



MINUTES

Medical Assistance Projections and Assessment Council

June 30, 2006

MEMBERS PRESENT:

Senator Maggie Tinsman, Co-chairperson
Senator Jack Hatch, Co-chairperson
Senator Jeff Angelo
Senator Bob Dvorsky
Senator Amanda Ragan
Senator James Seymour

Representative Danny Carroll, Co-chairperson
Representative Ro Foege
Representative Dave Heaton
Representative Mark Smith
Representative Linda Upmeyer

MEETING IN BRIEF

Organizational staffing provided
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- I. Procedural Business.
- II. Department of Human Services.
- III. University of Iowa Hospitals and Clinics (UIHC).
- IV. Broadlawns Medical Center (BMC).
- V. Medicaid Forecast Update.
- VI. Other Council Discussion.
- VII. Materials Distributed.



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I. Procedural Business.

Meeting Times. The meeting was convened by Co-chairperson Tinsman in Committee Room 22 of the Statehouse at 1:17 p.m. The Council recessed at 2:40 p.m. and reconvened at 2:52 p.m. The meeting adjourned at 4:17 p.m.

Approval of Minutes. The minutes of the meetings held on January 24 and 31, 2006, were unanimously approved on a voice vote.

II. Department of Human Services.

Overview. Mr. Kevin Concannon, Director of the Department of Human Services (DHS), Mr. Gene Gessow, Medicaid Director, and Ms. Jennifer Vermeer, Assistant Medicaid Director, provided a written overview and discussed the status of the IowaCare and Medicaid programs.

IowaCare Program. Ms. Vermeer reported that current enrollment in the program is 17,641 and that 64 percent of the active enrollees have remained in the program for six months or more. All program expenditures are being matched by federal funds, which will result in achieving the program goal of covering the loss of intergovernmental transfer revenue in the amount of \$65 million. Ms. Vermeer also discussed premiums, disenrollments, and the various health care reform projects that were included in H.F. 841, the program's 2005 authorizing legislation.

The presentation also provided:

- Enrollment continues to grow, particularly in areas outside of Polk County. Polk County originally accounted for 42 percent of enrollment but at the close of FY 2005-2006 accounted for 37 percent of enrollment.
- Approximately 47 percent of enrollees do not pay a premium; 12 percent claimed a full hardship exemption and 9 percent claimed some hardship exemption.
- Disenrollments amounted to 6,719, an average of 543 per month for FY 2005-2006. The primary reasons were nonpayment of premiums (73 percent) and that enrollment was shifted to Medicaid (16 percent).
- Of those disenrolled 70 percent were in the program for four months or less, and of those who received disenrollment notices 32 percent were reinstated.

Health Care Reform Projects. Ms. Vermeer noted that the University of Iowa's studies of evidence-based practice have been completed but final drafts of this and other projects have been delayed due to the need to complete work implementing changes of the state's Medicaid plan. The new completion target for the projects is the end of summer 2006.

Medicaid Initiatives. Ms. Vermeer noted that other initiatives involving the Medicaid Program are the new federal requirements relating to documentation of citizenship for the program and the federal Centers for Medicare and Medicaid Services Demonstration to Maintain Independence and Employment Grant for which DHS has applied. The grant would provide \$27 million to the state over a three-year period to provide medical coverage and other types of support to parolees with serious mental illness to maintain employment and prevent dependence on federal Supplemental Security Income (SSI) and other public assistance programs. The program would be implemented



in partnership with the Department of Corrections and Iowa Vocational Rehabilitation Services of the Department of Education.

Iowa has also received a second federal Real Choices grant to address the needs of persons with disabilities under the Medicaid Program. The projects funded under the grant will address the reimbursement methodology for intermediate care facilities for persons with mental retardation (ICF/MR), increasing the numbers of persons served through Medicaid home and community-based services waivers, implementing electronic medical records, and assessment of health and dental care needs for persons with developmental disabilities.

Member Questions.

- **Funding Availability.** In discussion with Representative Heaton, it was noted that it appears likely that the University of Iowa Hospitals and Clinics will utilize all of the funding appropriated for FY 2006-2007. If funding is fully utilized, options for the program include providing supplemental funding or applying a freeze on new enrollments.

- **Disenrollments.** In response to a question from Representative Heaton, it was explained that if an individual who does not respond to a disenrollment notice is disenrolled, then this person must pay the back premiums before reenrolling in the program.

- **Three-Year Grant.** Mr. Gessow explained that the three-year federal demonstration grant is unusual in that there are three parts to the grant. For the Medicaid services portion, the state must match the federal funding. However, for supportive services and the program evaluation portions, the federal government pays for 100 percent of the costs.

- **Electronic Medical Records.** In response to questions from Representative Upmeyer, Mr. Gessow described a soon-to-be-implemented option that would allow all Medicaid providers to access Medicaid claim records. He also noted the recently enacted Iowa legislation to set standards and goals for electronic medical records.

- **Elder Affairs.** Several members told of receiving letters and telephone calls regarding changes in the case management program for the frail elderly. Director Concannon and Mr. Gessow explained that federal approval of the changes is still pending and the caps on the amount of reimbursement established by law remain a concern for several area agencies on aging who have raised alarm with constituents. Co-chairperson Hatch suggested that the Fiscal Committee of the Legislative Council secure a unified response to the concerns raised from DHS, the Department of Elder Affairs, and the area agencies on aging. These issues are slated for future discussion by the Fiscal Committee and the MAPAC co-chairpersons and ranking members should be apprised when it is discussed.

- **Disenrollment Survey.** Mr. Victor Elias of the Child and Family Policy Center explained that the client confidentiality provisions under federal law needed to be addressed before the disenrollment survey could be completed. This is expected to be resolved soon.

- **Veterans Home Clients.** Representative Smith suggested that the new citizenship documentation provisions have proved to be a hardship for elderly clients at the Iowa Veterans Home. Mr. Gessow said that the federal requirements have made the process difficult because military identification is accepted for proving identity but not for citizenship. Director Concannon noted that federal requirements allow several months to resolve proof of citizenship questions



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for existing recipients, but for new applicants there is not a grace period to allow enrollment while citizenship is verified.

- **Prevention Programs Implementation.** Co-chairperson Tinsman and others asked about plans for implementing the prevention program provisions under the IowaCare initiative. Mr. Gessow said that a detailed document addressing plans for these provisions will be provided at a later date. He said there are plans for implementing a telephone hotline to provide assistance to clients in securing prescription medications from the programs offered by pharmaceutical manufacturers when no other coverage is available.

III. University of Iowa Hospitals and Clinics (UIHC).

Overview. Dr. Stacey Cyphert, Special Advisor to the President for Health Science — Government Relations, UIHC, provided information for UIHC as one of the IowaCare providers.

Statistical Information. Dr. Cyphert reported that 7,764 unique IowaCare and Chronic Care Program patients had been seen at UIHC as of June 22, 2006, and these patients made in excess of 40,000 visits. Eighty-nine percent of counties had the same or a greater number of enrolled IowaCare and Chronic Care Program beneficiaries through May 2006 as compared with the State Papers and Orthopedic Papers utilization in the previous fiscal year. Overall, UIHC had seen 3,273 more unique IowaCare and Chronic Care patients through June 22, 2006, than State Papers and Orthopedic Papers patients seen during the previous fiscal year. The General Assembly's 2006 legislation authorized an increase of \$10.6 million over the original \$27.3 million appropriation for the UIHC program for FY 2005-2006 and nearly \$32 million has already been paid to the UIHC with several million dollars in claims still outstanding.

Areas of Concern. Dr. Cyphert noted that the appropriation of \$27.3 million for FY 2006-2007 is unlikely to be sufficient; new federal requirements for documentation of citizenship will likely result in delays in authorization of IowaCare coverage status, which may create hardships for patients and nonnetwork providers; if IowaCare enrollment continues to grow it may challenge the UIHC's ability to meet demand in a timely manner; UIHC is planning to enhance access to pharmaceuticals and durable medical equipment for IowaCare beneficiaries contingent upon completion of a Chapter 28E Agreement with DHS; implementation of the nurse helpline for IowaCare beneficiaries is contingent on completion of a separate Chapter 28E Agreement between UIHC and DHS; and the status of plans for the handling of the comprehensive medical examination, personal health improvement plan, and health risk assessment are unclear.

Member Questions.

- **Other Benefits.** Representative Heaton inquired about plans to provide coverage of pharmaceuticals and durable medical equipment for IowaCare at UIHC. Dr. Cyphert said that current plans are to test provision of these services on a pilot project basis and expressed concern about costs.
- **Artificial Limbs.** Co-chairperson Tinsman asked about coverage of artificial limbs. Dr. Cyphert said coverage is provided for patients receiving inpatient treatment and is planned for the pilot project. Co-chairperson Tinsman emphasized the importance of providing this benefit.



- **Transfers between UIHC and Broadlawns.** In response to a question, Dr. Cyphert explained that issues remain regarding general transfer policy and provisions if a program is eliminated.
- **Lodging.** Co-chairperson Tinsman asked about the status of efforts to provide lodging for relatives and other companions of those receiving multiple days of treatment at UIHC under IowaCare, as was the practice under the State Papers Program. Dr. Cyphert said the UIHC attorneys have advised that federal restrictions against providing an enticement to potential patients prohibit the practice. Co-chairperson Tinsman inquired about using state-only funding and Dr. Cyphert agreed to reconsider the options available.
- **Western Iowa.** Co-chairperson Hatch noted the relatively low enrollment in IowaCare from counties located in western Iowa and requested provision of information as to how patients receive treatment in those counties without using the IowaCare Program. After further discussion from other members, Mr. Greg Boattenhamer of the Iowa Hospital Association was recognized and suggested that even when the care needed is not an emergency community hospitals find a way to provide necessary treatment. Senator Seymour concurred and explained how arrangements were made in his area.
- **Treatment of Prisoners.** Representative Heaton noted there is a responsibility for UIHC to provide needed health care to state prison inmates and inquired whether it would be less costly to provide primary care at the local level through some sort of copayment arrangement. Dr. Cyphert noted that the decision is the responsibility of the Department of Corrections.

IV. Broadlawns Medical Center (BMC).

Ms. Mikki Steir, BMC Senior Vice President, Government and External Relations, presented information for BMC as a provider under the IowaCare Program. Ms. Steir noted that under the IowaCare Program patients do not receive mental health services or pharmaceuticals, but if the patient is also eligible for BMC's Community Care Program (with income up to 200 percent of the federal poverty level) the patient is provided with outpatient pharmaceuticals and Polk County Health Services provides mental health care services.

Program Operation. As of June 30, 2006, 9,047 IowaCare enrollees were Polk County residents and eligible for care at BMC. BMC is providing 37 percent of the care to IowaCare enrollees. With regard to disenrollments, of the 4,887 individuals who disenrolled from IowaCare, 1,976 were residents of Polk County.

Resolution of Issues. There were issues with patients understanding the hardship declaration that allows an enrollee to forego the premium payment requirement, but one-on-one communication as well as having DHS staff on-site has helped with this issue. Collection of premiums has been an ongoing issue, but DHS and BMC are working on rules to enable the collection of cash payments at BMC. BMC and DHS are working on facilitating reenrollment of current IowaCare patients as well as provisions for the new federal requirements for verification of citizenship and identity. BMC and UIHC are still working on the issue of transfer of patients from BMC to UIHC for tertiary care. BMC is also working on how to provide dental care under the IowaCare Program.



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V. Medicaid Forecast Update.

Overview. Ms. Kerri Johannsen, Legislative Services Agency (LSA), Fiscal Division, discussed the most recent Medicaid Forecast agreed upon by DHS, LSA, and the Department of Management on June 23, 2006. For FY 2005-2006, an ending balance range of negative \$3.0 million to positive \$5 million is projected. For FY 2006-2007, the state appropriation total of \$759.2 million is projected to be short in the range of \$25 to \$52 million with a midpoint of \$38.5 million.

VI. Other Council Discussion.

Elder Services. Co-chairperson Tinsman noted that the issue of options to unify services to elder lowans had been referred to MAPAC in 2005 by the Legislative Council and asked if MAPAC wanted to review this issue. Members expressed concern that there are many programmatic issues that might need to be overcome in order to unify services that are currently under the purview of various departments. Members determined that the issue might be one of communication and coordination and asked for more information regarding ongoing attempts to provide enhanced communication and coordination. Co-chairperson Tinsman asked that the information provided to MAPAC also include the report of the 2005 legislative interim discussion regarding long-term care.

Recognition of Senator Tinsman. At the request of Co-chairperson Hatch, the Council expressed its gratitude to Senator Tinsman for her service to the state, including her dedication to health and human services issues, during her tenure in the Iowa Senate.



VII. Materials Distributed.

The following materials were distributed at or in connection with the meeting and can be accessed through the Council's Internet page:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=70>

1. Department of Human Services presentation.
2. University of Iowa Hospitals and Clinics presentation.
3. Broadlawns Medical Center presentation.
4. Medicaid Forecast from June 23, 2006, provided by LSA Fiscal Services staff.
5. Letter from the Hawkeye Valley AAA.
6. Tennessee electronic medical record article.

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