



Iowa General Assembly

2015 Committee Briefings

Legislative Services Agency – Legal Services Division

HEALTH POLICY OVERSIGHT COMMITTEE

Meeting Dates: [November 3, 2015](#)

Purpose. *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at <https://www.legis.iowa.gov/>, or from the agency connected with the meeting or topic described.*

HEALTH POLICY OVERSIGHT COMMITTEE OF THE LEGISLATIVE COUNCIL

November 3, 2015

Co-chairperson: Senator Amanda Ragan

Co-chairperson: Representative David Heaton

Background. The Health Policy Oversight Committee (HPOC) of the Legislative Council was established as a permanent legislative committee of the Legislative Council under Iowa Code section 2.45 in 2015 Iowa Acts, chapter 137, section 64:

“The legislative health policy oversight committee, which shall be composed of members appointed by the legislative council. The legislative health policy oversight committee shall receive updates and review data, public input and concerns, and make recommendations for improvements to and changes in law or rule regarding Medicaid managed care.”

In addition, under 2015 Iowa Acts, chapter 137, section 63, the committee is tasked with receiving the compilation of the input and recommendations of the public meetings convened by the Department of Human Services (DHS) beginning in March 2016.

The Legislative Council appointed the 10 members of the committee, including Senator Amanda Ragan and Representative David Heaton, as co-chairpersons.

Procedural Business. The meeting was called to order at 10:06 a.m., and was adjourned at 3:41 p.m. The committee adopted the rules of the committee as distributed.

Department of Human Services Panel Discussion of Medicaid Managed Care. Ms. Sally Titus, Deputy Director, DHS; Ms. Mikki Stier, Division Administrator, Iowa Medicaid Enterprise, DHS; and Ms. Jean Slaybaugh, Chief Financial Officer, DHS; presented information regarding Medicaid Managed Care. Subject areas covered during the presentation included the following:

- **Federal Waiver Approval.** Ms. Stier noted that DHS submitted multiple waiver amendments to the Centers for Medicare and Medicaid of the United States Department of Health and Human Services (CMS) for approval in September 2015. The waiver amendments included a new section 1915(b) Iowa High Quality Health Care Initiative Waiver, nine section 1915(c) Home and Community-Based Services (HCBS) waivers, and two section 1115 waiver amendments relating to changes in the Iowa Wellness Plan and Family Planning demonstration waivers. DHS expects CMS to approve the new Iowa High Quality Health Care Initiative Waiver in early December 2015 and the remaining waivers at the end of December 2015.
- **Managed Care Organization Selection and Contracts.** DHS announced the awarding of contracts on August 17, 2015, to the following four managed care organizations (MCOs): Americagroup Iowa, Inc.; AmeriHealth Caritas, Iowa; United Healthcare Plan of the River Valley, Inc.; and WellCare of Iowa, Inc. Ms. Stier discussed

MCO contract terms, onboarding measures, readiness review timelines and status, and provider networks.

- **Member and Provider Outreach.** Ms. Stier discussed the strategy to provide member and provider outreach, communications with members and providers and the timelines for these communications, member enrollment support provided by the enrollment broker Maximus which is tasked with providing information and conflict-free choice counseling in the selection of a member's MCO; the member enrollment timeline and ongoing member rights and supports including support from the State Long-Term Care Ombudsman for members who receive long-term services and supports; the transition of Magellan and Healthy and Well Kids in Iowa (hawk-i) members to one of the four MCOs and continuity of care provisions; provisions to sustain member and provider relationships including a six-month transition period for physical and behavioral health providers, a 12-month transition period for HCBS case managers, and a two-year transition period for facility and HCBS providers.
- **Provider Information.** Ms. Stier discussed the tools available to providers for contracting, including DHS-approved template agreements to be signed and executed between providers and MCOs, provider manuals, universal applications, baseline rate information, and a provider network fact sheet. Using the experience of Kansas as a model, DHS developed a universal enrollment and credentialing process for new providers and existing providers.
- **Managed Care Oversight.** Ms. Stier reviewed the various entities providing oversight for Medicaid Managed Care including the HPOC, DHS and the Iowa Medicaid Enterprise (IME), an External Quality Review Organization, and stakeholder oversight through the Medical Assistance Advisory Council (MAAC). Ms. Stier provided an overview of a new table of organization for the IME demonstrating the realigning and resizing of positions. She noted that there will be no state layoffs, IME will add seven new FTE positions, and the MCOs will add approximately 2,000 jobs in the state. IME will provide oversight by collecting data to monitor individual MCOs and perform comparative analyses. IME will develop and publish a comprehensive public reporting dashboard which will include quality measures. DHS is also contracting with an External Quality Review Organization (EQRO) to validate MCO data performance, improvement projects, encounter data for quality and operational processes, and public interfacing materials. The MAAC Executive Committee will act as the primary stakeholder group to receive input and submit recommendations to DHS based on monthly stakeholder meetings to begin in March 2016. The recommendations will be compiled by DHS and submitted to the HPOC.
- **Administrative Rules and Code Revisions.** DHS is submitting two administrative rules packets to implement Medicaid Managed Care. One package is managed care-specific and the other is a combination of technical clean-up changes and substantive changes. There are a total of 135 items. The rules were submitted to the Legislative Services Agency (LSA) on October 21, 2015; the DHS Council on Human Services reviewed the notice of intended action on November 10, 2015; the rules were published in the Iowa Administrative Bulletin on November 11, 2015; there will be oral presentations on the proposed rules on December 2-4, 2015; the Legislative Administrative Rules Review Committee reviewed the notice of intended action on December 8, 2015; the DHS Council on Human Services will hold a special telephonic meeting to adopt the proposed rules on December 16, 2015; and the rules will be adopted on an emergency basis after notice, to become effective January 1, 2016.
- **MCO Capitation Rates.** Ms. Slaybaugh reviewed the basis for the development of MCO capitation rates, noting that the rates must comply with federal requirements to be actuarially sound. The capitation rates were set for the initial 18-month rate period to distribute the savings evenly since savings are smaller in the earlier part of the 18-month period and to coincide with the state fiscal year. Ms. Slaybaugh noted that legislative changes will impact capitation rates and that the capitation rates must be approved by CMS. Ms. Slaybaugh also reviewed managed care strategies to reduce costs, the breakdown of the capitation rates and current savings projections attributable to each portion of the overall rate, the medical loss ratio, the administrative loss ratio, and MCO administrative expenses. She also reviewed a comparison of Iowa's provider reimbursement rates relative to national results.

Motion to Delay Implementation of Medicaid Managed Care. Senator Joe Bolkcom moved that the HPOC request that Governor Branstad delay privatization of the Medicaid program. The motion was seconded by Senator Liz Mathis. Following recess for a caucus and discussion, Co-chairperson Heaton called the question. On a vote of 3-1 in the Senate and 2-3 in the House, the motion failed.

MCO Presentations. Representatives of each of the four MCOs presented an overview, followed by questions from the committee.

Public Comment. The committee received public comment. The majority of the public comments were submitted in writing and are posted on the committee's webpage. Those public comments not submitted in writing will be summarized in the minutes of the meeting.

Committee Discussion and Next Steps. Following additional questions of the DHS panel, the committee discussed the possibility of including provider and consumer panel presentations and the enrollment process for consumers at the next meeting of the committee scheduled for December 7, 2015.

Committee Documents. Documents distributed at the meeting, including the written presentations submitted by DHS and the MCOs, are posted on the committee's webpage.

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