



# 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*

### Special points of interest:

- HIPP Explained
- Member Services Unit Profile
- Iowa Selected for Study
- FMAP Trends
- PMIC Workgroup Launched

## Iowa Medicaid Director’s Column



In this edition of the newsletter we continue a series to increase awareness about our operations and specialized units through a profile of the Member Services Unit. You will learn about their customer service efforts and their clinical activities. In addition, the Medicaid Member Newsletter has a new look. Please check it out: [Newsletter](#)

You will learn more about the Health Insurance Premium Payment Program (HIPP) which Iowa launched in 1991.

We have also taken the opportunity to highlight how the IME staff takes time to give back and participate in community activities such as the “Start Somewhere Walk” on October 7th and the Annual Golf Outing for Charity.

As always, thank you for your interest.

### Inside this issue:

HIPP Explained	2
Medicaid Projections: FMAP	3
IME Golf Outing for Good Cause	4
Unit Profile: Member Services	5
Pediatrics & Obstetrics Study	6
Informational Letters Link	7
PMIC Transition Workgroup	8

## Breast Cancer Awareness Month is 25 Years Old



The Centers for Disease Control (CDC) advises that “the best way to find breast cancer early is with a mammogram. If you are a woman age 50 years or older, be sure to have a screening mammogram every two years.” Iowa Medicaid has served nearly 3,000 vulnerable Iowans battling breast and cervical cancer through a specifically designated eligibility category over a ten year period. The program has experienced growth over the ten years in terms of the number of individuals receiving treatment yet the cost per person has remained largely stable. At its inception in 2002 the program enrolled 65 women with an average annual cost of \$14,180 and in the most recent year Iowa Medicaid helped 443 women at an average cost of \$11,538.

*The HIPP program saved the state \$13.9 million in State Fiscal year 2011.*



Sara Schneider  
Income Maintenance  
Supervisor

*Cost effective means it would cost less for Medicaid to buy the insurance to cover medical costs than for Medicaid to pay for all medical care.*

## HIPP Explained: Health Insurance Premium Payment

HIPP is the Health Insurance Premium Payment Program. HIPP helps Medicaid families get or keep health insurance through their employer by reimbursing the cost of the employer health insurance premium when it is determined to be cost-effective. The co-insurance and deductibles are paid by Medicaid if the member goes to a Medicaid participating physician. The HIPP program saves the state money because paying the premium for existing employer health insurance premiums can be less than paying the traditional cost of regular Medicaid. In State Fiscal Year 2011 HIPP saved the state \$13.9 million. The Iowa Medicaid Enterprise (IME) operates the premium assistance program with funding from state sources and federal match. Iowa has had a HIPP program since 1991 and was one of the first states in the country to launch this program.

"We do not provide insurance" explained Sara Schneider, Income Maintenance Supervisor of the HIPP program. "We serve a unique niche of Medicaid-eligible individuals and help them maintain employer-based health insurance that they might otherwise not be able to afford. This program can keep people covered with insurance, provide compensation for health care providers for their services and is cost-effective for the state." A major advantage of the HIPP program is that when buying health insurance to cover Medicaid-eligible family members, other people in the family may also be covered at no additional cost; which contributes to reducing Iowa's uninsured rate. For example, the HIPP program may pay for a family plan to cover the Medicaid-eligible children in a family which results in providing coverage for the parents at the same time.

HIPP staff are experts in understanding complicated insurance plans. The Medicaid program operates a data-base of cost comparisons to determine whether this option is "cost-effective" for the Medicaid member. This division of the IME, a group of eleven staff people, is dependent upon technology for cost-analysis and expertise in understanding eligibility in order to do their jobs well. Medicaid members are identified for this program through a regular Medicaid application and referral process. A health history questionnaire is involved also. The Medicaid administered HIPP program is not to be confused with HIPAA (personal health information privacy) or HIPIOWA (health insurance for lowans who have been denied coverage).

For more information, please see the HIPP brochure at:  
<http://www.dhs.state.ia.us/hipp/>

**1,700 Families Served in SFY 2011**

## Medicaid Projection: FMAP Impact Explained

This article explains how the Federal Medical Assistance Percentage (FMAP) has changed over the years and what it means for the state Medicaid budget in the upcoming fiscal year. Economic data published last month revealed that from 2008-2010, per capita personal income growth in Iowa outperformed the national average. While on most fronts this is very good news, it also means an increase in state Medicaid costs. The federal government uses per capita personal income to calculate each state's reimbursement rate for Medicaid, and a state's Federal Medical Assistance Percentage (FMAP) will decline when its per capita personal income growth is higher than the national average.

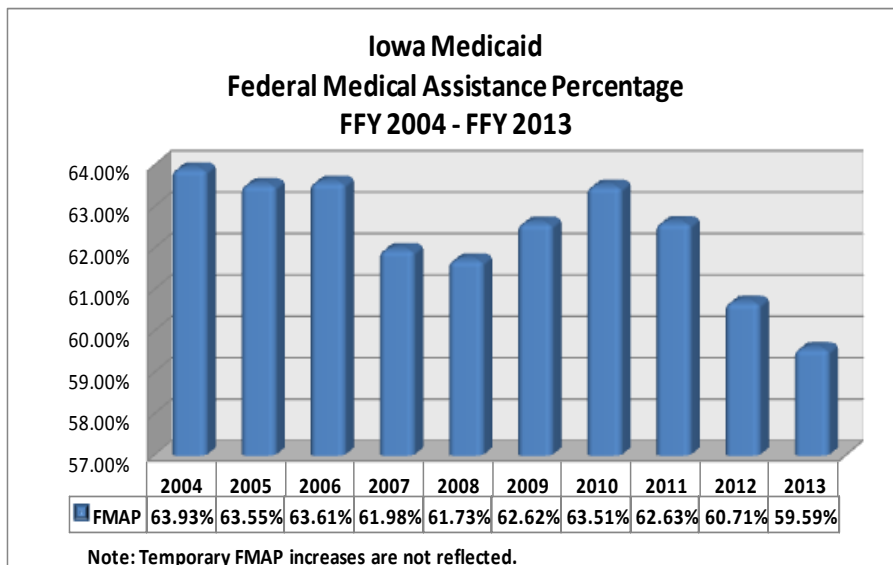
As a result of the economic data, Iowa's FMAP will drop from 60.71% in federal fiscal year (FFY) 2012 to 59.59% in FFY 2013. Iowa's FMAP has declined in each of the last three years; from 63.51% in FFY 2010 to the new low of 59.59% in FFY 2013. This means for every \$1.00 spent on Medicaid in Iowa, the federal share has dropped from \$63.51 to \$59.59. While only a few pennies on the dollar, the overall impact is in the millions of dollars.

The FMAP drop in FFY 2013 will cost the state an estimated \$36 million. Therefore, even if total Medicaid spending remains unchanged, additional appropriations of \$36 million will be needed to fully-fund the state share of the Medicaid program in the upcoming budget year.

*The FMAP is the amount of money paid by the federal government to support a state's Medicaid program.*

*Iowa's FMAP has declined in each of the last three years.*

Below is a 10-year history of Iowa's FMAP.



### IME Staff Golf Outing for a Good Cause



This time of year the IME remembers friend and colleague Steve Leo, who passed away unexpectedly several years ago, by playing golf for a good cause. The annual event has raised over \$1,000 in three years for charitable causes. This year thirteen players raised money for a little boy named Aiden Norris who was diagnosed with a form of Leukemia. According to Neil Reuter, golf outing organizer, “We are proud to help Aiden, who was diagnosed with Acute Lymphoblastic Leukemia and is starting three long years of chemotherapy via a weekly spinal tap. It is something no one should have to go through, especially a 4-year old. We wish Aiden the best through his treatment and recovery.”



Bobby Grove (left) 18-hole champion is a member of the Program Integrity Unit. Matt Briggs (right) 9-hole champion is a member of the Core Unit. Aiden Norris (above) recipient of the 2011 IME Charity Golf Outing Giving.

### IME Staff Participate in “Walk Somewhere” Event on Oct 7th



healthiest  
— state —  
initiative

Iowa Medicaid Enterprise staff take part in the “Healthiest State Initiative” Walk Somewhere Event on October 7th.



## Unit Profile: Member Services “Here to Meet the Needs of Members”

The Member Services Unit of the IME assists Medicaid members in learning about programs and access to services. Member Services operates an inbound call center, answering about 15,000 calls per month, with the goal of providing all customers with prompt, courteous and professional customer service. In addition to operating the call center, the Unit develops member publication mailings, education and outreach materials as well as researches billing inquiries. The Unit recently welcomed a new manager, Shelley Wagner, who comes to Iowa from St. Louis after working in long term care and hospice. Shelley has a Bachelor's degree in Social Work and a Masters degree in Public Policy Administration. Shelley is happy to report that the Unit is currently exceeding several standards of their performance contract and callers give the Unit high satisfaction scores in brief telephone surveys.



Shelley Wagner  
Unit Manager

Another core component of the Member Services Unit is the Clinical Operations staff, a team of health coaches and health coordinators. The Clinical staff is led by Kelly Williams, RN, BSN, who explains that their mission is to engage members through care coordination in order to achieve better health outcomes. Member Services assumed the management of four care management programs on July 1, 2010, and since that time has made over 76,197 outbound calls to members and received over 31,000 inbound calls from members. The disease management program is for Medicaid members with chronic diseases like diabetes, asthma, and heart disease. The maternity management program is for members who are pregnant and have been identified to be at high risk for complication. The Clinical staff utilizes **predictive modeling** to identify members who could benefit from one of the care management programs. A Health Intelligence Team conducts predictive modeling to identify the highest risk, highest cost members from the Medicaid universe by calculating risk and assigning a number based on the following factors: the Chronic Illness and Disability Payment System (otherwise known as CDPS a diagnostic risk measurement tool), actual member costs per month, the number of chronic conditions that a member has and several other secondary factors. Once the risk level has been calculated and assigned a number, the Member Services Unit develops and executes a plan for the intensity of the outreach. Health coordinators strive to reduce the social barriers that members have that prevent them from accessing health care. These barriers can include transportation and housing. Health coaches, who are nurses at the IME, focus primarily on diseases and actively engage the member in their own health plans.

Another responsibility of the Member Services Unit is to administer the Medicaid "Lock-in" Program. The program's purpose is managing health care for Medicaid members to prevent harmful or wasteful practices such as: duplication of treatments and medications, misuse or overuse of services (including utilization of the emergency room for non-emergent reasons), and or drug abuse. If a member is found to be over utilizing services the member is locked into one pharmacy, one primary care physician and one hospital for 24 months and may be referred to the Medicaid Fraud Unit.



Kelly Williams  
Clinical Operations Manager

*“Our health coaches and coordinators individually assess the needs of each member and tailor a plan of care that is designed specifically for them. Instead of just focusing on traditional teaching and advice-based coaching our coaches focus on the entire person, addressing their state of readiness to change, their cultural, environmental, and socio-economical influences that may prevent them from improving their health.”*

*Kelly Williams, RN, BSN*

## Iowa Selected for Obstetrics & Pediatric Practices Study

The Center for Health Care Strategies (CHCS) has selected Iowa to participate in an *Analysis of High-Volume Medicaid Obstetric and Pediatric Practices*. The goals of the initiative are to look at which practice settings serve high volumes of obstetric and pediatric patients in Medicaid and CHIP, identify disparities in the quality of care, and identify associations between payment disparities and quality of care measures among the participating states.

It is estimated that 50 percent of adults receive medical care in offices with 3 or fewer providers. Small primary care practices face greater challenges in chronic care delivery. Racial and ethnic disparities continue to exist in all chronic care measures. The *Analysis of High-Volume Medicaid Obstetric and Pediatric Practices* will be kicking off this fall and is expected to continue through CY 2012.

According to Dr. Jason Kessler, IME Medical Director, "Participating in this analysis should help Iowa improve the quality of care for Medicaid and CHIP members as we learn about provider access and quality issues. It will also assist as the state moves forward with reporting CHIPRA core measures at the point of care and reinforce the benefits to high-volume Medicaid providers to adopt electronic health records."

Watch future newsletters for updates on this study.



*"Your application demonstrated the State's capacity and clear commitment to contribute meaningfully to better understanding the practice settings in which Medicaid-enrolled women and children are receiving care."*

*Nikki Highsmith*

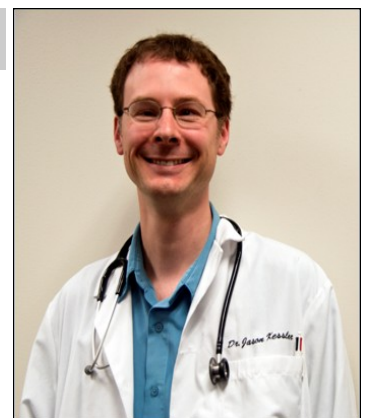
*Senior VP at CHCS*

## Medical Director's Minute: Children's Dental Health

Dr. Kessler discusses children's dental health in his monthly column. He discusses the impact that tooth decay has on a child's ability to eat, sleep, speak, learn and thrive. Dr. Kessler also points out the low participation rate of Medicaid-enrolled children with dental exams; just 10 percent of Medicaid-enrolled children saw a dentist before turning age 2.

Learn more at:

[http://www.ime.state.ia.us/docs/MDM\\_2011-10.pdf](http://www.ime.state.ia.us/docs/MDM_2011-10.pdf)



## New 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 September informational letters include:

- Changes in Limited Emergent Hospital Coverage for IowaCare Members (IL# 1053)
- Preadmission Screening and Resident Reviews (PASRR) (IL#1057)
- Iowa Medicaid Pharmacy NCPDP D.O. Payer Sheet and Guidance (IL#1056)
- Announcement of Pharmacy Stakeholder Meeting (IL#1060)

View the complete list of Informational Letters by year at:

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



## DHS Program Summaries Available: “One-Pagers”

The Department of Human Services annually updates one-page summaries of key programs. Check out the new Medicaid summary at:

[http://www.dhs.state.ia.us/docs/narrative\\_medicaid2011.pdf](http://www.dhs.state.ia.us/docs/narrative_medicaid2011.pdf)

## PMIC Transition Workgroup Kicks Off: “Pathway to Transition PMICs to the Iowa Plan”

The PMIC Transition Workgroup is a component of the Mental Health and Disability Services Redesign established in SF 525 (2011). PMICs are psychiatric medical institutions for children. The Iowa Legislature tasked the Workgroup with improving the reimbursement, expected outcomes, and integration of PMIC services to serve the best interests of children within the context of a redesign of delivery of publicly funded children's mental health services in Iowa, supporting the development of specialized programs for children with high acuity requirements whose needs are not being met by Iowa's current system and must be served out of state, and transitioning PMIC services while providing services while being cost-effective and using best practices. At the kick-off meeting on October 11th, Medicaid Director Vermeer thanked the group for their efforts and explained that she envisioned this group having "the same level of dialogue and open communication" that occurred during the recent transition of Remedial Services to the Iowa Plan.

At the kick-off meeting Joan Discher, General Manager of Magellan Behavioral Care of Iowa, presented the group with an overview of the Iowa Plan. She touched on many issues and identified the trend of tele-health for providing services to adult and child psychiatric consumers. Joan said that the service is a "great convenience for members" and provides better access to services for members in rural areas in particular. This is a growing area of service. In 2011 over 1,000 people received help through tele-health.

The group discussed many issues from lessons learned during the Remedial Services transition to the need to better define PMIC (Psychiatric Medical Institution for Children). No standard definition or criteria currently exist. They also discussed better discharge plans and better "navigation" in general. Director Vermeer described this as "better coordination in the front door and out the back door" to produce better outcomes for the children in the form of reduced length of stays and reduced readmissions.

The next meetings of this workgroup will take place on November 4th and December 7th at the Magellan office in West Des Moines. The Workgroup is required to present a preliminary recommendation to a legislative interim study committee in October 2011 and a final plan by December 2011. A transition committee will continue to work and meet through December 2013 to ensure smooth transition of the services. Link to agendas and additional resources:

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

Did you Know? The Mental Health and Disability Redesign 2011 workgroups are currently finalizing recommendations. The entire body of the workgroup efforts and recommendations can be found at:

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





## 15-Day Initial Supply of Select Medications: Cost Containment Strategy

The cost containment strategy to limit certain medications to a 15-day supply has received a significant amount of attention. This article is intended to provide additional background regarding this decision. Here are some highlights of the factors that went into the decision:

- Federal law requires state Medicaid Drug Utilization Review (DUR) programs to ensure that patients receive appropriate and medically-necessary drug therapy in the most cost-effective manner possible.
- Prescriptions selected for the 15-day initial supply limit were those medications with high discontinuation rates due to high side effect profiles and/or the need for frequent dose adjustments.
- A review of 2010 claims identified antispasmodics, stimulants, antidepressants and antipsychotics as having a discontinuation rate of near 49 percent. In other words, nearly half of all the prescriptions for these medications were not continued after 30 days.
- This high rate of discontinuance and dosage adjustment suggested the need to assess efficacy, side effects and patient compliance during the first month of therapy. This was done to ensure appropriate treatment for the patient and to minimize the danger of leftover drugs remaining in the home.
- The change applies to new prescriptions only. Existing patients with existing prescriptions may continue to obtain a 31-day supply of their current medications.
- The change does not necessitate the need for multiple office visits to mental healthcare practitioners. If the prescriber and member mutually decide the medication is beneficial and tolerable, it may be continued with refills at the usual thirty-one day supply. However, if the drug is not effective, for whatever reason, a return visit to the prescriber would be medically appropriate.

*"We remain confident that this change fulfills our responsibility to provide health care to vulnerable lowans while utilizing practices to maintain program integrity to contain costs."*

*Jennifer Vermeer*

*Medicaid Director*



*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](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: November**

November 10 Pharmacy and Therapeutics Committee

[http://www.iowamedicaidpdl.com/index.pl/pt\\_committee\\_info?noCache=935;1317912770](http://www.iowamedicaidpdl.com/index.pl/pt_committee_info?noCache=935;1317912770)

November 16 MAAC Meeting (Full Committee)

1:00 at the Ola Babcock Building (Capitol Complex) in Room 310

<http://www.ime.state.ia.us/MAAC/index.html>



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