

## **Contract & Financial Issues Committee, March 18, 2021, 1:00pm**

### **EDIT Update – Stacia Chick**

Stacia reported that a meeting took place on March 8 regarding unbundling transportation, to be implemented 10/1/2021. Jeff Wieferich sent out a memo on this from DHHS. Services that may be impacted are clubhouse, skill building assistance and peer support among several others. Many concerns were discussed including additional administrative burdens that will be incurred. It has been requested that the Department delay implementation of this. Bruce asked if transportation to and from hospitals was brought up during this discussion. Bruce stated that in rural areas there is no code for those who need to be picked up/dropped off at hospitals. Stacia stated that she did not recall this being discussed. Group wondered if transportation codes would be provided moving forward. Stacia reported that it sounded like they would, as well as a modifier to indicate that transportation was used during any other coded services. Stacia reported that a technical meeting regarding H2015 will be taking place tomorrow, March 18<sup>th</sup>. Bob Sheehan stated that clarification is needed on whether a CMH is acting as a Provider or a Managed Care Organization to know the correct way to bill for transportation.

### **GF Negotiations – Lisa Morse**

Lisa stated that the last meeting was on February 11<sup>th</sup>. Lisa drafted a memo requesting a meeting to talk about the process of contract negotiations. Bob sent this to Kendra at the Department. Lisa stated that a meeting took place with the PIHP representatives on Implementation Guidelines. John Obermesik gave examples of statements in the Implementation Guidelines which conflict with existing contracts and have not gone through negotiations. John stated that Kendra indicated they were willing to sit and discuss these issues. Jackie Sproat has been appointed as the new Contract Manager for MDHHS replacing John Duvendeck. Bob asked John Obermesik to send those examples to him to send along to the Department.

### **Legislative Update – Alan Bolter**

Alan reviewed the current FY21 Budget activity, stating that Michigan received over \$5.5 Billion with another \$10 Billion to come from the most recent federal relief package that passed. The Legislature has been very outspoken against the way the Governor has handled the closings and restrictions during the pandemic, and they have been trying to use the budget process as leverage. He reported that the Supplementals that have been passed by the House and the Senate had other spending bills tie-barred to them, which the Governor vetoed partially (the part that would remove DHHS's ability to issue Emergency Orders without Legislative approval), but kept funding that was associated with them. The Supplemental still includes the funding for DCW increase to \$2.25/hr, \$15 Million in SUD Block Grant and \$17 Million in GF Block Grant. Alan went on to give details on the Governor's proposed FY22 Budget. He reviewed several line items and gave details of those. DCW increase permanency, CCBHC implementation funding, and KB vs. Lyon Lawsuit were some of the key funding components in that proposal. Alan spoke briefly about key boilerplate sections. Alan stated that the House and Senate will go through their process to come up with a proposed budget for FY22, and the entire process will likely not be completed until late Summer or early Fall. Alan then reported that Elizabeth Hertel was appointed as the Interim Director of MDHHS after Robert Gordon resigned. He stated that the Senate has 60 days to reject her appointment, which will be on March 23<sup>rd</sup>, but it does not look like they will have enough votes to do this. Alan stated that he and Bob met with Senator Shirkey this past Tuesday to discuss integration efforts. Senator Shirkey has stated that this is still high on his list of "to-do" items while he is still in Office. He did not have any details on what direction any redesign efforts may go from here. Group asked if the Open Meetings Act extension was expiring or if there was a bill that extends it through June. Alan stated there was a bill ready to be introduced, but he was not sure if it would gain any traction. Alan will be meeting with MAC on Monday, the 22<sup>nd</sup> and he will ask for an update. Alan stated that single county agencies whose counties have issued a state of emergency can still use the Open Meetings Act extension.

### **Funding Issues – Bruce Bridges**

#### **Year to Date Funding vs. Actuary Expectations**

Bruce gave details of the comparison of actuarial projected funding versus actual funding advances as of March 10, 2021. He stated that rate cells seem to work well for TANF and HMP, but not so well for DABS.

#### **Added Wages and Benefits for Direct Care Employees in FY21**

Bruce wondered if there was any update on this topic. Leslie Thomas stated that the report due date was extended to March 31, 2021.

#### **Unbundling Transportation**

Bruce reviewed the PowerPoint issued to the group. He gave examples of when you cannot bundle and how the creation of two separate and distinct services would provide (according to Milliman) the flexibility for the transportation and service provider to differ while still following federal regulations. Group expressed concern stating that the cost of transportation is

included in services and wondered if this only applies to contracted providers – it seems to go against what the Medicaid Manual states. Donna Nieman reported that EDIT will continue to work with actuaries to figure this out.

Discussion of Key Issues – Bruce Bridges

No items moved to this section.

Other

Section 928 – Chip Johnston

Chip stated that he would like to have this added to Contract Negotiations. He does not agree with making full Section 928 payment in FY22. He feels that it should be 40%. Lisa Morse asked if Chip wanted specific language added to the contract. Chip stated that he sent an email with his suggestions to add in red.

The next meeting of the Contract & Financial Issues Committee is scheduled for Thursday, April 22, 2021, 1:00pm, and will be held virtually via Zoom.

Meeting adjourned at 2:11pm.