

**MINUTES**  
**Approved by the Committee**  
**Medicaid Managed Care Task Force**  
**Thursday, August 31, 2023**  
**10:00 A.M.**  
**Room EW42**  
**Boise, Idaho**

Members in attendance: Cochairs Senator Julie VanOrden and Representative John Vander Woude; Senators Mark Harris, Kevin Cook, Glenneda Zuiderveld (via Zoom), and Melissa Wintrow; Representatives Dori Healey, Jordan Redman, Josh Tanner, and Nate Roberts. Non-legislative members in attendance: Juliet Charron and Sara Stover. Legislative Services Office (LSO) staff in attendance: Elizabeth Bowen, Jill Randolph, Alex Williamson, and Grace King.

Note: Presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature's website <https://legislature.idaho.gov/sessioninfo/2023/interim/> and copies of those items are on file at the Legislative Services Office in the State Capitol. Recordings of the meeting may be available under the committee's listing on the website.

Cochair Vander Woude called the meeting to order at 10:03 a.m.; a silent roll call was taken.

### **Opening Remarks**

Cochairs Vander Woude and Van Orden gave opening remarks. **Representative Roberts moved to approve the August 9th, 2023, minutes. Senator Wintrow seconded and the motion passed unanimously by a voice vote.**

### **Our Care Can't Wait, A Disability Perspective**

Christine Pisani, Executive Director of the Idaho Council on Developmental Disabilities (ICDD), provided an overview of the Our Care Can't Wait coalition and its focus on Home and Community Based Services (HCBS). Ms. Pisani also provided a list of considerations for the task force to keep in mind when deciding on any changes to funding Medicaid.

- Senator Cook wondered if there was already a call center in the Division of Medicaid, unlike what Ms. Pisani stated. Ms. Pisani stated that she was unaware of a call center but there was a website to submit complaints. Ms. Charron stated that there was a call center for providers but there was not a call center for participants or family members to submit complaints or inquiries.
- Senator Wintrow asked how the Legislature could work with the Executive branch to meet the needs within Medicaid. Ms. Pisani encouraged providing more funding for staff in the Division of Medicaid. Senator Wintrow asked about the direct care workforce. Ms. Pisani stated that seniors and people with disabilities are unable to receive adequate care because of staffing shortages in the direct care workforce.
- Representative Roberts asked what the average pay rate was for HCBS providers. Ms. Pisani deferred to the next presenter.
- Cochair VanOrden asked if there were enough qualified individuals that would work as HCBS providers if the pay rate was raised. Ms. Pisani responded that an increase in pay and proper training could attract enough HCBS providers to fill the current gap. Cochair VanOrden asked if there were qualified employees to fulfill the staffing needs at the Division of Medicaid. Ms. Pisani

responded that the culture at the Division of Medicaid needs to change to make staff feel more supported which would help retain qualified staff.

- Cochair Vander Woude asked how much money would be needed to fix the problems in the HCBS workforce and Division of Medicaid. Ms. Pisani stated she was unsure what the exact numbers would be and that the Division of Medicaid was best suited to answer how much it needs for staffing. She added that it would take research into HCBS provider rates and other details to find how much money should be spent to fix the workforce shortage. Cochair Vander Woude asked what a livable wage was. Ms. Pisani deferred to the next presenter.

David Lehman, representing the Idaho Association of Community Providers, provided an overview of HCBS providers, the cost-savings of HCBS, and the Office of Performance Evaluations (OPE) recommendations regarding Medicaid. He added that the average starting pay for an HCBS provider was about \$15 per hour and that a livable wage in Idaho equaled about \$58,000 per individual per year.

- Senator Wintrow asked if a Managed Care Organization (MCO) model would fix the current problems within HCBS. Mr. Lehman explained that the current Value Care Organization (VCO) model provides protections to ensure that people were getting proper care and he was unsure that an MCO model would add any benefit. Senator Wintrow wondered how the state could assist with providing care to those with complex medical needs. Mr. Lehman stated that the creation of a career ladder for HCBS providers will help advance providers into positions where they could provide more experienced care to those with complex cases and also provide mixed services that included HCBS and institutions.
- Cochair VanOrden wondered what certifications were required for HCBS providers. Mr. Lehman explained that there was not a certification for basic care, but there were certifications for certain levels of care and there were limits on how many patients a provider can see at one time. Cochair VanOrden commented that a career ladder could be beneficial to avoid turnover in HCBS. Mr. Lehman explained that it was hard to retain those in management positions because starting pay rates had to be raised to the same level as management's in order to attract employees.
- Senator Cook asked why more funding was needed for institutions. Mr. Lehman explained that the capacity of the system was still not matching the current need despite increased funding in recent years.
- Representative Tanner asked why it was more important to increase funding for HCBS rather than for issues such as education. Mr. Lehman explained that the population served by HCBS is a mandatory population under Medicaid and rates need to increase to match the current need. Representative Tanner asked how much of an increase was needed to fit the current demand. Mr. Lehman referred to the OPE report recommendations. Representative Tanner commented that the task force should look into ways to avoid incentivizing able-bodied people who were not working to remain on Medicaid. Mr. Lehman responded that Idaho has historically had low numbers of those on welfare programs.
- Senator Cook asked if there was a reevaluation process to determine who was qualified to continue using HCBS. Ms. Charron explained that there was an annual assessment for those on the HCBS program. Mr. Lehman commented that some programs provided by Medicaid could help people progress off of Medicaid by treating their needs.
- Senator Wintrow commented that rate increases were artificially set and do not mirror market patterns which has put rates behind where they should be. Mr. Lehman agreed and explained that providers struggle to stay afloat because rates do not keep up with market conditions.
- Representative Redman asked how many states with a managed care program have carved in the disability population. Mr. Lehman was unsure. Representative Redman asked how many patients were using the HCBS program. Mr. Lehman referred to the OPE report.

Angela Lindig, Executive Director of Idaho Parents Unlimited, Inc., provided an overview of Idaho Parents Unlimited, Inc. and the Consortium for Idahoans with Disabilities (CID). Ms. Lindig provided the NonEmergency Medical Transportation (NEMT) MCO contract as an example for how CID worked through problems with an MCO.

- Senator Cook asked if NEMT was used for personal transportation. Ms. Lindig explained that NEMT was used to take qualifying patients to medical appointments. Senator Cook asked why the Legislature had to get involved in the problems with the NEMT contract. Ms. Lindig explained that CID worked with the Department of Health and Welfare (DHW) and the Legislature because there was an issue with funding for technology services. Cochair Vander Woude explained that the Legislature had to get involved because the wording in the contract did not allow DHW to hold funds from the MCO.
- Senator Wintrow provided a brief history of her involvement with fixing the issues of the NEMT contract. Senator Wintrow asked what CID had learned about the MCO model. Ms. Lindig explained that the Request For Proposal (RFP) for an MCO contract needs to include language that allows a bidder to answer questions about the services it will provide. Senator Wintrow commented that it was important to study the market before contracting with an MCO.
- Senator Cook asked about the administrative costs under an MCO contract. Ms. Lindig explained that the MCO contract allows up to 20% for administrative costs whereas the DHW's administrative costs were around 2%.
- Cochair Vander Woude commented that it was prudent for the Legislature to get involved with the issues with the NEMT contract and that it was important to hold MCOs accountable when they aren't working. Ms. Lindig commented that CID and other organizations provide oversight over the MCO contracts.

Micheal LeFavor, Executive Director of LIFE, Inc., provided an overview of centers for independent living and considerations about the aged and disabled waiver.

### **Baby Steps: Managed Care, Modest Expectations, and More Medicaid Reforms**

Scott Centorino, Deputy Policy Director at the Foundation for Government Accountability (FGA), presented details on Idaho's current Medicaid program, the advantages and disadvantages of managed care, and examples of Medicaid reform.

- Senator Cook asked why Idaho's current system could not provide generic drugs. Mr. Centorino explained that he meant that the pharmacy benefit was most successful when it could provide generic drugs and he believed that Idaho could do that currently.
- Representative Redman asked which states were managing Medicaid the best and why. Mr. Centorino stated that the states with the most successful managed care programs were successful because they manage their contracts well. Representative Redman asked how adding work requirements had effected Arkansas' and Georgia's Medicaid programs. Mr. Centorino explained that Arkansas had been the only one to add work requirements and there was a significant amount of enrollees who had been disenrolled afterwards. He further explained that Georgia's expansion was contingent on work requirements and the Biden Administration did not appeal the decision by a district court to allow it.
- Representative Roberts asked if it was easier to remove someone from the expansion program when they were given a higher paid job. Mr. Centorino responded yes. Representative Roberts asked about the percentage of able-bodied people in the expansion program in Idaho. Mr. Centorino explained that the percentage of able-bodied people on Medicaid in Idaho included the expansion program and parent caretakers. Representative Roberts asked what the income level was to qualify for the expansion program. Mr. Centorino explained that it was 138% of the federal poverty level. Representative Roberts asked how much that equaled for an individual.

Mr. Centorino was unsure because it depended on household size. Representative Roberts asked who would be responsible for redeterminations under one of the suggested reforms. Mr. Centorino explained that the DHW would be responsible for redeterminations. Representative Roberts asked if it would be cost-effective to add more employees to DHW's staff to handle an increased number of redeterminations. Mr. Centorino responded that it was possible that adding more employees at DHW could produce savings. Representative Roberts asked if the FGA had read through the reports from OPE. Mr. Centorino was familiar with some of the reports but was unsure if he had read them all.

- Senator Wintrow asked if Mr. Centorino had analyzed Idaho's current system. Mr. Centorino explained that he was familiar with the program but didn't want to comment on the program without seeing more data.

The task force recessed for lunch at 12:23 p.m.; Cochair Vander Woude called the meeting back to order at 1:34 p.m.

### **Connecticut's Medicaid Managed Care Report**

William (Gui) Woolston, Director of Medicaid at the Connecticut Department of Social Services, presented details on Connecticut's "managed fee for service" model, Administrative Services Organizations (ASOs), and compared Connecticut's model to an MCO model.

- Representative Redman asked about ASOs. Mr. Woolston explained that ASOs run utilization management, care management, disease management, and customer service. He further explained that ASOs provide most of the work running Medicaid but the state sets policy on Medicaid.
- Senator Cook asked if provider participation decreased when Connecticut switched models. Mr. Woolston explained that some providers had concerns about the rates the state pays. Senator Cook asked what Mr. Woolston would do differently. Mr. Woolston stated that the state had discussed the possibility of outsourcing long term care services.

### **Oklahoma's Medicaid Managed Care Report**

Christina Foss, Deputy Chief of Staff at the Oklahoma Health Care Authority, provided details on Oklahoma's current transition from a fee-for-service model to an MCO model and the program's details.

- Representative Redman asked about capitation rates and withholdings. Ms. Foss stated that the state was working with actuaries to set capitation rates and she anticipated a mid-year adjustment. She further explained that withholdings would start low as the program launches and increase slightly as more data was collected.
- Senator Cook asked how the four years of transition between models had affected providers and program adequacy. Ms. Foss explained that providers had concerns, but their questions have been answered over time. Senator Cook asked what the major changes were between Oklahoma's MCO model from 2005 and the new MCO model. Ms. Foss explained that the earlier MCO model did not have options for plans and there was no statewide network.
- Senator Wintrow asked if Oklahoma's program excluded HCBS. Ms. Foss stated that HCBS was excluded. Senator Wintrow asked what it was like to work with the Legislature on establishing the new program. Ms. Foss explained that there were multiple attempts with passing legislation regarding MCO guardrails, but they worked with stakeholders to strengthen the bill. Senator Wintrow asked about NEMT. Ms. Foss stated that Oklahoma has struggled like other states with NEMT due to workforce shortages, but the state was doing some research as the procurement process starts up again.

- Cochair Vander Woude asked if pharmaceuticals were included in the MCO program. Ms. Foss stated that pharmaceuticals were included and the state had most of the control over deciding which drugs are covered. Cochair Vander Woude asked if it was necessary for the Legislature to be involved in the drafting of the RFP. Ms. Foss explained that the agency drafted the RFP and the Legislature took components of the RFP and put them into law.
- Representative Roberts asked what the highest cost in Oklahoma's Medicaid program was. Ms. Foss stated that it was pharmacy.

### **Texas's Medicaid Managed Care Report**

Emily Zalkovsky, State Medicaid Director at the Texas Health and Human Services Commission, presented details on the Texas MCO program, including the history of the program, positive impacts, and cost savings.

- Senator Wintrow asked what the administrative costs were under the Texas program. Ms. Zalkovsky stated that she would follow up with the exact number.
- Senator Cook asked about performance improvement projects (PIP). Ms. Zalkovsky stated that she would pull an example of a PIP from two years prior and follow up with more details. Senator Cook asked about program oversight. Ms. Zalkovsky explained that the Medicaid Division at the Texas Health and Human Services Commission has dedicated more staff to provide oversight on the health plans.
- Senator Wintrow asked about prevention practices and the dental benefit. Ms. Zalkovsky explained that the Texas program aimed to prioritize preventative care and that the dental benefit was provided to children in the program.
- Ms. Charron asked about the procurement process. Ms. Zalkovsky explained that Texas was currently reprocurring each of its contracts and that she would follow up with more information.
- Senator Cook commented that Texas had previously had problems with its MCOs and that it seemed that the MCOs need significant oversight. Ms. Zalkovsky explained that the chances of finding a problem increases when the level of oversight increases so the division prioritizes oversight in order to address problems as they come.
- Cochair Vander Woude referenced a statistic in Mr. Centorino's presentation that showed Texas as having had one of the highest costs per enrollee in the country. Ms. Zalkovsky stated that she would examine the statistic provided by Mr. Centorino and follow up with more information.
- Ms. Charron provided information on benefit design under the Texas model.

### **Utah's Medicaid Managed Care Report**

Eric Grant, Assistant Division Director for Utah Medicaid, presented on Utah's Accountable Care Organization (ACO) program and provided details on the structure, history, and oversight of the program.

- Ms. Charron asked about the program's budget. Mr. Grant and Nate Checketts, Deputy Director at the Utah Department of Health and Human Services, explained that there was a model the program used to recalculate rates based on the budget pool.
- Senator Cook asked how the Division of Medicaid worked with rural counties under this program. Mr. Grant explained that members in rural counties could opt into a fee-for-service model or the ACO model.
- Cochair Vander Woude asked how much money was in the budget stabilization account for the program. Mr. Checketts stated that there was approximately \$100 million in the account.

### **Discussion**

The task force discussed agenda items for the next meeting.

The meeting was adjourned at 3:34 p.m.