Iowa Medicaid Enterprise "Endeavors Update"

A Communications Effort to Strengthen Partnerships *February 2013*

Terry E. Branstad, Governor
Kim Reynolds, Lt. Governor

Iowa Department of Human Services
Charles M. Palmer, Director
Jennifer Vermeer, Medicaid Director

Special points of interest:

- Director Palmer Receives Government Service Award
- Health Home Interview
- New Pharmacy Reimbursement Approved
- Health Benefit Exchange Blueprint Submitted by Insurance Commissioner
- Iowa Selected for State Innovation Model (SIM) Award

Inside this issue:

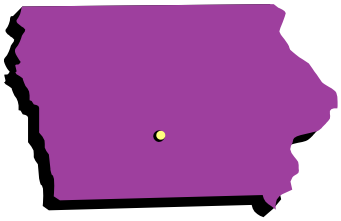
Iowa Medicaid Director's Column

Welcome to the February edition of "Endeavors Update". We continue to be very busy with the legislative session. I have testified before various legislative committees on numerous occasions. We post links to my presentations on the IME website homepage under "News and Announcements". I encourage you to review the presentations to learn more. One common theme throughout my discussions with policy makers is this: chronic disease drives costs in Medicaid. In fact 5% of the members with chronic care needs account for 48% of the costs in Medicaid. This fact cuts across discussions on a variety of policy topics. One of the many ways we are addressing this challenge is the expansion of Health Homes across the state. Another way is application for a State Innovation Model (SIM) grant to study the issue of changing the health care delivery system by utilizing an Accountable Care Organization model. On February 21 we learned we that Iowa is one of 19 states to successfully receive the grant award. Learn more about both of these issues in this newsletter. Finally, I'd like to congratulate Director Palmer for his recent recognition by the American Medical Association for his work in public health. Those of us who work with Director Palmer already know about his compassion for serving people in need. We are gratified that the AMA has honored him with this award so that others can learn more about his contributions.

Director Palmer Receives National Award

DHS Director Charles Palmer was recognized by the American Medical Association in February with AMA's top government service award in health care. AMA Board Chair Steve J. Stack, M.D., said "Mr. Palmer's compassion for serving Iowa's patients has led to significant enhancements in the state's public health system, especially in the area of mental health and disability services". Director Palmer was one of seven honorees to receive the Dr. Nathan Davis Award for Outstanding Government Service. Director Palmer was nominated by Governor Branstad and Lt. Governor Reynolds. Congratulations Director Palmer! Link to the AMA press release:

http://www.ama-assn.org/resources/doc/nac/2013-02-12-palmer-nathan-davis-award.pdf



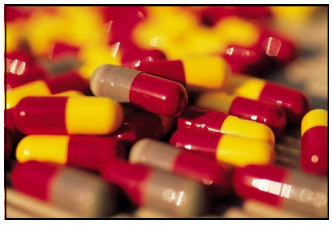
Update: Managed Care Expansion in Three Additional Counties

As of February 2013, the Meridian Health Maintenance Organization (HMO) of Iowa is now a medical managed care option for thousands more Iowa Medicaid members. The HMO is now available in Cedar, Jasper and Johnson counties. Enrollment in the HMO is optional, and available to most of the current 12,500 MediPASS members residing in the newly added counties. HMO enrollees are not charged copayments for covered services and have access to health support programs offered by the HMO. The HMO already provides coverage to more than 15,000 members in 10 counties. Throughout the year, the HMO will continue to look into expanding to additional counties where it can provide services. Link to new MHC map:

http://www.dhs.state.ia.us/uploads/IowaMap%2001.01.13.pdf

Update: New Pharmacy Reimbursement SPA approved by CMS

On January 29 Iowa Medicaid received approval from the Centers for Medicare and Medicaid Services (CMS) to implement the average Actual Acquisition Cost (AAC) reimbursement methodology for drug ingredient costs and a dispensing fee of $10.02 per prescription effective February 1, 2013. The *Endeavors Update* featured a story on this pending issue in the October 2012 edition. Under the new pharmacy reimbursement methodology, drug ingredient costs will be reimbursed based on average actual acquisition cost and the dispensing fee will be based upon survey results regarding the cost of dispensing prescriptions.



Pharmacy Point of Sale Project

The Pharmacy Point of Sale (POS) system is being upgraded to provide additional functionality which will be customized to meet the needs of Iowa Medicaid. Among other things, one of the upgrades includes a formulary tool. The formulary is used to keep a current list of which drugs can be prescribed for Medicaid members. The new management tool will allow POS staff to view, modify, and enter necessary changes without coding. A web-based portal will also be established. This will allow Medicaid providers the ability to view the formulary, Preferred Drug List (PDL) and Prior Authorization (PA) information, as well as submit PA requests online. Providers will also be able to quickly verify member eligibility and view member claims history. The scheduled launch date for the system is October 1, 2013.

Insurance Commissioner Submits Exchange Blueprint Plan

On February 15 Iowa Insurance Commissioner Nick Gerhart submitted documents to Health and Human Services Secretary Kathleen Sebelius as required to implement a state & federal "Partnership Exchange" in Iowa. According to a press release from the Insurance Commission, "The Exchange Blueprint spells out that Iowa will continue to regulate insurance plans and that the state will retain the function of the Plan management in state/ federal Partnership Exchange." Gerhart is quoted as saying "We're glad to keep this moving forward. There are many things not yet known about how the exchange will impact the Iowa market, but the federal law makes it clear an exchange will be implemented in Iowa by January 1, 2014." Link to the press release and detailed additional documents at:

http://www.iid.state.ia.us/node/5070502

Nick Gerhart

Iowa Insurance Commissioner

Regular Feature: Informational Letters Highlighted

The Iowa Medicaid Enterprise (IME) publishes provider bulletins, also known as informational letters, to clarify existing policy details or explain new policy. Bulletins are posted on a website. The "*Endeavors Update*" will highlight information letters released in the preceding month. Topics of the January 2013 informational letters included:

- Iowa Medicaid Pharmacy Program Changes (IL# 1213)
- Iowa Family Planning Network Coverage Changes (IL#1212)
- MediPASS Assignment Request Attestations (IL#1211)
- IowaCare Updates (IL#1210)
- IowaCare FQHC Medical Home Reimbursement Rates (IL#1209)
- Procedure Code T1001 and H1003 Revisions (IL#1208)
- Reimbursement Changes for Pharmacy and Important Dates # 5 (IL#1207)
- Money Follows the Person Expansion and Additional Responsibilities #1 (IL#1206)
- Clarification of Disclosure Requirements for Enrollment Renewal (IL#1205)

Please note there is a new web page dedicated to the 2013 informational letters:

http://www.ime.state.ia.us/Providers/Bulletins/Bulletins2013.html

Health Home Update & Interview

Medicaid Health Homes continue to expand across Iowa. As of January, 2,116 Medicaid members were enrolled in the Health Home (HH) project across the state. There are 20 Health Homes in 22 counties, covering 54 clinic locations with just over 500 individual practitioners committed to delivering Health Home services.

Health Homes are "a great opportunity to establish continuity of care with patients through an interdisciplinary team."

Tony John
RN Case Manager
Siouxland Community Health Center

What is it like in the field for Health Home providers and members? We are very fortunate that Tony John, RN Case Manager at Siouxland Community Health Center (CHC) agreed to answer some questions about what it's like to be a Medicaid Health Home. Below are Tony's unedited answers to interesting questions.

Tony John, RN Case Manager
Photo Courtesy of Siouxland Community Health Center

How long has your organization been a Health Home? July 2012

How many Medicaid patients are enrolled there in the Health Home? 988

Can you describe a typical Medicaid member enrolled in your Health Home?

The majority of our patients that are enrolled have at least one or more chronic conditions such as diabetes, mental health problems, COPD and associated co-morbidities. These patients typically are on 4 or more medications and require frequent follow up visits.

Continued on next page

Siouxland Community Health Center Interview Continued

What do you see as the biggest advantage to Medicaid members to join a Health Home?

We are able to keep closer tabs on our patients chronic conditions by establishing a rapport with them and getting them tied into other needed services through our comprehensive approach to healthcare. For example, we offer Social Services, Case Management, HIV and Hep C treatment, Lab, X-RAY, pharmacy, Urgent Care, health education classes, and diabetes support groups just to name a few.

Explain "care coordination" to our readers.

Being able to provide our patients access to needed services, usually in one location. For example let's say we have a female patient age 28 that has just accessed Medicaid and is assigned to our facility. She has a recent history of IV drug use, is homeless, just found out she is pregnant and has uncontrolled diabetes. We would be able to provide social services for this person to access services such as housing, treatment facilities, and community assistance programs. We would also be able to refer her for prenatal care. Our HIV team would be able to offer HIV/ HEP C testing and, if positive, begin establishing a care plan specifically tailored to her individual needs. We would also have her speak to a case manager who would be able to educate her on controlling her diabetes through diet and exercise and have a clinical pharmacist assist with finding the appropriate medication regiment to maximize positive outcomes. We are able to provide all of these services here in one location.

What is the biggest advantage to Medicaid providers to enroll as a Health Home?

Better patient outcomes and increased patient compliance with recommended medical treatment as well as greater funding to be able to design, provide and implement comprehensive care plans and programs based on individual needs.

What is the biggest challenge to implementing Health Homes?

The majority of our visits are allotted 15 minutes. When we have a complicated case such as described above, being able to access and provide the needed care coordination can take quite a bit of time for the provider, the patient and other members of the healthcare team.

What would you say to other providers considering enrolling as a Health Home?

A great opportunity to establish continuity of care with patients through an inter-disciplinary team.

From your perspective, what is the biggest difference in how Siouxland CHC as a Health Home delivers care, compared to a non-Health Home clinic?

It allows our team to rely on each other in establishing a relationship with patients and having those patients rely on the health center as a trusted medical home and the end results usually helps in improving quality measures and improving compliance.

State Innovation Model (SIM) Funding: "A Project to Unify Iowa's Health Care Delivery System"

"Why change our current health care delivery system? The current system is fragmented and reimbursement methods reward volume, not value. We need to increase quality outcomes and lower costs."

Jennifer Vermeer
Iowa Medicaid Director

On February 21 we learned that Iowa was one of 19 states to be awarded a Centers for Medicare and Medicaid Services (CMS) State Innovation Model (SIM) award. According to Medicaid Director Jennifer Vermeer, the grant vision is to "transform Iowa's health care economy so that it is affordable and accessible for families, employers, and the state and achieves higher quality and better outcomes for patients." The goal of the project is to reduce the rate of growth in health care costs for the state as a whole to the Consumer Price Index within three years. Strategies that will be utilized to reach the goal include value-based reimbursement, expansion of accountable care organization methodology to integrate long-term care and community based services (which are a high cost to Medicaid) and engagement of members in their own health. Iowa Medicaid plans to use the initial $1.4 million award for contractor support for data analytics, technical assistance, actuarial services and project management. The initial application for planning funds has a great deal of stakeholder support. The project is set to begin on April 1, 2013.

Grant letters of support were provided by the following: Wellmark BC/BS, Iowa Hospital Association, Iowa Medical Society, Iowa Department on Aging, Iowa Healthcare Collaborative, the University of Iowa Health Care, Magellan Behavioral Health, Iowa Health System, Mercy ACO and Genesis Health System.

What is an Accountable Care Organization?: According to the CMS Accountable Care Organizations (ACOs) are groups of doctors, hospitals, and other health care providers, who come together to provide coordinated high quality care to the patients they serve. Coordinated care helps ensure that patients, especially the chronically ill, get the right care at the right time, with the goal of avoiding unnecessary duplication of services and preventing medical errors. When an ACO succeeds in both delivering high-quality care and spending health care dollars more wisely, it will share in the savings it achieves for the Medicaid program.

Legislative Testimony: On February 13, 2013, Medicaid Director Jennifer Vermeer provided testimony on the SIM application before a legislative committee. You can link to her presentation and presentations by other groups regarding Accountable Care Organizations in Iowa at the Health and Human Services Budget Subcommittee documents link on the Iowa General Assembly website (go to publications dated February 13) : https://www.legis.iowa.gov/Schedules/committeeDocs.aspx?GA=85&CID=37

"This survey will be used to track the progression of compliance activities as we move forward."

Robert Schleuter
Iowa Medicaid
Provider Services
Unit Manager

IME Survey Tracks Progress of ICD-10 Implementation Readiness of Providers

Update:

The Iowa Medicaid Enterprise (IME) is conducting the second in a series of ICD-10 tracking surveys to determine if organizations are impacted by the change to the ICD-10 code sets and to gauge their progress toward readiness for implementation. The results of the first survey indicated that provider movement toward ICD-10 compliance was not as far along as expected. This survey will be used to track the progression of compliance activities moving forward.

Background:

On January 16, 2009, the U.S. Department of Health and Human Services (HHS) released the final rule mandating that everyone covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must implement ICD-10 code sets for medical coding on October 1, 2013. On August 24, 2012, the HHS announced that it would delay the ICD-10 compliance date by one year to October 1, 2014. The change in the compliance date gives providers and other covered entities more time to prepare and fully test their systems to ensure a smooth and coordinated transition to these new code sets. The IME continues to prepare for the implementation of ICD-10 by reviewing policy and preparing for updates to medical coverage, rules, operational procedures, and technical systems and intends to conduct external end-to-end testing with providers between October 2013 and October 2014. The IME urges providers to continue forward with their ICD-10 projects and to ensure plenty of time for robust testing of ICD-10 claims alongside production ICD-9 claims beginning in the final quarter of 2013. Robust testing will help ensure a smooth transition to ICD-10. As with the first survey the information gathered from this second survey will be shared to support a successful implementation of ICD-10. Watch the April 2013 edition of the "Endeavors Update" for information about the results of the second survey.

If you have any questions on ICD-10 please send an email to:

icd-10project@dhs.state.ia.us

For more information, please visit the ICD-10 website (http://www.ime.state.ia.us/Providers/ICD10.html)

DHS Program Integrity Legislative Proposal

DHS is proposing legislation SSB 1127 & HSB 110 to increase Medicaid's ability to enhance program integrity with provisions designed to eliminate fraud, waste and abuse in the Iowa Medicaid program. Iowa is one of a minority of states that does not have a program integrity statute for Medicaid. The program currently follows a general statutory authority in order to recover "incorrectly paid" Medicaid funds. In addition, current law is very narrow compared to new federal requirements in this area. Iowa Medicaid has revised a "one-pager" background sheet about the bill draft, including examples of how the new legislation will better position Iowa Medicaid to fight fraud. Medicaid Director Vermeer has called two extraordinary meetings of the Medical Assistance Advisory Council (MAAC) to discuss the proposal with stakeholders. The second of these meetings occurred on February 20 where provider groups discussed a proposed amendment.

Iowa's Ill and Handicapped Waiver Name is Changing

Iowa's Ill and Handicapped Waiver has been in effect since 1984. In an effort to better reflect the population served and to update professional terminology used in the field, the name is being changed to the "Health and Disability Waiver". The Iowa Administrative Code rules, DHS forms and website will be updated to reflect the name change. Please bear with us as we make this name change transition through various platforms.

Medical Director's Minute

Dr. Kessler writes a monthly column on topics of interest. Last month we inadvertently linked to an old column. Here is the link for February 2013. Dr. Kessler explores the topics of "Geography of Disease".

Link to the column at:

http://www.ime.state.ia.us/Providers/Newsletters.html

Disease Management Nurses Work with Medicaid Members to Encourage Heart Health

February is not only one of the shortest months in the year, but also one of the most important months because it is *American Heart Month*. It is an easy month to remember since it is also the month we celebrate Valentine's Day. The reason this month is so important is because heart disease is the leading cause of death in the United States for both men and women and it is a *Silent Killer*. Death from heart disease is not usually spontaneous; damage is usually caused over time and, often, signs and symptoms may go unnoticed until it is too late.

"The number one preventable risk factor for heart heart is smoking."

Kelly Williams, RN, BSN Clinical Operations Manager

Heart disease is one of the top chronic diseases managed by the Disease Management program because, while many risk factors such as age, gender, ethnicity, and family history cannot be prevented, there are many risk factors that can. The number one preventable risk factor is smoking. It reduces blood flow to the heart and brain and studies have shown that smoking after a heart attack can double the risk of a second heart attack. Other preventable risk factors are obesity, high cholesterol, and high blood pressure. The Disease Management nurses work with members with heart disease by reinforcing treatment plans developed by their healthcare provider and focusing education on preventable risk factors. In reducing risk factors, the unnecessary damage to arteries including plaque buildup, narrowing, and restriction of blood flow that cause heart disease, including heart attack and stroke, can be prevented or reduced.

"The impact of reaching out to members and making a difference in their lives, whether it be for their acute health issues or long term chronic illness, is refreshing, especially when they recognize our voices and state they are benefiting from our calls and utilizing the information and education we are sharing."

IME Member Services Health Coach

Next Issue of "Endeavors Update" Coming in April

The March & April editions of the Iowa Medicaid "Endeavors Update" will be combined and published at the end of April due to a staffing issue. Thank you for your interest in our publication.

Regular Feature: Medicaid Projections
Focus on December 2012 enrollments and expenditures

The Medicaid forecasting group met in January to update the FY 2013 – FY 2015 Medicaid estimates. The midpoint estimates established at this meeting are provided below.

	Medicaid Forecasting Group Midpoint Estimates		
	FY 2013	FY 2014	FY 2015
State Revenue	$1,356,120,822	$1,321,689,145	$1,313,275,016
State Expenditures	$1,403,120,822	$1,493,689,145	$1,561,275,016
Year-End Balance	**($47,000,000)**	**($172,000,000)**	**($248,000,000)**

The forecasting group increased its state expenditure estimates from the prior month, which then increased the anticipated funding need in each year.

Historically, Medicaid pay cycles slow during holiday periods and, as a result, spending in the month of December is often lower than average. This assumption was built in to the department's FY 2013 projection, but the anticipated reduction did not materialize. December expenditures were very much in-line with recent monthly experience, and this resulted in a variance from projected spending levels. This variance was the primary contributor to the department's increased expenditure estimate. Higher December enrollment levels also contributed to the spending increase, but this has been offset by lower enrollment in January. These estimates do not consider any proposed 2013 legislative action.

Iowa Department of Human Services

Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.

We're on the web!

http://www.ime.state.ia.us/

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IMENewsletter@dhs.state.ia.us

The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.

The Medicaid program is funded by State and Federal governments with a total budget of approximately $4 billion. The $4 billion funds payments for medical claims to over 38,000 health care providers statewide.

Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 650,000 Iowans, or 21%, of the population in State Fiscal Year 2013.

Iowa Medicaid Upcoming Events:

March 14	Pharmaceuticals & Therapeutics Meeting
April 3	Drug Utilization & Review Meeting
April 15	***hawk-i*** Board Meeting
April 19	Clinical Advisory Committee Meeting

Link to the DHS Calendar at:

http://www.dhs.state.ia.us/DHSCalendar.html

This update is provided in the spirit of information and education.

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