Iowa Medicaid Enterprise "Endeavors Update"

A Communications Effort to Strengthen Partnerships *December 2012*

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

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

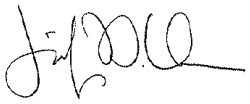
Special points of interest:

- CHIP Low Error Rates
- Children's Disability Redesign Final Report
- IowaCare Updates
- Medicaid Value Management (MVM) Data Available
- Annual Highlights
- Affordable Care Act Reports
- Governor writes to Secretary Sebelius on HBE Model

Inside this issue:

Iowa Medicaid Director's Column

Welcome to the December edition of the "Endeavors Update". In this edition we present several updates and a year-end highlight story. In addition, I want to update you on the Accountable Care Organization grant application we submitted to the Centers for Medicare and Medicaid Services (CMS) in late September. The grant award notice date has been pushed back from December to January and we are currently in budget negotiations with CMS. CMS sends a list of programmatic and budget concerns for each grant to each applicant. The applicant must submit a written response within a time period designated by CMS. We are finalizing our response and will keep you posted.



Iowa's Children's Health Insurance (CHIP) Shows Low Error Rate

The Centers for Medicare and Medicaid Services (CMS) analyzes the Payment Error Rate Measurements (PERM) for various state Medicaid and CHIP programs. Iowa's CHIP program consists of both the ***hawk-i*** program and a Medicaid expansion. This analysis is performed by CMS through vendors and is required by federal law. States are reviewed on a 3-year cycle and this year's cycle includes 17 states. A sample of claims and eligibility cases for both CHIP and Medicaid are selected for review and separate error rates are calculated in the different areas. There are no financial penalties or paybacks for errors. Iowa had its first PERM audit in 2008, and now for 2011. Iowa's CHIP program did very well, and in fact, had the second lowest overall error rate of the 17 states in the cycle. Iowa was much lower than the national average in each category tested. The sample size for the analysis was 1,303 claims. **National CHIP error rate-8.2%; Iowa's CHIP error rate-2.7%**

Chuck Palmer

DHS Director

"The second year (of work) was beneficial". Chuck Palmer DHS Director

Children's Disability Redesign Workgroup Issues Final Report

At their final meeting in late November, DHS Director Chuck Palmer thanked the work group for their multi-year effort to develop an implementation strategy for a statewide, publicly funded, integrated service system for children and youth with mental health needs and intellectual disabilities so they receive the services they need. He remarked that "the second year (of work) was beneficial." The workgroup was co-chaired by Medicaid Director Jennifer Vermeer and Mason City clinical psychologist Mark Pelton, PhD. (Pelton also serves as the DHS Council Chairperson.) The workgroup studied "Community Based System of Care" projects and analyzed the concept of developing "Specialized Health Homes (SHH)" that focus on Medicaid-eligible children who have serious emotional disorders.

Core Values of a System of Care Model

- Child-centered, family focused and family driven
- Community-based
- Culturally competent and responsive

Development of the SHH State Plan Amendment (SPA) started in August 2012 and it is anticipated that it could be effective in the spring of 2013. Medicaid Director Vermeer commented that "the common denominators for both concepts are better communication, coordination and support for services for children and families with difficult health care challenges." According to the report, "patient and family members of the SHH can expect better coordination and management of the complex care required for child and youth with serious emotional disorders." Read more about success stories from the System of Care model across the state and further recommendations for policy makers at:

"2012 Children's Disability Services Recommendations"
http://www.dhs.state.ia.us/Partners/Reports/LegislativeReports/LegisReports.html

"*Partners for Better Health and Wellness*" Member Newsletter

The Winter 2013 edition of "Partners for Better Health and Wellness" is now available and contains tips for Medicaid members on medicine safety, the importance of keeping appointments, how to get help for non-emergency medical transportation, and advice on how to stop smoking.

http://www.dhs.state.ia.us/uploads/Partners%20for%20Better%20Health%20and%20Wellness%20-%20Winter%202013.pdf

IowaCare Updates: Tribal Health, TransitCares & Redesign

Native Americans can go to tribal health facilities

The Centers for Medicare and Medicaid Services (CMS) informed Iowa Medicaid that Native Americans who are IowaCare members can go to participating tribal health facilities if they choose to do so. On November 1, 2012, approximately 300 IowaCare Native Americans were informed about this option in a letter from Iowa Medicaid. Native American IowaCare members will be assigned to a medical home based on their county of residence but may choose to go to their assigned medical home or a participating tribal health facility. Tribal facilities are considered Federally Qualified Health Centers (FQHCs).

DOT has "TransitCares" information available on their website

TransitCares, a program administered by the Iowa Department of Transportation (DOT), is available in some parts of the state to provide IowaCare members with reduced fare transportation service to medical appointments and pharmacy visits. Visit the DOT website for details.

http://www.iowadot.gov/transit/nonemergencytransportation.html

http://www.iowadot.gov/transit/pdf/transitcares_map.pdf

"We thank the DOT for their efforts and understand that transportation remains a hurdle for many IowaCare members"
Jennifer Vermeer
Medicaid Director

IowaCare Medical Home Service Areas Redesigned

As of December 31, 2012, the Community Health Center of Fort Dodge (CHCFD) will no longer be serving approximately 1,900 IowaCare members in seven of the fourteen counties originally assigned to the CHCFD IowaCare service area. CHCFD will continue seeing IowaCare members in seven counties. IowaCare members in the affected counties have been reassigned to other medical homes effective January 1, 2013, and notices informing them of the change were mailed the week of December 10. The reassignments were made to the closest participating IowaCare medical home with the capacity to serve the additional patients. Members should keep any appointments with CHCFD through December and should call their new medical home to schedule appointments needed after January 1.

Beginning January 1, 2013, Primary Health Care in Marshalltown and Peoples Clinic Butler County site will be serving IowaCare members in the counties noted below.

Primary Health Care 412 East Church Street Marshalltown, IA 50158 Phone: 641-753-4021	• Cerro Gordo • Hancock • Winnebago • Worth • Franklin
Peoples Clinic Butler County 118 South Main Street Clarksville, IA 50619 Phone: 319-278—9020	• Mitchell • Floyd

Link to the updated IowaCare Medical Home Map at:
http://www.dhs.state.ia.us/uploads/IowaCare%20MAP%20for%2001.01.13.pdf

Health Care and Public Transit Report 2012

The Iowa Department of Transportation and the Iowa Department of Public Health shine a spotlight on the connection between transportation and health care in a recent report. The document is a reference guide for health care professionals to learn more about public transit and how it operates in Iowa. The report includes a section about Medicaid's non-emergency medical transportation assistance and the limited Transitcares program noted in the previous story. In a recent analysis of the state's community health needs, 41 counties identified access to transportation as one of their top 10 health needs.

Link to the report:

http://www.iowadot.gov/transit/publications/HealthCare&PublicTransit.pdf

"Iowa Medicaid now has five years of trending data to identify opportunities to improve outpatient care. One important example of data driving policy is the Medicaid Health Home initiative."

Jennifer Vermeer
Medicaid Director

Medicaid Value Management (MVM) Data Available

The Iowa Medicaid Value Management program utilizes quality measures developed by the Agency for Healthcare Research and Quality (AHRQ) to evaluate the alignment of care received by Iowa's adult Medicaid members with best practice standards. First quarter, SFY13, data is now available. Points of interest include interventions taken by the IME, the Iowa Department of Public Health and March of Dimes appear to be having positive impacts on low birth weight babies in the Medicaid population.

In addition, the Iowa Medicaid Value Management program analyzed demographic and claim data for members who are eligible for both Medicare and Medicaid benefits (known as dual eligibles). The report completed in the third quarter, SFY 12, is now available. Points of interest include analysis of changing demographics for this population, hospital readmission rates compared to the general Medicaid population, quality measure outcomes, and initiatives in management of this population as a partner with CMS.

Read more at

"Medicaid Value Management: Realizing the fiscal value of quality care".

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

Iowa Medicaid Annual Highlights

December is a good time to look back at accomplishments for 2012. The *"Endeavors Update"* reported on three major items throughout the year that bear summarizing as we reach the end of 2012: Balancing Incentives Payment Program (BIPP), Health Homes, and record revenue collections.

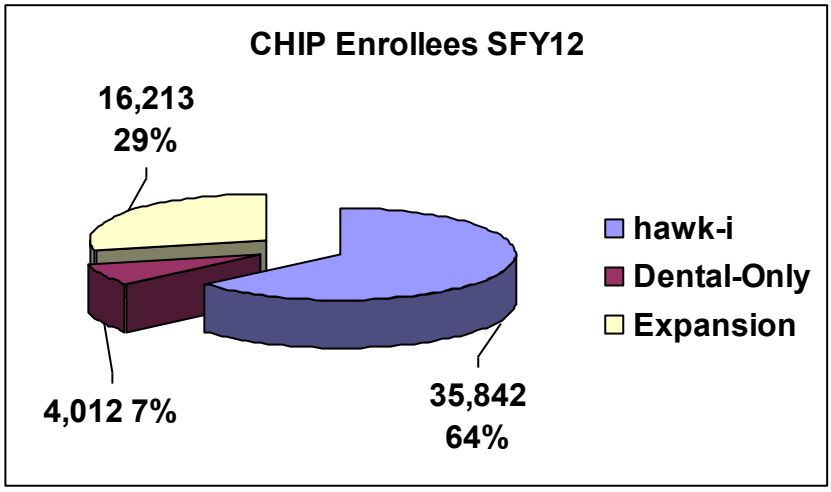
BIPP - The IME received approval to participate in the BIPP grant in June 2012. BIPP is designed to "balance" states' spending on long term supports and services. The goal of BIPP is to provide persons with greater access to home and community-based services and to reduce unnecessary reliance on institutional services. Grantee states receive enhanced federal Medicaid matching funds to assist in increasing non-institutional long-term care expenditures to a 50% minimum threshold. Iowa has begun drawing down the enhanced match to initiate system changes and will continue to draw down dollars through September 2015. In the first four months, over $4M was directed toward community-based service expansion within the state. During the next year, Iowa will be planning implementation of identified Core Standardized Assessments, rule changes to ensure Conflict Free Case Management, and develop a Request for Proposals (RFP) to assist in development of components of the No Wrong Door/Single Entry Point system. The combination of these three target areas will assist Iowa in achieving a community-based long-term care system that is more easily navigated, accessed more readily, appropriately meeting the needs of the consumer, and acknowledging the importance of consumer choice. The Department on Aging and Division of Mental Health and Disability Services continue to be invaluable partners in these efforts.

Health Homes -The IME received formal federal approval in June to implement "Health Homes". A Health Home is a patient-centered, whole person approach to coordinated care for all stages of life and transitions of care; a model of care where Medicaid members with multiple or chronic conditions can receive help that integrates all their needs into a single plan of care. Use of Health Homes in Medicaid enables providers to offer additional services for members with specific chronic conditions. Health Homes are made of providers willing to meet strident standards for coordination and consolidation of all care and services for their patients. They must maintain a disease registry and use an electronic health record system. Providers receive a monthly payment for each member enrolled. In the first four months of activity almost 2,000 members have enrolled and enrollment is projected to reach up to 18,000 by the end of the first year. The savings associated with this program due to actively managed care may reach $10,000,000 annually. Enhanced federal financial participation is provided for the first 8 quarters of the program but savings will more than offset this when the enhanced federal match ends.

Revenue Collections Hits Record - The Revenue Collections Unit at the IME had their "best year ever" in SFY12. Revenue Collections captures payments made to the Medicaid program through other third-party insurance, estate recovery, and liens. During SFY12 efforts resulted in $228 million in recoveries and cost avoidance savings, exceeding expectations for the year by more than $14 million.

hawk-i Annual Report: Enrollment & Outreach Highlights

The ***hawk-i*** Board met on December 17 and reviewed their annual report to the Governor and Legislature. As of June 30, 2012, 56,067 children were enrolled in Iowa's CHIP program. Of the total number enrolled, 16,213 (29%) were enrolled in the Medicaid Expansion (M-CHIP), 35,842 (64%) in ***hawk-i***, and 4,012 (7%) in the ***hawk-i*** Dental-Only program. It is projected that by June 30, 2013, the total number of children enrolled in CHIP will reach 60,500. Enrollment is projected to increase to 65,000 in SFY14 and over 69,000 in SFY15.



Total enrollment in the ***hawk-i***, ***hawk-i*** Dental-Only, Medicaid Expansion, and Medicaid programs has increased since the publication of the SFY11 Annual Report. In the twelve-month period between July 1, 2011, and June 30, 2012, total growth equaled 10,879 children.

Outreach continues to be a cornerstone of the program's success. According to the annual report outreach efforts occur in several areas. Providing outreach to schools at both the local and statewide level continues to be important in reaching uninsured, eligible children. Local coordinators from across the state work directly with school nurses as one method of finding eligible uninsured children. Many school nurses refer uninsured children to the ***hawk-i*** outreach coordinators for enrollment assistance. In addition, brochures and application assistance is available at back-to-school fairs and at kindergarten round ups. Other important activities include outreach through the faith-based community, to medical providers and to diverse ethnic populations.

Do you want to serve on the Clinical Advisory Committee (CAC)?

Dr. Jason Kessler

Medicaid Medical Director

A Clinical Advisory Committee (CAC) has been developed to oversee the process of improving the efficiency, quality, and effectiveness of the health care that is provided to Iowa's Medicaid members. The purpose of the CAC is to review physician/provider utilization patterns, recommend intervention action, establish service policy, and conduct educational outreach activities. By conducting these reviews, the committee improves patient safety, member utilization, and generally improves the quality of care provided to the Medicaid population. The CAC reviews utilization services, criteria development, and professional standards for medical prior authorization and makes recommendations to the Iowa Department of Human Services (DHS). The CAC also acts as a liaison between DHS and Medicaid providers.

The CAC meets on a quarterly basis for approximately three hours and consists of nine appointed members representing licensed primary care providers (i.e., MD, DO, ARNP, and PA-C). Committee members are reimbursed for expenses including meeting attendance, mileage, and criteria review. The CAC is chaired by the Medicaid Medical Director and each member of the CAC serves a three-year term with the opportunity to be reappointed for one additional three -year term.

The CAC is currently looking for members who have a special interest in improving the quality of care a patient receives and ensuring that medical services are appropriately utilized. A slate of qualified applicants is recommended by the Medicaid Medical Director to DHS for approval.

If you have an interest in being a member of the CAC and are willing to participate, please respond to jkessler@dhs.state.ia.us with a note expressing your willingness and include your curriculum vitae. The next deadline for applicants is January 18, but if you miss that and still want to be considered another deadline will occur in July.

Medical Director's Minute: December 2012

Dr. Kessler writes a monthly column on topics of interest. December's Medical Minute explains the emergence of new tobacco products that still pose health risks.

Link to the Medical Minute:

http://www.dhs.state.ia.us/uploads/Dec%202012%20Medical%20Directors%20Minute.pdf

Meet the MIDAS State Management Team

The IME is replacing its 30-year-old Medicaid Management Information System (MMIS). The new system, called MIDAS, will provide a modern, flexible information technology platform that is less expensive to operate, will provide real-time processing capabilities to support members, and other enhancements that will increase the IME performance in supporting both members and providers.

Did you know?

Iowa Medicaid processes nearly 33 million claims per year. The average time from receipt of the claim to payment was less than seven days in SFY12.

The MIDAS project is well underway, and we would like to take this opportunity to introduce you to the MIDAS State Management Team (SMT). Leading the SMT are two Project Directors. The MIDAS Project Director is Tom Mologianes. He is responsible for the oversight and deployment of the MIDAS MMIS and POS system, as well as for oversight of the Project Oversight, Management, and Integration (POMI) services team. The MIDAS Quality Project Director is Mary Tavegia, who is responsible for oversight of the Quality Assurance/Quality Control (QA/QC) team and the Independent Verification and Validation (IV&V) team.

In addition, several key MIDAS management positions have been filled to provide subject matter expertise in their specified areas. The MIDAS State Management Team is responsible for day-to-day project decisions, approval of deliverables, and general oversight of all MIDAS systems and support teams. Each SMT member will provide subject matter expertise in their specified areas in order to guide and regulate specific tasks and help to ensure project success.

These positions include:

- Advance Planning Document (APD) Manager – Stephanie Clark
- Certification Manager – Janelle McDonald
- Communications/Knowledge Transfer Manager – Paula Cleveringa
- Cultural Change Manager – Ernie Saxman
- Deployment/Transition Manager – Darren Steiner
- Risk Manager – Jon Kanas
- Technical Manager- Owen Plaster
- Testing Manager – Currently an Open Position

ICD-10 Update: Iowa Medicaid's Coding Analysis Process

The International Classification of Diseases (ICD) is the international standard diagnostic classification for all general epidemiological purposes, many health management purposes, and for clinical use. This includes the analysis of the general health situation of population groups, as well as monitoring the incidence and prevalence of diseases and other health problems in relation to other variables such as the characteristics and circumstances of the individuals affected, reimbursement, resource allocation, quality, and guidelines. ICD-10 was endorsed by the 43rd World Health Assembly in May 1990. The United States is one of the few developed countries that have not transitioned to the use of ICD-10.

The new ICD-10 code sets are intended to improve care management, public health reporting, research, and quality reporting. ICD-10 codes have increased specificity related to diagnosis laterality (i.e., right versus left side), intervention approach, level of severity, and whether the encounter was initial, subsequent or sequelae (late effects). The IME has a dedicated cross walk team working through the details of how to transition policy from using ICD-9 to using ICD-10 codes. This is detailed and time-consuming work to inform tens of thousands of individual codes. The team is comprised of policy analysts, Medical Services staff, and Program Integrity staff as well as specific project management and quality oversight resources. The cross walk team is creating reference files to capture the new ICD-10 codes for various indicators, system edits, and utilization management files. The cross walk being developed between ICD-9 and ICD-10 codes will be used for tracking and reporting and also evaluating and analyzing policy decisions. The analysis of these codes includes how the increased information they contain can be used to support IME health management priorities. In addition to the cross walk team, the IME has an ICD-10 Communications Workgroup that identifies the details that need to be communicated and determines how and when communication will occur. Examples of the topics that have been identified for specific communication include how IME is implementing Centers for Medicare and Medicaid Services (CMS) edits, family planning, emergency and pregnancy indicators, and ICD-10 coding guidelines.

The ICD-10 "cross walk" team focuses on transitioning the ICD-9 code policy into the ICD-10 code. The cross walk serves as a guide.

Medicaid Projections: Reduced Deficit and Upcoming Reimbursement Changes

The Medicaid forecasting group met in November to update the FY13– FY15 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	$1,354,374,492	$1,321,689,145	$1,313,275,016
State Expenditures	$1,397,374,492	$1,488,689,145	$1,560,275,016
Year-End Balance	**($43,000,000)**	**($167,000,000)**	**($247,000,000)**

The $43 million deficit estimate in FY13 is $2 million less than the prior monthly estimate of $45 million. The primary contributor to the reduced deficit estimate is the inclusion of additional county billing revenue. The department continues to bill counties for Medicaid services rendered prior to July 1, 2012, and this additional revenue reduced the state need.

Spending activity over the last several months has been in line with projections, and as a result, the department has made only minor adjustments to its FY13 expenditure estimate. Although year-to-date activity has been stable, there are three notable reimbursement changes scheduled to take effect in the second half of FY13 which could make future spending predictions less certain. These include:

- A two percent rate increase for home and community-based services (HCBS) waiver providers.
- An Affordable Care Act requirement to increase payment for certain primary care physician services.
- The transition of pharmacy reimbursement to an average actual acquisition cost methodology and increased dispensing fee.

These changes are already included in the department's expenditure projection, but any variance between actual and projected activity will impact the year-end estimate.

Regular Feature: Informational Letters Highlighted

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 "*Endeavors Update*" will highlight information letters released in the preceding month. Topics of the November 2012 informational letters included:

- Increased Medicaid Payment for Primary Care (IL#1194)
- Changes to Mental Health Current Procedural Terminology (CPT) Codes (IL#1193)
- IowaCare Care Coordination Pool Billing (IL#1192)
- Iowa Medicaid Pharmacy Program Changes (IL#1191)
- Medicaid Site of Service (SoS) Differential Update (IL#1190)
- Annual Update of Hospice Rates *Revised* (IL#1189)
- 2012 Provider Quality Management Self-Assessment (IL#1188)
- Iowa Health Information Network Services for Reporting Clinical Quality Measures (IL#1177)
- Iowa Medicaid Pharmacy Program Changes (IL#1174)
- Reimbursement Changes for Pharmacy and Important Dates #3 (IL#1173)

View the complete list of informational letters by year at:

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

Scenes from the MAAC (November 14 meeting)

Save the Dates!

Tentative: 2013 MAAC meetings will occur on May 15 & November 20.

Please Join Us

DHS Releases Affordable Care Act Reports

On December 14 the department shared a series of reports on the Affordable Care Act intended to support the public policy discussions of the ACA implementation in Iowa. Four reports were conducted by the actuarial firm Milliman, Inc., and focus on the population and fiscal impacts to the state of the optional Medicaid expansion, and the impact of the optional Basic Health Plan. The report predicts that Medicaid enrollment would increase by between 110,000 and 181,000 over three years if the state implemented Medicaid expansion to 138% federal poverty level. Nine additional reports were completed by CSG Government Solutions on various topics including the implementation of Health Care Exchanges in Iowa.

The reports can be found on the DHS website:

http://www.dhs.state.ia.us/Partners/Reports/LegislativeReports/LegisReports.html

"Iowans deserve health care reform that improves care, lowers cost and most of all makes people healthier."

Governor Terry E. Branstad

Health Benefit Exchange: Governor Announces Plan to Pursue State-Federal Partnership Model

On December 14 Governor Branstad submitted a letter to Health and Human Services Secretary Kathleen Sebelius to inform the federal government that Iowa will pursue a state-federal partnership model for the health benefit exchange. Saying that "Iowa is well positioned to meet the standards outlined by HHS thus far and maintain control of our insurance regulation and Medicaid eligibility responsibilities as allowed under PPACA. Iowa will partner with the Federal government in these areas of a Federal exchange."

Link to the Governor's press release and letter:

https://governor.iowa.gov/2012/12/branstad-to-pursue-state-federal-partnership-model-that-will-protect-state%e2%80%99s-autonomy-remains-focused-on-better-care-at-lower-cost-in-iowa/

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/

Comments, Questions or Unsubscribe
Please email:
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:

January 18	Clinical Advisory Committee
February 6	Drug Utilization & Review
February 18	***hawk-i*** Board

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