



MINUTES

Health Policy Oversight Committee

First Meeting of the 2022 Interim

Friday, December 9, 2022

MEMBERS PRESENT

Senator Jeff Edler, Co-chairperson
Senator Joe Bolkcom
Senator Mark Costello
Senator Mike Klimesh
Senator Amanda Ragan

Representative Joel Fry, Co-chairperson
Representative John Forbes
Representative Shannon Lundgren
Representative Ann Meyer

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I. Procedural Business

The first meeting of the Health Policy Oversight Committee of the 2022 Interim was called to order at 9:05 a.m. in Room 103 of the Capitol and adjourned at 11:52 a.m.

II. Department of Health and Human Services Medicaid Update

Ms. Liz Matney, Medicaid Director, Department of Health and Human Services (HHS), provided an Iowa Medicaid overview. The overview reviewed Medicaid's strategic plan, Medicaid's implementation of legislation appropriations, state fiscal year 2022-2023 managed care organization (MCO) contracts and rules, the public health emergency (PHE) unwind plan, and the onboarding timeline for Molina Healthcare of Iowa, Inc. (Molina). The purpose of the presentation was to focus on improving the Medicaid program.

A. Iowa Medicaid Strategic Plan Overview

Director Matney presented a summary of Iowa Medicaid's mission and values. To further its mission in light of its values, Medicaid selected four main objectives: (1) identify and mitigate program gaps in meaningful service delivery, (2) shift program operations and planning to focus on outcomes, (3) promote transparency in program development and performance, and (4) modernize Iowa Medicaid infrastructure and operations. Director Matney summarized Medicaid's current progress in achieving its objectives, and highlighted the progress in transparency brought about by the mutual insight gained through audience-focused town hall meetings with the public which started in August of 2021, and by the additions to the HHS online dashboard which will include quality of outcomes instead of purely quantitative information.

Director Matney further reviewed the new table of organization for Medicaid that focuses on the enhancement of HHS compliance with state and federal law, multi-layered oversight of services, quality of services delivered to members, and innovation in the agency.

B. Implementation of Legislation Appropriations

Director Matney summarized Medicaid's progress in implementing appropriations for the Medicaid program. Medicaid is still working on implementing functional family therapy and multisystemic therapy. Medicaid has partnered with the Coalition for Family and Children's Services and the New York Foundling Implementation Support Center (NYFIS) to identify the costs associated with implementing the evidence-based practice models. NYFIS provided a summary of their findings in October, and Medicaid will submit an amendment to the Medicaid State Plan to the Centers for Medicare & Medicaid Services (CMS) for review before the end of the year.

The 2022 legislature directed HHS to review and report on postpartum coverage available to members for pregnancy-related Medicaid coverage. The report is filed with the Legislative Services Agency.

The 2022 legislature directed HHS to increase reimbursement rates within specified appropriation amounts for several Medicaid services for FY 2022–2023, including for home health rural incentives (\$1,777,082), intermediate care facilities for persons with an intellectual disability (\$1,339,971), behavioral health intervention services (\$1,277,082), psychiatric tiered rates (\$1,500,000), and applied behavioral analysis services rates (\$385,000).

Director Matney also noted that Medicaid utilized federal American Rescue Plan Act funding to increase home and community-based services (HCBS) and habilitation provider rates by 4.25% and to buy-down 399 slots for the intellectual disability waiver.



Director Matney stated that through collaboration with MCOs, providers, and partners, new rates for general psychiatric care and intensive psychiatric care will begin in January 2023.

Director Matney summarized the Ground Emergency Medical Transportation Program that provides supplemental payments to providers of public ambulance transportation to cover the difference between provider costs and the Medicaid base payment for transportation.

C. Fiscal Year 2022-2023 MCO Contracts and Rates

HHS recently amended its contracts with Amerigroup Iowa, Inc. (AGP) and Iowa Total Care (ITC) to administer the Iowa Health Link Program to include rate changes as required in 2022 legislation; updates relating to federally mandated language, state-directed payments, capitation rates for FY 2023, medical loss ratio (MLR), pharmacy carve-outs, and pay for performance; and adjustments to MCO reporting. The contract amendments are currently pending approval by CMS.

D. Public Health Emergency Unwind Plan

Director Matney reviewed Medicaid's current plan to return Medicaid operations to normal once the federal government officially ends the PHE. During the PHE, Medicaid was required to provide increased flexibilities for members to assist with hardships, including the required continuation of Medicaid coverage for members regardless of changes in circumstances.

The current timeline to end the PHE is unknown, but it will continue at least until April 2023. On November 17, 2022, the National Association of Medicaid Directors called on Congress to commit to a certain date for the return to normal eligibility determinations.

While the PHE is in effect, the state receives a 6.2% enhanced Federal Medical Assistance Percentage (FMAP) rate. This rate is currently supporting Iowa's Medicaid system.

Once the PHE ends, Medicaid's goal is to quickly redetermine eligibility for all enrollees as seamlessly as possible with minimal impact to staff and eligibility workers and with clear communication with members, providers, and other stakeholders.

Senator Bolkcom inquired how many people are expected to lose Medicaid coverage as a result of the PHE unwind. Director Matney responded that while the number varies daily, roughly 80,000 people would lose Medicaid coverage.

E. Molina Healthcare of Iowa, Inc. Onboarding Timeline

Director Matney presented the current timeline for Molina's entry as a Medicaid MCO. Molina will soon begin four months of provider testing and is on schedule to go live in July of 2023.

F. Committee Discussion

In response to an inquiry by Representative Fry about psychiatric services rates, Director Matney stated that she would provide the rates and that providers feel comfortable with the new rates.

Representative Fry requested further details about performance updates which will be provided at a later date.

Representative Fry inquired as to the amount recovered from MCOs that did not meet the MLR threshold. Director Matney said that no amount has been recovered as the MCOs have always met the threshold, but money has been recovered from a dental MCO, Delta Dental. Director Matney will provide details about the recovered funds at a later date.



Representative Fry inquired whether the individuals expected to be removed from Medicaid coverage currently have access to commercial health insurance. Director Matney stated that many do and that HHS has implemented measures to ensure Medicaid is the payor of last resort.

In response to an inquiry by Representative Fry about Medicaid's goal for the PHE unwind, Director Matney stated that Medicaid would like a concrete end date from the federal government at least 120 days in advance, but even with the additional care requirements from the PHE, Iowa nets an extra \$20 million per quarter during the PHE.

Representative Fry inquired about staff additions as a result of the PHE. Director Matney stated no additional staff were added so none are expected to be terminated. Instead, Medicaid expects to shift staff to other duties.

Representative Forbes inquired about access to dental services. Director Matney stated while there are no plans to expand Medicaid's dental services, Medicaid has considered options for such an expansion. A simple rate increase would likely be insufficient to increase access, but more creative ideas, such as allowing dental hygienists to bill or allowing dental therapists to practice in the state, would be necessary.

In response to an inquiry by Representative Forbes about the difference in the MLR between AGP and ITC, Director Matney stated she would provide more information.

Senator Bolkcom inquired as to how long the additional investments in HCBS as a result of the PHE will continue. Director Matney responded that there is a \$14.6 million annual investment and that such funds may be used through March 31, 2024.

In response to a question by Senator Bolkcom about the cost to the state for hospitalizations of persons who are voluntarily unvaccinated against COVID-19, Director Matney stated that such information is not currently collected, but Medicaid can gather that information.

Representative Fry asked for the timeline for ITC's new contract. Director Matney stated that ITC's contract extends until 2025, and HHS will begin the request for proposals process soon. However, in the future, HHS plans to develop a timeline that would synchronize MCO contract time frames.

III. Managed Care Organization Updates

A. Amerigroup Iowa, Inc.

Mr. Jeffrey Jones, President, AGP, reported that AGP launched a health equity population health management plan in 2021 that has been approved for implementation through June 30, 2025. The plan focuses on populations with chronic conditions such as asthma and diabetes, maternal child health, and behavioral health and substance use disorders. The plan seeks to address disparities in Black, Latinx, and rural community members. In southwest Iowa where the rates of C-sections are exceptionally high, AGP has partnered with Montgomery County Hospital and several providers to target the county's higher rates of C-sections, low birth weight, and other maternal health matters. AGP has also built an HCBS network and has implemented programs for integrating members facing behavioral health concerns into the community. Mr. Jones highlighted a program that provides regular checkups by EMTs for members with chronic emergency room visits.

B. Iowa Total Care

Mr. Mitch Wasden, President and CEO, ITC, presented ITC's plan to focus on investments in communities that address social determinants of health (SDoH). While only 20% of a person's overall health is directly affected by health care, socioeconomic factors, physical environmental factors, and



health behaviors make up the remainder. ITC's data shows that people with different SDoH concerns need and respond to services differently (e.g. a person experiencing food insecurity has different needs than a person concerned with employment). Mr. Wasden stated that ITC is starting a program in the upcoming year to provide additional support to pregnant members and members who recently gave birth. Mr. Wasden also noted that the program to monetarily reward members for making healthy choices and receiving health care has been quite successful.

C. Molina Healthcare of Iowa, Inc.

Ms. Jennifer Vermeer, Iowa Plan President, Molina. introduced Molina by providing Molina's history, service in other states, vision, mission, plan, and values, and an overview of the plan for Iowa, including an implementation timeline.

Senator Ragan inquired as to Molina's plans to address medical workforce issues. Ms. Vermeer responded that certain programs such as building pipelines to funnel students into the Iowa workforce are possible, but early action on workforce issues is key.

Senator Bolkcom inquired as to the interaction between the MCOs in being innovative and sharing good ideas and successes. Director Matney stated there is good communication between the MCOs.

IV. Medicaid Presentations

A. Medicaid Eligibility Determination and Tools

Ms. Amela Alibasic, Eligibility Director, HHS, noted that eligibility is determined by staff across the state, and mainly focuses on financial requirements with a few exceptions. HHS checks to confirm a member is not receiving Medicaid from another state on an ongoing basis.

Ms. Alibasic presented the current financial limits for Medicaid eligibility, an overview of how household size affects eligibility, a summary of non-financial factors that affect eligibility, a summary of the income verification process for modified adjusted gross income (MAGI) and non-MAGI based members, a summary of the data sources used to verify income and assets for determining initial eligibility and ongoing eligibility, an overview of the IT systems Iowa uses to determine eligibility, a summary of how eligibility determinations have evolved over time, and an explanation of how the process is changing in light of the HHS realignment.

Senator Edler inquired as to the timeline for implementing the new eligibility system. Ms. Alibasic stated that HHS would begin implementing the new system for the Supplemental Nutrition Assistance Program in January.

In response to an inquiry by Representative Fry regarding verification of household size, Ms. Alibasic stated that HHS generally verifies household size only when the size is highly questionable. Otherwise HHS focuses on verifying financial data and citizenship.

B. Medicaid Mandated and Optional Services Costs

Director Matney stated that Medicaid services can be broken down into two groups: federally required services and optional services. Federally required services are services that Medicaid must provide in order to receive federal funding, and optional services are all other services. Medicaid spent approximately \$2.5 billion on required services and \$2 billion on optional services in FY 2022 for adults and spent approximately \$700 million on required services and \$500 million for optional services for children.



Senator Edler requested a detailed accounting of spending per service.

Senator Costello inquired whether the federal government incentivizes the use of optional services. Director Matney stated that depending on the service, the federal match may be higher for certain services.

Representative Forbes inquired whether the increased PHE FMAP could be used for additional services. Director Matney stated that it could but Medicaid is hesitant to do so because the increased FMAP will end eventually.

Senator Bolkcom noted that though some services such as HCBS and prescription drugs are called “optional,” they are necessary services. Senator Edler opined that optional service moneys may be better spent elsewhere.

V. Public Comment

Public comment was provided.

VI. Materials Filed with the Legislative Services Agency

Documents distributed at the meeting are posted on the committee’s Internet Site: www.legis.iowa.gov/committees/meetings/documents?committee=24165&ga=ALL