

**Meeting of the  
Board of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia**

**June 14, 2005**

**Minutes**

**Present:**

Aneesh Chopra  
Rose C. Chu  
Phyllis L. Cothran (late)  
Terone B. Green  
Monroe E. Harris, Jr., D.M.D.  
Barbara H. Klear  
Manikoth G. Kurup, M.D. (Chair)  
Robert D. Voogt, Ph.D.  
Michael Walker

**Absent:**

Indira Moran  
Dorn V. Williams, Sr.

**DMAS Staff:**

Tyriss Blathers, Admin. Office Specialist III  
Rachel Cain, Pharmacist Consultant  
Manju Ganeriwala, Deputy Director of Finance and  
Administration  
Reatha Kay, Counsel to the Board  
Nancy Malczewski, Board Liaison  
Craig Markva, Manager, Office of Communications &  
Legislative Affairs  
Cheryl Roberts, Deputy Director of Program Operations  
Wayne Turnage, Director of Policy  
Seta Vandegrift

**Speakers:**

Patrick W. Finnerty, Director  
Cynthia Jones, Chief Deputy Director  
Michael Jay, Director of Budget & Contract Management  
N. Diana Thorpe, Director Long Term Care & Quality  
Assurance

**Guests:**

Janice Baab	Joy Lombard
Sid del Cardyre	Ellen Miller
Ashley Colvin	Mark Pratt
Joe Flores	Tracey Smith
Hobart Harvey	Michael Tweedy
Matt Haywood	Marcia Tetterton

**Call to Order**

Dr. Manikoth G. Kurup, Chairman of the Board, called the meeting to order at 10:08 a.m. after a quorum was met. Dr. Kurup stated that Ms. Indira Moran planned to attend today's meeting to announce she will be moving out of state and is resigning from the Board. He wanted the record to reflect he formally thanked her for her service to the Commonwealth.

Mr. Patrick Finnerty, DMAS Director, introduced two new division directors who filled vacant positions, Mr. Louis Elie, Director of Program Integrity, and Ms. Karen Stephenson, Director of Fiscal and Purchases.

### **Approval of Minutes from March 8, 2005 Meeting**

Dr. Kurup asked that the Board review and make a motion to approve the Minutes from the March 8, 2005, meeting. Dr. Voogt made the motion to accept the Minutes and Mr. Chopra seconded. The vote was **8-yes (Chopra, Chu, Green, Harris, Klear, Kurup, Walker and Voogt); 0-no; Ms. Cothran had not yet arrived.**

### **Medicaid Coverage of Erectile Dysfunction Drugs**

Mr. Finnerty gave some background on the issue of Erectile Dysfunction (ED) drugs. He noted that a news story broke that Medicaid in another state had paid for ED drugs for convicted sex offenders. On May 23<sup>rd</sup>, the Centers for Medicare and Medicaid Services (CMS) wrote to states and required states to take action to prevent Medicaid from covering ED drugs for sex offenders. The Department of Medical Assistance Services (DMAS) immediately examined its operations regarding the distribution of these drugs. DMAS determined that 56 Medicaid recipients who received ED drugs were on the Sex Offender Registry. On May 26, 2005, Governor Warner signed emergency regulations to terminate Medicaid coverage of ED drugs for persons on the Sex Offender Registry. DMAS implemented system changes on the same day terminating coverage for these persons. Also, DMAS will work with the Virginia State Police to conduct periodic checks to ensure no Medicaid recipients on the Registry receive ED drugs.

Governor Warner directed the Secretary of Health and Human Resources (SHHR) to evaluate whether ED drugs should be covered for any Medicaid recipient. Secretary Woods (SHHR) is obtaining input from various interested parties, and would appreciate the Board's perspective. The Board discussed, at length, whether this was a "lifestyle" drug and whether Medicaid should continue covering ED drugs. Dr. Voogt stated that Blue Cross covers five ED tablets per month; Dr. Kurup said the Veterans Administration covered two per month; and Ms. Rachel Cain, DMAS Pharmacist Consultant, stated that Virginia Medicaid covers four tablets within a 30-day period. DMAS does not cover drugs for women with similar dysfunction problems.

Dr. Voogt made a motion for the program to continue coverage of ED drugs, four per month, for the Medicaid population excluding sex offenders. Dr. Harris seconded. The vote was **2—yes (Voogt and Harris)**. Those opposed were **6—no (Chopra, Chu, Green, Klear, Kurup, and Walker)**. **Ms. Cothran had not yet arrived.**

### **Overview of Medicaid Expenditure Forecast and Year-End Budget Process**

Mr. Michael Jay, Director of Budget, gave an overview of the budget forecasting process as mandated by the Code of Virginia. Each year DMAS and the Department of Planning and Budget (DPB) prepare independent forecasts. In 2000, the Joint Legislative Audit and Review

Commission (JLARC) reported that the Medicaid forecasts have been very accurate (within an average of one-half percent) and very close to appropriation.

Mr. Jay noted the different sub-programs and forecast models. He mentioned the Medicaid enrollment forecast, and forecasting for other programs such as Medicaid expansion and involuntary mental commitment programs. He further explained that DMAS monitors actual expenditures versus the appropriated amount on a month-by-month basis by budget program and subprogram. He concluded that any fund balances as of the end of the fiscal year revert back to the state General Fund.

The Board asked questions such as how delayed payment from June to July would affect the next fiscal year's forecast budget. Mr. Jay noted that the adjustments can be made in November. Ms. Manju Ganeriwala, Deputy Director of Finance and Administration, noted there is no delay in federal matching funds as draw downs are done daily.

Mr. Green asked that the \$300 million Tobacco Settlement Fund be put on the agenda for the next meeting.

### **Medicaid Reform**

Mr. Finnerty asked that his presentation be moved up in the agenda as he had to temporarily depart the Board Meeting. He gave a brief presentation as to the national issue on Medicaid Reform. The Governor will present tomorrow before Congress as part of the National Governors' Association. Mr. Finnerty noted the creation of a federal Medicaid Commission; their member composition, responsibility, and long-term issues to be addressed by the Commission.

There was discussion by the Board regarding collectively discussing the issue with legislators, and the possibility of a retreat or summit to spotlight this issue.

### **Long Term Care**

Ms. Cynthia Jones, Chief Deputy Director, noted that Mr. Walker requested that Pre-Admission Screening be added to the agenda. Ms. N. Diana Thorpe, Director Long Term Care & Quality Assurance, gave an overview of the Medicaid pre-admission screening process, and by whom the screenings are completed, such as local departments of social services, and local health departments. There are four trainings currently scheduled through the end of this year conducted by the Virginia Institute of Social Services Training Activities (VISSTA). Ms. Thorpe explained the screening payments and utilization by quarter for calendar years 2004 and 2005. She continued to explain outreach efforts for waiver programs and other efforts by the Secretary of Health and Human Resources.

Ms. Thorpe continued to explain the demographic changes and its impact on long term care. She gave comparisons of 1990 and 2000 census data at age 60 and above, including the population below poverty.

There was discussion and questions regarding criteria for nursing facility care and acute care vs. community based care. Ms. Thorpe explained that people who receive community based care have to meet the same criteria as for nursing facility care and would have to go into a nursing facility within 30 days. Ms. Jones noted that there is a high acuity rate in nursing facilities vs. community based care.

Ms. Thorpe continued that long term care is not just for the elderly. Half the money nationally is spent for the elderly; the rest is for non-elderly with disabilities, especially those with developmental disabilities (primarily mental retardation). She concluded with the waiver expenditures nationally and in Virginia.

### **Updates on DMAS Programs: Transportation, Dental, Medicare Part D, and FAMIS**

Ms. Cynthia Jones, Chief Deputy Director, gave highlights for the new Board Members of subjects of continuing interest. Due to the lateness of the hour she gave an abbreviated presentation on the non-emergency transportation brokerage program. She provided information on the number of trips provided annually; the process of providing the services; steps taken to reprocur the program through a Request for Proposals (RFP); the significant changes made to the RFP; and the changes that will be made to the contract as a result of the RP.

Ms. Jones then discussed the new dental program named Smiles For Children. She reviewed information regarding the access and utilization of dental services by children; and the creation of a single dental program which will be administered by Doral Dental. The General Assembly and Governor approved a 30 percent increase in dental fees (over two years). Ms. Cheryl Roberts, Deputy Director of Program Operations, stated that Doral had already connected phone lines that were working even though the program does not become operational until July 1<sup>st</sup>. Ms. Jones concluded with a summary of the streamlined program, extensive involvement of the dental provider community and DMAS' commitment. Mr. Finnerty stated DMAS was submitting a grant application to the Centers for Health Care Strategies for technical assistance in developing further improvements in dental access. Mr. Finnerty asked the Board if they will sign a letter of support. The Board agreed.

Ms. Jones continued with a discussion of the Medicare Part D program. She noted that prescription drug benefits will be available to Medicare beneficiaries January 1, 2006. She explained how Virginia is affected by this program change, the cost-sharing requirements for beneficiaries, the enrollment process, and extra financial help that will be available to low-income persons. Ms. Jones noted that she gave an extensive presentation on this at the last meeting. Weekly meetings are being held with CMS, the Social Security Administration (SSA), Department of Social Services (DSS), and DMAS staff to coordinate implementation activities. There was a statewide training videoconference with CMS, SSA, and DMAS last month.

In the interest of time, Ms. Jones concluded with a very brief statement regarding the Family Access to Medical Insurance Security (FAMIS) Plan. Ms. Jones noted that due to the many improvements that were made to the program, an additional 129,000 children have been enrolled.

## **OLD BUSINESS**

### **Regulatory Activity Summary**

The Regulatory Activity Summary is included in the Members' books to review at their convenience.

### **New Business**

There was no new business.

### **Adjournment**

Dr. Kurup thanked everyone and adjourned the meeting at 12:08 p.m.