

Health Policy Oversight Committee

November 30, 2018

Co-chairperson: Senator Mark Costello

Co-chairperson: Representative David Heaton

Background. The Health Policy Oversight Committee (HPOC) of the Legislative Council was established as a permanent legislative committee of the Legislative Council under Iowa Code section 2.45. The committee is composed of 10 members of the General Assembly, consisting of five members from each house, appointed by the Legislative Council. The committee is required to meet at least two times annually during the legislative interim to provide continuing oversight for Medicaid managed care, and to ensure effective and efficient administration of the program, address stakeholder concerns, monitor program costs and expenditures, and make recommendations.

Procedural Business. The meeting was called to order at 10:02 a.m. and was adjourned at 2:53 p.m. in Room 116 of the State Capitol.

Department of Human Services (DHS) Presentations: Mr. Jerry Foxhoven, Director, DHS, and Mr. Michael Randol, Medicaid Director, DHS, provided presentations as follows:

Rate Setting 101. An overview of the capitation rate development process for Medicaid managed care including federal regulation and actuarial requirements, the data sources used, base validation processes, the components of capitation rate development, and the monitoring process (medical loss ratio).

Review of FY 2019 Managed Care Organization (MCO) Contracts. A review of the Medicaid MCO contracts for FY 2019. They noted that the contracts include funding for the increased mental health services to be provided pursuant to House File 2456, enacted by the 2018 General Assembly, as well as additional required performance measures. They also stated that in the future, the contracting period will be based on the calendar year rather than the state fiscal year in order to allow the General Assembly to budget more precisely.

Dental Wellness Plan. A review of changes to the Medicaid dental wellness plan implemented to provide preventive care to the greatest number of adult Medicaid recipients. Iowa is one of only 13 states that provide a dental plan for adult Medicaid recipients. The initial Medicaid dental wellness plan was implemented on May 1, 2014, for the Iowa Health and Wellness Plan population. In July 2017, the dental wellness plan was expanded to all Medicaid adult recipients 19 years of age and older. The dental wellness plan is now provided through two dental carriers, Delta Dental and MCNA Dental, members must complete healthy behaviors in the first year in order to keep their full benefits the following year, and each member is subject to a \$1,000 per year cap for services which limitation does not apply to the costs for preventive, diagnostic or emergency dental services, anesthesia, or fabrication of dentures.

Review of Value-Based Purchasing. Mr. Jeffrey Jones, Plan President Amerigroup Iowa, Inc., and Ms. Alissa Weber, Chief Financial Officer, and KellyAnn Light-McGroary, M.D., Chief Medicaid Officer, UnitedHealthcare Community Plan of Iowa, discussed moving from a fee-for-service methodology to a value-based purchasing methodology from the perspective of an MCO, including quality-based, shared savings, and risk-based models. Ms. Sabra Rosener, Vice President, Government Relations, Unity-Point Health, discussed value-based purchasing from the perspective of a large health system. She noted that value-based purchasing, and payment of physicians for services provided to Medicare beneficiaries based on value rather than volume, began with the passage of the federal Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). Since then, providers have had to expand their pa-

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tient base beyond the Medicare population to continue to meet targets and share in the savings or, as the formula moves to a risk-based methodology, avoid decreased reimbursement.

MCO Update. Mr. Jones provided an overview of the key events in 2018 and upcoming plans for 2019 for Amerigroup Iowa, Inc. Mr. Chris Priest, Interim Chief Operations Officer, Iowa Total Care, provided an overview of the progress Iowa Total Care is making to provide coverage in Iowa beginning July 1, 2019.

Public Comment. The committee received public comment in person and through submissions in writing. The public comments submitted in writing will be posted on the committee's Internet site.

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Internet Site: www.legis.iowa.gov/committees/committee?ga=88&groupID=24165