the state a lot of money and that the state is going to pay one way or another. This may not be directly related to Medicaid.

Agenda item added:

- Dave Alexander noted that he learned just last evening that Providence Hospital is reportedly going to close their triage nurse system next month. Doctors have been paying for the system in which patients are able to call in if they have medical issues after hours and they get advice on situations that need attention. The system works great; doctors love it, patients love it. However, hospital administration had been recently warned by its legal counsel that they are putting themselves at risk of being sued with such a system, so they have decided to close it completely. Concerns include:
  - If they close, it the patients will have to call their doctor and in all likelihood will be sent to the emergency room. This could result in a significant increase in Medicaid spending related to increased ER care. This is a grave concern because of the impact that it potentially has on the providers, patients, ER and Medicaid dollars.
  - May need to have some support that it is worthwhile
- Dave also noted that a couple providers recently mentioned to him that Medicaid is not adequately reimbursing the cost for Bicillin injectable. The providers are paying $47 and Medicaid is reimbursing $35. He indicated that we need to ensure that Medicaid is a system where doctors who are not getting paid for the cost of their services are able to find a way they can get an increase.
  - Jerry noted that it could be a problem with the way it is being billed. There may be a problem with the coding since the Bicillin is billed with a J code. He suggested contacting Dave Campana or Ed Bako the HCS pharmacists and advise them of the problem.

Action Item: Dave will research additional information from the doctors who informed him of the billing issue. He will provide the information to Sally who will notify Dave and Ed to see if they can resolve the issue.

- **Medicaid issues discussed:**
  - Deb mentioned that she recently has sent an email to Ed Bako, R. Ph., a pharmacist who works in HCS, regarding Drug Utilization Report (DUR) packet which is a profile regarding Medicaid drug use after the drugs are dispensed. She noted the report is a large stack of papers that is way too much paper, takes too long to read, and does not contain enough helpful information. The report is supposed to be informational to the provider, but the way Medicaid is doing it, the report is too cumbersome. Other insurance companies, such as Aetna, also provide reports that can be read in about 3 minutes. Jerry recommended that in communication with Ed, Deb suggest Medicaid could consider using the Aetna report as a possible model.
  - Tamper resistant prescriptions – Gary received notice from CMS this morning that they are still looking at April 1st deadline to initiate the tamper resistant prescriptions.
  - New requirements from DEA regarding tamper resistant paper and electronic transmission has caused considerable concerns even with trying to send prescriptions for schedule 3, 4 electronically. It was mentioned that Fred Myers will not take fax or electronic prescriptions. Patients need to come in to pick up a written prescription.

Action Item: Sally will advise Dave Campana, R. Ph., HCS to determine if he is aware of the issue of Fred Myers not accepting the fax and electronic prescriptions and how it can be resolved.

  - The question was raised if Medicaid has looked at what it costs providers to provide the care. Jerry noted that in most states for dental providers they consider 65-70 % goes into the operating costs but in Alaska they figure 70-75 % fixed costs. Medicaid is reviewed and they try to keep on top of things so that they ensure the payment is adequate. This has been a real problem especially for dentists who basically see Medicaid patients out of the goodness of their heart. This is why most dentists are not Medicaid providers. Concern was voiced that if providers are not paid enough to cover their fixed costs, they cannot absorb too much and will refuse to provide services. This has been an issue with Medicare; doctors could not afford see Medicare patients.
  - Deb Kiley noted that MCAC may want to do additional research and have a discussion about Medicaid payments that do not meet the cost for services e.g. the issue noted by Dave dealing with Bicillin claims.
  - Concern that if the cost of the services is more that the reimbursement – providers cannot afford to participate in Medicaid. Alaska may loose providers.
    - What are the options for the provider if they cannot afford to do the service?
    - What is the best process to address this situation?
    - How are you going to fix it?
  - Deb suggested MCAC ask Dave Campana for an analysis of the top 50 most commonly drugs prescribed from a provider's office. HCS/Medicaid knows what they pay and should be able to get the cost. As a committee, we would like to know what they see as the scope of the problem; how widespread is it?

- **Initiate discussion of annual recommendations for the Commissioner's budget consideration**
  - Time did not allow discussion of this item.

- Brief discussion regarding the need for another meeting. Would another day of the week be preferred? Gary noted Mondays are not a good meeting day for him. Fridays work well for Deb. Consensus is to continue with Friday meetings.

Action Item: Sally will schedule another MCAC meeting; preferably on a Friday, mid-to late March.

Next Meetings:
March 14, 2008 9:00 A. M. - noon
May 2-3, 2008 (Travel Thursday May 1) Homer

Meeting adjourned @12:05 P.M.