

# House Amendment 1216

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1 1 Amend House File 619 as follows:  
1 2 #1. Page 1, by inserting before line 1, the  
1 3 following:  
1 4 NEW SECTION. 135.131 INTERAGENCY  
1 5 PHARMACEUTICALS BULK PURCHASING COUNCIL.  
1 6 1. For the purposes of this section, "interagency  
1 7 pharmaceuticals bulk purchasing council" or "council"  
1 8 means the interagency pharmaceuticals bulk purchasing  
1 9 council created in this section.  
1 10 2. An interagency pharmaceuticals bulk purchasing  
1 11 council is created within the Iowa department of  
1 12 public health. The department shall provide staff  
1 13 support to the council and the department of  
1 14 pharmaceutical care of the university of Iowa  
1 15 hospitals and clinics shall act in an advisory  
1 16 capacity to the council. The council shall be  
1 17 composed of all of the following members:  
1 18 a. The director of public health, or the  
1 19 director's designee.  
1 20 b. The director of human services, or the  
1 21 director's designee.  
1 22 c. The director of the department of personnel, or  
1 23 the director's designee.  
1 24 d. A representative of the state board of regents.  
1 25 e. The director of the department of corrections,  
1 26 or the director's designee.  
1 27 f. The director, or the director's designee, of  
1 28 any other agency that purchases pharmaceuticals  
1 29 designated to be included as a member by the director  
1 30 of public health.  
1 31 3. The council shall select a chairperson annually  
1 32 from its membership. A majority of the members of the  
1 33 council shall constitute a quorum.  
1 34 4. The council shall do all of the following:  
1 35 a. Develop procedures that member agencies must  
1 36 follow in purchasing pharmaceuticals. However, a  
1 37 member agency may elect not to follow the council's  
1 38 procedures if the agency is able to purchase the  
1 39 pharmaceuticals for a lower price than the price  
1 40 available through the council. An agency that does  
1 41 not follow the council's procedures shall report all  
1 42 of the following to the council:  
1 43 (1) The purchase price for the pharmaceuticals.  
1 44 (2) The name of the wholesaler, retailer, or  
1 45 manufacturer selling the pharmaceuticals.  
1 46 b. Designate a member agency as the central  
1 47 purchasing agency for purchasing of pharmaceuticals.  
1 48 c. Use existing distribution networks, including  
1 49 wholesale and retail distributors, to distribute the  
1 50 pharmaceuticals.  
2 1 d. Investigate options that maximize purchasing  
2 2 power, including expanding purchasing under the  
2 3 medical assistance program, qualifying for  
2 4 participation in purchasing programs under 42 U.S.C. }  
2 5 256b, as amended, and utilizing rebate programs,  
2 6 hospital disproportionate share purchasing, multistate  
2 7 purchasing alliances, and health department and  
2 8 federally qualified health center purchasing.  
2 9 e. In collaboration with the department of  
2 10 pharmaceutical care of the university of Iowa  
2 11 hospitals and clinics, make recommendations to member  
2 12 agencies regarding drug utilization review, prior  
2 13 authorization, the use of restrictive formularies, the  
2 14 use of mail order programs, and copayment structures.  
2 15 This paragraph shall not apply to the medical  
2 16 assistance program but only to the operations of the  
2 17 member agencies.  
2 18 5. The central purchasing agency may enter into  
2 19 agreements with a local governmental entity to  
2 20 purchase pharmaceuticals for the local governmental  
2 21 entity.  
2 22 6. The council shall develop procedures under  
2 23 which the council may disclose information relating to  
2 24 the prices manufacturers or wholesalers charge for

2 25 pharmaceuticals by category of pharmaceutical. The  
2 26 procedure shall prohibit the council from disclosing  
2 27 information that identifies a specific manufacturer or  
2 28 wholesaler or the prices charged by a specific  
2 29 manufacturer or wholesaler for a specific  
2 30 pharmaceutical.>

2 31 #2. Page 1, line 11, by inserting after the word  
2 32 the following: 2 33 appeals, in cooperation with the department of human  
2 34 services,>.

2 35 #3. Page 1, by inserting after line 19, the  
2 36 following:

2 37 NEW SECTION. 155A.4A PHARMACEUTICAL  
2 38 MARKETERS == PROHIBITION OF GIFTS.

2 39 1. A pharmaceutical marketer shall not offer or  
2 40 provide to any practitioner, hospital, health care  
2 41 facility, pharmacist, health benefit plan  
2 42 administrator, or any other person in this state  
2 43 authorized or licensed to prescribe, dispense,  
2 44 distribute, or purchase prescription drugs, any gift  
2 45 not otherwise exempt under this section.

2 46 2. The following gifts are exempt from the  
2 47 prohibition of this section:

2 48 a. Free samples of prescription drugs intended for  
2 49 distribution to patients.

2 50 b. The payment of reasonable compensation and  
3 1 reimbursement of expenses in connection with bona fide  
3 2 clinical trials. As used in this paragraph, "clinical  
3 3 trial" means an approved clinical trial conducted in  
3 4 connection with a research study designed to answer  
3 5 specific questions about vaccines, new therapies, or  
3 6 new ways of utilizing known treatments.

3 7 c. Any gift, fee, payment, subsidy, or other  
3 8 economic benefit the value of which is less than  
3 9 twenty-five dollars.

3 10 d. A scholarship or other support for medical  
3 11 students, residents, or fellows to attend a  
3 12 significant educational, scientific, or policymaking  
3 13 conference of a national, regional, or specialty  
3 14 medical or other professional association if the  
3 15 recipient of the scholarship or other support is  
3 16 selected by the association.

3 17 3. a. Annually on or before January 1, every  
3 18 pharmaceutical manufacturing company shall disclose to  
3 19 the board the value, nature, and purpose of any gift,  
3 20 fee, payment, subsidy, or other economic benefit  
3 21 provided in connection with detailing, promotional, or  
3 22 other marketing activities by the company, directly or  
3 23 through its pharmaceutical marketers, to any  
3 24 practitioner, hospital, health care facility,  
3 25 pharmacist, health benefit plan administrator, or any  
3 26 other person in this state authorized to prescribe,  
3 27 dispense, distribute, or purchase prescription drugs  
3 28 in this state. Disclosure shall be made on a form and  
3 29 in a manner prescribed by the board and shall be made  
3 30 for the period beginning July 1 and ending June 30 of  
3 31 the previous state fiscal year. An initial disclosure  
3 32 shall be made on January 15, 2004, for the period  
3 33 beginning July 1, 2003, and ending December 31, 2003.  
3 34 The board shall provide to the office of the attorney  
3 35 general complete access to the information required to  
3 36 be disclosed under this subsection. The office of the  
3 37 attorney general shall report annually on the  
3 38 disclosures made under this section to the governor  
3 39 and the general assembly on or before March 1.

3 40 b. Each company subject to the provisions of this  
3 41 section shall also disclose to the board, on or before  
3 42 January 1, 2004, and annually thereafter, the name and  
3 43 address of the individual responsible for the  
3 44 company's compliance with this section.

3 45 c. The board and the office of the attorney  
3 46 general shall keep confidential all trade secrets as  
3 47 defined in section 550.2. The disclosure form  
3 48 prescribed by the board shall permit the company to  
3 49 identify any information that is a trade secret.

3 50 d. The company is exempt from disclosure of any  
4 1 gifts that are exempt from the prohibition pursuant to  
4 2 subsection 2.

4 3 e. The attorney general may bring an action for  
4 4 injunctive relief, costs, and attorney fees, and may  
4 5 impose a civil penalty of not more than ten thousand  
4 6 dollars per violation on a company that fails to

4 7 disclose information as required by this subsection.  
4 8 Each failure to disclose constitutes a separate  
4 9 violation.

4 10 4. For the purposes of this section:

4 11 a. "Pharmaceutical manufacturing company" means  
4 12 any entity engaged in the production, preparation,  
4 13 propagation, compounding, conversion, or processing of  
4 14 prescription drugs, either directly or indirectly by  
4 15 extraction from substances of natural origin, or  
4 16 independently by means of chemical synthesis, or by a  
4 17 combination of extraction and chemical synthesis, or  
4 18 any entity engaged in the packaging, repackaging,  
4 19 labeling, relabeling, or distribution of prescription  
4 20 drugs. The term does not include a wholesaler or a  
4 21 pharmacist licensed under this chapter.

4 22 b. "Pharmaceutical marketer" means a person who,  
4 23 while employed by or under contract to represent a  
4 24 pharmaceutical manufacturing company, engages in  
4 25 pharmaceutical detailing, promotional activities, or  
4 26 other marketing of prescription drugs in this state to  
4 27 any practitioner, hospital, health care facility,  
4 28 pharmacist, health benefit plan administrator, or any  
4 29 other person licensed or authorized to prescribe,  
4 30 dispense, distribute, or purchase prescription drugs.  
4 31 "Pharmaceutical marketer" does not include a  
4 32 wholesaler or a wholesale salesperson.

4 33 Sec. \_\_\_\_\_. NEW SECTION. 249A.20A PREFERRED DRUG  
4 34 LIST PROGRAM.

4 35 1. The department shall establish and implement a  
4 36 preferred drug list program under the medical  
4 37 assistance program. The department shall submit a  
4 38 medical assistance state plan amendment to the centers  
4 39 for Medicare and Medicaid services of the United  
4 40 States department of health and human services, no  
4 41 later than May 1, 2003, to implement the program.

4 42 2. A medical assistance pharmaceutical and  
4 43 therapeutics committee shall be established within the  
4 44 department by July 1, 2003, for the purpose of  
4 45 developing and providing ongoing review of the  
4 46 preferred drug list. The committee shall be comprised  
4 47 of members as specified in 42 U.S.C. } 1396r-8,  
4 48 appointed by the governor. The members shall be  
4 49 appointed to terms of two years. Members may be  
4 50 appointed to more than one term. The department shall  
5 1 provide staff support to the committee. Committee  
5 2 members shall select a chairperson and vice  
5 3 chairperson annually from the committee membership.

5 4 3. The pharmaceutical and therapeutics committee  
5 5 shall recommend a preferred drug list to the  
5 6 department. The committee shall develop the preferred  
5 7 drug list by considering each drug's clinically  
5 8 meaningful therapeutic advantages in terms of safety,  
5 9 effectiveness, and clinical outcome. The committee  
5 10 shall use evidence-based research methods in selecting  
5 11 the drugs to be included on the preferred drug list.  
5 12 The committee shall periodically review all drug  
5 13 classes included on the preferred drug list and may  
5 14 amend the list to ensure that the list provides for  
5 15 medically appropriate drug therapies for medical  
5 16 assistance recipients and achieves cost savings to the  
5 17 medical assistance program. The department may  
5 18 procure a sole source contract with an outside entity  
5 19 or contractor to provide professional administrative  
5 20 support to the pharmaceutical and therapeutics  
5 21 committee in researching and recommending drugs to be  
5 22 placed on the preferred drug list.

5 23 4. Prescribing and dispensing of prescription  
5 24 drugs not included on the preferred drug list shall be  
5 25 subject to prior authorization.

5 26 5. The preferred drug list program shall provide  
5 27 that if a medical assistance program recipient is  
5 28 being prescribed a mental health-related drug or  
5 29 antiretroviral drug prior to the implementation of the  
5 30 preferred drug list and the prescription drug is not  
5 31 included on the preferred drug list, prescribing and  
5 32 dispensing of the prescription drug is not subject to  
5 33 prior authorization. The preferred drug list program  
5 34 shall also provide that certain prescription drugs for  
5 35 age-related populations that are not included on the  
5 36 preferred drug list are not subject to prior  
5 37 authorization.

5 38 6. The department may negotiate supplemental  
5 39 rebates from manufacturers that are in addition to  
5 40 those required by Title XIX of the federal Social  
5 41 Security Act. The committee shall consider a product  
5 42 for inclusion on the preferred drug list if the  
5 43 manufacturer provides a supplemental rebate. The  
5 44 department may procure a sole source contract with an  
5 45 outside entity or contractor to conduct negotiations  
5 46 for supplemental rebates.

5 47 7. The department shall publish and disseminate  
5 48 the preferred drug list to all medical assistance  
5 49 providers in this state.

5 50 8. Until such time as the pharmaceutical and  
6 1 therapeutics committee is operational, the department  
6 2 shall adopt and utilize a preferred drug list  
6 3 developed by a midwestern state that has received  
6 4 approval for its medical assistance state plan  
6 5 amendment from the centers for Medicare and Medicaid  
6 6 services of the United States department of health and  
6 7 human services.

6 8 9. The department may procure a sole source  
6 9 contract with an outside entity or contractor to  
6 10 participate in a pharmaceutical pooling program with  
6 11 midwestern or other states to provide for an enlarged  
6 12 pool of individuals for the purchase of pharmaceutical  
6 13 products and services for medical assistance  
6 14 recipients.

6 15 10. The department may adopt administrative rules  
6 16 under section 17A.4, subsection 2, and section 17A.5,  
6 17 subsection 2, paragraph "b", to implement this  
6 18 section.

6 19 11. Any savings realized under this section may be  
6 20 used to the extent necessary to pay the costs  
6 21 associated with implementation of this section prior  
6 22 to reversion to the medical assistance program. The  
6 23 department shall report the amount of any savings  
6 24 realized and the amount of any costs paid to the  
6 25 chairpersons of the joint appropriations subcommittee  
6 26 on health and human services.

6 27 Sec. \_\_\_\_\_. NEW SECTION. 249A.20B NURSING FACILITY  
6 28 QUALITY ASSURANCE ASSESSMENT.

6 29 1. The department may assess nursing facilities a  
6 30 quality assurance assessment not to exceed six percent  
6 31 of the total annual revenue of the facility.

6 32 2. The quality assurance assessment shall be paid  
6 33 to the department in equal monthly amounts on or  
6 34 before the fifteenth day of each month. The  
6 35 department may deduct the monthly assessment amount  
6 36 from medical assistance payments to a nursing  
6 37 facility. The amount deducted from payments shall not  
6 38 exceed the total amount of the fee due.

6 39 3. Revenue generated from the quality assurance  
6 40 assessment shall be deposited in the senior living  
6 41 trust fund created in section 249H.4. The revenues  
6 42 shall only be used for services for which federal  
6 43 financial participation under the medical assistance  
6 44 program is available to match state funds.

6 45 4. If federal financial participation to match the  
6 46 assessments made under subsection 1 becomes  
6 47 unavailable under federal law, the department shall  
6 48 terminate the imposition of the assessment beginning  
6 49 on the date that the federal statutory, regulatory, or  
6 50 interpretive change takes effect.

7 1 5. The department may procure a sole source  
7 2 contract to implement the provisions of this section.

7 3 6. For the purposes of this section, "nursing  
7 4 facility" means nursing facility as defined in section  
7 5 135C.1, excluding residential care facilities and  
7 6 nursing facilities that are operated by the state.

7 7 7. The department may adopt administrative rules  
7 8 under section 17A.4, subsection 2, and section 17A.5,  
7 9 subsection 2, paragraph "b", to implement this  
7 10 section.

7 11 Sec. \_\_\_\_\_. NEW SECTION. 249A.29A HOME AND  
7 12 COMMUNITY-BASED SERVICES WAIVER == ELIGIBILITY  
7 13 DETERMINATIONS.

7 14 1. A level of care eligibility determination of an  
7 15 individual seeking approval by the department to  
7 16 receive services under a waiver shall be completed  
7 17 only by a person not participating as a provider of  
7 18 services under a waiver. For the purposes of this

7 19 section, "provider" and "waiver" mean provider and  
7 20 waiver as defined in section 249A.29.

7 21 2. Funds appropriated to the department of elder  
7 22 affairs for the purpose of conducting level of care  
7 23 eligibility determinations shall be transferred and  
7 24 made available to the department of human services.

7 25 3. The department of human services may procure a  
7 26 sole source contract with an outside entity or  
7 27 contractor to conduct level-of-care eligibility  
7 28 determinations.

7 29 4. The department may adopt administrative rules  
7 30 under section 17A.4, subsection 2, and section 17A.5,  
7 31 subsection 2, paragraph "b", to implement this  
7 32 section.

7 33 Sec. \_\_\_\_\_. Section 249B.3, subsection 1, unnumbered  
7 34 paragraph 1, Code 2003, is amended to read as follows:  
7 35 The department ~~may~~ shall issue a notice  
7 36 establishing and demanding payment of an accrued or  
7 37 accruing spousal support debt due and owing to the  
7 38 department. The notice shall be served upon the  
7 39 community spouse in accordance with the rules of civil  
7 40 procedure. The notice shall include all of the  
7 41 following:

7 42 Sec. \_\_\_\_\_. MEDICAL ASSISTANCE PROGRAM ==  
7 43 PHARMACEUTICALS == RECIPIENT REQUIREMENTS.

7 44 1. The department of human services shall  
7 45 reimburse pharmacy dispensing fees using a single rate  
7 46 of \$4.26 per prescription or the pharmacy's usual and  
7 47 customary fee, whichever is lower.

7 48 2. The department of human services shall require  
7 49 recipients of medical assistance to pay the following  
7 50 copayment on each prescription filled for a covered  
8 1 prescription drug, including on each refill of such  
8 2 prescription, as follows:

8 3 a. A copayment of \$1 for each covered generic  
8 4 prescription drug.

8 5 b. A copayment of 50 cents for each covered brand=  
8 6 name prescription drug for which the cost to the state  
8 7 is \$10 or less.

8 8 c. A copayment of \$1 for each covered brand=name  
8 9 prescription drug for which the cost to the state is  
8 10 more than \$10 and up to and including \$25.

8 11 d. A copayment of \$2 for each covered brand=name  
8 12 prescription drug for which the cost to the state is  
8 13 more than \$25 and up to and including \$50.

8 14 e. A copayment of \$3 for each covered brand=name  
8 15 prescription drug for which the cost to the state is  
8 16 over \$50.

8 17 3. The department of human services shall  
8 18 establish an ingredient reimbursement basis equal to  
8 19 the average wholesale price minus 12 percent for  
8 20 pharmacy reimbursement for prescription drugs under  
8 21 the medical assistance program.

8 22 4. a. The department of human services shall  
8 23 continue the sole source contract relative to the  
8 24 state maximum allowable cost (SMAC) program as  
8 25 authorized in 2001 Iowa Acts, chapter 191, section 31,  
8 26 subsection 1, paragraph "b", subparagraph (5). The  
8 27 department shall expand the state maximum allowable  
8 28 cost program for prescription drugs to the greatest  
8 29 extent possible as determined under the contract.

8 30 b. Pharmacies and providers that are enrolled in  
8 31 the medical assistance program shall make available  
8 32 drug acquisition cost information, product  
8 33 availability information, and other information deemed  
8 34 necessary by the department for the determination of  
8 35 reimbursement rates and the efficient operation of the  
8 36 pharmacy benefit. Pharmacies and providers shall  
8 37 produce and submit the requested information in the  
8 38 manner and format requested by the department or its  
8 39 designee at no cost to the department or designee.  
8 40 Pharmacies and providers shall submit information to  
8 41 the department or its designee within thirty days  
8 42 following receipt of a request for information unless  
8 43 the department or its designee grants an extension  
8 44 upon written request of the pharmacy or provider.

8 45 c. The state maximum allowable cost shall be  
8 46 established at the average wholesale acquisition cost  
8 47 for a prescription drug and all equivalent products,  
8 48 adjusted by a multiplier of 1.4. The department shall  
8 49 update the state maximum allowable cost every two

8 50 months, or more often if necessary, to ensure adequate  
9 1 product availability.

9 2 d. The department shall review its current method  
9 3 for determining which prescription drugs are to be  
9 4 included in the SMAC program and shall adjust the  
9 5 method to maximize the cost savings realized through  
9 6 the SMAC program.

9 7 5. The department of human services shall require  
9 8 recipients of medical assistance to pay a copayment of  
9 9 \$3 for each physician office visit.

9 10 6. The department of human services shall maximize  
9 11 expansion of prior authorization of prescription drugs  
9 12 under the medical assistance program beyond the 25  
9 13 current categories of medications.

9 14 7. The department of human services shall  
9 15 establish a fixed-fee reimbursement schedule for home  
9 16 health agencies under the medical assistance program.

9 17 8. The department may adopt emergency rules to  
9 18 implement this section.

9 19 Sec. \_\_\_\_\_. HOME AND COMMUNITY-BASED SERVICES  
9 20 WAIVERS CONSOLIDATION == BUDGET NEUTRALITY. It is the  
9 21 intent of the general assembly that the consolidation  
9 22 of home and community-based services waivers by the  
9 23 department of human services be designed in a manner  
9 24 that does not result in additional cost, with the  
9 25 exception of any services added to the waivers through  
9 26 legislative enactment. The department of human  
9 27 services shall submit an initial report regarding the  
9 28 cost neutrality and status of the waiver consolidation  
9 29 to the legislative fiscal committee no later than  
9 30 January 31, 2004, and a subsequent report no later  
9 31 than July 31, 2004.

9 32 Sec. \_\_\_\_\_. NURSING FACILITY REIMBURSEMENT.  
9 33 Notwithstanding 2001 Iowa Acts, chapter 192, section  
9 34 4, subsection 2, paragraph "c", and subsection 3,  
9 35 paragraph "a", subparagraph (2), if the appropriation  
9 36 provided for reimbursement of nursing facilities for  
9 37 the fiscal year beginning July 1, 2003, is  
9 38 insufficient to reimburse nursing facilities in  
9 39 accordance with the reimbursement rate specified in  
9 40 2001 Iowa Acts, chapter 192, section 4, subsection 2,  
9 41 paragraph "c", the department shall adjust the  
9 42 inflation factor of the reimbursement rate calculation  
9 43 to provide reimbursement within the amount  
9 44 appropriated.

9 45 Sec. \_\_\_\_\_. UTILIZATION MANAGEMENT AND TARGETED  
9 46 AUDITS.

9 47 1. The department of human services shall conduct  
9 48 ongoing review of recipients and providers of medical  
9 49 assistance services to determine the appropriateness  
9 50 of the scope, duration, and utilization of services.  
10 1 If inappropriate usage is identified, the department  
10 2 shall implement procedures necessary to restrict  
10 3 utilization.

10 4 2. The department of human services shall conduct  
10 5 a review of selected medical assistance services  
10 6 categories and providers for state fiscal years  
10 7 beginning July 1, 2001, July 1, 2002, and July 1,  
10 8 2003. The review shall include intense data analysis  
10 9 to test compliance with rules, regulations, and  
10 10 policies and selected on-site audits.

10 11 3. The review required under subsection 2 shall  
10 12 attempt to identify any incorrectly paid billings or  
10 13 claims for the state medical assistance program. If  
10 14 inappropriate payments are identified, provider  
10 15 billings shall be adjusted accordingly. If there is  
10 16 substantiated evidence to suggest fraudulent activity,  
10 17 the department shall submit the audit data regarding  
10 18 the medical assistance provider or recipient to the  
10 19 department of inspections and appeals for further  
10 20 action.

10 21 4. The department of human services may procure a  
10 22 sole source contract to implement the provisions of  
10 23 this section.

10 24 5. Any savings realized under this section may be  
10 25 used to the extent necessary to pay the costs  
10 26 associated with implementation of this section prior  
10 27 to reversion to the medical assistance program. The  
10 28 department shall report the amount of any savings  
10 29 realized and the amount of any costs paid to the  
10 30 chairpersons of the joint appropriations subcommittee

10 31 on health and human services.  
10 32 Sec. \_\_\_\_\_. MEDICAL ASSISTANCE == CERTAIN PUBLICLY  
10 33 OWNED HOSPITALS == PHYSICIAN SUPPLEMENTAL PAYMENTS.  
10 34 1. For the fiscal year beginning July 1, 2003, and  
10 35 for each fiscal year thereafter, the department of  
10 36 human services shall institute a supplemental payment  
10 37 adjustment applicable to physician services provided  
10 38 to medical assistance recipients at publicly owned  
10 39 acute care teaching hospitals. The adjustment shall  
10 40 generate supplemental payments to physicians which are  
10 41 equal to the difference between the physician's charge  
10 42 and the physician's fee schedule under the medical  
10 43 assistance program. To the extent of the supplemental  
10 44 payments, a qualifying hospital shall, after receipt  
10 45 of the payments, transfer to the department of human  
10 46 services an amount equal to the actual supplemental  
10 47 payments that were made in that month. The department  
10 48 of human services shall deposit these payments in the  
10 49 department's medical assistance account. The  
10 50 department of human services shall amend the medical  
11 1 assistance state plan as necessary to implement this  
11 2 section. The department may adopt emergency rules to  
11 3 implement this section.  
11 4 2. The department may use any savings realized  
11 5 under this section to the extent necessary to pay the  
11 6 costs associated with implementation of this section  
11 7 prior to reversion to the medical assistance program.  
11 8 The department shall report the amount of any savings  
11 9 realized and the amount of any costs paid to the  
11 10 chairpersons of the joint appropriations subcommittee  
11 11 on health and human services.  
11 12 Sec. \_\_\_\_\_. IOWA CHRONIC CARE CONSORTIUM.  
11 13 1. The department of human services shall  
11 14 aggressively pursue chronic disease management in  
11 15 order to improve care and reduce costs under the  
11 16 medical assistance program.  
11 17 2. The department of human services, in  
11 18 cooperation with the department's fiscal agent and in  
11 19 consultation with a chronic care management resource  
11 20 group, shall profile medical assistance recipients  
11 21 within a select number of disease diagnosis  
11 22 categories. The assessment shall focus on those  
11 23 diagnosis areas that present the greatest opportunity  
11 24 for impact to improved care and cost reduction.  
11 25 3. The department of human services, in  
11 26 consultation with a chronic care management resource  
11 27 group, shall conduct a chronic disease management  
11 28 pilot project for a select number of individuals who  
11 29 are participants in the medical assistance program.  
11 30 The project shall focus on a select number of chronic  
11 31 diseases which may include congestive heart failure,  
11 32 diabetes, and asthma. The initial pilot project shall  
11 33 be implemented by October 1, 2003.  
11 34 4. The department of human services may procure a  
11 35 sole source contract with a vendor to manage  
11 36 individuals with select chronic diseases following the  
11 37 conclusion of the profiling of medical assistance  
11 38 recipients. The management of chronic diseases for  
11 39 individuals under this subsection may be coordinated  
11 40 with the pilot project established in subsection 3.  
11 41 5. The department of human services shall amend  
11 42 the medical assistance state plan and seek any waivers  
11 43 necessary from the centers for Medicare and Medicaid  
11 44 services of the United States department of health and  
11 45 human services to implement this section.  
11 46 6. The department of human services shall submit a  
11 47 progress report regarding chronic disease management  
11 48 measures undertaken pursuant to this section to the  
11 49 governor and the general assembly by November 1, 2003.  
11 50 The report shall include recommendations regarding  
12 1 incorporating chronic disease management programming  
12 2 into the medical assistance system and the potential  
12 3 improvements in care and reductions in costs that may  
12 4 be obtained through chronic disease management.  
12 5 7. The department of human services may adopt  
12 6 emergency rules to implement this section.  
12 7 8. Any savings realized under this section may be  
12 8 used as necessary to pay the costs associated with  
12 9 implementation of this section prior to reversion to  
12 10 the medical assistance program. The department shall  
12 11 report the amount of any savings realized and the

12 12 amount of any costs paid to the chairpersons of the  
12 13 joint appropriations subcommittee on health and human  
12 14 services.  
12 15 Sec. \_\_\_\_ EFFECTIVE DATES.  
12 16 1. The section of this Act enacting section  
12 17 249A.20A takes effect upon enactment.  
12 18 2. The section of this Act enacting section  
12 19 249A.20B, being deemed of immediate importance, takes  
12 20 effect upon enactment.  
12 21 3. The section of this Act relating to physician  
12 22 supplemental payments at certain publicly owned  
12 23 hospitals, being deemed of immediate importance, takes  
12 24 effect upon enactment.  
12 25 4. The section of this Act relating to chronic  
12 26 disease management, being deemed of immediate  
12 27 importance, takes effect upon enactment.>  
12 28 #4. Title page, line 2, by inserting after the  
12 29 word the following: 12 30 effective dates>.  
12 31 #5. By renumbering as necessary.  
12 32  
12 33  
12 34 \_\_\_\_\_  
12 35 CARROLL of Poweshiek  
12 36  
12 37  
12 38 \_\_\_\_\_  
12 39 FOEGE of Linn  
12 40  
12 41  
12 42 \_\_\_\_\_  
12 43 HEATON of Henry  
12 44 HF 619.1  
12 45 pf/es/25