



Iowa Medicaid Enterprise “Endeavors Update”

A Communications Effort to Strengthen Partnerships

July 2012

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:

- \$30 Million Savings due to Program Integrity Efforts
- MIDAS Update
- ICD-10 Update
- Informational Letters on Mental Health and Disability Services Redesign
- MHDS Transition Committee Meetings Set



In early July I attended the National Association of Medicaid Directors (NAMD) Roundtable on Medicaid Innovation Conference in Washington, D.C. The meeting included critical federal partners, including the Center for Medicaid and CHIP Services and the Innovation Center. Some key questions from the meeting were: What are the reform models and pathways of mutual interest to both states and the federal government to achieve quality improvement and cost containment in Medicaid? What are the barriers at the federal, state, and local levels that will limit the potential scope and impact of such reforms? Are there disconnects between

what the states are hoping to do and what the federal government is seeking? What will success look like and how can we all substantiate the impact of these efforts? The outcomes of the meeting will be used to shape the NAMD policy and federal interactions. I learn a great deal at these meetings and feel very good about the work we do in Iowa and how it compares with other states and how well we serve our Medicaid members and providers. Thank you for your interest.

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\$30 Million in Savings in Program Integrity Exceeds Goal

An aggressive program integrity initiative for Iowa Medicaid saved taxpayers nearly \$30 million in cost avoidance or recoveries in its second year of operation, far exceeding expectations. “Combined with first-year savings of more than \$23 million, we have now saved or recovered more than \$50 million without trimming essential healthcare services for 400,000 Iowans or reducing provider rates,” said Medicaid Director Jennifer Vermeer. The savings were achieved through a three-year \$14 million program integrity contract that was awarded to Optum of Eden Prairie, Minnesota. The savings exceeded the program integrity contract goal by about \$7.5 million for the first two years. Link to the DHS press release:

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



Health Homes: What Are the Benefits to Members? (Part 2 in Series)

Care coordination refers to the activities a Health Home conducts on the member's behalf to make the delivery of services easier for the member. Communication is a key aspect of care coordination, both between service providers and between providers and the member.

For example, a member with diabetes and depression who has recently developed an eye complication (e.g., cataracts), may find it difficult to arrange an appointment with an optometrist, remember the care instructions given, and then loop back that information to the primary care doctor. Care coordination provides assistance with scheduling appointments, ensures the Health Home follows up with specialists, and works with the member to carry out those instructions. A Health Home providing care coordination should assist a member with medications, provide appointment reminders, help with understanding health insurance coverage, and provide well-ness education and lifestyle modification / behavior change options.

As a Health Home, a provider should be the hub for communication and ensure that all services for an individual are coordinated, including mental and behavioral health, oral health, long-term care, chronic disease management, recovery services and social health services, and comprehensive transitional care for all transitions in care. All of these services may not be specifically provided at the Health Home location, but all would be coordinated through the Health Home, which would be expected to have a good working knowledge of community resources.

"We are very pleased with the progress so far to enroll health care providers and Medicaid members in Health Homes."

*Medicaid Director
Jennifer Vermeer*

Health Homes: Iowa Enrollment Update (July 1st)

Health Home enrollment is progressing successfully. As of July 1;

- Nine (9) Health Home entities had enrolled in ten (10) counties at thirty-nine (39) locations
- Over 330 individual health care practitioners had enrolled
- 308 Medicaid members had been assigned to Health Homes with an anticipated additional enrollment over the month of July to total over 1,000 Medicaid members assigned to Health Homes by August 1



Medical Director's Minute: Are You A Health Home?

Dr. Jason Kessler writes a monthly column on topics of interest. July's Medical Minute explains Health Homes.

Link to the column at:

http://www.ime.state.ia.us/docs/MDM_2012-07.pdf

MIDAS Project Update

The Medicaid Integrated Data Administration Solution (MIDAS) project has begun. MIDAS is a very large, complex information technology (IT) project centered on the development and implementation of a new Medicaid Management Information System (MMIS) and an upgraded Pharmacy Point-of-Sale (POS) System. This exciting project will bring about many changes and enhancements to make work easier and more efficient for IME staff and stakeholders.

The new MIDAS MMIS provides Iowa with both technical and end-user benefits. The MIDAS MMIS user interface provides easy-to-navigate Web portals for workers, providers, and members. Using the worker portal, the IME staff will be able to check claims, run reports, and monitor the status of the new MMIS. Providers will be able to confirm a member's eligibility, submit claims, and check the status of their claims. Members will be able to check their own eligibility, search for providers, and find details about the Medicaid program. The new system is a Commercial Off-The-Shelf (COTS) software package designed to align with the Centers for Medicare and Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA) standards. Because it is a COTS-based system, changes to the system such as adding new benefit plans will be faster and easier to implement.

The existing Pharmacy Point-of-Sale (POS) System will be upgraded to provide additional functionality and configurability. The MIDAS POS System (v6.0) is a state-of-the-art claims adjudication system with improved processing time and an enhanced user interface. It is comprised of flexible data driven modules that can be easily customized to meet the needs of the IME and stakeholders. With the additional functionality, enhancements and updates will occur much faster.

The kickoff meeting for the MIDAS project was held on Tuesday, June 26, 2012, at the Des Moines Botanical Center. The meeting was very successful, with approximately 120 people in attendance. It is expected that the MIDAS project will take 32 months to complete and is scheduled to go live on February 1, 2015. The 6.0 Pharmacy Point-of-Sale (POS) System will go live on July 1, 2013. The 7.0 Pharmacy Point-of-Sale (POS) system also go live on February 1, 2015. Watch future newsletters for additional updates as the MIDAS project progresses.



DHS Council Holds Annual Budget Hearing

The DHS Council held its annual public hearing on the SFY 2014 budget on July 11th. More than twenty representatives of stakeholder organizations submitted testimony. Watch future newsletters for more information as the SFY 2014 budget request is developed.



Jo Ann requested no photo.

Long Time DHS Employee Jo Ann Cowger Retires

From her start in the Long Term Care Unit of the then Bureau of Medical Services back in May 1977 to the Contract Administration Office at the IME, Jo Ann Cowger has seen a great deal of changes in over 35 years with the State of Iowa. Jo Ann is another one of the core group who worked together in 2004 to launch the Iowa Medicaid Enterprise in 2005. The IME is losing several of these foundational employees to retirement this summer. Jo Ann recalls that she “never had a doubt that it was a great idea” to unite the various Medicaid contractors into a performance-based model for administration. Jo Ann welcomed the challenge of putting together the IME and recalls that “it was nice to be first and be successful.”

Anyone who works at the IME knows that Jo Ann is the contact point for almost every question about our facility and operations. She handles space management, parking, leases, plumbing, purchasing, and maintenance. Space management is an ongoing challenge as the IME brings on additional contractors to support the large healthcare projects on our plate such as ICD-10, Health Information Technology, a new eligibility system and MIDAS, the Medicaid Integrated Data Administration Solution.

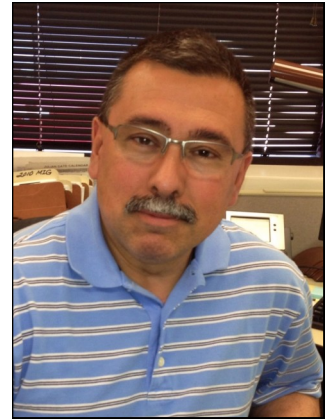
In her role working with contracts and facility management, Jo Ann has become a walking encyclopedia on how to solve problems. When asked how she plans to transfer her knowledge, she points to the detailed historical records she has kept and will leave for the next person who fills her role. When asked what she will miss most about the IME she said “probably Joanne Rockey. We’ve been a team for more than 20 years.” The “Joannes” as they are commonly referred to at the IME, work closely together in the Contract Administration Office.

Jo Ann Cowger said she will take some time to decide what she will spend her time on in retirement but it will definitely include more time with her grandchildren. Jo Ann’s last day with the IME was Friday, June 29th.

Medicaid Deputy Director Julie Lovelady said “*JoAnn was instrumental in establishing the physical IME building, from planning and design to making sure everyone had the tools needed to do their jobs. She has been the “go to’ person at the IME with questions relating to Advanced Planning Documents (APD), contractual questions, and building/facility related issues. Her 35 years of experience will be greatly missed but we wish her the best in her retirement. Thank you for doing a great job for our state and those we serve.*”

Welcome Rocco Russo

Rocco J. Russo recently joined the Iowa Medicaid Enterprise (IME) after six and one half years at the Blank Children's Hospital initially as Billing Manager for Children's Hospital Physicians, then as Director of Billing Partners in Health, and eventually as Clinic Administrator. Rocco is not entirely new to the IME having worked for Iowa Medicaid for 24 years as a contractor employee under various capacities involving systems design and implementation. In his previous stint at the IME, he was involved in projects that included the Health Care Procedure Coding System (HCPCS) implementation, the pilot stages of the MediPASS program, the development of the Medicaid Drug Prior Authorization Form and Program, Expenditure Overpayment Recoveries for Medicaid, and many other high-profile projects. More notably, Rocco was instrumental in the design, development, and implementation of the current Medicaid Management Information System (MMIS). Rocco re-joins the IME as Director of Program Integrity where he will manage the Program Integrity Unit and coordinate federal audits. In his spare time, Rocco likes to go to as many University of Oklahoma Women's Gymnastics meets as possible. You can reach Rocco at russo@dhs.state.ime.us.



Rocco Russo

Medical Assistance Advisory Council (MAAC) Survey

On May 16, 2012, the IME hosted a webinar for the first time in order to increase access to the full MAAC meetings. This effort was undertaken as part of a larger, multi-year effort to increase participation which has included increased promotion and invitations to meetings, updated mailing lists, and a change in location of meetings closer to the Capitol complex, among other efforts. Following the meeting, a survey of participants was launched to gauge the webinar user experience. Overall, the comments were very positive and 88.9% of the webinar participants felt that the webinar increased their access to the meeting. The survey did show that not all participants understand that they can submit agenda items for consideration. **Do you have a suggestion for future agendas?** Please contact MAAC Administrator, Stephanie Clark at sclark2@dhs.state.ia.us with your suggestion.



SAVE THE DATE for the next MAAC meeting.

November 14, 2012

Grants to Help Vulnerable Iowans Stay at Home

Iowa Medicaid will use a major grant to help older and disabled Iowans stay in their own homes and avoid unnecessary nursing home placements.

Learn more about the Balancing Incentive Payments Program (BIPP) at a new IME web page: <http://www.ime.state.ia.us/Providers/BIPP.html>



ICD-10 Update

On April 9, 2012, the U.S. Department of Health and Human Services (HHS) announced a proposed rule that would delay the current implementation date



(October 1, 2013) requiring the use of ICD-10 code sets back by one year (to October 1, 2014). The proposed change in the compliance date for ICD-10 would give providers and other covered entities (such as Iowa Medicaid) more time to prepare and fully test their systems to ensure a smooth and coordinated transition to these new code sets. However, until any rule change is final, the IME's progress toward implementation of the ICD-10 codes sets remains unchanged and we continue to prepare for the implementation of ICD-10 by reviewing policy and preparing for updates to medical coverage, rules, operational procedures, and technical systems. Iowa Medicaid urges providers to continue forward with their ICD-10 projects.

The International Statistical Classification of Diseases and Related Health Problems, 10th Revision (or ICD-10), is a medical classification for the coding of claims and encounters. ICD-10 provides an expanded set of diagnosis and procedure codes to keep pace with advances in medicine over the last three decades and has already been adopted in many countries. While it will allow significant improvements in care management, reporting, and quality measurement, it requires changes to almost all clinical, administrative systems, and business processes throughout Medicaid and all of health care. The ICD-10 code sets provide significant benefits over the current ICD-9 sets in areas such as program management, care management, and analysis of program costs and effectiveness.

Did You Know? The IME has a new ICD-10 webpage with additional resources.

<http://www.ime.state.ia.us/Providers/ICD10.html>

Tip 4 Mom and Mom 2B

The Maternity Management Program at the IME is promoting a service to share helpful information with pregnant women and new moms who could benefit from health tips.

Get support throughout your pregnancy and your baby's first year with text messages on topics like prenatal care, baby health, parenting and more!

Please click on this link to sign up: <http://www.text4baby.org/>



Regular Feature: 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 IME Newsletter will highlight information letters released in the preceding month. Topics of the June 2012 informational letters included:

- Member Lock-In: Altering a Prescription Claim and Changing the Prescribing Provider's National Provider Identifier (NPI) (IL#1135)
 - Reimbursement Changes for Pharmacy and Important Dates #1 (IL#1136)
 - Notice of Changes to the Medical Billing Remittance (MBR) (IL#1137)
 - Independent Audits of DSH Payment Programs (IL#1139)
 - Annual Restraint and Seclusion Attestation Letters (IL#1140)
 - Medicaid Mental Health and Disability Services (MHDS) System Letter #1 (IL#1141)
- SEE RELATED STORY**
- HCBS Quality Assurance Reviews (Replaces Informational Letter 1133) (IL#1142)
 - HCBS Quality Assurance (QA) and Technical Assistance (TA) Contract Changes (IL#1143)
 - Iowa Medicaid Pharmacy Program Changes (IL#1145)

View the complete list of informational letters by year at:

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

IME Newsletter Back in September

The IME monthly newsletter, the "Endeavors Update", will take a break in August and return to publication in September 2012. We appreciate your interest in the newsletter and always welcome comments at our dedicated email: imenewsletter@dhs.state.ia.us

Supreme Court Rules on Affordable Care Act

On June 25, 2012, the United States Supreme Court issued their long-awaited and much anticipated ruling on the Affordable Care Act (ACA). The ACA mandated Medicaid expansion up to 133% of Federal Poverty Level. Governor Branstad reaffirmed his opposition to the Medicaid expansion. The Court's ruling has made this expansion optional. Iowa Medicaid Enterprise will continue to provide analysis to policy makers as they work to reach consensus on policy surrounding this issue.

Link to the Court's ruling on *National Federation of Independent Business v. Sebelius*
<http://www.supremecourt.gov/opinions/11pdf/11-393c3a2.pdf>

Link to the Governor's statement on the Affordable Care Act ruling issued on June 28, 2012
<https://governor.iowa.gov/2012/06/branstad-and-reynolds-release-statements-on-supreme-court-ruling/>

Series of Informational Letters on MHDS Redesign

Before mental health and disability redesign legislative changes were made in 2012, Medicaid paid providers for covered services and then subsequently billed counties for the cost of services for which they were responsible. The county was billed based on a designated county of “legal settlement”. Recent legislation, including the SFY 2013 DHS appropriation, contains provisions that redesign the mental health and disability services delivery system, including shifting the responsibility of providing the non-federal share of Medicaid from counties to the state.

The IME will be issuing a series of informational letters to provide guidance and the DHS website continues to have a page dedicated to information about the redesign effort. Informational letters and additional information, such as reports and timelines can be found on the website. Also, a series of webinars was launched by DHS on June 20, 2012, and will continue during this transition period of redesign.

<http://www.dhs.state.ia.us/Partners/MHDSRedesign.html>

The first letter, Informational Letter #1141 explains that the key change that took effect on July 1, 2012, which was the shift of responsibility of the state assuming the non-federal share of Medicaid.

- The change will have no impact on most aspects of provider and member participation in Medicaid.
- There are no changes to Medicaid coverage and policies for the members.
- There are no changes in billing, provider contracting or the rate setting process for providers.
- There are changes in the responsibilities of the Central Point of Coordination (CPCs) in their role relative to Medicaid approvals and to access ISIS.

These changes are more fully explained in future communications. The second letter, Informational Letter #1150, was directed at service plan authorization and the rate setting process within the Intellectual Disability (ID) and Brain Injury (BI) Waivers. The letter explained that the CPC will no longer authorize Medicaid service plans and continue to calculate provider rates. The IME will begin authorization of all service plans for adults on the ID and BI Waivers beginning July 1, 2012.

MHDS Redesign Transition Committee Meetings Set

DHS has established a Transition Committee meeting schedule. Tentative dates are July 31, August 28, September 25, October 30, November 20 with a final report due December 14, 2012. The mission of the committee is to ensure the transition from the current mental health and disability system to the regional mental health and disability system is as seamless for all concerned. Link to more details:

http://www.dhs.state.ia.us/Partners/Partners_Providers/MentalHealthRedesign/transitionCommittee.html

Medicaid Projections: SFY 2012 Surplus Increased & SFY 2013 Shortfall Explained

The Medicaid forecasting group met in June and increased its midpoint SFY 2012 surplus estimate from \$1.5 million to \$6 million. Contributing to the Department's surplus increase was lower Medicaid spending coupled with a decision to defer certain hospital payments until SFY 2013.

The forecasting group also established a range estimate for SFY 2013. The low-end of the range assumes a shortfall of \$41 million while the high-end of the range assumes a shortfall of \$81 million. This results in a midpoint shortfall of \$61 million. The primary reasons for this shortfall are outlined below.

The Department's midpoint assumes total Medicaid spending growth of approximately 4% in SFY 2013.

- Although general fund appropriations are \$11.5 million higher in SFY 2013 when compared to SFY 2012, total state funding is approximately \$6 million less than in the prior year.
- Even if total Medicaid spending remains unchanged, state spending will be approximately \$36 million higher in SFY 2013 when compared to SFY 2012 as a result of declining Federal participation. This loss of Federal dollars will be partially offset by \$17.8 million in Federal balancing incentive payment program funds.
- The Department's midpoint assumes total Medicaid spending growth of approximately 4 percent in SFY 2013.

The table below summarizes the current midpoint revenue and expenditure estimates.

	Medicaid Forecasting Group Midpoint Estimates	
	SFY 2012	SFY 2013
<u>State Revenue</u>	<u>Mid</u>	<u>Mid</u>
Prior Year Carry-Forward	\$27,700,401	\$6,000,000
General Fund	\$903,493,421	\$914,993,421
Other State Revenue	\$185,895,281	\$190,214,777
Total State Revenue	\$1,117,089,103	\$1,111,208,198
State Expenditures	\$1,111,089,103	\$1,172,208,198
Year-End Balance	\$6,000,000	(\$61,000,000)



Summary of Announced Program Changes Based on Legislative Action

- Effective July 1, 2012 – Changes to Medicaid mental health and disability services (MHDS) system, “mental health redesign”:
 - State 'buy out' of the county financing for Medicaid ([1158](#))
 - Changes for central point of coordination (CPC) procedures ([1157](#))
 - Service plan authorization and rate setting changes ([1150](#))
 - Background on the MHDS redesign ([1141](#))
- Effective July 1, 2012 - Limited funding for emergent hospital services for lowacare members ([1154](#))
- Effective July 1, 2012-Administration of Psychiatric Medical institutes for Children (PMIC) services moves from the IME to the Iowa Plan (Magellan)
- Effective January 1, 2013 - Reimbursement and other changes for pharmacy
 - Implementation of average actual acquisition cost reimbursement ([1153](#))
 - Completion of cost of dispensing survey to set dispensing fee ([1136](#))
- Effective July 1, 2012 – Increases to reimbursement caps and rates for HCBS waiver and home health ([1149](#))
- Effective September 1, 2012 – Single, combined hospital payment for inpatient readmissions within seven days for same condition ([1147](#))
- Effective September 1, 2012 – Two percent reduction for physician-administered drugs ([1146](#))



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 698,000 Iowans, or 23%, of the population in State Fiscal Year 2013.

Iowa Medicaid Upcoming Events:

- | | |
|--------------|--|
| August 1 | Drug Utilization and Review Committee |
| August 8 & 9 | 8th Annual eHealth Summit |
| August 20 | hawk-i Board Meeting |
| August 23 | MAAC Executive Committee |
| September 13 | Pharmaceuticals & Therapeutics Committee |



[DHS Corporate Calendar](#)

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

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