

Minutes of the Joint Legislative Oversight Committee
January 23, 2012
Capitol Auditorium
Boise, Idaho

Co-chair Senator Elliot Werk called the meeting to order at 5:00 p.m. Attending the meeting were Senators Jim Hammond and Michelle Stennett, and Representatives Cliff Bayer (co-chair), Maxine Bell, Elaine Smith, and Shirley Ringo. Senator Dean Mortimer joined the meeting in progress. Also present were Rakesh Mohan, director, Margaret Campbell, administrative coordinator, and all other OPE staff.

Co-chair Werk welcomed the audience, including:

Senators Denton Darrington, Edgar Malepeai, Joyce Broadsword, and Dan Johnson
Representatives Jeff Thompson, Jim Guthrie, and Jeff Nessel
Brent Reinke, director, Department of Correction
Mike Matthews, Bill Young, Janie Dressen, and Bud Langerak, parole commissioners
Olivia Craven, executive director, Commission of Pardons and Parole
Leslie Clement, deputy director, David Taylor, deputy director, and Paul Leary, Medicaid administrator, Department of Health and Welfare
Del Bell, account executive, and Sandy Dunbar, deputy account manager, Molina Healthcare

APPROVAL OF JANUARY 16, 2012, MINUTES

Representative Ringo moved to approve the minutes of the January 16, 2012, meeting. Senator Hammond seconded the motion, and it passed unanimously by voice vote.

FOLLOW-UP REPORT RELEASE: *DELAYS IN MEDICAID CLAIMS PROCESSING*

Senator Hammond moved to receive the follow-up report *Delays in Medicaid Claims Processing*. Representative Bell seconded the motion, and it passed unanimously by voice vote.

Mr. Mohan said the initial report on the Medicaid claims processing system was released in March 2011 with four recommendations to the Department of Health and Welfare and four recommendations to Molina Healthcare, Inc. For the follow-up review, staff surveyed more than 5,000 providers and received 1,445 responses. He thanked Molina and the department for their assistance and cooperation. Jared Tatro and Lance McCleve, senior evaluators, summarized the follow-up report.

The evaluators reported that Molina had implemented or addressed the report's four recommendations. Molina had improved its responsiveness to providers and strengthened the function of its claims processing system. It had increased communication with providers, improved customer service, and strengthened quality assurance procedures. Molina was measuring the accuracy of system performance as opposed to only measuring the timeliness of claims processing, and had substantially decreased the number of pended claims.

The Department of Health and Welfare had implemented two of its recommendations by withholding payments for operations until the remaining contract deliverables were met and by requiring additional quality assurance measures. The other two recommendations were not applicable because the department had indicated it did not have plans to issue more interim payments nor did it plan to contract for other IT services in the near future.

The evaluators said that 43 percent of survey respondents indicated that they were satisfied with the system. However, 33 percent of respondents were unsatisfied. Even though the system was processing claims within expected timeframes and outcomes, evaluators encouraged Molina and the department to continue monitoring provider satisfaction levels and address provider concerns to the extent possible.

Representative Ringo said that 33 percent of unsatisfied respondents was a disturbingly high percentage.

Representative Bell asked for clarification on the difference between implementing a recommendation and addressing one. Mr. Tatro said that addressed meant the agency had met the intent of the recommendation by means other than the one suggested by OPE.

Co-chair Werk called on Dell Bell, account executive for Molina Healthcare, Inc., to address the committee. Mr. Bell thanked OPE and said he agreed with what had been presented. He said efforts were not complete and Molina was working to improve the experience of all providers.

Senator Stennett commended Molina for decreasing the levels of pended claims. She asked what percentage of pended claims were actually paid as opposed to denied. Mr. Bell said the percentage varied from week to week depending on the reason for the pend, but he did not have the weekly percentages with him.

Co-chair Werk said that although the follow-up report had been positive, the survey showed room for improvement. He asked what Molina planned to do in the next six months to improve communication with providers. Mr. Bell said Molina was meeting regularly with associations to determine how to best communicate with constituents, and it was working with the department to communicate with providers before Medicaid changes went into effect. In addition, Molina was putting information on remittances, teleconferencing with groups of providers, working with associations, conducting staff training seminars, and placing news bulletins in newsletters and on its website to effectively communicate Medicaid changes.

Representative Smith noted that in November the Idaho Health Care Association said constituents were still having a lot of problems. She asked whether Molina had resolved the issue yet. Mr. Bell said the issue was share of cost, which was the amount of money patients paid as part of their care specifically in skilled nursing facilities or assistant living facilities. The issue involved data from the state eligibility system, which was a record of the share of cost provided to Molina. Share of cost must be paid before a claim could be processed through Molina. The department changed the procedure for obtaining share of cost by placing it on Molina's portal. This change was significantly different from how providers had previously received it. In the past, providers received a document showing eligibility and share of cost of the patient, but the

information was not reported in real time and was frequently inaccurate. Molina was working with the association to communicate the new location to the providers.

Senator Hammond said he had been contacted by a constituent who had difficulty processing a claim and had been told by Molina that the claim was too old to be resolved. Mr. Bell said the claim likely exceeded the department's requirements for timely filing. If a claim had exceeded the filing requirement, Molina was required to follow a set of rules for processing the claim. However, the department had an appeal process that the constituent could pursue.

Senator Mortimer said he had some constituents who were denied payment. When they contacted Molina for resolution, they waited more than 30 days for any substantial information. Representing the constituents, Senator Mortimer called Molina in December and spoke with three staff before he was transferred to a supervisor who could provide timely help. Senator Mortimer said the incident indicated that Molina had significant communication problems as recently as December.

Co-chair Werk indicated time was running short when he invited the Department of Health and Welfare to comment. The department declined comment.

INTERIM UPDATE: INCREASING EFFICIENCIES IN IDAHO'S PAROLE PROCESS

Mr. Mohan said that OPE had released a report for increasing efficiencies in the parole process in 2010 and a follow-up report in 2011. JLOC had requested that the director of the Department of Correction and the executive director of the Commission of Pardons and Parole give an interim update on implementation efforts before OPE's second follow-up report in fall 2012.

Co-chair Werk called on Brent Reinke, director, Department of Correction, to address the committee. Mr. Reinke handed the committee a baseline analysis of offender releases in November 2011. He clarified that the baseline was not a trend analysis, but the department intended to automate the data to analyze offender release trends. The trend data would answer specific OPE recommendations.

Co-chair Werk called on Olivia Craven, executive director, Commission of Pardons and Parole, to address the committee. Ms. Craven said she appreciated the work of the department in compiling the data—the information should make the parole process more understandable. She said the commission had added 20 more programs to prepare inmates for release.

Representative Ringo asked what the commission had done to develop a grievance process specific to the commission, as outline in recommendation 6.10. Ms. Craven said the commission had always had a grievance procedure through the Department of Correction's human resource office. Representative Ringo clarified that the recommendation had outlined a grievance policy tailored to the commission's unique process. Ms. Craven said she believed the commission had addressed this recommendation but would look into it further.

Senator Mortimer said the commission may be overworked, underpaid, and a little behind. He asked about the statistics that inmates stayed approximately 116 additional days after their parole date and the wait list numbered approximately 2,500. He also asked what would happen with a

little more dollars and staff. Ms. Craven said that if the world was perfect, everyone with good behavior and a desire for parole would get out on his or her parole date. She said the department and the commission were working to reduce the wait list, but the primary reasons for parole delays were sex offender issues and timely programming. With unlimited funding, the commission could treat everyone the way he or she needed to be; however, the State of Idaho was doing a yeomen's job of processing inmates through the system.

Senator Mortimer asked about a wait list of parolees who offend and sit in county facilities for months waiting for their case to come up. He asked whether the wait resulted from a lack of personnel and money. Ms. Craven responded by saying absolutely. The commission had started paroling more inmates about four years ago and the result was more parole violators. The commission had also lost a few hearing officers, affecting its ability to timely process violations.

Senator Mortimer asked Ms. Craven to do an analysis of the cost of incarceration versus the cost of personnel. Ms. Craven said she would be happy to do the analysis and suggested that OPE could help if needed. Co-chair Werk asked Ms. Craven to communicate to the entire committee when she had the analysis ready.

Senator Stennett said that county facilities may not offer the programs that inmates needed for parole. Did parole delays relate to difficulties in getting inmates to the appropriate facilities? Ms. Craven said the commission was not in charge of moving offenders from county facilities; however, with the mass numbers, the department was doing a great job. She said that not getting inmates the programs they needed would hold up their parole release. She said she could include in her cost analysis the number of inmates in county facilities.

Co-chair Werk noted that the committee had not discussed action for the follow-up report on Molina.

Representative Smith moved to conduct a follow-up review of *Delays in Medicaid Claims Processing* in six months by surveying the same providers that were surveyed in the first follow-up review. Senator Mortimer seconded the motion.

Representative Ringo suggested a friendly amendment to follow up in one year. She said JLOC needed to keep Molina's attention on continuing the improvements. Even though the recommendations were met, the results were not satisfactory, and she wanted to know Molina was maintaining its efforts. Mr. Mohan said that a six-month review would put the release in July or August, and JLOC would need a meeting to release the report. He said he was also planning on issuing reports in October or November around other legislative meetings such as Legislative Council or the Health Care Task Force.

Senator Mortimer said he felt the issues needed a lot of attention and waiting until October or November could be too long. He said he would prefer to have a follow-up review released in August. Senator Hammond said a longer period of time for the follow-up review would provide more opportunities for assessment.

The motion to conduct a follow-up review of *Delays in Medicaid Claims Processing* in six month failed by roll call vote.

Joint Legislative Oversight Committee
January 23, 2012

Representative Ringo moved to conduct a follow-up review of *Delays in Medicaid Claims Processing* with release at a 2012 fall meeting. Senator Stennett seconded the motion, and it unanimously passed by voice vote.

The meeting adjourned at 6:00 p.m.