



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

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October 1, 2014

MEMORANDUM

TO: Karen S. Rheuban, M.D.
Chair, Board of Medical Assistance Services

The Honorable Charles J. Colgan
Co-Chairman, Senate Finance Committee

The Honorable Walter A. Stosch
Co-Chairman, Senate Finance Committee

The Honorable S. Chris Jones
Chairman, House Appropriations Committee

Daniel Timberlake
Director, Department of Planning and Budget

FROM: Cynthia B. Jones *Cynthia B Jones*
Director, Virginia Department of Medical Assistance Services

SUBJECT: Report on the Medicaid Physician and Managed Care Liaison Committee

The 2013-14 Appropriations Act, Item 307 MMMM states, "Effective July 1, 2013, the Department of Medical Assistance Services (DMAS) shall establish a Medicaid Physician and Managed Care Liaison Committee..." Attached is the second annual report of the Committee's activities, which is required by October 1 of each year, to the Board of Medical Assistance Services, the Chairmen of the House Appropriations and Senate Finance Committees, and the Department of Planning and Budget.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

CBJ/

Enclosure

pc: The Honorable William A. Hazel, Jr., MD, Secretary of Health and Human Resources

**Department of Medical Assistance Services
Annual Report to the General Assembly**

Report on the Medicaid Physician and Managed Care Liaison Committee

October 2014

The 2013-14 Appropriations Act, Item 307 MMMM states, "Effective July 1, 2013, the Department of Medical Assistance Services (DMAS) shall establish a Medicaid Physician and Managed Care Liaison Committee..." This correspondence will serve as the second annual report of the Committee's activities, which is required by October 1 of each year, to the Board of Medical Assistance Services, the Chairmen of the House Appropriations and Senate Finance Committees, and the Department of Planning and Budget.

The Medicaid Physician and Managed Care Liaison Committee membership is comprised of representatives from the physician organizations specified in the budget language referenced above. It also includes participation by representatives from DMAS' contracted managed care organizations, the Virginia Association of Health Plans, the Virginia Council of Nurse Practitioners, and the Virginia Nurses Association. The current membership roster is enclosed.

The Committee is charged with working with DMAS to:

- Investigate the implementation of quality, cost-effective health care initiatives;
- Remove administrative obstacles to quality, cost-effective patient care;
- Identify means to increase provider participation in the Medicaid program; and
- Address other matters as raised by DMAS or committee members.

The Medicaid Physician and Managed Care Liaison Committee met twice since its inaugural meeting of August 22, 2013, on November 20, 2013, and April 10, 2014. The Committee established three subcommittees which met for the first time during the aforementioned full Committee meeting in November. These workgroups are chaired by members of the full Committee and supported by DMAS staff.

- Workgroup #1 – Investigating Quality, Cost-effective Health Care Solutions;
- Workgroup #2 – Increasing Provider Participation; and
- Workgroup #3 – Removing administrative obstacles to quality, cost-effective patient care.

The majority of the meeting time of the November meeting of the Committee was utilized in breakout sessions by workgroup after a brief update by DMAS Director Cindi Jones on agency activities/initiatives relating to health care reform. As these were their first meetings, the workgroups spent this time identifying initiatives, problems and concerns that they would like to see addressed by the plans and/or DMAS. At the conclusion of the small group meetings, the workgroup chairpersons reported out on their discussions. Among the conclusions reached by the workgroups was the need for:

- A common library of definitions for quality and cost effectiveness;
- Ideas for measures of care coordination for "super-utilizers" of Medicaid managed care;
- A standard complaint resolution process with specific contacts identified;
- Standardization of drug prior authorization and behavioral health referral processes as well as enhanced behavioral health components in medical homes;

- Development of an exportable/searchable database for formularies which improves services, cost, access for providers, members and MCOs; and
- All considerations to include streamlining administrative complexity.

As the Committee meeting drew to a close, Ms. Jones suggested that the workgroups consider meeting on their own separately outside of the full Committee. DMAS staff would be available to assist with the meetings as needed. A recent accomplishment resulting from a subsequent meeting of Workgroup #3 was agreement by its members to establish direct online links to each of the plans' formularies from a central location on the DMAS website (http://www.dmas.virginia.gov/Content_pgs/mco_formularies.aspx). DMAS and the health plans have since established this link and are committed to keeping the formularies up to date.

At the April meeting of the Medicaid Physician and Managed Care Liaison Committee, Ms. Jones provided an update on DMAS activities and explained the current status of the Administration's efforts to close the coverage gap for the uninsured in Virginia. Michael Jurgensen, Senior VP of Health Policy & Planning with the Medical Society of Virginia (MSV) presented the preferred results that MSV members would like to see from the Medicaid Physician and Managed Care Liaison Committee, which included:

- Standardization of prior authorization forms and requests across Medicaid plans;
- Progress in ready availability of real time, accurate enrollment and eligibility verification; and
- Address the complexities in plan switching and difficulties when plans are inconsistent in prior authorization requirements, quality and performance measures, formularies, and tiered medication programs.

Mr. Jurgensen also offered suggestions relating to closing the coverage gap:

- Communicate to physicians that the work of the committee has resulted in removing administrative barriers that keep physicians from participating in the Medicaid program enabling greater access;
- Continue working with the major health care stakeholder organizations, state agencies, business groups, and the administration to expand awareness of the importance of "closing the coverage gap" for Virginia's uninsured and underinsured citizens; and
- Involve MSV leadership and members in the policy and political aspects of closing the gap so that they will be well informed of both the process and progress toward providing new health insurance coverage options.

The seven Medicaid managed care plans (Anthem, Coventry, InTotal, Kaiser, MajestaCare, Optima, and VA Premier) had been tasked with presenting on their efforts at improving administrative efficiencies and responding to the following questions:

- What you perceive as the barriers to reducing the administrative hassles in caring for our patients;
- Recommendations on how to reduce these barriers; i.e., regulatory, legislative;
- What your plan does to maximize administrative efficiencies; and
- Are there areas of the state that are experiencing a shortage in physician participation in MCOs? If so, where? What are the types of physicians or specialists needed?

A wealth of information was provided from among the plans in addressing the aforementioned, which included numerous graphics and explanations of how many of them are using enhanced technology to increase provider access to patient information and treatment options. As a group, the plans are committed to reducing administrative hassles and willing to sit down with the providers and work through

the complexities in good faith toward finding mutually satisfactory solutions. The Committee conducted broad-based discussions about how to improve coordination of care and quality of care while reducing administrative burden. There was agreement that fragmentation leads to administrative and clinical inefficiency, and reducing barriers to the exchange of information between health plans was needed as members go from plan to plan. Privacy regulations are very restrictive and cause a significant administrative burden, especially with children who have mental health issues; however, it was noted that there has been improvement in this area with the addition of Magellan. Further discussion focused on the feasibility of developing common forms (e.g., prior authorization) and review of prior authorization lists with the goal of eliminating the requirement for those that are routinely approved. Finally, some plans acknowledged that they are experiencing physician shortages in southwest Virginia and in particular with physician specialties.

The health care providers on the Committee also were asked to offer their opinions to a series of questions as follows:

- As you are aware, the Commonwealth may take action this year to expand private health insurance options to close the coverage gap for uninsured Virginians.
 - Is your practice, or are members of your association, making preparations to handle the potential increase in the volume of new clients in the event a decision is made to close the gap for the uninsured?
 - Does your practice, or do members of your association, accept referrals from or otherwise work with Federally Qualified Health Centers, free clinics and public health clinics?
- Virginia Medicaid has recently expanded and enhanced its mental health program options.
 - How does your practice, or members of your association, handle a Medicaid patient who presents with a behavioral health issue?
 - How is the co-morbidity handled?
 - How do the health plans support your efforts to deal with these issues?

Several providers indicated hearing about “disconnects” relating to the Community Service Boards (CSB). A recurring question has been whether the CSB is where to go. Access can be a problem, not when the CSB is in urban areas, but when it is in rural areas of the state. It was noted that Virginia seems to be moving to a two-tiered system where those individuals with psychiatric needs are getting placed on waiting lists. There is a need to provide more ease of access. The discussion turned to recruiting and retaining physicians in the Commonwealth and it was said that fewer than half of residents stay in Virginia after completing their training. Loan forgiveness programs are an issue in this regard, but very few are available in Virginia. Only a small percentage of nurse practitioners work in mental health so outreach is needed to increase those numbers. Regarding the increase in volume of new patients, providers indicated there is a push to hire physician extenders to address population growth and this trend would further increase if Virginia expands its Medicaid program. Physician extenders, however, are often difficult for physicians to hire since they are in competition with other states as well as each other. Reimbursement rates also play a part. Depending on how the expansion goes, some of products in the marketplace will have to change as they intentionally have small, restricted networks. The new population will have multiple needs and require care coordination with multiple providers and community supports to maintain wellness.

The meeting concluded with Steve Ford, DMAS Deputy Director for Administration, encouraging Committee members to communicate with agency staff to continue the flow of information to make ongoing efforts useful and also to continue the dialogue outside of the full Committee meetings, which may include follow-up at the work group level.

All of the presentations provided during the aforementioned Committee meetings may be accessed on the DMAS website at http://www.dmas.virginia.gov/Content_pgs/mc-mpmc.aspx. The agendas from the meetings on November 20, 2013, and April 10, 2014, are included with this report.

Medicaid Physician & Managed Care Liaison Committee Members

Organization

Psychiatric Society of Virginia
Medical Society of Virginia
Virginia Medical Group Management Association
InTOTAL
MajestaCare
Virginia Council of Nurse Practitioners
Optima Family Care
Anthem Healthkeepers Plus
Virginia Association of Health Plans
Kaiser Foundation Health Plan of the Mid-Atlantic States
Virginia College Emergency Physicians
Virginia Nurses Association
CoventryCares of Virginia
Virginia Premier Health Plans
Board of Medical Assistance Services
Virginia Academy of Family Physicians
American College of Obstetricians and Gynecologists
American Academy of Pediatrics
American College of Radiology
Virginia Hospital & Healthcare Association

Representative

Adam T. Kaul
Karen Ransone / Arline Bohannon
Bert Wilson
Cheryl Ricciardi
Mark Kilgus / Tom Denberg
Cynthia Fagan
Cynthia Rogers
David Buchsbaum
Laura Lee Viergever
Jody Crane / Douglas Cappiello
Ed Walsh
Frankye Myers
Ira Bloomfield
Renee Miskimmin
Karen Rheuban
Roger A. Hofford
Stephen Bendheim
Ted Abernathy
John Grizzard
Paul Speidell

Medicaid Physician & Managed Care Liaison Committee Meeting

November 20, 2013, from 10:00 AM - Noon in Conference Room 7A/B
600 East Broad St. Richmond, VA 23219

Meeting 2 AGENDA

Dial-In# 1-866-842-5779, Conf. Code - 0961028985, followed by the #

I. Welcome and Introductions	Cindi B. Jones, Director Department of Medical Assistance Services (DMAS)	10:00 am
II. Break Out: Workgroup Sessions <ul style="list-style-type: none"> ➤ Workgroup #1 – Investigating Quality, Cost-effective Health Care Solutions - Conf. Room 7A/B Dial-In# 1-866-842-5779 Conf. Code - 0961028985, followed by the # ➤ Workgroup #2 – Increasing Provider Participation – Conf. Room 7C Dial-In #:1-866-842-5779 Conf. Code - 8047864114, followed by the # ➤ Workgroup #3 – Removing administrative obstacles to quality, cost-effective patient care Conf. Room 7D Dial-In# 1-866-842-5779 Conf. Code – 6657847797, followed by the # 	Committee Members Arline Bohannon (Chair) Carol Stanley (DMAS) Cindy Fagan (Chair) Steve Ford (DMAS) Roger Hofford (Chair) Dan Plain (DMAS)	10:15 am
III. Workgroups Report Out & Discussion	Arline Bohannon (Chair, Workgroup #1) Cindy Fagan (Chair, Workgroup #2) Roger Hofford (Chair, Workgroup #3)	11:00 am
VI. Wrap Up and Next Steps	Cindi B. Jones	11:50 am

Medicaid Physician & Managed Care Liaison Committee Meeting

**April 10, 2014 from 10:00 AM - Noon in Conference Room 7A/B
600 East Broad St. Richmond, VA 23219**

Meeting 3 AGENDA

Dial-In# 1-866-842-5779, Conf. Code - 8047864114, followed by the #

<p>Welcome</p> <ul style="list-style-type: none"> ➤ Update on DMAS Activities ➤ Closing the Coverage Gap 	<p>Cindi B. Jones, Director Department of Medical Assistance Services (DMAS)</p>	<p>10:00 am</p>
<p>II. Health Plans' Presentations on Administrative Efficiencies</p> <p>Focus on:</p> <ol style="list-style-type: none"> 1) What you perceive as the barriers to reducing the administrative hassles in caring for our patients. 2) Recommendations on how to reduce these barriers – regulatory, legislative 3) What your plan does to maximize administrative efficiencies 4) Are there areas of the state that are experiencing a shortage in physician participation in MCOs? If so, where? What are the types of physicians or specialists needed? 	<p>Health Plans</p> <p>Anthem VA Premier Sentara Kaiser MajestaCare Coventry InTotal</p> <p>(7 min. total per plan)</p>	<p>10:10 am</p>
<p>III. Group Discussion</p> <ul style="list-style-type: none"> ➤ As you are aware, the Commonwealth may take action this year to expand private health insurance options to close the coverage gap for uninsured Virginians. Is your practice, or are members of your association, making preparations to handle the potential increase in the volume of new clients in the event a decision is made to close the gap for the uninsured? Does your practice, or do members of your association, accept referrals from or otherwise work with Federally Qualified Health Centers, free clinics and public health clinics? ➤ Virginia Medicaid has recently expanded and enhanced its mental health program options. How does your practice, or members of your association, handle a Medicaid patient who presents with a behavioral health issue? How is the co-morbidity handled? How do the health plans support your efforts to deal with these issues? 	<p>Committee Members</p>	<p>11:00 am</p>
<p>VI. Wrap Up and Next Steps</p>	<p>Cindi B. Jones</p>	<p>11:50 am</p>