

**Medicaid Reform Advisory Council  
Minutes  
November 6, 2008**

**Members Present (7): Senator Don Pederson (Chair), Kathy Campbell (Vice Chair), Gayle-ann Douglas, Linda Ollis, Steve Martin, Cory Shaw, and Pat Snyder.**

**Members Absent (3): Senator Phil Erdman, Mary Lee Fitzsimmons, and Pam Perry.**

The meeting was convened by Senator Pederson at approximately 10:05 a.m. in room 1507 of the Nebraska State Capitol in Lincoln, Nebraska. The agenda for the meeting was approved as presented. Minutes of the October 6, 2008 meeting were approved as amended.

The council conducted a working session to discuss and develop recommendations relating to two draft reports delivered to the council on October 1, 2008 by the Division of Medicaid and Long-Term Care (division) as required by Neb. Rev. Stat. §68-949: (1) the “Draft Medicaid Alternative Benefit Structure Recommendations Report;” and (2) “Recommendations for Medicaid Insurance for Workers with Disabilities (MIWD) Coverage.”

Council members raised concerns about ongoing oversight of Medicaid reform activities after termination of the council in 2010.

Motion was made by Shaw, second by Ollis: That the termination date of the Medicaid Reform Council be extended and the purpose and duties of the council be revised by the Legislature in a manner appropriate to permit the council to continue advising the Department of Health and Human Services and the Legislature on legislative initiatives and other policy matters that are designed to help ensure the ongoing fiscal sustainability of the Nebraska Medicaid program. Voting Yes: Pederson, Campbell, Douglas, Martin, Ollis, Shaw, and Snyder. Voting No: none. Motion carried.

Council members raised questions about the division’s intention to pursue the statewide expansion of Medicaid managed care, either through multiple managed care organizations (MCOs) or utilization of a primary care case management (PCCM) model.

Motion made by Ollis, second by Shaw, as amended by Martin: That the council endorses the proposed movement by the division toward the expansion of Medicaid managed care but urges caution and the further analysis of such expansion, including evaluation of its potential financial impact and restrictions on access to care. The council recognizes evidence of potential savings with the expansion of Medicaid managed care but cautions against overestimating actual savings without further data and experience. Voting Yes: Pederson, Campbell, Douglas, Martin, Ollis, Shaw, and Snyder. Voting No: none. Motion carried.

Motion made by Campbell, second by Martin: That the council concurs with the division’s proposal to utilize a transportation broker for Medicaid non-emergency services, and urges the division to consider all potential networks in the state for the development and provision of such services. Voting Yes: Pederson, Campbell, Douglas, Martin, Ollis, Shaw, and Snyder. Voting No: none. Motion carried.

Council members also raised questions regarding a proposed hospital rate methodology study and disproportionate share hospital (DSH) study by the Division of Medicaid and Long-Term Care (division). Vivianne Chaumont, Director of the division, reported that the contract for the study has been awarded to Navigant. No timeline was given for completion of the study.

Council members raised questions regarding the proposed two-tier payment system for physicians. Ms. Chaumont reported that projected savings originally provided by the division will need to be revised and significantly reduced because of an incorrect methodology utilized by the division in formulating its original projections.

Council members raised questions regarding proposed cost sharing (e.g. the imposition of premiums or co-pays) for children and whether such cost sharing would apply to the Nebraska Children's Health Insurance Program (CHIP), known as "Kid's Connection." Ms. Chaumont reported that cost sharing is only being contemplated for children's services for which eligibility is determined without regard to parental income. Such programs include the so-called "Katie Beckett" program for severely disabled children, and the Medicaid "Aged and Disabled" program.

Council members raised questions regarding the potential impact on providers and the state's economy generally of proposed Medicaid changes and resulting cost and spending reductions. Information provided to the council by the Nebraska Hospital Association indicated that the state could lose approximately \$12.7 million in federal matching funds with implementation of the proposed changes.

Council members raised questions regarding the council's role in reaching out to newly-elected members of the Legislature regarding the state's Medicaid program and the implementation of Medicaid reform, and the need for statutory deadlines to be changed to permit the council to do carry out its statutory duties more effectively. Council members recommended contacting the chair of the Legislature's Health and Human Services Committee to assist in the drafting and introduction of such changes.

There was no other business. There was no public comment. The meeting was adjourned by Senator Pederson at approximately 12:05 p.m.

Minutes prepared by Health and Human Services Committee staff. Minutes are intended to provide only a general summary of council proceedings. A complete transcript of the meeting is available.