

MINUTES OF THE SPECIAL MEETING OF THE

ADMINISTRATIVE RULES REVIEW COMMITTEE

Date of meeting: A special meeting of the Administrative Rules Review Committee (ARRC) was held by telephone on Thursday, December 19, 2002, at 7:30 a.m.

Members present: Senator Sheldon Rittmer, Chair, and Representative Clyde Bradley, Vice Chair; Senators Jeff Angelo, John P. Kibbie, and Paul McKinley; Representatives Danny Carroll, Marcella Frevert, Mark Kuhn and Janet Metcalf.

Also present: Senator Patricia Harper was excused.

Also present: Joseph A. Royce, Legal Counsel; Kathleen K. Bates, Administrative Code Editor; Brian Gentry, Administrative Rules Coordinator; Department of Human Services personnel and other interested parties.

Convened: Chair Rittmer convened the meeting at 7:40 a.m.

HUMAN SERVICES DEPARTMENT Nancy Freudenberg, Cathy Anderson, and Ruth Schanke represented the department. Other interested parties included Deb Westvold and John Easter of ISAC, Joel Wulf of the department of elder affairs, Lynn Ferrell of Polk County Health Services, Representative Dave Heaton and Senator Jack Holveck.

Rittmer stated that the purpose of the meeting was to consider rules relating to targeted case management services and outlined the committee's options of imposing a 70-day delay or a session delay on all or part of the rules or to take no action and allow the rules to go into effect on January 1, 2003.

Carroll reported that after meeting with the department, Magellan, and other concerned parties, he is now more comfortable with the rules, but is concerned that some uncertainty remains on the part of county representatives.

Motion to delay: Carroll moved a 70-day delay on rule 90.3 and subrule 90.2(5) regarding prior authorization.

Representative Heaton expressed concern about costs of Medicaid and supported the need for oversight through prior authorization, but expressed uncertainty about who should have responsibility for prior authorization.

A discussion followed regarding any possible financial incentive for Magellan to deny case management services. Anderson noted that the department's contract with Magellan compensates Magellan on a capitation basis and that needed services must be provided in accordance with the contract. Freudenberg added that the contract with Magellan is not affected by these rules. Freudenberg advised Kibbie that following the December ARRC meeting, the department added a provision to require Magellan to use the department's criteria for prior authorization.

Gentry reminded the committee that the purpose of the rules is to guarantee due process rights of recipients and to ensure that rules are in place prior to a federal audit. Gentry pointed out that the rules reflect good practice and meet the intent of the federal government in order to protect federal resources. Concerns raised by counties reflect a lack of confidence in Magellan. Freudenberg noted that the department will exercise daily oversight through a contract manager to ensure that department criteria are followed in approving or denying authorizations. Freudenberg advised members that the department does not have the resources to handle prior authorizations and that a contract is in place with Magellan to provide authorization in accordance with criteria established by the department.

Motion carried: The roll was called, and all members supported the motion to impose a 70-day delay on 90.3 and 90.2(5). Members agreed to reconsider the delayed provisions at the January 7, 2003, meeting.

Committee members agreed that prior authorization is the best way to ensure that parties who need case management receive the service and that the resource will not be directed to those who do not need this service. Members encouraged the department to initiate dialog with key players in the provision of services to Iowa's mentally disabled, including a representative of ISAC, Lynn Ferrell, and Craig Syata. Members expressed a desire that communications take place between the department and affected parties during the next two weeks in order to allow for closure at the January meeting.

Adjourned: The meeting was adjourned at 9 a.m.

Respectfully submitted,

Kathleen K. Bates
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APPROVED:

Sheldon Rittmer
Chair Sheldon Rittmer

Clyde Bradley
Vice Chair Clyde Bradley