

Iowa Medicaid Enterprise “Endeavors Update”



A Communications Effort to Strengthen Partnerships

Iowa Medicaid Director’s Column

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

Iowa Department of Human Services
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Special points of interest:

- MMIS Procurement Documents on the Web
- Welcome New Board Members
- Medicaid and Generic Drugs
- IME Operations Overview
- Understanding HCBS Waiver Series
- MAAC Meeting Location Set

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Welcome to the March edition of the IME Newsletter. March is brain injury awareness month and the Brain Injury Association of Iowa is leading an awareness effort to prevent traumatic brain injuries in sports by teaching Iowans about sports and concussions. According to the BIAI website, more than 3.1 million children and adults in our country have disabilities caused by traumatic brain injuries. The Association believes that 95,000 Iowans are living with disabilities acquired by brain injury. In this month’s newsletter you will learn

more about Iowa Medicaid’s Home and Community-based Waiver for Brain Injury services. Brain injuries often pose a unique combination of mental health and behavioral health challenges. Iowa has a dedicated community of professionals in the brain injury service provider area. We thank them for their innovative programs and service to brain injured Iowans and their families. This newsletter is going to highlight one program in central Iowa. Through a new community neuro-rehabilitation project in Des Moines we are embarking on

an effort to better serve individuals here in Iowa who have previously been sent out of state for services due to a lack of provider capacity. Learn more in the article on page 4. Thank you for your interest.



Medicaid Management Information System Procurement Documents Now Available on Web

Iowa Medicaid is planning the procurement of a new Medicaid Management Information System (commonly called the MMIS) and Pharmacy Point of Sale (POS) during 2011. As part of the procurement process DHS released a Request for Information (RFI) on February 21, 2011 for vendor review and

comment. The requests for information must conform to specific architectural principles. These principles include: system integration, service oriented architecture, isolation of business rules, security and privacy, efficient and scalable infrastructure, transparency, accountability, evaluation and

system performance. The objectives of the RFI are to identify new technology, best practices and business initiatives, to collect information to facilitate the construction of the Request for Proposal, and to collect information to aid the Department in understanding the vendor perspective on

MMIS Procurement (continued)

design, development and operation of a state of the art system. The Department is striving to secure a system that will successfully allow it to implement a score of federal mandates including the Health Information Tech-

nology (HIT), Health Information Exchange (HIE), HIPAA transaction and code set upgrades (ICD-10 and NCPDP) and the Patient Protection and Affordable Care Act (PPACA). Vendor demonstrations are scheduled to

occur on March 15th and 16th in Des Moines. Comments on the RFI are due on March 22, 2011. Please follow the link below for further information.

http://www.ime.state.ia.us/Reports_Publications/RFP/RFP12001.html

Planning for the Health Benefit Exchange and Medicaid Expansion Continues

Jennifer Steenblock, the Department of Human Services Project Director for implementation of the Affordable Care Act, updated policy makers last month at a Senate subcommittee hearing on a bill to establish the state Health Benefit Exchange. Steenblock explained that DHS is focusing on efforts to ensure that we have an eligibility system that will meet the needs for the Medicaid expansion under the ACA and the requirement for interoperability with the Health Benefit Exchange. DHS is utilizing funding from the

Health Benefit Exchange planning grant to study and identify the needs for an integrated system. Activities include developing a strategic plan, completing a cost benefit analysis and issuing a Request for Information (RFI) to vendors. The vendor responses will help the Department understand the information technology options available. Steenblock explained that some of the challenges the project must consider include an increased number of “newly eligible” individuals, new requirements

about determining eligibility (this is the MAGI, or modified adjusted gross income, standard which will require automated verification of income from the Internal Revenue Service), the realities of a 30 year old mainframe computer that is currently not easy to modify or adapt, and very complex requirements regarding interoperability, integration and seamlessness between Medicaid eligibility and the Health Benefit Exchange. Vendor demonstrations are planned for April 2011.

“The Medicaid expansion required under the Affordable Care Act presents an opportunity to re-engineer how we determine eligibility for benefits. Technology will allow DHS to improve our processes.”

*Jennifer Steenblock
ACA Project Director*

“Interoperability, integration and seamlessness”

Welcome New *hawk-i* Board Members

Governor Branstad appointed two new members to the *hawk-i* board, Mr. Bob Skow and Ms. Kathy Pearson. They will replace Susan Salter and Dr. Seldon Spencer whose terms end on April 30, 2011. The Board is responsible for providing direction to the Department of Human Services

on the development, implementation and ongoing administration of the *hawk-i* program. The Board meets at least six times per year. The *hawk-i* program provides health care coverage to targeted low-income children under the age of 19 whose family income is between 133% and 300% federal

poverty level who are not eligible for Medicaid and who are not covered by private insurance. The State of Iowa makes a serious financial commitment to the *hawk-i* program with over \$37 million in funding (General Fund and other sources) for SFY 2011.



*"We thank Susan Salter and Dr. Seldon Spencer for their years of service on the **hawk-i** Board. Our work is enhanced with the contributions of caring Iowans who commit their time and talents to serve on our various boards and councils.*

*Jennifer Vermeer
Medicaid Director*

Medicaid and Generic Drugs: Clarifying the Cost-Containment Strategy

Iowa Medicaid energetically pursues the lowest price on drugs, whether they are generic or brand name. Generics are usually lower in cost and Iowa Medicaid utilizes them at a high rate—75.3 percent of all prescriptions. Brand name prescriptions sometimes do have savings opportunities in the form of rebates. So it would be counterproductive to exclude brand names as a strict policy. Iowa is a member of the Sovereign States Drug Consortium (Maine, Vermont, West Virginia, Wyoming, Oregon

and Utah) which uses their buying power to drive additional rebates. This has helped Iowa to receive rebates totaling 47% of all drug costs. As compared to other states this is a high rate. In 2005, the same year Iowa joined the Consortium, Iowa started the Preferred Drug List also known as the PDL. The PDL has a regular review process to determine the point at which the product, brand name or generic is the more cost effective product, at which time it becomes preferred. Since

these strategies were implemented, the trend for the cost per user has gone down dramatically, by 60% in five years, at the same time that overall drug costs have risen. The cost per user in the Medicaid program in 2005 was \$1,016 down in 2010 to \$416. The overall effect of these cost-containment strategies is to ensure that Iowa is not overpaying for prescription drugs for Medicaid members.

"Iowa's prior authorization and rebate strategies saved taxpayers \$125.8 million in fiscal year 2010. The previous fiscal year savings were \$95 million."

*Roger Munns,
Spokesman
Iowa Department of
Human Services*

Better Understanding HCBS Waivers: Brain Injury Waiver (Fifth in a Series)

This month's series on "Better Understanding HCBS Waivers" will focus on the Brain Injury (BI) Waiver. The Brain Injury Waiver provides services for persons who have a brain injury due to an accident or illness. The age restriction for individuals who receive this waiver range from at least one month old to less than 65 years old. As with the other HCBS waivers, the intent of the program is to provide support to individuals to maintain them in their own homes or communities as an alternative to care in an institution. The services must be cost effective. The maximum dollars per month for services permitted under this waiver is \$2,812. Services available under this waiver include adult day care, behavioral programming, case management, consumer directed attendant

care, family counseling and training, home and vehicle modification, interim medical monitoring and treatment, personal emergency response, pre-vocational services, respite, specialized medical equipment, supported community living, supported employment and transportation. LeAnn Moskowitz is the HCBS program manager for the Brain Injury Waiver. Moskowitz points out several challenges in providing services to brain injured Iowans. "A brain injury needs rehabilitative care right away in order to enable the individual to recover and recapture functioning. So delays caused by waiting lists delays critical treatment." Provider capacity is another challenge in this area of treatment. Brain injuries often create unique mental health and behavioral health issues.

Providers need specific training and skills to best serve these needs. Moskowitz commends the collaborative efforts of Iowa Medicaid, the Iowa Association of Community Providers and the Brain Injury Association of Iowa in their effort to team up to produce web-enabled training for service providers. The target date for kick-off of this training is early April. Moskowitz explains the project mentioned in the Director's column (page 1) as follows. "Community NeuroRehab, a community-based neurobehavioral rehabilitation service program has the capacity to serve five individuals and is located in a residential setting in Des Moines. CNR began providing services in December 2010 and is reimbursed for services provided to Medicaid members under an "exception to policy". A

workgroup including representatives from the brain injury service community was recently convened to review this program model and programs like it in other states. The objective of the workgroup is draft a state plan amendment to allow more community-based neurobehavioral programs like this one to operate as a state plan service in Iowa. Moskowitz says "we hope this program is successful and will encourage other providers to deliver similar services in the community which will allow us to create a path for individuals who are at risk of out of state placement to remain in Iowa and those Iowans currently receiving services out of state to return to Iowa for services."

"The brain injury waiver is a way to enable people to be fully recognized and participating citizens in their communities."

*LeAnn Moskowitz
HCBS Program Manager*



Brain Injury Waiver Informational Packet:

<http://www.ime.state.ia.us/docs/BIPacket.pdf>

Current Waiting List (Updated on Feb 3, 2011):

http://www.ime.state.ia.us/docs/HCBS_MonthlySlotandWaitingList.pdf

Learn more about the Community NeuroRehab Program at:

<http://www.communityneurorehab.com/home>

Medicaid Projections: FY 2010 Surplus Estimate Revised Downward

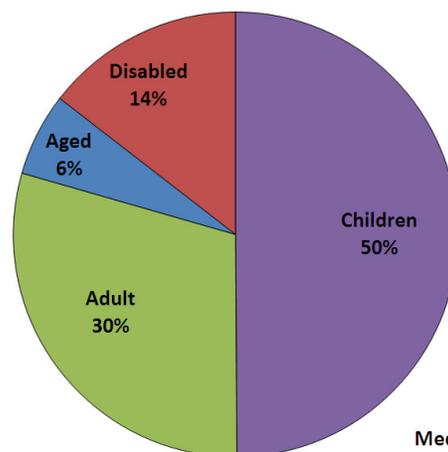
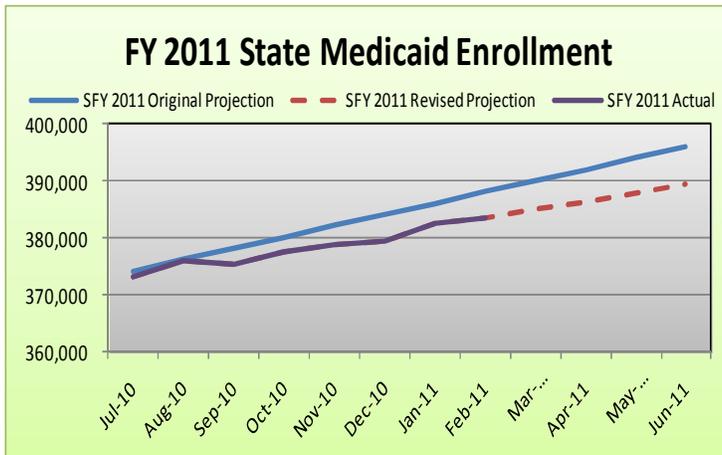
The Medicaid forecasting group met in February and lowered the FY 2011 surplus estimate from \$10 million to \$8 million. This was primarily due to an increase in the year-end enrollment estimate, which was revised upward based on January data. Although the January figures were higher than anticipated, year-to-date enrollment continues to trend below the original projection. Year-to-date spending is also trending below the original projection, but several uncertainties could still reduce the FY 2011 surplus estimate. One prime exam-

ple would be Iowa's declining Federal match rate. In a typical year, the Federal Medical Assistance Percentage (FMAP) will change only once. Due to a phase-down in the match rates authorized under the American Recovery and Reinvestment Act of 2009 (ARRA), Iowa's FMAP will be lowered three times throughout FY 2011. As a result, the state match rate increased from 27.45% to 30.32% in January, and will increase again to 32.24% in April and 37.37% in July. Thus, a \$100 provider payment would cost the state

\$27.45 in December, but the same payment would cost \$37.37 in July; a 36% increase. The size and frequency of these rate changes make state spending highly dependent upon the month in which payments are made. This is a circumstance unique to the current fiscal year, and could cause the year-end spending estimate to fluctuate. The adjustments to the FY 2011 surplus did not impact the FY 2012 estimate. The forecasting group still anticipates a budget gap of \$565 million in the upcoming fiscal year.

“Although the January enrollment figures were higher than anticipated, year-to-date enrollment continues to trend below the original projection.”

*Jennifer Vermeer
Medicaid Director*



Medicaid Recipients Projected SFY 2012

Get to Know Iowa Medicaid Enterprise Operations



“This article will kick-off a new series that we hope will help to increase awareness about IME operations and its specialized units.”

*Jennifer Vermeer
Medicaid Director*

Many people are not aware of the unique partnership that Iowa Medicaid utilizes to administer the Medicaid program. The five-year old endeavor unites state staff with contractors into a performance-based model for administering the Medicaid program. Iowa Medicaid is a Division of the Iowa Department of Human Services. Within Iowa Medicaid there are ten units focusing on unique areas of expertise. All units are housed and participate in activities together in a single building on Army Post Road in Des Moines. **Policy staff** at the IME are state employees who provide overall guidance to the operations of the IME through development of policies about coverage and payment for all services from dental to nursing facility to hospital care. **Provider Services** staff enroll health care professionals as participating providers. They offer assistance for billing ser-

vices through trainings, seminars and telephone assistance. **Member Services** staff and operate a call center to assist Medicaid members in access services or explaining how services can be provided. The **Provider Audit & Rate Setting** staff help policy staff to develop payment rates that are consistent and appropriate for services being provided to members. This includes rates for physicians and hospitals among others, using various methodologies. **Core Services** is the group that performs a myriad of functions for the IME including processing and payment of claims, mail handling and reporting. This is the unit that provides and updates the automated eligibility reporting system known as ELVS. **Medical Services** consists of medical professionals and affiliated staff who provide medical opinions on specific areas such as coverage and benefits, as well as

assisting with opinions on exceptions to policy and appeals. **Pharmacy Medical Services** oversee the operation of the Preferred Drug List (PDL) and Prior Authorization for prescription drugs. The development and updating of the PDL allows the Medicaid program to optimize funds spent for prescription drugs. The **Program Integrity** unit routinely inspects claims submitted to the IME to assure that Medicaid is paying appropriately for covered services. **Point of Sale**, otherwise known as POS, is the real-time system for pharmacies to submit prescription drug claims for Iowa Medicaid members and receive a timely determination regarding payment. **Revenue Collections** is the unit that captures payments that are to be made through the Medicaid program through other third-party insurance, estate recovery and liens.

View the Iowa Department of Human Services

Table of Organization

http://www.dhs.state.ia.us/docs/DHS_Table_of_Org_1_14_2011.pdf



Reminder

IME Medical Director, Dr. Jason Kessler, writes a monthly column called the “Medical Director’s Minute”. Link to the latest edition at:

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

Know the Difference: Health Information Exchange & Health Benefit Exchange

The Iowa Department of Human Services is a partner in the Health Benefits Exchange Interagency Workgroup. DHS collaborated with the Iowa Department of Public Health and the Insurance Division to develop a one-page overview explaining the differences between the Health Information Ex-

change, the Health Benefit Exchange and the Insurance Exchange. You can view the side-by-side comparison at the link below. The Iowa Legislature is moving forward with policy in these areas. At the time of this writing several bills passed the first funnel deadline to remain eligible and were

renumbered with new bill numbers. SF 404, called "Iowa E-Health" is a bill that establishes a health information exchange as a public-private collaborative for developing and administering various electronic health records. The Iowa Department of Public Health will administer this program.

SF 348 authorizes the establishment of a health benefit exchange. HF 559 and SF 391 are similar bills that also establish health insurance exchanges. HF 576 is a bill to prohibit abortion coverage in exchange policies. Learn more about the various bills at the Iowa General Assembly website.

http://www.idph.state.ia.us/hcr_committees/common/pdf/hbe/difference_between_exchanges.pdf

MAAC Meeting Set for April 6th; Please Join Us

In an effort to make the Medical Assistance Advisory Council more accessible the next meeting will be held on April 6th at 1:00 at the Lucas State Office Building in Room 415. The Council's purpose is to "advise the Director about health and medical care services under the medical assistance pro-

gram." The full Council meets quarterly and the Executive Committee meets monthly. The MAAC Council is chaired by the Director of the Department of Public Health, Dr. Miller-Meeks. Please join us to learn more about the issues that Iowa Medicaid faces in the delivery of health care to vulner-

able Iowans. You can visit the webpage below for further information. Please email Stephanie Clark at if you plan to attend.

sclark2@dhs.state.ia.us

The Iowa General Assembly is considering a bill to expand the membership on the MAAC to include representation by the Iowa Dietetic Association and the Iowa Behavioral Health Association. You can view the bill, SF 185, at the Iowa General Assembly Website:

<http://www.legis.iowa.gov/index.aspx>

<http://www.ime.state.ia.us/MAAC/#search='maac'>

Medicaid Abbreviations and Acronyms: Learn More

We understand that Medicaid policy and procedures can be challenging to understand and the frequent use of abbreviations and acronyms doesn't help. Did you know that there is a refer-

ence guide on the DHS website for frequently used Medicaid Abbreviations and Acronyms? Learn more about the difference between HIPAA and HIPP; FMAP and FPL; MAAC and

MAC; PACE and PACT; SHIP and SCHIP by following the link below.

<http://www.ime.state.ia.us/docs/MedicaidAbbreviationsAndAcronyms.doc>



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 \$4.2 billion. The \$4.2 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 656,000 Iowans, or 21% of the population in State Fiscal Year 2012.

Iowa Medicaid Upcoming Events: April 2011

April 6 MAAC Quarterly Meeting

<http://www.ime.state.ia.us/MAAC/#search='maac'>

April 6 Drug Utilization Review

<http://www.iadur.org/meetings>

April 18 **hawk-i** Board Meeting

http://www.hawk-i.org/en_US/board.html

April 19 MAAC Executive Committee

<http://www.ime.state.ia.us/MAAC/#search='maac'>

April 22 Clinical Advisory Committee

http://www.ime.state.ia.us/MAAC/CAC_Index.html#search='clinical advisory committee'



Please Join Us

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