

# House Amendment 8476

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1 1 Amend Senate File 2298, as amended, passed, and  
1 2 reprinted by the Senate, as follows:  
1 3 #1. Page 134, by inserting after line 12, the  
1 4 following:  
1 5       NEW SECTION. 249A.35 MEDICAL  
1 6 ASSISTANCE CRISIS INTERVENTION TEAM.  
1 7 1. A medical assistance crisis intervention team  
1 8 is created. The team shall consist of the following  
1 9 members:  
1 10 a. The president of the university of Iowa.  
1 11 b. A representative of the Iowa hospital  
1 12 association.  
1 13 c. A representative of the Iowa medical society.  
1 14 d. A representative of the Iowa health care  
1 15 association.  
1 16 e. A representative of the federation of Iowa  
1 17 insurers.  
1 18 f. A representative of the Iowa association of  
1 19 community providers.  
1 20 g. Two members selected by the president of the  
1 21 university of Iowa.  
1 22 2. The president of the university of Iowa shall  
1 23 act as the chairperson of the team. Members of the  
1 24 team are entitled to receive reimbursement of actual  
1 25 expenses incurred in the discharge of their duties.  
1 26 3. The department of human services shall provide  
1 27 staff to the team as determined by the division  
1 28 administrator of the division of medical services.  
1 29 4. The team shall do all of the following:  
1 30 a. Provide a projection of medical assistance  
1 31 program and administrative costs through June 30,  
1 32 2008, based on services provided as of June 30, 2004.  
1 33 b. Hold at least four monthly public meetings,  
1 34 beginning in July 2004, in at least four  
1 35 geographically balanced venues around the state. The  
1 36 team shall submit a report of its findings from these  
1 37 meetings to the general assembly on or before December  
1 38 1, 2004.  
1 39 5. The team may provide any additional  
1 40 recommendations to the general assembly at any time  
1 41 regarding the medical assistance program including but  
1 42 not limited to recommendations regarding services,  
1 43 eligibility, rates, care management, and program  
1 44 administration.  
1 45 6. The department of human services shall assist  
1 46 the team as follows:  
1 47 a. On or before July 1, 2004, the department shall  
1 48 submit to the team and make available to the public an  
1 49 initial analysis which includes all of the following  
1 50 data:  
2 1 (1) The number of medical assistance program  
2 2 enrolled eligibles by cohort grouped on the basis of  
2 3 factors such as age, income, disability, and optional  
2 4 eligibility, for the period beginning July 1, 1999,  
2 5 and ending June 30, 2004.  
2 6 (2) A projection of the number of medical  
2 7 assistance program enrolled eligibles in each of the  
2 8 cohorts identified in subparagraph (1), for the period  
2 9 beginning July 1, 2005, and ending June 30, 2008. The  
2 10 projection shall be accompanied by a statement of the  
2 11 underlying assumptions.  
2 12 (3) The actual cost of all services and of each  
2 13 service for each cohort described in subparagraph (1),  
2 14 for the period beginning July 1, 1999, and ending June  
2 15 30, 2004. The analysis of the data shall identify the  
2 16 total cost for each cohort, the cost per member per  
2 17 month for each cohort, and the twenty most utilized  
2 18 medical procedures or services and the ten most  
2 19 prevalent diagnoses associated within each cohort.  
2 20 The analysis of the data shall identify, to the  
2 21 greatest extent possible, the reason for changes in  
2 22 total costs and the costs per member, per month during  
2 23 the period, including but not limited to rate  
2 24 adjustments, service utilization, and eligibility

2 25 growth.

2 26 (4) To the extent practical, a comparison of the  
2 27 rates paid by commercial insurers to their Iowa  
2 28 provider network and the rates paid by Medicare, with  
2 29 the rates paid by the medical assistance program for  
2 30 the same services, for the fiscal year beginning July  
2 31 1, 2003, and ending June 30, 2004.

2 32 (5) An estimate of the program costs for the  
2 33 medical assistance program for the period beginning  
2 34 July 1, 2005, and ending June 30, 2008, based on all  
2 35 of the following assumptions:

2 36 (a) The enrollment projections described in  
2 37 subparagraph (2) and assuming reasonable change in  
2 38 service utilization patterns, but no change in  
2 39 provider rates in effect on June 30, 2004. The  
2 40 projection shall include total and total program costs  
2 41 per member, per month for each cohort and total cost  
2 42 and the program cost per member per month for each  
2 43 cohort for the period beginning July 1, 2005, and  
2 44 ending June 30, 2008. The assumptions used in  
2 45 developing the projections shall be clearly stated.

2 46 (b) The enrollment projections described in  
2 47 subparagraph (2) and assuming reasonable change in  
2 48 service utilization patterns, and additionally  
2 49 assuming that all medical assistance program fee for  
2 50 service rates are equal to ninety-eight percent of the  
3 1 usual and customary charges for such service in the  
3 2 fiscal year beginning July 1, 2003, and ending June  
3 3 30, 2004, and grow at an annual rate of two percent  
3 4 annually through June 30, 2008, and assuming that  
3 5 commensurate changes are made in rates paid to medical  
3 6 assistance program managed care organizations.

3 7 (6) If the projections for later years exceed the  
3 8 spending standard established in subparagraph (5),  
3 9 subparagraph subdivision (b), a base rate and the  
3 10 annual inflation adjustments that would result in  
3 11 spending being limited to the spending standard  
3 12 established in that paragraph.

3 13 (7) A description of the cost, member, provider,  
3 14 and service quality impact of all of the following:

3 15 (a) Application of medical assistance program  
3 16 allowable limits on optional services.

3 17 (b) Service utilization control strategies  
3 18 including managed care and prior authorization in the  
3 19 pharmacy, medical and behavioral, and long-term care  
3 20 areas that have been utilized in other states or  
3 21 jurisdictions that could potentially be utilized in  
3 22 Iowa. The department shall identify the  
3 23 administrative costs associated with each strategy.

3 24 (c) Accessible disease management and enhanced  
3 25 primary care case management strategies with  
3 26 particular attention to the timing of costs and  
3 27 benefits.

3 28 (d) Accessible health promotion strategies and  
3 29 disease prevention activities with particular  
3 30 attention to the timing of costs and benefits.

3 31 (e) Enhanced surveillance and utilization review,  
3 32 revenue collection, estate recovery, and cost  
3 33 avoidance activities in future years.

3 34 (f) The federal Prescription Drug and Medicare  
3 35 Improvement Act of 2003.

3 36 (g) The program options and cost savings  
3 37 potentially associated with reducing the populations  
3 38 of intermediate care facilities for the mentally  
3 39 retarded and nursing facilities due to the  
3 40 availability of home and community-based services,  
3 41 including consumer-directed home care.

3 42 b. The department shall present the analysis  
3 43 described in paragraph "a" at the initial meeting of  
3 44 the team in July 2004. The department shall adjust,  
3 45 expand, or otherwise modify its analysis based on the  
3 46 requests of the team at its subsequent monthly  
3 47 meetings and shall assist the team in compiling the  
3 48 team's final report to the general assembly.

3 49 Sec. \_\_\_\_\_. REPORT == MEDICAID PROGRAM FINANCING.

3 50 On or before August 1, 2004, the department of human  
4 1 services shall submit a report to the chairpersons and  
4 2 ranking members of the joint appropriations  
4 3 subcommittee on health and human services, the  
4 4 legislative services agency, the legislative caucus  
4 5 staffs, and the medical assistance crisis intervention

4 6 team created in section 249A.35, providing  
4 7 recommendations to reduce costs or provide revenue  
4 8 enhancements to reduce the projected program and  
4 9 administrative costs of the medical assistance program  
4 10 by \$130,000,000 for the fiscal year beginning July 1,  
4 11 2005, and ending June 30, 2006.>  
4 12 #2. Page 138, by inserting after line 11, the  
4 13 following:  
4 14 <\_\_\_\_. The section of this division of this Act  
4 15 creating section 249A.35, relating to the medical  
4 16 assistance crisis intervention team, takes effect upon  
4 17 enactment.>  
4 18 #3. By renumbering as necessary.  
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4 22 CARROLL of Poweshiek  
4 23 SF 2298.748 80  
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