

EXHIBIT C

MINUTES

HOUSE & SENATE INTERIM COMMITTEES ON PUBLIC HEALTH, WELFARE AND LABOR

February 1, 2016

The House and Senate Interim Committees on Public Health, Welfare and Labor met Monday, February 1, 2016 at 1:00 p.m. in Room 171, State Capitol, Little Rock, Arkansas.

Public Health Senate Members Attending Were: Senators Cecile Bledsoe, Chair; Stephanie Flowers, Vice Chair; John Cooper, Scott Flippo, Missy Irvin, and Gary Stubblefield.

Public Health House Members Attending Were: Representatives Kelley Linck, Chair; Deborah Ferguson, Vice Chair; Mary Bentley, Justin Boyd, Ken Bragg, David Branscum, Charlene Fite, Kim Hammer, Ken Henderson, Fredrick Love, Robin Lundstrum, Stephen Magie, Josh Miller, Betty Overbey, John Payton, and Richard Womack.

Other Legislators Attending Were: Representatives Charlotte Vining Douglas, David Fielding, Justin Gonzales, Michelle Gray, Sheilla Lampkin, George McGill, Mathew Pitsch, James Sorvillo, Dwight Tosh, and DeAnn Vaught.

Comments by the Chairs

Senator Cecile Bledsoe called the meeting to order.

Consideration to Approve the Minutes from the January 11, 2016 Meeting (EXHIBIT C)

Without objection the minutes from the January 11, 2016 meeting were approved.

Status of Medicaid Certification for New-Borns—Waiting List (EXHIBIT D & Handout #1)

Mary Franklin, Director, Division of County Operations, Arkansas Department of Human Services, presented the status report. Ms. Franklin stated that any baby born to a Medicaid eligible mother is automatically eligible for Medicaid for one year from their date of birth. With the implementation of the Affordable Care Act (ACA), eligibility determination and the determination process was changed. The federal government began using the IBM Cúram program, and when Arkansas Medicaid received this program it was defective and caused the following problems:

- ◆ Gaps in the automatic processing of newborns
- ◆ The corrective change to the program was delayed beyond the original timelines
- ◆ A backlog of newborn claims, resulting in 4,045 newborns still on the waiting list

This problem has been resolved by the following fixes:

- ◆ The corrective measure for the program defect in the processing of newborn claims, developed by IBM, was applied to the program October, 2015. Since then newborn coverage starts on the date of birth.
- ◆ A fix developed by DHS for the Cúram program in January, 2016, separates newborn cases from all other cases. They will now be given priority processing.

Currently there are 4,045 newborns awaiting coverage. Ms. Franklin said that with the additional 95 MAGI trained workers, DHS will have all of the backlogged newborns enrolled in Medicaid within the next 60 days.

Tami Harlan discussed the letter that DHS sent to The Centers for Medicare and Medicaid Services (CMS) asking:

- ◆ For approval to submit electronic claims instead of paper claims, for the 4,045 newborns on the waiting list for Medicaid coverage.
- ◆ CMS will remove the filter, “denied due to untimely filing”, for the newborns on the waiting list only.

If these requests are approved, the letter will serve as confirmation of the approval in the event of an audit by CMS or Legislative Audit. Senator Irvin would like a copy of this letter, and Ms. Harlan agreed to provide the committees with a copy of this letter.

David Wroten, Executive Vice President, Arkansas Medical Society, testified for clarification of some of the questions and issues raised by the legislators.

Senator Bledsoe asked Ms. Franklin to attend the next public health meeting in March, to present an update on the reduction of the backlogged Medicaid eligible newborns.

Status of Arkansas' Request to The Centers for Medicare and Medicaid Services (CMS) to Restore Premium Payments for Retroactive Terminations (EXHIBIT E & Handout #2)

John Selig, Director, Department of Human Services, gave a status report on the restoration of premium payments for retroactive terminations, from the federal government. Mr. Selig gave a detailed summary on the circumstances surrounding this request, and referenced the letter DHS sent to CMS. Mr. Selig stated that DHS will no longer terminate retroactively.

Comments from the Insurance Carriers on Retroactive Terminations

John Ryan, President/CEO, Arkansas Health & Wellness Solutions, dba Ambetter, and Max Greenwood, Director, Government & Media Relations, Arkansas Blue Cross/Blue Shield, commented on this issue.

Ms. Greenwood and Mr. Ryan discussed the premium dollars. As of last Friday (January 29, 2016), the federal government had recouped nearly \$7 million in premiums from Blue Cross/Blue Shield (BC/BS) Insurance, and \$1.7 million in premiums from Ambetter.

Jodiane Tritt, Vice President, Government Relations, Arkansas Hospital Association, said Arkansas insurance companies and hospitals have acted in good faith by taking care of the patients in every way. Ms. Tritt stated that Arkansas hospitals are affected by the recoupment, but do not know the exact dollar amount as yet. Mr. Wroten agreed with Ms. Tritt that the insurance companies of Arkansas have acted in good faith during this crisis.

Booth Rand, Managing Attorney, Arkansas Insurance Department, explained the situation of the providers and the insurance carriers on this issue, and agreed that all players have acted in good faith.

Commission on Law Enforcement Standards and Training, Office of Law Enforcement Standards, Review of Regulations and Specifications for Law Enforcement Officers and Training Standards (EXHIBIT F)

Jami Cook, Director, Arkansas Commission on Law Enforcement Standards and Training, presented the proposed changes to the rules and regulations for law enforcement officers and training standards. Ms. Cook briefly explained the nature of and reason for the changes.

Representative Deborah Ferguson made a motion that the Senate and House Public Health, Welfare and Labor Committees have considered this rule and recommend that it be referred to the Administrative Rules and Regulations Subcommittee for review and approval. The motion was seconded and approved without objection.

Arkansas Department of Health, Emergency Medical Services Section, Review of Rules which Remove Antiquated Equipment from Training Requirements of EMS Personnel and EMS Services, and Better Defines what a Medical Director is in Regard to Air Medical Services (EXHIBIT G)

Robert Brech, Chief Financial Officer, Arkansas Department of Health, presented the proposed changes for the Emergency Medical Services.

The revisions make needed changes to language, remove antiquated equipment from training requirement of EMS (Emergency Medical Services) personnel and EMS services, and better define what a Medical Director is, in regard to Air Medical Services.

The committees heard testimony from Robert Brech, Chief Financial Officer, Arkansas Department of Health. Following committee discussion, the committees recommended review of the rule.

Review of the Arkansas Tobacco Settlement Commission's Quarterly Report for the April 1, 2015 through June 30, 2015 Quarter (Act 728 of 2015) (EXHIBIT H)

Misty Hunt Murphey, Executive Director, Arkansas Tobacco Settlement Commission, presented the Quarterly Report for the April 1, 2015 through June 30, 2015 Quarter. Ms. Murphey gave a brief overview of the seven programs.

The committees heard testimony from Misty Murphey, Executive Director, Arkansas Tobacco Settlement Commission. Following committee discussion, the committees recommended review of the report.

The meeting adjourned at 3:48 p.m.