MINUTES
MEDICAL SERVICES FUND ADVISORY COUNCIL
(MSFAC)
TC Energy Conference Room
June 27, 2025

Members and Alternates Present or Online

Cynthia Beane, Commissioner, BMS
Sherri Ferrell, WV Primary Care Association (MSFAC Chair)
Jim Kaufman, WV Hospital Association
Tracy Hendershot, MD, WV Academy of Family Physicians Representative (online)
Lisa Costello, MD, WV Academy of Family Physicians Representative (online)
Brad Story, WV Behavioral Health Provider Association Representative
Hallie Mason, Dental Association
Evan Worrell (House, non-voting member)
Sarah Young, Deputy Commissioner of Policy and Operations, BMS (alternate)
Debra Boyd, WV Primary Care Association (alternate/online))
Matthew Davis, WV Academy of Family Physicians (alternate/online)
Matt Walker, WV Academy of Family Physicians (alternate)/WV Lobbyist Group
Scott Eder, DDS, Dental Association (alternate)
Martin Wright, WV Healthcare Association (alternate/online)

Bureau for Medical Services Employees (BMS) Present

Margaret Brown
Gary Knight
Riley J. Romeo
Jennifer Myers
Regina McCormick
Mandy Carpenter
Joseph Bush

Interested Parties Present or Online:

Cindy Dellinger, WV State Senate Health and Human Resources Committee
Phil Shimer, TSG Strategies
Benita Whitman, Legal Aid
John Law, WV State Medical Association
Jason Landers, Highmark Health Options
Carolyn Canini, WV Primary Care Association
Rhonda Rogombe, WV Center on Budget and Policy
Jeff Wiseman, The Health Plan

Welcome, Opening Remarks, and Commissioner's Update:

- MSFAC Chair, Sherri Ferrell could not be in person due to a plane delay, Commissioner Beane served as Chair for the meeting.
- Commissioner Beane introduced the newly appointed Deputy Commissioner of Plan Management and Integrity, Gary Knight.
- Meeting Minutes from the March 28, 2025, were presented. Minutes were approved.
- Commissioner Beane presented a current overview of the provisions included in the One Big Beautiful Bill. Commissioner Beane noted that the provisions may be in negotiations and could face future revisions. Commissioner Beane highlighted the following Bill Sections that are concerning West Virginia Medicaid:
    - Section 71120: This provision reduces provider State taxes from 6% to 3.5% over the course of time. Two provider categories are exempt; nursing facilities and intermediate

care facilities. West Virginia Medicaid's revenue comes from provider taxes, as of January 2025, the revenue was $500 million.
    - Section 71121: Reduces State-directed payments down to the Medicare level. Commissioner Beane stated that the state-directed payment program is very important to West Virginia hospitals and their associations and would be a significant cut to what they are currently receiving. Commissioner Beane paused to address questions.
    - Section 71124: This provision primarily targets the Medicaid expansion population and requires community engagement which includes a work requirement. It can be tailored to fit the State's needs.
    - Section 71106: Payment reduction related to certain erroneous excess payments under Medicaid. Commissioner Beane stated there are concerns amongst all the states, which is the payment error rate measurement (PERM) audit. The national PERM average is 5.6%. At one point, West Virginia was in the lower teens, but it is down to 3.5%, which requires very hard work. It takes just one bad audit to increase the percentage. Commissioner Beane stated it is best to stay below the national average.
    - Section 71110: Qualified alien/immigrant coverage. West Virginia does not have a high immigration population, therefore, this Section is not a high concern for the State.
    - Section 71112: Expansion on the Federal Medical Assistance Percentage (FMAP).
    - Section 71114: Limits on retroactive Medicaid/Children's Health Insurance Program (CHIP) coverage. The provision affects Medicaid applicants as had previous bills, Medicaid had the ability to back date three months, it now will limit to one month for expansion population and two months for CHIP.

- Commissioner Beane stated the first three highlighted sections are the most concerning to states, especially the provider tax reduction. She continued highlighting sections that contain small changes:
    - Section 71123: 1115 Budget Neutrality, this section provides the Centers for Medicare and Medicaid Services' (CMS) clarification for the expectations of budget neutrality, Substance Use Disorder Waiver is the 1115 waiver that requires proof of budget neutrality.
    - Section 71125: Cost-sharing requirements for expansion adults. West Virginia already has a cost-sharing requirement that requires co-pays. This section provides flexibilities for co-pays that cannot exceed $35.
    - Section 71122: The uniform tax requirement, the provision. Can't tax one type of provider more than the other, it must be uniform tax.
    - Sections 77103, Identify duplicate enrollment, 71104, Verify eligibility for Death Master File, and 71108, Lower home equity cap for long-term services and supports (LTSS) have little effect on West Virginia as the State has already been practicing these processes.
    - Section 71101/71102/71113: Biden Administration rules permanently revoke nursing facility minimum staffing standards rule and both parts of the eligibility rule. This provision eliminates those rules permanently.
    - Commissioner Beane highlighted other Sections that did not pertain to West Virginia Medicaid.
- Commissioner Beane addressed questions regarding the One Big Beautiful Bill Sections from council members and attendees.
- Commissioner Beane announced changes to the MSFAC membership. The CMS passed a rule that West Virginia Medicaid is required to have a beneficiary advisory council and the current MSFAC must include a managed care organization (MCO) representative and an advocate on the MSFAC. In the future, more members will be added to the MSFAC.

Policy and Operations Update:

- Deputy Commissioner of Policy and Operations, Sarah Young, provided the following updates:
- The post-pandemic trend of member enrollment continues to decrease. In March 2025, the enrollment was 503,706, currently, the enrollment slightly decreased to 503,487.

- Deputy Commissioner Young announced that it is Waiver season, and the five-year 1915(c) Waiver renewals were submitted to the CMS. The upcoming changes to the waiver renewals are still available for public comment and are posted on the BMS website.
- The following policies have been updated:
    - *Chapter 530, Speech and Audiology Services* was updated with minor changes to the policy.
    - Deputy Commissioner Young stated that all policies are being reviewed to ensure that they are up-to-date and updated with the new Department of Human Service's logo.
- Deputy Commissioner Young gave an update on the Beneficiary Advisory Council (BAC) and its application process. The BMS posted social media message calling for new members for the BAC. The membership has been offered to five applicants in addition to the consumer representative for the MSFAC.
- The first meeting will take place on September 18, 2025. An informational webinar on the purpose of the BAC is planned in August for new members.
- Deputy Commissioner Young introduced the new BAC coordinator and MSFAC backup, Joseph Bush, to the Council.
- In early June, a routine standing site visit for data and systems took place at the BMS. Current system implementations and future needs and funding were discussed. As part of the visit, a certification review was also conducted for the Integrated Eligibility System (IES). If the certification is approved, the BMS will benefit and received a 75/25 match, if not approved, the BMS will receive 50/50.
- Deputy Commissioner Young addressed questions regarding the new eligibility system.

State Plan Amendment (SPA) Update:

- Riley J. Romeo presented information on the following SPA, that is intended to be filed at the end of the month, to council members:
- SPA 25-0003, the purpose is to apply the least restrictive resource methodologies under Section 1902-R(2) of the Act.
- SPA 25-0003 was approved.

Plan Management and Integrity Update:

- Newly appointed Deputy Commissioner Gary Knight presented the following update:
- The 1915(b) Managed Care Waiver was renewed, which gives West Virginia Medicaid the authority to operate the Mountain Health Trust (Managed Care) program.
- On July 1, 2025, Day-One Enrollment begins, which affords Medicaid members earlier access to services for treatment for substance use disorder. The goal is to reduce long-term care costs.

Finance Update:

- Interim Deputy Commissioner of Finance, Mandy Carpenter, provided the following finance update:
- Enrollment continues to decrease.
- Interim Deputy Commissioner Carpenter presented the year-to-date (YTD) expenditures through March 31, 2025. The total overall spending has slightly increased, partially due to rate increases in long-term care and home and community-based services.
- The total spending at the end of the year is projected to be $5 to $5.1 million which is within the 2% of the 6% that is allowed.
- The Federal Medical Assistance Percentage (FMAP) will slightly increase in 2026 in State funding.
- Interim Deputy Commissioner Carpenter explained that costs are driven by membership and contract bidding that can be a large part of the costs.
- Council member, Dr. Tracy Hendershot requested to add a cost line with a breakdown of eligibility groups in the Expenditure section of the Finance Update presentation. Interim Deputy Commissioner Carpenter agreed to include the information in the next MSFAC meeting.

- Interim Deputy Commissioner Carpenter clarified that claims are aged for providers between 15 to 28 days. Once West Virginia Medicaid has a claim to be paid between that time frame, it is paid based on the cashflow at the time. Claims are always paid over 28 days, but the payment could fall in between 15 to 28 days.
- Pay runs are processed every Friday and electronic funds payments (EFT) are issued after a week and deposited to the accounts on a Tuesday or Wednesday. If a provider opted for a check, payment takes longer, the State only issues paper checks once a week on Fridays. The payment schedules are varied only during holidays, if a holiday occurs on Friday, payments are smaller because they have not had time to age.
- Interim Deputy Commissioner Carpenter addressed questions from meeting attendees.

Public Comment:

- There were no public comments. The meeting was adjourned.

Minutes submitted by:
Margaret Y. Brown
Bureau for Medical Services