MINUTES
Health Policy Oversight Committee

Monday, December 7, 2015

MEMBERS PRESENT

Senator Amanda Ragan, Co-chairperson
Senator Joe Bolkcom
Senator Mark Costello
Senator Liz Mathis
Representative David E. Heaton, Co-chairperson
Representative John Forbes
Representative Joel Fry
Representative Lisa Heddens
Representative Linda J. Miller

LSA CONTACTS: Organizational staffing provided by: Patty Funaro, Senior Legal Counsel, (515) 281-3040; Minutes prepared by: Rachele Hjelmaas, Senior Legal Counsel, (515) 281-8127

CONTENTS

I. Procedural Business

The second meeting during 2015 of the Health Policy Oversight Committee (HPOC) of the Legislative Council was called to order by Co-chairperson Heaton at 10:11 a.m. on Monday, December 7, 2015, in Room 103 of the State Capitol, Des Moines, Iowa. The committee approved the minutes of the November 3, 2015, meeting of the committee as distributed. The meeting was adjourned at 3:46 p.m.

Opening Comments. Co-chairperson Heaton noted that the way in which the state has administered Medicaid has not changed over time. Claims are paid on a fee-for-service approach, based on consumer visits to providers. He asserted the state needs a more effective approach to contain the growth in health care costs; a 21st century approach that encourages preventative measures, integrates mental health with physical health, and links providers together to encourage coordinated care. More than half of Medicaid enrollees nationwide utilize managed care. Minnesota is going through a second round of contracting for Medicaid managed care services and the Minnesota managed care program has saved state and federal taxpayers $1 billion. The competitive bidding process provides enrollees with more choices to enroll in high-performing and competitive health care plans and contains costs. He maintained that the state needs to move forward with the modernization of the Medicaid program.

Co-chairperson Ragan questioned whether Iowa is ready to implement Medicaid managed care. There are real concerns about increased costs and confusion and pointless red tape being reported by local hospitals, clinics, agencies, and nursing homes. She will be listening for proof that implementation issues have been addressed, safeguards are in place, and that Iowans can be assured that calls for the program to be delayed, reformed, or even abandoned are not necessary.

Review of HPOC Legislation. Ms. Patty Funaro, Senior Legal Counsel, Legislative Services Agency, reviewed the enabling legislation establishing the committee, noting that the committee is required to receive updates and review data, receive public input and concerns, and make recommendations for improvements to and changes in law or rule regarding Medicaid managed care.

II. Department of Human Services (DHS)/Managed Care Organization (MCO) Panel

Ms. Mikki Stier, Iowa Medicaid Director, DHS; Ms. Liz Matney, Managed Care Director, Division of Managed Care, DHS; Mr. Jeffrey Jones, Chief Operating Officer, Amerigroup Iowa, Inc.; Ms. Cheryl Harding, Market President, AmeriHealth Caritas Iowa; Ms. Kim Foltz, Chief Executive Officer, UnitedHealthcare Plan of the River Valley, Inc.; and Ms. Lauralie Rubel, President, WellCare of Iowa, provided an update on the implementation status of Medicaid managed care and answered questions posed by the committee members.

Implementation and Status Updates

Governor's Press Release. Ms. Stier noted the Governor's announcement today of a safe harbor time period extending the time period during which all Medicaid providers, whether in-network or out-of-network, will receive 100 percent of the current Medicaid rate for the respective provider until April 1, 2016. This extension will help ensure that all members are served and providers are paid at the current reimbursement rate.

Call Center. Some call centers are receiving over 600 calls per day. DHS has responded by doubling member services staff to meet the demand and is monitoring calls to make sure calls are answered. Ms. Stier also noted that MCO provider manuals have been approved by Iowa Medicaid Enterprise (IME) and are available on the DHS website.

Tentative MCO Assignments. DHS is responsible for initial member enrollment and made tentative auto-assignments based on an algorithm with the goal of keeping members of families together under one MCO. There were only two instances in which families were not assigned to the same MCO due to a technology problem but DHS responded quickly to address this.

MCO Panel Comments. Mr. Jones commented that Amerigroup Iowa, Inc. is working aggressively in preparation of going live on January 1. His staff is at 80 percent now, all key personnel have been hired, and his provider network currently exceeds 8,000 providers, including 11 hospitals. Amerigroup Iowa, Inc. has participated in several dozen training sessions. His focus has been on facilitating a smooth transition in ensuring that there are no disruptions in a member's care. Ms. Harding noted AmeriHealth Caritas Iowa is on track for the January 1 implementation date and is busy contracting with providers. Two of the major hospitals in the state have signed contracts and she expects two others to sign shortly. They are just under 100 percent for critical staffing positions. Ms. Rubel commented that WellCare of Iowa has a provider agreement with one hospital and expects to sign two additional hospitals today. Approximately 76 percent of the staffing positions have been filled. She noted that WellCare is fully committed to moving forward despite the recent decision by an administrative law judge recommending the state terminate its contract with WellCare. Ms. Foltz commented that UnitedHealthcare Plan of the River Valley, Inc. has hired about 85 percent of its staff and they have signed provider contracts with 5,300 providers and four hospitals.

All four MCO representatives expressed support for the Governor's announcement of a safe harbor time period for reimbursement of Medicaid providers as it provides more flexibility for providers and supports continuity in care for members. All MCO representatives commented they are preparing for their MCO readiness review visits from the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services (CMS) to review whether MCO transition and preparation efforts meet the needs of new members.

Committee Questions and Discussion

Medicaid Provider Network Adequacy. In response to questions about the total number of Medicaid providers in the state, and concerns that the committee and consumers lack a good understanding of the network of providers that are available in local communities, Ms. Matney responded that the total number of unduplicated fee-for-service Iowa Medicaid providers is 29,961 today. In response to additional committee questions on this same issue, Ms. Stier and MCO representatives responded that MCOs have contracted with between 28-43 percent of Medicaid providers in Iowa. The numbers are changing daily and DHS will provide updated figures to the committee soon. Committee members expressed their disappointment and concerns that the number of providers do not add up correctly and that MCOs would not be ready to go live on January 1.

Critical Access Hospitals and Hospital Provider Tax. When asked whether critical access hospital payments are being treated differently than in the past in terms of their reimbursement rates, Ms. Stier responded that the MCOs are contracting with these hospitals and will negotiate rates as part of the contracting process. Critical access hospital claims under a fee-for-service approach are cost-settled and some are cost-settled positively while others are cost-settled negatively. In response to a question about how provider taxes are being addressed, Ms. Stier responded that taxes are passed through the MCO capitation rates to the hospitals.

Dual-Eligible Consumers. In response to a question about how dual-eligible (Medicare-Medicaid) members are being handled, Ms. Stier responded that call center staff will be given the appropriate information to handle those questions.

Call Center Efficiency. In response to a question about the operation and responsiveness of the call center and specific concerns that many calls are being dropped and there continue to be long call-waiting times, Ms. Stier responded that initially, in August and September, the staffing of call lines was adequate. After the holidays and with the enrollment deadlines approaching, some call lines had technical issues. DHS worked quickly to fix the problem and added additional staff to cover the additional volume of calls.

Managed Care Model. In response to a question about the decision to privatize Medicaid and whether the Iowa Medicaid Enterprise (IME) could have been redesigned within the existing infrastructure to address concerns about the functionality and progressiveness of the Medicaid program, Ms. Stier noted that the magnitude and scope of the redesign and budget limitations for the Medicaid program required operational and philosophical changes that only MCOs could offer, including value-added tools and supports.

Community Mental Health Centers. In response to a question about whether community mental health centers utilizing cost reports will continue to have their payments cost-settled, Ms. Matney responded that those payments will be cost-settled through December 31, 2015. Moving forward, the rate floor will be the rate schedule that other community mental health centers have chosen. Ms. Stier noted this should not have an impact on the delivery of services.

Group Homes. In response to a concern that one MCO indicated it would only pay a particular group home 30 percent of the reimbursement rate for day habilitation services because services were started after June 30, Ms. Stier responded that Home and Community-Based Services (HCBS) waiver providers were being paid individual rates for individual services. The long-term goal is to move to a tiered structure for those services and DHS developed an average aggregate cap rate for those services. Ms. Stier noted she has received positive feedback from providers regarding tiered rates and DHS will continue to review and adjust the rates if necessary.

Provider Training. Senator Johnson expressed concern that adequate provider training is not taking place, particularly on billing procedures and quality assurance measures. MCO representatives responded they are providing extensive training to the provider community. DHS has already provided training through over 300 training sessions.

Case Management and Integrated Health Homes. In response to a concern about whether MCOs are using in-house case managers or contracting with independent case managers, all MCOs responded they were using a hybrid of both to ensure continuity of care for members. Concerns were expressed regarding the hiring away of local case managers for more lucrative MCO salaries. With regard to integrated health homes, all MCOs intend to continue the use of these.

Board Member Confidential Information. In response to a question about nonprofit Medicaid provider board members being required to provide personal information including social security numbers and dates of birth, Ms. Stier responded that the information is required under federal law and collected by CMS to comply with certain federal program integrity requirements.

III. Update From Medical Assistance Advisory Council (MAAC) Executive Committee

Mr. Gerd Clabaugh, Director of Public Health and Chairperson of the MAAC and the MAAC Executive Committee; Ms. Shelly Chandler, Executive Director, Iowa Association of Community Providers; Mr. Dennis Tibben, Director, State Government Affairs, Iowa Medical Society; and other members of the MAAC and the MAAC Executive Committee, provided background information about the MAAC and MAAC's role in the transition and implementation of Medicaid managed care in Iowa.

Mr. Clabaugh provided information about legal framework outlining the duties, membership, and related responsibilities of the MAAC. He noted the MAAC Executive Committee is elected every two years, serving two-year terms, and is made up of five representatives of trade and professional organizations and five representatives of consumer organizations and the public. The purpose of the MAAC is to advise the DHS Director about health and medical care services under the Medicaid program and to provide recommendations related to Medicaid managed care. The executive committee meets monthly and receives detailed updates on many important issues including MCOs and providers. The full MAAC Council meets on a quarterly basis. Both the executive committee and the full council have extensively discussed Medicaid managed care including issues relating to member outreach and communications in the MCO enrollment process, provider credentialing and rates, and claim filing deadlines. Mr. Claybaugh noted that DHS listening sessions in communities across Iowa are scheduled to begin in March 2016 to provide oversight for Medicaid managed care and that each MAAC member will attend at least three of these meetings. The MAAC Council will assist with providing information and education to the various associations and members regarding Medicaid managed care programs and services.

Ms. Chandler commented she has served as a member on the MAAC council for the past 10 years and the council has been more involved and engaged in the past six to eight months than ever before. The MAAC Executive Committee has provided valuable technical expertise to the discussions relating to Medicaid managed care. Mr. Tibben noted that the MAAC has been historically underutilized and echoed Ms. Chandler's comments.

IV. Motion to Request a Delay of Implementation of Medicaid Privatization

Senator Bolkcom moved that the HPOC request the White House and CMS to delay privatization of the Medicaid program until July 1, 2016. The motion was seconded by Senator Mathis. Representative Fry commented that the motion was made outside the charge of the committee and therefore the committee did not have the authority to entertain the motion. Following recess for a caucus and discussion, on a vote of 3-2 in the Senate and 2-3 in the House, the motion failed.

V. Public Comment

The committee received public comment from many individuals, including those in favor of, opposed to, and neutral on the issue of Medicaid privatization.

Commentators in favor of Medicaid privatization spoke about their experiences with out-of-state MCO organizations operating in Florida, Kentucky, Kansas, and Illinois. Commentators described benefits of Medicaid managed care such as the reduction or complete elimination of waiting lists allowing individuals to become more independent and interactive with family members and their local communities, coordinated and specialized care services focusing on the individual care needs of the consumer, the ease of finding suitable providers, and the availability of and access to additional enhanced member services such as community healthy food programs. Although some individuals, including case managers, recognized the transition to managed care may be difficult in the beginning, many agreed that it is worth it in the long run as managed care for many has provided more care services to more people and there is more accountability and more checks and balances in the system overall. Managed care also provides more resources for case managers. Managed care is mission-guided, collaborative, and member-focused.

Commentators opposed to Medicaid privatization expressed concerns that the implementation of managed care in Iowa is moving too quickly and the transition process needs to be delayed or the privatization of Medicaid needs to be stopped completely; that the information about the transition

to managed care is piecemeal, confusing, difficult to understand, and for some, difficult to access; that provider reimbursement rates have not been determined making it difficult for providers to sign contracts and get into the provider network; that waiver services, case management services, and capitation rate data are not fully understood by MCOs; that some members have multiple care needs and need to be under the care of multiple providers which causes continuity of care and coordination of care issues; that there are still issues relating to whether MCOs have to honor existing prior authorizations for care and for what period of time; that managed care contracts for children must meet evidence-based practices for well-child care incorporating preventive and developmental health services and supports for children; and concerns about how individual consumer direct attendant care (CDAC) providers will be affected by managed care.

VI. Committee Discussion and Next Steps

Following additional discussion, the committee considered the possibility of holding another meeting prior to the beginning of the legislative session. The co-chairpersons determined they would need to speak with leadership regarding the possibility of holding another meeting.

VII. Materials Filed with the Legislative Services Agency

Materials distributed at or in connection with the meeting are filed with the Legislative Services Agency. The materials may be accessed from the “Committee Documents” link on the committee’s Internet Site at: https://www.legis.iowa.gov/committees/committee?ga=86&groupID=24165.

4013LC