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Health and Human Services Committee
August 15, 2011

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SENATOR CAMPBELL: (Recorder malfunction) go ahead and begin this afternoon's session. I'm Senator Kathy Campbell, and I serve as the Chair for the Health and Human Services Committee. If you were here this morning, today has been sort of a two-session on the exchanges that each state will be required to put into place. This morning we heard a presentation from the Department of Insurance, and this afternoon we asked Director Chaumont to visit with us about the Medicaid portion of the federal healthcare act. I'd like to go ahead and have the senators introduce themselves. We have a couple of guests with the committee this afternoon; I very much appreciate both of them joining us. So we will start with my far right. []

SENATOR NORDQUIST: Great. Senator Jeremy Nordquist, District 7, downtown and south Omaha. []

SENATOR BLOOMFIELD: Dave Bloomfield, District 17, northeast Nebraska--Wayne, Thurston, and Dakota counties. []

SENATOR WALLMAN: Senator Norm Wallman, District 30, south of here. []

SENATOR GLOOR: Senator Mike Gloor, District 35, which is most of Grand Island. []

SENATOR CAMPBELL: And I have District 25, which is Lincoln and north Lancaster County. []

MICHELLE CHAFFEE: And I'm Michelle Chaffee, legal counsel to the committee. []

SENATOR MELLO: Heath Mello, District 5, south Omaha and now midtown. []

SENATOR CAMPBELL: Also with us this afternoon is Diane Johnson, who is the clerk

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for the Health and Human Services Committee. And somewhere is Emily, the page. So I don't know what happened to Emily. Okay, she's making some calls. Good. Well, welcome this afternoon to all of you. And welcome, Director, for coming and sharing some information about the Medicaid portion. So I'm just going to turn it over to you. []

VIVIANNE CHAUMONT: Great. Well, thank you. Good afternoon. My name is Vivianne Chaumont; I'm the director of the Division of Medicaid and Long-Term Care. And thanks for inviting me to come present to the committee today about all of the changes--or at least I'll brush over some of the changes that involve the Medicaid program in the accountable care act. And the accountable care act expands Medicaid by three major populations. And the three expansion populations are... []

SENATOR GLOOR: We get reverb. []

SENATOR CAMPBELL: Oh, you're getting an echo. []

VIVIANNE CHAUMONT: Oh, I'm sorry. []

SENATOR NORDQUIST: I don't know if that will help or not. It was echoing. []

VIVIANNE CHAUMONT: Okay. I can't tell. The three major populations are the former foster care children, the adult expansion population I think we've all heard about, and then expanded coverage for children 6 to 19. So let's start with the former foster children; there's a new eligibility category. If a child ages out of foster care--if they are in foster care and they age out of foster care, they will be eligible for Medicaid under the new requirements until they turn 26. And they have to have been in foster care at least six contiguous months before aging out, and they have to have been in foster care when they aged out. There is no income and no resource test for this new population. And there's also no enhanced federal match for this population. They will be served at the regular Medicaid match, which is 60/40--about, currently. So that's the first one. The

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one that gets all the press is the adult expansion population, and that's for nondisabled, childless adults age 20 to 64. This new category will be eligible at 133 percent of the federal poverty level, but I will qualify that in the next slide. According to the 2011 guidelines, 133 percent of the federal poverty level is \$14,484 for an individual, just to give you an idea what kind of income we're talking about. There is no asset test for this population. And then something that's brand new to the Medicaid program: the client's income will be determined by what we kindly call "MAGI." And so let's talk about what MAGI is. MAGI is "modified adjusted gross income." You're all familiar with it if you file income tax returns; it's one of the lines on the 1040. After you make some adjustments, you get to your MAGI; it's based on the federal income tax. And because we will be determining eligibility based on income on your income tax returns, the statute says that we will add 5 percent to take care of disregards. Currently, Medicaid looks at income and then disregards some income, like for child care and for--several other types of income are disregarded. So this 5 percent addition is kind of the...the intent is to make up for that. So, in fact, people are eligible...this class, childless adults--nonaged, nondisabled, childless adults--will be eligible up to 138 percent of the federal poverty level, which is about \$15,000 in 2011. The federal poverty level, as you know, changes--is adjusted every year. So something about the adult expansion population that's different is states do not have to offer the standard Medicaid benefit package. That's all we know about that, is that we don't have to offer the same package. We do know that the benefit package has to include the essential benefits as defined by the federal government. And I think in this morning's session they spoke about the essential benefits and how they haven't been defined as yet. We do know that the essential benefits are going to include substance abuse and mental health benefits, and they will include a drug benefit. So the adult expansion population is going to have enhanced--we're going to have extra money for that additional, new population. And when it comes up, January 1, '14, is when the states will have to cover the new populations. And between 2014-2016 the federal government will foot 100 percent of the cost of the benefits; 2017 they will foot 95 percent of the cost; and as you see, it goes down to 90 percent of the cost in 2020. Any change to that match rate will have to

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be approved by Congress. So we...without congressional action it stays at 90 percent. But it can go to anything after 2020. The federal match for administration--and I just mention that because, you know, we talk about the benefits being at 100 percent, but to manage a whole lot of new people costs administrative dollars. And the administrative cost to the state will stay at the normal 50 percent. So then we have the children expansion population. And I just wanted to tell you currently what we have for kids so that we can contrast it with what it's going to be like for kids. Currently, a child zero to 1--so a newborn to their 1st birthday--are covered at 150 percent of the federal poverty level; 1 to 6 at 133 percent; and 6 to 19 at 100 percent of the federal poverty level. And then, of course, CHIP covers anything up to 200 percent. So if a child is 1 and is at 135 percent of the federal poverty level, instead of being on Medicaid that child will be on CHIP. So effective January 1, 2014, children zero to 1 are eligible to 150 percent, which is the same; 1 to 6 at 133 percent; but kids 6 to 19 will move from 100 percent to 133 percent of the federal poverty level. So because...and, again, CHIP coverage begins where Medicaid coverage ends. And so then the new thing, the really new thing for the children's population, is again that MAGI, modified adjusted gross income, will be used to determine income eligibility. And so with the MAGI being now what determines Medicaid eligibility--as with the adult population, when you have to add that 5 percent addition that the statute requires...and so, basically, you'll have kids zero to 1 at 155 percent of the federal poverty level, 1 to 6 at 138, and 6 to 9 as well at 138 percent. And an important thing is that the costs of kids 6 to 19 between 100 percent and 133 percent, which were previously covered by CHIP, will shift to Medicaid, because the Medicaid expansion has increased. And so the CHIP, as you all know, the CHIP rate is approximately 70/30 in Nebraska, and the Medicaid rate is approximately 60/40. So there will be less CHIP kids and more Medicaid kids. So just to talk about the Children's--the CHIP program, the Children's Health Insurance Program, and what changes and how these changes affect that. Kids between the 100 percent to 133 percent that were previously covered by CHIP will now move to Medicaid at a lower FMAP. The ACA, the accountable care act, increases CHIP federal match, which is currently about 70 percent; it increases it by 23 percent, not to exceed 100 percent. So

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there are some states where adding 23 percent would make it exceed 100 percent, and then they would run a for-profit CHIP program, I suppose. But (laugh) Nebraska's CHIP is at 70 percent, so our CHIP rate will increase to 93 percent. And the status of CHIP is kind of an open thing under the new act. CHIP is a block grant, as you all know. So the states get a certain amount of money, and if you exceed that amount of money--CHIP--there's no more from the federal government. So Nebraska operates its CHIP program as a Medicaid expansion, which means that we treat it like Medicaid. So if we ran out of CHIP money, we would have to continue coverage, and it would be at the Medicaid match. So that's the difference between a block grant...and then Medicaid is an entitlement: the feds, no matter how much it costs, continue to give their 40 percent in this case. So the CHIP grant is funded through 2015. Every so often the Congress has to adopt a bill specific to CHIP, saying that--and putting the money in and funding it. So it's currently funded through 2015; it's currently authorized through 2019. So currently it's authorized through 2019 but only funded till 2015. And I think depending...I think the intent is, depending on how health reform and the ACA work out--will determine whether or not CHIP goes away. There are conditions that the state has to meet in order to get the 100 percent and the decreasing match for the adult population. We can't reduce current eligibility standards for adults until January 1, 2014, and you can't reduce current eligibility standards for kids until January 1, 2019. And it also means that you can't restrict any of the processes that you use to determine eligibility which might result in reduced eligibility. So you can't make any changes to those processes. And it should also be noted that the enhanced federal match applies only for the adult expansion population. It doesn't apply for the expanded kid population; it doesn't apply for the expanded population for adult foster-care kids. So I had to change this slide Friday afternoon, when the feds issued their regs. It used to say the federal government hasn't issued any regs. But I can't say that anymore; here they are, right here; this is them. And so they issued those Friday afternoon. And it'll have information in there regarding the new eligibility categories: how to determine eligibility with the new income guidelines and how to claim the federal match associated with the expansion populations and how to keep track of who's an old-eligible, who's a

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new-eligible. There is a lot of administration that's going to have to happen but still no rules regarding essential benefits. So there's a lot of issues involved with the use of the modified adjusted gross income to determine eligibility. One of the main ones that I can't wait to see what the rules say is that many clients in these income categories do not file income tax returns. So how do you determine their modified adjusted gross income from their 1040 when there isn't a 1040. And by the way, I should mention that pregnant women and caretaker adults will also on January 1, '14, go to use of the MAGI. So all eligibility except for the aged disabled will use modified adjusted gross income. There are a lot of things that your tax return doesn't reflect. The tax return that you file sometime between, you know, January and April 15 doesn't tell anybody how much income you're making right then and there. You might be making more income; you might be making less income. It doesn't tell you what your current family status is. You might have a kid age out, you know, a 20-year-old; you might have a new baby. You might have gotten divorced; you might have gotten married. And it doesn't tell you anything with nontraditional households, so...of which there are plenty. And just to give you an example of what that means is, currently the way Medicaid eligibility is considered, you always look at the responsible--the person that's responsible for the child, financially responsible for that child. And that's the income that you count. Your tax return doesn't have anything to do with financial responsibility. For instance, when I was married to my second husband--and he had, you know, no financial responsibility for my kids, yet we filed a joint tax return. So...and then, you know, because we had three kids and because of the divorce decree, sometimes their dad claimed them, sometimes I claimed them. And, you know, so it was different every year. All of that is in your income tax return but not very helpful about exactly what's happening (laugh) in your family. So I am really anxious to see how CMS is dealing with these issues, including changes in income and--you know, up or down--or changes in your status, or what do we do when somebody doesn't file. So I will have more information once I get through this pile over here. So I just wanted to remind you again, in closing, about the impact on Nebraska. And as you know, we had an actuarial report done in November that said we'd get about 108,000 to 145,000 new-eligibles and an increase in cost over

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ten years of \$458 million to \$690 million. And if these data hold true, in 2014 one in five Nebraskans will be eligible for the Medicaid program. Well, that's all I have. If you have any questions... []

SENATOR CAMPBELL: I'm sure they do. Questions that you'd like to ask? Senator Nordquist. []

SENATOR NORDQUIST: Thank you, Madam Chair. Thank you, Director. Just one--first question is just to clarify. Earlier today we heard that MMIS was eligible for a 90/10 match. I received a letter in November from Director Winterer saying that only the eligibility system, not MMIS, was eligible for the 90/10 federal match. Do you know which is the case? []

VIVIANNE CHAUMONT: Yes. The MMIS is always eligible for 90/10... []

SENATOR NORDQUIST: Okay. []

VIVIANNE CHAUMONT: ...has been always. []

SENATOR NORDQUIST: Okay. []

VIVIANNE CHAUMONT: So the...for DDI--development, design, and implementation. The...what was different about this is that eligibility systems used to be financed at 50/50. []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: And now for a short period of time, there will be 90/10 money to finance the eligibility system, which in Nebraska is N-FOCUS. []

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SENATOR NORDQUIST: Okay, so what would be some of the things that would be covered under a 50/50 administrative match? Just everything outside IT, personnel? []

VIVIANNE CHAUMONT: Well, my staff. []

SENATOR NORDQUIST: Yeah. []

VIVIANNE CHAUMONT: You know, when you add 140,000 clients to a benefit plan, there's a lot of work that needs to happen. And so those administrative costs will all still be at 50/50. The IT costs go to 90/10, and then thereafter they go to 75/25, like the current MMIS, if it's certified by the federal government. []

SENATOR NORDQUIST: Okay. The regs that came out on middle of July made clear that Medicaid agencies could be the house of operation for the exchange. Have you had discussions with DOI? And what are your thoughts? Is that something your department within HHS could take on? []

VIVIANNE CHAUMONT: The exchange? []

SENATOR NORDQUIST: Yeah. []

VIVIANNE CHAUMONT: We have not had those conversations. []

SENATOR NORDQUIST: Okay. Okay. How does our managed-care system--which we're going to statewide...are we statewide now? Is it...? []

VIVIANNE CHAUMONT: Not yet. []

SENATOR NORDQUIST: Okay. []

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VIVIANNE CHAUMONT: July 1, '12. []

SENATOR NORDQUIST: July 1, '12, okay. How does that transition--beginning January 1, 2014--do we have to go through a new round of contracts for the expanded population? []

VIVIANNE CHAUMONT: We would have to have contract amendments for the expanded population and a calculation of rates. Now there's a cost that would be at 50/50. Actuarial rate-setting is very expensive. And so--50/50--those kind of costs would be 50/50 costs. We would need to increase the enrollment center that counsels people on their different options. That's a 50/50 cost, but...planning ahead for that, to have the expanded population go in 2014. []

SENATOR NORDQUIST: Okay. I don't want to take all the questions right now. []

SENATOR CAMPBELL: Other questions that you have? Director, one of the questions--I have a couple of questions. This morning we talked about...and I know that money has been set aside to upgrade the MMIS system, and we were ready to go with a contract, then we decided not. So we do have money appropriated for that, which we could use for the 90/10 split? Would that be accurate? []

VIVIANNE CHAUMONT: We have some money for an MMIS system when we're ready to build it, and MMIS builds are always 90/10. []

SENATOR CAMPBELL: Okay. So won't...this won't come into play, but we will have to build it. Will we have to build it now as we get ready for the exchange? []

VIVIANNE CHAUMONT: No. What we will have to do is change the eligibility system. I mean, there will be changes to MMIS, without a doubt. But the big build, in order to implement the ACA, is to the eligibility system, N-FOCUS. And that used to be 50/50,

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and now for a short period of time it'll be 90/10. []

SENATOR CAMPBELL: Do we have any idea from the consultant yet as to what that cost might be? []

VIVIANNE CHAUMONT: We don't have any consultants working on the N-FOCUS. []

SENATOR CAMPBELL: Oh, we were...I guess, this morning, the IT consultant that they talked about may not be working on the eligibility system. []

VIVIANNE CHAUMONT: They're working on the exchange... []

SENATOR CAMPBELL: Okay. []

VIVIANNE CHAUMONT: ...the consultants. So now that we have rules, we can start looking to see what changes need to be made to the...it's hard to make changes to an eligibility system when you don't have rules on how to do eligibility. So now we can start working on how to change the N-FOCUS system to implement the ACA. And that, N-FOCUS, is a system in the Department of Health and Human Services, and we'll have to cost that out. And then you submit documents to the federal government for approval of your budget and your plan, and then you get 90/10 funding. []

SENATOR CAMPBELL: Okay. Well, as your understanding of the...we heard this morning about the demographics that are being looked at by one of the consultants and--to give some idea of across Nebraska. Will the demographics then update Milliman? []

VIVIANNE CHAUMONT: I don't believe so. I think that what the exchange contractor is doing is looking at the overall Nebraska population to help determine insurance issues related to the exchange and not so much Medicaid. []

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SENATOR CAMPBELL: Okay. So we don't know whether those demographics may change our opinion as to how many people would be eligible or...? []

VIVIANNE CHAUMONT: Oh, it'll be something that we'll look at. []

SENATOR CAMPBELL: In terms of... []

VIVIANNE CHAUMONT: Right. []

SENATOR CAMPBELL: ...knowing what those numbers are, coming into it? []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR CAMPBELL: Okay. Senator Wallman. []

SENATOR WALLMAN: Thank you, Senator Campbell. Thanks for being here, Director. And I'm on the MAGI page a little bit, and income--I know that's going to be tough. But what about our state ICMFRs (sic), you know, and the Mosaics and all that, their reimbursement. They feel under pressure now, I think. Are we going to lower that some more, you think? []

VIVIANNE CHAUMONT: Are we going to reduce rates? []

SENATOR WALLMAN: Yeah. []

VIVIANNE CHAUMONT: I don't know. The Appropriations Committee reduces rates. (Laugh) []

SENATOR WALLMAN: Okay, thank you. (Laugh) []

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SENATOR CAMPBELL: Everybody looks at the end of the table. (Laughter) We didn't invite our guests here to answer those questions, though; they don't have to answer those. Other questions? Senator Gloor. []

SENATOR GLOOR: Thank you, Chairman Campbell. And thanks for being here. Some tight time frames here for implementation. You comfortable with the department's ability to--you know, because there are still a lot of unknowns, I understand that--but are you comfortable with your ability to hit some of the time frames? []

VIVIANNE CHAUMONT: No. I don't know when--a Medicaid director that is comfortable with the time frames. []

SENATOR GLOOR: What's the biggest challenge, single biggest challenge of all the pieces that have to be plugged in here? []

VIVIANNE CHAUMONT: I think the IT challenges are huge. The IT challenges are huge; the network challenges are huge; and the budget challenges, obviously. []

SENATOR GLOOR: Nobody really talked at great length about networks. I mean, I also have a concern about network development. And that didn't come up a lot even with questions this morning. But I'm glad to hear you recognize that as a major stumbling block if we're really going to be accessible to all Nebraskans. I'm not just talking rural-urban either. []

VIVIANNE CHAUMONT: That is an issue for every single Medicaid director as well. I don't know a state that thinks they have enough providers, even the more urban states or the more populated states. []

SENATOR GLOOR: Thank you. []

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SENATOR CAMPBELL: I'm going to go with Senator Mello, and then we'll come back around again. []

SENATOR MELLO: Thank you, Senator Campbell. And thank you, Director Chaumont. This is more of a follow-up, I know, from the session. Under Program 33, I know Director Winterer, when he was in front of the Appropriations Committee, we asked about the \$3 million in General Funds that was to be set aside for healthcare reform implementation; that was a match of about \$7 million. In the explanation, he said that someone would follow up with us some point down the road in regard to the department providing a plan of what the money was going to essentially be spent on, because there really wasn't anything laid out. Is there any information you could share with this committee today in regard to where, at least for the upcoming fiscal year--I know it's only about a month in right now--but for at least the next fiscal year or maybe the next two, where the department sees spending that additional \$10 million? []

VIVIANNE CHAUMONT: Well, I think, in planning and developing the N-FOCUS system to be able to take care of--to handle the new eligibility group and to handle being a no-wrong-door and immediate eligibility through the exchange. []

SENATOR MELLO: Okay. All right. Thank you. []

SENATOR CAMPBELL: Okay, Senator Wallman... []

SENATOR WALLMAN: Thank you, Chairman... []

SENATOR CAMPBELL: ...and then--Senator Nordquist, did you have... []

SENATOR NORDQUIST: Yes. []

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SENATOR CAMPBELL: ...a question too? Okay. []

SENATOR WALLMAN: And another question for you: Don't we have access to federal monies, a grant, to implement this thing--much higher than \$3 million? []

VIVIANNE CHAUMONT: No. []

SENATOR WALLMAN: We don't? []

VIVIANNE CHAUMONT: Medicaid doesn't. []

SENATOR WALLMAN: Okay. []

VIVIANNE CHAUMONT: No. []

SENATOR WALLMAN: Thank you. []

VIVIANNE CHAUMONT: That was all for the exchange. []

SENATOR CAMPBELL: Senator Nordquist. []

SENATOR NORDQUIST: Thank you again. Should we choose to not move forward with a state-based exchange--and I know you've operated in a number of states, you have experience working in multiple states--how do you see a federal exchange interacting with determining Medicaid eligibility? I mean, isn't that a huge hurdle to overcome? []

VIVIANNE CHAUMONT: I think that implementing this statute, no matter who does it... []

SENATOR NORDQUIST: Um-hum. []

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VIVIANNE CHAUMONT: ...is a huge hurdle... []

SENATOR NORDQUIST: Okay. []

VIVIANNE CHAUMONT: ...to overcome. []

SENATOR NORDQUIST: Um-hum. How...I guess, I mean, I guess there aren't any regs out on it yet, but do you see any possibility of, I mean, a state-federal partnership? Or do you anticipate that the federal government would try to do our state's determination on Medicaid? []

VIVIANNE CHAUMONT: Well, those are, really, questions for the Department of Insurance. []

SENATOR NORDQUIST: Okay. []

VIVIANNE CHAUMONT: I can tell you that, for purposes of determining Medicaid eligibility... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...policy, Nebraska will determine... []

SENATOR NORDQUIST: Yeah. []

VIVIANNE CHAUMONT: ...its eligibility policy. []

SENATOR NORDQUIST: Okay. For that population that falls on the borderline and will continue to churn, what do you have--do you have any ideas for how we can address

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that in policy? I know that there's an option of a basic health plan, which I've heard pluses and minuses to. []

VIVIANNE CHAUMONT: You know, it's going to be interesting to see...and I apologize that I can't tell you what this binder says, yet. Because if you're using MAGI to determine eligibility--if you're using your income tax return and you file your income tax return once a year, what does that mean about your determination? Does that mean that once you're determined eligible... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...you stay eligible until your next income tax return? Does it...you know, that may address... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...some of the churn. And it's unclear--it was unclear how the feds... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...meant, you know... []

SENATOR NORDQUIST: Sure. []

VIVIANNE CHAUMONT: ...intended to handle... []

SENATOR NORDQUIST: Sure. []

VIVIANNE CHAUMONT: ...to handle that. []

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SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: So eligibility may be for longer... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...periods of time... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...than it currently is. []

SENATOR NORDQUIST: So potentially the feds could mandate that we go beyond a six-month eligibility determination? []

VIVIANNE CHAUMONT: I don't know if they would necessarily mandate it that way. []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: Potentially they can do anything; they have the checkbook. But with use of an income tax return... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...is it's sort of... []

SENATOR NORDQUIST: Sure. []

VIVIANNE CHAUMONT: ...de facto going to happen that way. []

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SENATOR NORDQUIST: So under--I mean, without reading the regulations, yeah, I know this is kind of presumptuous--but under--using the MAGI system, do you think it potentially would be much simpler administratively to do a 12-month continuous eligibility determination, based on that MAGI? []

VIVIANNE CHAUMONT: Except for the change... []

SENATOR NORDQUIST: Yeah. []

VIVIANNE CHAUMONT: ...the changes... []

SENATOR NORDQUIST: Sure. []

VIVIANNE CHAUMONT: ...you know. So does that mean that you're going to have people who are not eligible... []

SENATOR NORDQUIST: Sure. []

VIVIANNE CHAUMONT: ...continue to be eligible? []

SENATOR NORDQUIST: Sure. Okay. All right. Thank you. []

SENATOR CAMPBELL: Because people go in and out of eligibility, do they not, Director, now? []

VIVIANNE CHAUMONT: Currently they do, because you calculate their income basically on a month-to-month...they have to, you know, if I made \$100 this month and next month I make more, I have to report any change in income. And so people go, you know, on, and then they go off. They get a part-time job... []

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SENATOR CAMPBELL: Right. []

VIVIANNE CHAUMONT: ...they get more hours. []

SENATOR CAMPBELL: Right. []

VIVIANNE CHAUMONT: So, yeah. []

SENATOR CAMPBELL: And we've seen that happen. I'm going to ask Senator Howard to listen very carefully to my questions... []

SENATOR HOWARD: (Laugh) []

SENATOR CAMPBELL: ...because she knows a lot more about this area, but...so let's just look at the foster children portion of your presentation today. And so if a child is aging out of that system but they have been designated under a guardianship or, certainly, under an adoption, then they would not be eligible. Would that be correct? []

VIVIANNE CHAUMONT: If they aged out... []

SENATOR CAMPBELL: But... []

SENATOR HOWARD: Prior to had been adopted. []

SENATOR CAMPBELL: Prior to... []

VIVIANNE CHAUMONT: Right. They are Medicaid eligible till they're 26 years old. []

SENATOR HOWARD: But if they were adopted, the adoptive family's insurance

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becomes first payee. So they wouldn't be foster kids; they wouldn't be aging out. We're getting the two confused. []

SENATOR CAMPBELL: I think I might have... []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR CAMPBELL: ...confused my question, Director. []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR CAMPBELL: And the point is as, though, that last year that they are in the foster care system, a lot of effort is often made to have a guardianship put into place or even to find an adoption. At this point, my concern is, is this going to make looking at that by saying, well, that young person would be better off not to be. Am I looking at that incorrectly, Senator Howard? []

SENATOR HOWARD: Well, I don't want to speak for Vivianne, but I think I wouldn't say they'd be better off. I don't...if they're adopted, the adoptive parents' insurance becomes first payee. I don't know if there's a change under these regs... []

VIVIANNE CHAUMONT: Well... []

SENATOR HOWARD: ...in that policy. []

VIVIANNE CHAUMONT: ...if they're not a foster care child when they age out, they're not going to be eligible for this. But if they are a foster care child on the day--and have been for six months--on the day they turn... []

SENATOR HOWARD: 19. []

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VIVIANNE CHAUMONT: ...19, they are Medicaid eligible until they turn 26. We don't look at their resources; we don't look at their income. They are entitled to Medicaid until they turn 26 years old, regardless of how much money they're making. []

SENATOR HOWARD: So is there any review during that period of time? []

VIVIANNE CHAUMONT: Well, that--that I would have to read the rules, but the statute doesn't... []

SENATOR HOWARD: Oh, in your big book there? []

VIVIANNE CHAUMONT: (Laugh) The statute just says they're eligible until they turn 26. []

SENATOR HOWARD: That's interesting, isn't it? []

VIVIANNE CHAUMONT: Yeah. Um-hum. []

SENATOR CAMPBELL: But, see, Senator Howard, my question really is, in the sense of, in that--those final months and year, you know, would you even look at guardianship if that young person...do you see my question? []

SENATOR HOWARD: If they're at that point, guardianship is pretty unlikely, if they've reached eighteen and three-quarters and that hasn't happened, I'd say. []

SENATOR CAMPBELL: By what age is most guardianship? []

SENATOR HOWARD: Well, I never would do a guardianship with a child prior to--under 12, unless there were really, like, serious medical issues or some really extenuating

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circumstance. But guardianships--13, 14... []

SENATOR CAMPBELL: Okay. []

SENATOR HOWARD: ...especially with relatives. []

SENATOR CAMPBELL: Okay. Thank you. Thank both of you. Other questions from the senators? Yes... []

SENATOR NORDQUIST: One more. []

SENATOR CAMPBELL: ...Senator Nordquist. []

SENATOR NORDQUIST: Sorry. []

SENATOR CAMPBELL: No, that's fine. []

SENATOR NORDQUIST: Thank you. The federal HHS released Early Innovator grants--I think there were either seven or ten states that got them. And about two weeks ago I had a call with the insurance commissioner in Kansas, Commissioner Praeger. She was on a panel at NCSL last week that we were preparing for and sounded very optimistic about the MMIS development that was going on there and potentially being able to release that to other states to utilize at limited cost. And unfortunately, and to her chagrin, the governor decided to turn back the money last week, in Kansas. But have you looked at those Early Innovator grants? And are there any other possibilities that other states that have received those are moving forward with potentially--software systems that we could utilize? []

VIVIANNE CHAUMONT: The...well, the Early Innovator grants was an interesting thing. I know the Medicaid director very well in Kansas. They were going to do a new eligibility

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system and a new MMIS system in the time frame. And I thought it was fairly optimistic of them. But they've now returned the money. But even when we discussed it, they had said that they were hoping to have their system up and running that we could use in July of '13. Well, July of '13 Kansas' system...we would have to implement our system January 1, '14. I mean, it never made sense. It just never made sense. So the feds told them--CMS, I should say--told them that they needed that to be up and running January 1, '13. Well, that was just an impossibility. So Oklahoma felt the same way, turned back their money. There are still several states...I'll be honest, I just don't think it's real. I think it's pie in the sky to think that the states are going to take this money and build something that works in their state and in...you know, first get it up and running in their state... []

SENATOR NORDQUIST: Um-hum. []

VIVIANNE CHAUMONT: ...I am not optimistic about that--and then transferring it over to our state to do the things that we need to have done. I just don't see it. []

SENATOR NORDQUIST: Um-hum. Okay. There's that much variation between states' MMI systems--the states you've worked in? []

VIVIANNE CHAUMONT: Oh, yeah. []

SENATOR NORDQUIST: Yeah. Okay. []

VIVIANNE CHAUMONT: Yeah. And it...we're talking about eligibility systems... []

SENATOR NORDQUIST: Yeah, that's...okay. []

VIVIANNE CHAUMONT: ...not the MMIS. []

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SENATOR NORDQUIST: Yeah. Yeah. []

VIVIANNE CHAUMONT: Yeah. Yeah. []

SENATOR NORDQUIST: Okay. And just between you and me, (laughter) the level of...
[]

VIVIANNE CHAUMONT: (Laugh) Is there ever anything just between you and me,
Senator? []

SENATOR NORDQUIST: ...level of collaboration between your department and
Department of Insurance on this, do you feel like where that has been sufficient? []

VIVIANNE CHAUMONT: Yes, they have been wonderful to deal with. We share, you
know, the myriad of e-mails that come from everybody; we meet regularly; we talk about
things. It's been a very, very collaborative relationship. []

SENATOR NORDQUIST: Okay. Thank you. []

SENATOR CAMPBELL: So anybody should be able to walk into any one of these
offices, or on-line or whatever, and find out whether they're eligible for Medicaid. Is that
going to be a tremendous training that we're going to have to do? []

VIVIANNE CHAUMONT: Training to the staff or to the people that apply for the
program? (Laugh) []

SENATOR CAMPBELL: To the staff. []

VIVIANNE CHAUMONT: Or both? []

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SENATOR CAMPBELL: To the people who, I mean, you know, isn't that the whole idea, that no matter where you are, you will be... []

VIVIANNE CHAUMONT: Yeah. []

SENATOR CAMPBELL: ...you can either--you can find out whether you're eligible for Medicaid? Is it going to be the state's responsibility to train all these people? []

VIVIANNE CHAUMONT: Yes. []

SENATOR CAMPBELL: And the Navigators, I'm assuming--the Navigators will have to be trained. []

VIVIANNE CHAUMONT: That, again, is on the exchange side. But, definitely, folks that work in Medicaid eligibility will all need to be trained. []

SENATOR CAMPBELL: Interesting. Senator Gloor. []

SENATOR GLOOR: Thank you, Senator Campbell. You just said--I was glad to hear it--that they've been wonderful to work with, when you talked... []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR GLOOR: ...about the Department of Insurance. But who's "they"? Is "they" Mike and J.P., or is it the director, or, I mean, when you have interactions and... []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR GLOOR: ...your staff have interactions, who's the knowledge base over there? []

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VIVIANNE CHAUMONT: Well, the director... []

SENATOR GLOOR: Okay. []

VIVIANNE CHAUMONT: ...Bruce, and Michael and J.P. and Eric Dunning and Martin, whose last name I can't remember. Everyone. You know, depending on the issue, we talk to different people. But we frequently meet everybody in the room. []

SENATOR GLOOR: And the reason for my question is... []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR GLOOR: ...if it's just Mike and J.P., I would be a little concerned that... []

VIVIANNE CHAUMONT: Oh, no. []

SENATOR GLOOR: ...the knowledge base is invested in people who aren't going to be around for the long haul. I mean, they're brought in to do a specific job for us... []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR GLOOR: ...and seem to be doing that well, but... []

VIVIANNE CHAUMONT: Um-hum. []

SENATOR GLOOR: ...I'm glad to hear that it's a broader... []

VIVIANNE CHAUMONT: Um-hum. []

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SENATOR GLOOR: ...knowledge base than just... []

VIVIANNE CHAUMONT: It is, definitely. []

SENATOR GLOOR: ...the two that have a specific assignment. Okay. Do you think they'd say the same about your department? []

VIVIANNE CHAUMONT: They'd better. (Laugh) Yes, I think that we all realize the enormity of this task, and we all want to succeed. And we all need to do that together. []

SENATOR GLOOR: I'm sure they would be the first to argue that's the case. I'd help. Thanks. []

SENATOR CAMPBELL: Yes, Senator Howard. []

SENATOR HOWARD: Thank you. Thank you, Chairman--Chairperson--Chairwoman--Kathy. []

SENATOR CAMPBELL: Whatever. (Laughter) That's the best. That's the best. []

SENATOR HOWARD: I do that a lot. Just a couple of questions. If the states are really struggling with the time frame--and you see this is not a realistic time frame--do you think there would be continuations or extensions or some...? You can't have all the states giving the money back and saying, we can't do it, without some leeway to work with the states and put it in place. []

VIVIANNE CHAUMONT: The changes are in statute. To change the dates, you'd have to go into statute. And, politically, who's going to go into that statute right now? []

SENATOR HOWARD: Okay, so there's the problem. The second thing is more

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hands-on. And right now we review eligibility every six months. With this, how long...? If I understand this correctly, it's based on your last year's income tax return, which by this year, as you pointed out, for anybody could be different. So we're basing it on that, and then how--you're eligible--how long will it be until you're reassessed or reevaluated or it's looked at again? Is it a year? []

VIVIANNE CHAUMONT: I don't know yet. I'm sorry. I will know more. []

SENATOR HOWARD: Could we get the Reader's Digest version, and maybe you could... []

SENATOR CAMPBELL: Well, I think the intent--from Senator Pahls--is that there will be more joint meetings between the two committees and more briefings as we go along here, as more detail is known, and certainly the reports that are going to come out that were discussed this morning. So my guess, Director, is that we'll continue to do conversations with you and the committee, the senators that are here, as we go along, so that we get as much information as possible. And we understand, I mean, we heard this morning, there were a number of questions that we asked and they'd say: Tell us when the federal government is going to, you know, put down that set of rules and regs and we'll be able to answer. So we know that there's a lot of unknown. []

VIVIANNE CHAUMONT: Yeah. And don't forget, these are proposed regs. So that doesn't mean that this is the way it will end up. But meanwhile the clock is ticking on implementation. []

SENATOR CAMPBELL: Senator Bloomfield, do you have a question? []

SENATOR BLOOMFIELD: Just out of curiosity, how many pages of regs did they--proposed regs did they give you there? []

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VIVIANNE CHAUMONT: The...you know, I didn't look at anybody else, but I'm kind of a masochist, and I looked at the Medicaid ones. There are 203 pages, but who's counting. []

SENATOR BLOOMFIELD: And you don't have those memorized already? (Laugh)
You've had them since Friday. []

VIVIANNE CHAUMONT: Only 159 of the pages. []

SENATOR CAMPBELL: (Laugh) And Senator Howard's question wasn't on page 159. []

VIVIANNE CHAUMONT: Yeah, right. It was on 161... []

SENATOR CAMPBELL: Right. []

VIVIANNE CHAUMONT: ...or I would have been able to answer it. (Laugh) []

SENATOR CAMPBELL: Any other follow-up questions that the senators had for the director? Thank you very much. []

VIVIANNE CHAUMONT: Thank you. []

SENATOR CAMPBELL: This has been extremely helpful. Unless there's any other comments from the senators, we are adjourned for today. And we will keep the audience apprised of when the next briefing...(recorder malfunction). []