



Iowa Medicaid Enterprise Endeavors Update

A Communications Effort to Strengthen Partnerships

May 2013

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:

- Palmer Welcomes New Members to DHS Council
- Council Learns More About Healthy Iowa Plan
- Council Discusses Rule on Integrated Health Homes
- Iowa Represented at National Governor's Association SIM Event
- Nearly \$74 Million in Electronic Medical Records Incentives



May is Mental Health Awareness Month. If you heard me speak at the capitol this spring you heard me say that research shows that people with serious mental illness die 25 years earlier than the general population. We also know that the physical health of people with mental illness suffers due largely to treatable medical conditions. That's why Iowa Medicaid has moved forward with the implementation of specialized "Integrated Health Homes" for adults with a serious mental illness and children with serious emotional disturbances. Integrated Health Homes will provide care specifically designed to meet the spectrum of needs for these individuals. DHS Council Chair, Mark Peltan (who co-chaired the Children's Mental Health Workgroup) said that Integrated Health Homes represent a "paradigm shift" in delivering

coordinated care. Integrated Health Homes will provide an accessible, single point of coordination for an individual's health and mental care needs. Integrated Health Homes will be phased-in across the state throughout 2013 and 2014.

Inside this issue:

Palmer Welcomes New Council Members	2
Council Learns about Healthy Iowa Plan	3
Council Discusses Integrated Health Home Rules	4
Health Home Update: Expanding Access Throughout Iowa	5
Iowa Represented at National Governor's Association Event	6
Medicaid Projections	7
Annual Member Survey: Satisfaction Remains High	8

Legislature Reaches Compromise on Medicaid in Final Hours

The Iowa Legislature and Governor Branstad came to an agreement on a plan to provide health care to Iowa adults currently being served under IowaCare. The language was adopted by the Iowa Senate on May 23 on a vote of 26-24 and by the House on May 24 on a vote of 80-17. The proposal, called the Iowa Health and Wellness Plan, provides Medicaid coverage for adults between 0%-138% federal poverty level. Adults below 100% poverty level would get coverage similar to what was proposed in the Governor's Healthy Iowa Plan, with some modifications. Adults between 100-138% of the poverty level will access coverage through commercial health plans with Medicaid providing premium assistance. **More information about the plan will be provided as we have more time to review the bill language.**



Palmer Welcomes New Members to DHS Council

Director Palmer welcomed three new members to the DHS Council at their regular meeting in May; Kim Spading, Guy Richardson, and Arnie Honkamp. Kim is a Pharmacist at the University of Iowa Hospitals, Guy serves on the Greene County Board of Supervisors and Arnie is a business owner from Dubuque. They join Council Chair Mark Peltan, Vice-Chair Mark Anderson, and members Phyllis Hansell and Roberta Yoder. New members received an orientation on May 7 and dived into work the next day, learning about key issues including Integrated Health Homes and the Healthy Iowa Plan. ([See related story](#))



(From left: Director Chuck Palmer and Council members Phyllis Hansell, Roberta Yoder, Kim Spading, Guy Richardson, Mark Peltan (Chair), Mark Anderson (Vice-Chair), and Arnie Honkamp)

DHS Council Learns More About Healthy Iowa Plan

Editor's Note: This article was written following the DHS Council meeting on May 8 and prior to the close of the 2013 legislative session and, therefore, does not reflect final legislative action.

Michael Boussetot, from the Office of the Governor, briefed DHS Council members on the Healthy Iowa Plan at their May 8 meeting in Des Moines. Boussetot explained to the Council that Governor Branstad is interested in making people healthier and is willing to look at what the private sector is doing in order to mirror solutions. Boussetot described the Healthy Iowa Plan as “thoughtful”, “sustainable” and “accountable.” Medicaid Director Vermeer commented that the system will establish “a financial stake” for a member in their health care. The plan incents behaviors such as well care, physicals and health risk assessments. Council Chairperson Mark Peltan commented that, “Accountable Care Organizations will reshape people’s ideas about their health care responsibilities.” There was a robust discussion amongst Council members about the comparison of the Healthy Iowa Plan and proposed Medicaid expansion plan and the different financing involved with each plan. Director Palmer wrapped up the discussion saying that he believes the policy makers on both sides of the issue are closer than they have been to resolving the policy and financial issues involved.

Healthy Iowa Plan Documents

The proposed Healthy Iowa Plan would replace the IowaCare Waiver that expires in December 2013. The timeline for filing a new waiver requires many steps, including a public notice and notice specifically sent to Native American tribes. Also, public hearings have been scheduled.

[Healthy Iowa Plan Waiver Description](#)

[Notice of Public Hearing and Comment Period](#)

[List of Public Hearings](#)

[Draft Healthy Iowa Plan 1115 Waiver Application](#)

DHS Council Discusses Rule on Integrated Health Homes: Peltan calls it a “Paradigm Shift in Care”

Discussion of a proposed administrative rule provided the platform for Medicaid Director Jennifer Vermeer to brief Council members about Integrated Health Homes. Vermeer explained that Integrated Health Homes will provide patient-centered, coordinated care for adults with a serious mental illness (SMI) and children with a serious emotional disturbance (SED). The Integrated Health Homes will be administered by the Medicaid Behavioral Health Care Managed Care Organization (Magellan Behavioral Care of Iowa) and provided by community-based Integrated Health Homes. The evolution of this concept grows from the health homes concept already expanding across the state. **(See related story with map)**. In addition, the multi-year work of the [Children’s Mental Health Workgroup](#) supported this concept and legislators have built projected cost-savings from health homes into their budgets.

Vermeer explained that adults with these serious mental illnesses and children with serious emotional disturbances will benefit from “a team approach to managing care” and that this approach integrates “physical health care with mental health care.” Vermeer went on to say that Integrated Health Homes will “transform how providers deliver care.” DHS Council Chair, Mark Peltan (who co-chaired the Children’s Mental Health Workgroup) said that Integrated Health Homes represent a “paradigm shift” in delivering coordinated care. Director Chuck Palmer recognized that “change is not always easy and sometimes comes with unintended consequences” however, the “big picture is that (under this system) people will be better served.”

What can be achieved in a health home approach?

For patients:

- Better coordination and management of their often complicated and complex care
- Help navigating multiple systems
- Engagement in their own care
- Access to a wider range of services

For providers:

- Ability to practice more proactive, coordinated care that they want to provide because of a new reimbursement structure
- More opportunities to track, coach and engage the patient
- Improved communication and coordination for better patient outcomes
- Improved utilization of health information technology

For the State of Iowa:

- Improved health for a segment of Iowa Medicaid population with difficult health challenges
 - Savings due to reductions in usage of health care services (expect reduced use of ER and increased avoidance of hospital readmissions)
 - Projected savings of \$2 million in state dollars over a one-year period
 - Access to enhanced funding (temporary 90% federal match) under the Affordable Care Act
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Health Home Update: Expanding Access Throughout Iowa

The Health Home Program continues to grow throughout Iowa with additional clinics enrolling monthly. Beginning in June 2013, Medicaid members will have access to over 23 Health Homes, with 57 clinic locations in 24 counties. The program now includes 566 enrolled providers. The Health Home Program is currently serving close to 2,900 Medicaid members with chronic conditions. Enrollment continues to rise as more Health Home locations are added. The program has been well received by members, with clinics reporting that the majority of members they speak to about the program readily agree to enroll. To see all the Health Home locations in Iowa, view the updated location map at:

http://www.dhs.state.ia.us/uploads/HH_Map_All%20Counties_Current.pdf

Iowa Medicaid Co-Hosts Community Care Coordination Event

On April 25, 2013, Iowa Medicaid co-hosted an event with the Iowa Primary Care Association and other industry organizations that featured speakers from the National Association of State Health Policy (NASHP). The event brought national experts together and focused on community care coordination solutions and offered best practices from different states. Iowa Medicaid Director Jennifer Vermeer and Project Manager Marni Bussell gave a presentation on the State Innovation Model (SIM) and Iowa Medicaid's work to implement Accountable Care Organizations. A dedicated web page has been established to share a range of SIM-related materials, including the presentation shared at the event.

You can find the information at:

<http://www.ime.state.ia.us/state-innovation-models.html>.



Marni Bussell

Health Homes Project Manager

Iowa Stakeholders Participate in Health Insurance Marketplace Teleconference

On May 2, the Centers for Medicare and Medicaid Services (CMS) Regional Office in Kansas City held an Iowa Stakeholder Consultation teleconference on the Health Insurance Marketplace in Iowa. The teleconference was hosted by Nan Foster Reilly, CMS Consortium Administrator and Stephene Moore, HHS Regional Director. Over 320 Iowa stakeholders participated in the opportunity to hear federal updates on policies and the operations of the Marketplace. There was time for stakeholder comments, questions and answers. Iowa Insurance Commissioner Nick Gerhart also participated in the teleconference, addressing Iowa's planning efforts. This was the first of three calls planned, the next one scheduled for the week of July 29 and the final call scheduled for the week of September 9.





Dr. Miller-Meeks
Iowa Department of
Public Health

Iowa Represented at National Governor's Association SIM Event

Dr. Miller-Meeks of the Iowa Department of Public Health, and Marni Bussell, Project Manager for Health Homes, attended the National Governors Association's State Innovation Model Design States Convening in Baltimore, Maryland May 14 and May 15, 2013. The event brought SIM awardees from 16 states together with federal organizations like the Centers for Medicare and Medicaid Services (CMS), Center for HealthCare Strategies (CHCS), Center for Disease Control (CDC), The Commonwealth Fund, Health Resource Services Administration (HRSA), and the National Association of Medicaid Directors (NAMD). The group discussed concepts for broad-based system transformation that utilizes national and state policy leaders, workforce strategies, and the integration of public health. Minnesota, Maine, and Massachusetts are in the testing phase of their SIM projects and shared insights and lessons learned in developing a State Healthcare Innovation Plan with states, like Iowa, that are currently in the SIM design phase.

Learn more about Iowa's SIM efforts at:

<http://www.ime.state.ia.us/state-innovation-models.html>



Nearly \$74 Million in Payments Made for Electronic Medical Records Incentives

Electronic Health Records (EHR) collect, store and exchange health information, including patient history, medications, allergies, and laboratory tests. The Medicaid EHR Incentive Program provides incentive payments to eligible professionals, hospitals, and critical access hospitals (CAH) as they adopt, implement, upgrade, or demonstrate meaningful use of certified EHR technology. Incentives are available in the first year of participation and providers must demonstrate meaningful use for up to five remaining participation years. Certified EHRs meet meaningful use requirements defined in federal regulation. "Meaningful use" refers to those core and menu measures that providers must achieve to receive an incentive payment and to avoid Medicare penalties beginning in 2015. The Iowa Medicaid Enterprise (IME) EHR Incentive Program began January 4, 2011, and was one of the first four states to launch the program. As of March 31, 2013, the IME has paid nearly \$74 million in incentive payments to over 1,223 eligible professionals and hospitals. When considering incentive payments Medicare has made to Iowa providers, over \$100 million in incentive payments have come into the state.

Regular Feature: Medicaid Projections “Long Term Care Costs Drive Spending Growth”

The Medicaid forecasting group met at the end of April to update the SFY13–SFY15 Medicaid estimates. The midpoint estimates established at this meeting are provided below.

	Medicaid Forecasting Group Midpoint Estimates		
	SFY13	SFY14	SFY15
State Revenue	\$1,356,120,822	\$1,321,689,145	\$1,313,275,016
State Expenditures	\$1,403,120,822	\$1,491,689,145	\$1,561,275,016
Year-End Balance	(\$47,000,000)	(\$170,000,000)	(\$248,000,000)

A key driver of Medicaid growth is long-term care spending.

A key driver of Medicaid growth in these years is long-term care spending. Below is a seven-year spending history for the three largest Medicaid long-term care categories: nursing facilities, intermediate care facilities for the intellectually disabled (ICF/ID), and home and community-based service (HCBS) waivers.

Category	Total Expenditures (In Millions)						
	SFY07	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
Facility-Based							
Nursing Facilities	424.4	438.7	432.9	458.2	498.4	536.0	551.6
ICF/ID	253.4	264.7	278.4	292.7	284.5	282.7	288.5
Community-Based							
HCBS Waiver	345.9	395.5	427.0	453.5	464.2	492.6	535.6
Total Spending	1,023.7	1,098.9	1,138.3	1,204.4	1,247.1	1,311.3	1,375.7
Percent Change		7.35%	3.59%	5.81%	3.55%	5.15%	4.91%

The individuals accessing these services make up less than 10 percent of the total Medicaid population, and as a result, growth in these categories is not closely correlated to aggregate Medicaid enrollment trends. Spending increases are driven more by specific investment decisions (primarily HCBS waiver waiting list reductions and provider rate increases) than by population changes. For example, spending growth in these categories is expected to be higher in SFY13 (4.91%) than it was in SFY09 (3.59%) even though Medicaid enrollment is expected to grow at a much slower rate in SFY13 (1.92%) than it did in SFY09 (7.96%).

This is a key reason why the department expects Medicaid expenditures to continue to increase in the upcoming budget years even though enrollment growth (absent ACA changes) is expected to slow.



Jeremy Morgan

Member Services
Account Manager

“Member Services is pleased to see that members continue to be highly satisfied with the call center, and we are excited to look for opportunities to build on the overall understanding of Medicaid programs.”

*Jeremy Morgan
Member Services
Account Manager*

Annual Member Survey Results: Satisfaction Remains High, Opportunities for Program Education

The annual Member Services survey is a helpful tool created to gather information on member satisfaction with the call center and understanding of the Medicaid program. The 2012 survey was mailed to a random sampling of current members and had a 19% response rate, well above average survey response rates.



Highlights from the 2012 survey include:

- Reported 82% satisfaction rate with the Member Services call center.
- Over 66% of respondents felt they have a good to excellent understanding of Iowa Medicaid.
- However, when asked if they were enrolled in managed care, over 37% indicated they were unsure, indicating that there may be additional opportunities for member education around various programs.
- Member internet access remains low, with 61% indicating they do not have access. Future surveys will specifically ask if a member has access to the internet via a smart phone to better gauge internet access.
- Because of low internet access, only 15% of respondents indicated they had used the DHS website to obtain Medicaid information.
- Most members (81%) report that it's easy to get in to see a doctor, and those who disagree most commonly cite transportation or appointment wait time being too long as the reason for the disagreement.

Survey Conclusions

The 2012 survey presented several opportunities for improvement, notably around member education of various Medicaid programs. Several internet access and usage questions will be revised in coming surveys to better understand member access. Overall, Medicaid members do report awareness of and high satisfaction with the Member Services call center. Satisfaction scores remain in line or higher than previous years, indicating that the member experience continues to improve.

Regular Feature: Highlight Informational Letters

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 April 2013 informational letters included:

- Annual Provider Training 2013 (IL# 1230) **Repeated here from March 2012**
- Habilitation Services Transition to the Iowa Plan (IL#1240) **See related story below**
- Secure Messaging through the Iowa Health Information Network for Dental Prior Authorizations (IL#1239)
- Billing for Dental Encounters at Federally Qualified Health Centers and Indian Health Services (IL#1238)
- Dental Policy Changes (IL#1237)
- New Billing Code for Oral Health Screenings (IL#1236)
- Exclusion from Participation in Federal Health Care Programs (IL#1235)
- Outpatient Hospital Rebase Fiscal Impact Analysis (IL#1234)
- Updated Templates for Medicare Crossover Claims (IL#1233)
- Change in Health Home Member Attributes in the Iowa Medicaid Portal Access (IMPA) System (IL#1232)
- Home and Community Based Services (HCBS) Habilitation, Home Based Habilitation (HBH) Rate Changes (IL#1231)

View the complete list of informational letters by year at:

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

Transition of Habilitation Services to Behavioral Health Administrator July 1, 2013

The Iowa Medicaid Enterprise plans to transition the management of Home and Community Based Services (HCBS) Habilitation Services to the Iowa Plan for Behavioral Health on July 1, 2013. Over the past two years, similar transitions have occurred for Behavioral Health Intervention Services (BHIS) and Psychiatric Medical Institutions for Children (PMIC) Services. Coverage of all Medicaid mental health treatment and support services under the Iowa Plan promotes a more integrated and coordinated service delivery system for mental health services.



“The next six months promises the fullest agenda in Iowa Medicaid history.”

*Jennifer Vermeer
Medicaid Director*

MAAC Meeting: Medicaid Director Predicts Busiest Six Months Ever

The Medical Assistance Advisory Committee held its spring meeting on May 22 and heard a great deal of information about the following topics:

- State Innovation Model
- Habilitation Transition
- Integrated Health Home
- DHS Website Launch
- Healthy Iowa Plan Waiver Process

The MAAC met during one of the final days of the 2013 legislative session and Iowa Medicaid Director Jennifer Vermeer was involved in reviewing legislation and responding to questions from policymakers at the Capitol during the meeting. However, in her presentation she promised that Iowa Medicaid staff and contractors would be “doing our best” to handle one of the “fullest agendas in Iowa Medicaid history” during the upcoming six months.



Medical Director's Minute

Dr. Kessler writes a monthly column on topics of interest. The topic of May 2013 is the ICD-10 transition, Part 2. Guest contributor for this article was Jody Holmes, ICD-10 Project Director. Link to the May 2013 Medical Minute:

[http://www.dhs.state.ia.us/uploads/May%202013%20Medical%20Directors%20Minute%20\(layout\).pdf](http://www.dhs.state.ia.us/uploads/May%202013%20Medical%20Directors%20Minute%20(layout).pdf)

National Nurses Week: May 6-12

The American Nurses Association (ANA) urged us to celebrate nurses and all that they do during their annual National Nurses Week, May 6-12. The Iowa Medicaid Enterprise appreciates and thanks our own nurses and nurse partners across the state as they work together to deliver care to Iowa's Medicaid members.





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:

June 3-4	Healthy Iowa Plan Waiver Public Hearings
June 5	Drug Utilization Review
June 11 & 12	e-Health Summit
June 17	hawk-i Board Meeting
June-Aug	Annual Provider Training Continues Across the State

DHS Calendar: <http://www.dhs.state.ia.us/DHSCalendar.html>



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

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