



# Iowa Medicaid Enterprise “Endeavors Update”

*A Communications Effort to Strengthen Partnerships*

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

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

## Iowa Medicaid Director’s Column

### Special points of interest:

#### December 2011

- Mental Health Redesign
- HCBS Waiver Waiting Lists Reduced
- Health Benefit Exchange Grant
- Iowa Ranks at Top for Long Term Care Performance
- PACE Expansion January 1



Welcome to the December edition of the Iowa Medicaid Newsletter. We are pleased to provide links to several recent Iowa Medicaid Publications and update you about a variety of efforts culminating prior to the start of the 2012 legislative session. In an article entitled "On Our Radar: Medicaid Priorities FY 2012" we give you a snapshot of the exciting opportunities we have before us. We also give you an update on the progress made to reduce the Home and Community Based Services (HCBS) waiting lists due to an effort by policy makers to target funding to make an impact for individuals on those lists.

Change is a constant in my work here at Iowa Medicaid. This month I have to say best wishes to Sue Lerdal, longtime Legislative Service Agency (LSA) analyst for DHS, as she begins retirement and say hello to Maggie Reilly, my new secretary, as Stephanie Clark moves to another role at Iowa Medicaid. I wish all three people the best in their new roles. There are brief articles on Sue and Maggie.

As always, thank you for reading.

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## Mental Health and Disability Redesign FINAL Report Issued

Department of Human Services Director Chuck Palmer endorsed nearly all of the recommendations emerging from workgroups that were appointed to study ways to replace Iowa’s mental health and disability service system by the summer of 2013. The proposal in the final report includes a phased five-year plan to redesign the state’s service system, including grouping of counties into regional administration units, additional state aid to counties, and performance-based contracts to assure quality. Palmer said one of the more important improvements will be crisis intervention, including a centralized 24/7 crisis hotline, crisis mobile support, emergency walk-in capabilities, short-term residential support for people in crisis and jail diversion. See link to final report on page 2.

## Mental Health and Disability Redesign Final Report Issued

The Department of Human Services says thank you to all those who participated in our Consumer, Family & Advocacy MHDS Redesign Survey. There were nearly 1,600 responses.

Link to the final report at:

<http://www.dhs.iowa.gov/Partners/MHDSRedesign.html>

You are encouraged to follow the progress of the report at the Iowa General Assembly website at the Mental Health and Disability Services Study Committee page:

<http://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=541>

## HCBS Waiver Waiting Lists Reduced Due to Legislative Commitment

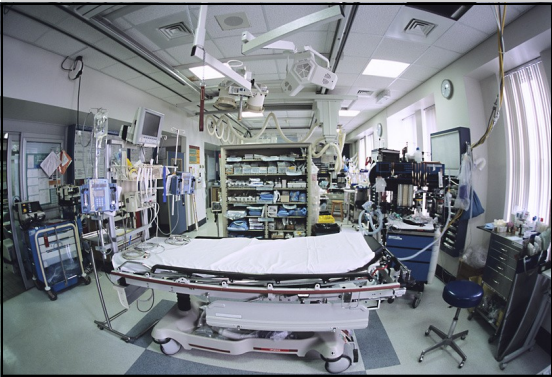
During the 2011 legislative session policymakers made it a priority to reduce the waiting lists on Home and Community Based Service (HCBS) Waivers with a two-year, \$5 million per year appropriation. This is obviously good news for the individuals in need of these services. During the first year of the effort 1,246 slots on the waiting list will be reduced. 100% of the Intellectual Disability Waiver waiting list will be eliminated. In July 2011, there were 196 adults and children on this waiting list. To date, all slots on the Intellectual Disability waiting list have now been cleared. The remaining funds will be distributed proportionately based on the number of individuals on the Brain Injury and Children's Mental Health Waiver waiting lists. In July 2011, there were 779 individuals on the Brain Injury waiting list and 1,051 individuals on the Children's Mental Health waiting list. Based on these figures, 447 Brain Injury slots and 604 Children's Mental Health slots will be released. In other words, the waiting lists will be reduced by 1,246. (A 50% take-up rate is assumed and state spending in the first year will be less than \$5 million because that is an annualized figure.) During the second year of the effort the majority of the funds will be used for the Physical Disabilities and Ill & Handicapped Waivers since both have large waiting lists and neither received funding in SFY 2012. The Brain Injury and Children's Mental Health Waivers will also be impacted. The department estimates a total of 2,850 slots will be released as a result of this funding. Slots will be released on a first come first serve basis based on the date of application.

*"Policymakers deserve kudos for keeping this issue on their radar."*

*Deb Johnson  
Bureau Chief  
Long Term Care  
Iowa Medicaid*



## “Partners for Better Health and Wellness”



The Iowa Medicaid Member Quarterly Newsletter is now available on the web. The winter edition provides helpful guidelines about when and when not to use an emergency room.

Link to the Member Newsletter at:

[http://www.ime.state.ia.us/docs/MemberNewsletter\\_2012January.pdf](http://www.ime.state.ia.us/docs/MemberNewsletter_2012January.pdf)

## Medical Director's Minute

Dr. Kessler provides a list of helpful links to resources of interest in his December 2011 Medical Minute.

Link to the Medical Minute at:

[http://www.ime.state.ia.us/docs/MDMinute\\_12\\_2011.pdf](http://www.ime.state.ia.us/docs/MDMinute_12_2011.pdf)



## Did You Know? CMS Launched a New Website

<http://www.medicaid.gov/>

The Centers for Medicare and Medicaid Services (CMS) launched a new website "devoted to the policies--and the people" of Medicaid and the Children's Health Insurance Program (CHIP). CMS says the website is an effort to "revitalize and reorient" the information they make available. CMS wants your feedback on the site. Please visit the site then comment at:

<http://cmsideas.uservoice.com/forums/141980-medicaid-gov>

## “On Our Radar: Medicaid Priorities FY 2012”

At a recent Medical Assistance Advisory Committee (MAAC) meeting Director Vermeer shared Iowa Medicaid's list of priorities for fiscal year 2012. Vermeer called this an "incredibly exciting" list of projects. Here is the list in its entirety. We've written about some of these priorities in previous newsletters. Watch for more stories throughout the months ahead.



### Key Medicaid Priorities FY2012

- Mental Health Redesign Implementation
- Information Technology Projects (Medicaid Management Information System, Eligibility, Health Information Technology and Health Benefit Exchange)
- Payment Reforms (Health Homes and Accountable Care Organizations)
- Strategic Planning (Vision and Key Performance and Quality Measures)
- Dual Eligibles (Analysis and Strategies)
- Cost Containment (longer term strategies and increased recoveries)

## Iowa Awarded Federal Health Benefit Grant

The Iowa Department of Public Health, in collaboration with the Iowa Department of Human Services and Iowa Insurance Division, was awarded a \$7.7 million grant to continue work on a Health Benefit Exchange (HBE). This grant will be used to conduct insurance market research and analysis to inform policy decisions on the design of its exchange, conduct a financial assessment and budget analysis to determine the financial resources required to provide assistance to individuals and small businesses, coverage appeals, and complaints. The state will develop a detailed exchange business process, and associated business requirements for the system. Additionally, they will conduct focus groups and stakeholder outreach regarding user interface design and program development.

<http://www.healthcare.gov/news/factsheets/2011/05/exchanges05232011a.html>

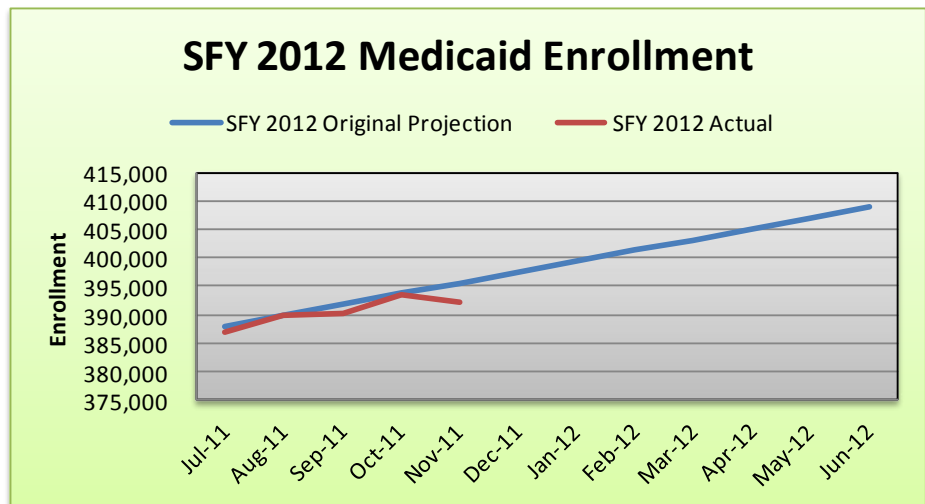
## Medicaid Projections

The Medicaid forecasting group met in November to revise the SFY 2012 and SFY 2013 Medicaid spending estimates. The group increased its mid-point SFY 2012 surplus estimate from \$0 to \$2 million. Contributing to the department’s projected surplus increase was a reduction in monthly Medicare Part B premiums, which will decrease from \$115.40 in calendar year 2011 to \$99.90 in calendar year 2012. The state Medicaid program pays the monthly Part B premiums for nearly 75,000 individuals who are eligible for both Medicaid and Medicare (dually-eligibles). As a result, this reduction will lower spending.

*Reduction in Monthly Medicare Part B Premiums Lowers Spending.*

Two other budget areas the department is closely monitoring include enrollment and nursing facility bed days. Through November, enrollment growth is trending below projections, but this is being offset by an increase in the number of nursing facility bed days reimbursed by the Medicaid program. Historically, the number of bed days has declined on an annual basis, but this trend has reversed itself during the first part of the fiscal year. Continued variances in either of these areas will affect the year-end spending estimate.

In SFY 2013, the forecasting group estimates an additional \$95 million will be needed to fully-fund the Medicaid program. The largest contributor to this increase is a decline in the federal share of the cost of the program (known as the FMAP rate), which is expected to increase state spending by \$36 million in the upcoming fiscal year. More detail behind the SFY 2013 increase will be provided in future articles.





Jody Holmes  
CORE Unit Manager

## Statewide Health Information Network Contract Signed

The Iowa Department of Public Health (IDPH) has announced the signing of the contract for a Statewide Health Information Network. Kim Norby at IDPH announced that ACS Inc., a Xerox company, has been selected as the vendor for the Iowa Health Information Network (IHIN). The network will allow the electronic exchange of clinical information between health care providers external to their organizations. Jody Holmes, CORE Unit Manager at the IME, explains that "this is excellent news for the Iowa Medicaid program, and will be a building block tool in our goals of better care, better health, and cost management for our Medicaid members. The creation of the Iowa Health Information Network is a key strategy in our State Medicaid HIT Plan."

Learn more about IDPH's e-health efforts at:

<http://www.iowaehealth.org/>

## Did You Know? Iowa Ranks 6th for LTC System Performance

Earlier this fall a joint study by AARP, the Commonwealth Fund and the SCAN Foundation released the results of research regarding long-term care (LTC) services for older adults, people with disabilities and family caregivers. The group ranked the states in their performance based on overall indicators. Iowa received a top ranking, overall rating of 6, out of the 50 states. Minnesota received the top #1 ranking and Mississippi received the bottom ranking of #51.

Learn more about the report and Iowa's system performance at:

<http://www.longtermscorecard.org/>

*"PMICS are a strong part of the service array and PMIC service providers are strong partners in Iowa's child welfare and juvenile justice systems."*

Jennifer Vermeer  
Medicaid Director

## PMIC Transition Workgroup Continues Multi-Year Effort

The Psychiatric Medical Institution for Children (PMIC) Workgroup continued their efforts to develop a plan to transition services to a managed care plan at a meeting on December 7th. The group discussed several challenging areas such as rate setting and outcome measures while agreeing that ongoing discussions were needed to make the transition to a managed care system. The efforts of the workgroup were further challenged by the key unresolved policy questions regarding how PMIC's fit into the broader redesign of children's mental health services currently taking place.

Watch for the final report from the group on the PMIC Transition webpage.

[http://www.dhs.iowa.gov/Partners/Partners\\_Providers/MentalHealthRedesign/PMICTransitionWorkgroup.html](http://www.dhs.iowa.gov/Partners/Partners_Providers/MentalHealthRedesign/PMICTransitionWorkgroup.html)

## Welcome to Maggie, Director's New Secretary

Director Vermeer has a new secretary, Maggie Reilly. Maggie is an Iowa State University graduate who has previous experience working in Reception at McFarland Clinic in Ames. She was interested in Iowa Medicaid because she was familiar with our work in her previous position. In addition, she has a sister who works for the State of Iowa. Maggie takes Stephanie Clark's place as Stephanie moves on to a new role with *hawk-i*. Stephanie will also maintain her duties with MAAC administration. You can reach Maggie at 515-256-4640 or at [mreilly@dhs.state.ia.us](mailto:mreilly@dhs.state.ia.us)



Maggie Reilly  
Director's Secretary

## PACE Program Expansion Begins January 1, 2012

PACE is the Program for All Inclusive Care for the Elderly (PACE). The purpose of a PACE program is to support an aging person with identified medical concerns in their own home. PACE coordinates and provides all preventive, primary, acute, in home, long term care, end of life care, medications, and social services for ages 55+. Members in this very comprehensive medical home and managed care model may be Medicaid, dual or Medicare eligible. Each program participant must be living in their own home at the time of PACE enrollment, live in the PACE program's service area; and be determined by the IME Medical Services Unit to meet nursing facility level of care. If the health and welfare needs of the member can no longer be assured within the home, the PACE program continues to support the individual as they transition to a long term care alternative and retains responsibility for that care. PACE programs have been available in Cherokee, Ida, Monona, Plymouth, Sioux and Woodbury Counties since September 2008. This program expansion will now be available to residents of Harrison, Mills and Pottawattamie Counties. Lin Christensen, the IME PACE Program Manager, is available for questions at 515-256-4639 or [lchrist@dhs.state.ia.us](mailto:lchrist@dhs.state.ia.us)



Lin Christensen  
PACE Program Manager

To learn more about the program visit:  
<http://www.ime.state.ia.us/PACE/index.html>

## Best Wishes! Sue Lerdal Retires from LSA after 32 Years

Iowa Medicaid staff wants to wish Sue Lerdal, longtime fiscal analyst at the Legislative Service Agency (LSA), the best as she embarks on retirement from the state. Many of us have worked with Sue throughout the years on the Department of Human Services budget. We can all agree that the DHS budget is one of the most challenging in state government and we have been fortunate to work with Sue who had a deep working knowledge, years of experience and good natured outlook on the legislative process. Enjoy your retirement, Sue!



## Regular Feature: Highlight Informational Letters (IL's)

The Iowa Medicaid Enterprise publishes provider bulletins, also known as informational letters, to clarify existing policy details or explain new policy. Bulletins are posted on a website. The IME Newsletter will highlight informational letters released in the preceding month. Topics of November 2011 informational letters included:

- Iowa Medicaid Pharmacy Program Changes (IL 1075)
- Important 5010 HIPAA Transition Information (IL1074) (See also IL 1080)
- Revisions to the State Maximum Allowable Cost (SMAC) Program (IL1073)
- Home and Community-based Services Waiver Slots and Waiting Lists for Individuals with Intellectual Disabilities (IL 1072)
- Iowa Medicaid Pharmacy Program Changes (IL1071)
- Issues Related to the Home and Community Based Services (HCBS) Rate Restorations (IL 1070)

View the complete list of Informational Letters by year at::

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

## CMS Survey Shows High Satisfaction Rates Among Parents for Medicaid and CHIP

According to the Centers for Medicare and Medicaid Services (CMS) a new survey of parents of children with Medicaid and Children's Health Insurance Program (CHIP) coverage are showing high satisfaction with their access to doctors and the quality of health care. Iowa's CHIP program is known as Healthy and Well Kids in Iowa (*hawk-i*). CMS released the survey results in November. More than 1,900 parents with family incomes below 250% federal poverty level participated in the research.

You can learn more at:

<http://www.insurekidsnow.gov/professionals/CHIP-Medicaid-Survey-Topline.pdf>

## Reminder: DHS Budget Documents Are Still Available on the Web

As the 2012 legislative session approaches, we remind you that the Iowa Department of Human Services SFY 2013 budgets are still available for review at:

<http://www.dhs.state.ia.us/Partners/Reports/BudgetReports/Budgets.html>





*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/>

Comments, Questions or Unsubscribe  
Please email:  
[IMENewsletter@dhs.state.ia.us](mailto: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 698,000 Iowans, or 23%, of the population in State Fiscal Year 2013.*

## **Iowa Medicaid Upcoming Events:**

- |            |   |
|------------|---|
| January 9  | Iowa General Assembly Convenes<br><a href="http://www.legis.iowa.gov/DOCS/Schedules/SessionTimetable.pdf">http://www.legis.iowa.gov/DOCS/Schedules/SessionTimetable.pdf</a> |
| January 18 | MAAC Executive Committee<br><a href="http://www.ime.state.ia.us/MAAC/index.html">http://www.ime.state.ia.us/MAAC/index.html</a>   |

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