Fields of Opportunities

STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

February 12, 2009

The Honorable Chester J. Culver
Governor
State Capitol
LOCAL

Dear Governor Culver:

Enclosed, please find a copy of the report to the General Assembly relative to IowaCare. This report was prepared pursuant to the directive contained in Section 47 of Senate File 2425 (FY 2009 Health and Human Services Appropriation Act), requiring a review of the IowaCare program.

The report outlines the history and current status of the IowaCare benefit along with concerns and recommendations by the IowaCare workgroup. The report packet also includes the following:

- Executive Summary of IowaCare Evaluation completed by the University of Iowa
- IowaCare Fact Sheet
- Minutes from IowaCare Workgroup meeting on 11/17/08
- IowaCare Presentation
- E-mail Iowa Hospital Association

Please contact me if you have any questions.

Sincerely,

Molly Kottmeyer

Molly Kottmeyer
Legislative Liaison

Enclosures (6)

cc: Michael Marshall, Secretary Iowa Senate
Mark Brandsgard, Chief Clerk of the House

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DEPARTMENT OF HUMAN SERVICES
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Michael Marshall
Secretary of Senate
State Capitol
LOCAL

Mark Brandsgard
Chief Clerk of the House
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Enclosures (6)

cc: Governor Chet Culver
Legislative Service Agency
Kris Bell, Senate Majority Caucus
Peter Matthes, Senate Minority Caucus
Zeke Furlong, House Majority Caucus
Brad Trow, House Minority Caucus

IowaCare Plan Report
December 15, 2008

During the 2008 Legislative session, Section 47 of Senate File 2425 (FY 2009 Health and Human Services Appropriation Act), was passed requiring a review of the IowaCare program:

Sec. 47. IOWACARE PLAN REPORT. The department of human services, in cooperation with the members of the expansion population provider network as specified in chapter 249J and other interested parties, shall review the current IowaCare program and shall develop a plan for continuation, expansion, or elimination of the IowaCare program beyond June 30, 2010. The plan shall address the issue of establishing a procedure to either transfer an expansion population member who seeks medical care or treatment for a covered service from a nonparticipating provider to a participating provider in the expansion population provider network, or to compensate the nonparticipating provider for medical care or treatment for a covered service provided to an expansion population member, if transfer is not medically possible or if the transfer is refused and if no other third party is liable for reimbursement for the services provided. The review shall also address the issue of the future of the IowaCare program beyond June 30, 2010, including but not limited to expansion of the provider network beyond the initial network, expansion population member growth projections, member benefits, alternatives for providing health care coverage to the expansion population, and other issues pertinent to the continuation, expansion, or elimination of the program. The department shall report its findings and recommendations to the medical assistance projections and assessment council no later than December 15, 2008.

To convene the workgroup, the Department of Human Services invited stakeholders through the Medical Assistance Advisory Council (which includes representatives from a majority of Medicaid provider types), and to Legislative Staff, including the Legislative Services Agency and all four Caucus staffs. The meeting was held on November 17, 2008. In attendance were Senator Jack Hatch, representatives from the IowaCare provider network (University of Iowa Hospitals and Clinics and Broadlawns Hospital) representatives of the Iowa Hospital Association and several hospitals, the Iowa Medical Society, and representatives from the Legislative Services Agency, and three of the four Legislative Caucus Staffs. 31 individuals attended. The list of participants is attached.

The meeting included a presentation by DHS on the history of the IowaCare program and the program coverage, and statistics describing the program over time and today, and issues that will need to be addressed in the waiver renewal as well as issues/concerns with the program that have been identified by stakeholders. The participants participated in a fulsome discussion of these issues. The Iowa Hospital Association presented statistics on the amount of unreimbursed care provided by Iowa hospitals to IowaCare members and the statistics on the growth in uncompensated care over the past several years.

Under the 1115 waiver a complete program evaluation is required. DHS has contracted with the University of Iowa Public Policy Center to complete that evaluation. The first work product of that evaluation has been completed and was presented to the workgroup. The Executive Summary is attached and provides interesting insights of how members and providers view the plan.

A discussion was held on how the participants wished to proceed with developing the report required by the legislation. Whether more meetings were desired, or whether they would prefer the Department to draft a report that would be reviewed over email by the group, and discussion of what the report would cover. Those present agreed to that as a plan.

History

The IowaCare program is a limited-benefit, public health insurance program for adults in Iowa. It was authorized by Iowa House File 841 under an 1115 Demonstration waiver as a Medicaid expansion program, and began on July 1, 2005. The program was created, to replace the loss of $65 million in federal funding from Intergovernmental Transfers (IGTs). This funding offset over 10% of the state matching funds for the Medicaid program. Loss of the funding would have likely resulted in significant program and/or provider reductions.

Creation of the IowaCare program has successfully offset the loss of federal funds, and has grown over time, enhancing the statewide safety net for low-income adults without access to affordable health coverage. The program was not designed to fully address all of the issues resulting from the uninsured, or uncompensated care for all Iowans or all Iowa providers. However, the program has provided necessary health care for over 57,000 Iowans since the program's inception in 2005.

The IowaCare program is a limited benefit Medicaid program authorized under an 1115 Medicaid Demonstration Waiver. Under the 1115 waiver, certain program caps and limitations are available, that are not possible in the regular Medicaid program. The IowaCare program covers adults, age 19-64 with income below 200% of the federal poverty level. The program also covers a small number of pregnant women whose income is between 200% and 300% of the federal poverty level (FPL) but below 200% FPL after spending for medical expenses are considered.

The services covered include inpatient and outpatient hospital services, physician services, and some dental and transportation services. The only prescription drugs covered are 'take home' drugs after a hospital stay and smoking cessation drugs. The IowaCare provider network is limited to the University of Iowa Hospitals and Clinics in Iowa City, Broadlawns Hospital in Des Moines, and the state's four Mental Health Institutions in Cherokee, Independence, Clarinda, and Mount Pleasant. Services provided by any other provider is not covered, except for an annual preventive physical exam, and associated laboratory tests that can be provided by any Medicaid provider who is authorized to provide physician services.

The underlying design of the program was to take programs that served indigent, uninsured populations with 100% state and county funds (at UIHC, Broadlawns and the MHIs), and replace

them with a similar Medicaid program that would allow the state to draw down federal matching funds. Replacing the 100% state/county funds with two-thirds federal matching funds provided a 'savings' that offset the loss of the IGT funding. The providers who operated these programs are the IowaCare provider network because their funding was subsumed in the IowaCare program.

The program also includes a sliding scale premium paid by members. At the beginning of the program, the premium started at 10% of the federal poverty level. That was amended after two years so that now premiums do not apply below 100% of the federal poverty level.

Current Status

- Enrollment started at 8,400 in July 2006 and as of November 2008 is at 26,621, across the state.
- The majority of IowaCare members, approximately 22,000 have no premiums, meaning these members have income below 100% of the federal poverty level.
- 8,500 IowaCare members live in Polk County.
- Attached is a handout from the workgroup meeting that provides other statistics about the program.

Cost Neutrality

1115 Demonstration waivers are subject to a cap on the amount of Federal Medicaid funding on the selected Medicaid expenditures during the waiver demonstration period. The Centers for Medicare and Medicaid Services (CMS) is the federal authority over the Medicaid program. In order for CMS approval of an 1115 Waiver, CMS must assure 'budget neutrality', meaning that the federal government is paying no more in Medicaid funds under the 1115 waiver that it is already funding in the regular Medicaid program. Iowa was able to use the 'savings' to the federal government of no longer financing the IGTs to shift to the 1115 IowaCare waiver, and thereby demonstrate budget neutrality. A key limitation on the program is the 'budget neutrality' cap set by CMS in the Terms and Conditions. If Iowa exceeds the cap, any expenses are 100% state funds.

The agreed upon budget neutrality is determined on an aggregate cap basis as follows:

- For each year of the budget neutrality agreement an annual cap is calculated for the entire demonstration. Budget neutrality is enforced over the life of the Demonstration rather than on an annual basis. The budget neutrality cap figure represents total expenditures (both the state and federal share).
- The base year (FFY 2006) was set at $102.2 million
- Years 2-5 will have an annual cap determined by applying a trend rate of 7% to the previous year's cap.

Demonstration Year	Annual Budget Neutrality Cap
FFY 2006	$102.2 million
FFY 2007	$109.4 million
FFY 2008	$117.0 million

FFY 2009	$125.2 million
FFY 2010	$134.0 million
Cumulative total	$587.7 million

Within the overall budget neutrality cap, there is a separate cap on the amount of funds paid to the MHIs. This cap of $25.9 million is phased-down to $9 million in FY 2009, and to $0 in FY 2010. The legislature has provided funding to the MHIs to replace the IowaCare funding that can no longer be paid due to this cap. However, the phase-down of funding to the MHIs has 'freed up' funds under the cap to be used to cover growth in the program at UIHC.

The Terms and Conditions also apply to the premiums, provider network, services covered, and reporting requirements, among many others. The Terms and Conditions also stipulate that the state may not implement any new provider taxes. Any change to these terms requires a Waiver amendment, which must be approved by CMS. The 1115 IowaCare waiver expires on June 30, 2010. Iowa must renegotiate the waiver prior to the expiration. A process DHS expects it will need to begin during the spring of 2009.

Issues/Concerns identified by the Workgroup

- Services are not as accessible to Iowans who live far away from the UIHC, and non-Polk County residents cannot utilize Broadlawns due to county funding restrictions even if they live close to Broadlawns. The Iowa Hospital Association provided testimony (attached) that many of the IowaCare members are routinely seen at community hospitals closer to their homes with no reimbursement to the hospital. The testimony also included statistics on the amount of uncompensated care provided by non-IowaCare providers to the IowaCare population. A key concern was access to services by Iowans who are not close to Broadlawns Medical Center or the University of Iowa and desire to expand the IowaCare provider network.
- Expansion of coverage would require additional state funds for the State Matching funds, and there are limited funds available under the current federal budget neutrality cap. It would be difficult to increase the federal cap under the current waiver.
- Transportation is available through a van service provided by the U of I. However, IowaCare members may incur expenses for overnight stays or meals that are not reimbursable.
- IowaCare does not include coverage for prescription drugs, Durable Medical Equipment coverage, local services and better coverage for dental, podiatry and outpatient mental health services. There was concern that coverage be added for these services. Today, the UIHC and Broadlawns cover some drugs and DME out of their own funds, separate from the IowaCare program. Further, concerns with the current availability of dental, mental health and podiatry services have been raised by members in the IowaCare evaluation.
- It was noted that all of these represent real issues for the Iowa health care system that need to be addressed, and represent competing demands for any expansion under the IowaCare program.

Waiver Renewal – what will be Iowa's priorities?

The 1115 Demonstration waiver expires 6/30/2010. There is no guarantee that Iowa will receive the same "deal" on the 1115 budget as this was based on the elimination of Intergovernmental Transfers, which are no longer in place. This will be a key point of the negotiation with CMS on the waiver renewal. Examining the many needs identified above and determining how to meet those needs is a discussion that needs to occur in the public policy forum. Some additional points to consider:

- It was noted that a key first priority is to prevent the 27,000 Iowans currently served by the IowaCare from losing the coverage they have. The program provides over $110 million in health care services to these Iowans annually, and any loss of that health care would be very difficult.
- Also, the need to continue to support the IowaCare provider safety net. The current IowaCare providers have invested considerable resources in the program that need to be recognized. University of Iowa physicians do not receive any reimbursement under the IowaCare program, which if other physicians were to be reimbursed would likely create an equity issue for the University.
- One option discussed was the idea of asking Congress to allow States to have an optional coverage group for 'non-categorical' adults. The population covered by IowaCare can only be covered under Medicaid through a demonstration waiver. The idea is to amend the federal law, so that this population can be covered by states if they choose, under the state plan. This would allow Iowa to avoid the budget neutrality limitation and provide more flexibility for all states in choosing which populations they want to cover.

Conclusions

The workgroup was not able to make specific recommendations on a waiver renewal plan due to the current uncertainty regarding the direction of the new federal administration and Congress for health care reform. There also needs to be more discussion with policy makers about the issues noted above, how expansion might be funded, and how the IowaCare program fits in with the other adult coverage initiatives the legislature may want to pursue.

Attachments:
Executive Summary of IowaCare Evaluation
IowaCare Fact Sheet
Minutes from IowaCare Workgroup meeting on 11/17/08
IowaCare Presentation
E-mail Iowa Hospital Association

PublicPolicy Center

THE UNIVERSITY OF IOWA

Policy Report

November 2008

First Evaluation of the IowaCare Program Executive Summary

DRAFT

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Three approaches were used: outcomes of care, enrollee perceptions, and provider perceptions

Introduction

The IowaCare program began coverage for adults 19-64 years of age under 200% poverty on July 1, 2005. This evaluation provides information for the first 2 years of the program. Three data collection methods were used to determine program affects:

1) Surveys were sent to 1600 IowaCare enrollees who had been enrolled for at least 6 months in February 2008. Over 60% returned the surveys providing information on their access and satisfaction with the health care services provided through the IowaCare program.
2) Claims and enrollment files were used for outcome measures to assess the health service utilization for acute, chronic and preventive care.
3) IowaCare providers (UIHC, Broadlawns and the four MHIs) were interviewed with a focus group format to collect their experiences with the program and identify issues for enrollees and providers.

Enrollment

Nearly 30,000 people were enrolled in the IowaCare program for at least one month during SFY 2007. The distribution of IowaCare enrollees across Iowa is varied with fewer enrollees in counties that are more distant from the IowaCare providers. IowaCare enrollees are evenly split between male and female with the majority of enrollees in the 31-50 year old age group. In addition, most enrollees were white (85%) and over 40% had some college education. During the first 2 years of the program nearly 7,000 enrollees re-enrolled after the first year of coverage.

Almost two-thirds of enrollees had been without any health insurance for more than 2 years prior to joining IowaCare

Almost two-thirds of enrollees had been without any insurance for more than 2 years prior to joining IowaCare, while 1 in 4 had never had health insurance. Only 12% had been in the Indigent Care program (State Papers) at any time in the past.

In general people enrolled in IowaCare were less likely than people in Medicaid to rate their general health status or oral health status as good or very good. Poor health status was also reflected in the types of diagnoses reported on medical and institutional claims. The most common problems for which IowaCare enrollees accessed care were heart disease, hypertension, back pain, and depression. Yet, when asked about existing chronic conditions on the survey, dental, tooth, or mouth problems was the most common condition, while back and neck problems, arthritis, and hypertension followed. When asked about chronic mental health conditions depression was mentioned by 80% of respondents.

Administration

Many factors about a program can be perceived as barriers to care that may stop or delay enrollees from receiving needed services. Perceptions varied regarding the ease of enrolling and accessing services under the IowaCare program. Over 2 out of 3 enrollees thought it was easy to understand the care provided and to access the services. Over half also felt it was easy to understand the costs for which they would be responsible. However, 2 out of 3 respondents indicated they were still worried about

Over half of those paying a monthly premium worried about their ability to pay

how to pay for health care after joining the program and half indicated that paying for care was a problem. A variety of tests and services require prior approval to be received under the IowaCare program. Prior approvals were easy to attain for two-thirds of those who required an approval. In addition, 80% of those who had to complete a form for the program felt it was easy to complete.

There are resources available to enrollees to assist in negotiating the program and health service needs. Generally, IowaCare enrollees were not aware of these resources. Only 12% were aware of the Medicaid Helpline, only 19% were aware of the Nurse Hotline, and only 15% felt that written or internet materials for the program always provided what they needed. One-third of those who did access the Medicaid Helpline never got the help they needed, while 1 in 10 never got the help they needed from the Nurse Hotline.

Understanding satisfaction with a program is critical in making program adjustments or designing new programs. One-third of IowaCare enrollees rated the plan as a 9 or 10 (10 being the most favorable rating) and over ½ would definitely recommend IowaCare to others. Over ½ also thought coverage under IowaCare was better the private insurance.

Utilization

62% of enrollees had a personal doctor, for many, especially outside Polk County, this person was outside the IowaCare provider network

In the evaluation of any program or plan the actual utilization of services and satisfaction with services that were utilized is important. Of the 1/3 of enrollees who tried to find a personal doctor at UIHC or Broadlawns, approximately 70% of had difficulty either finding a personal doctor for an IowaCare enrollee or seeing the same doctor over repeat visits. For most of those who were able to get a personal doctor, this was a new personal doctor and not one they had seen before getting into the program; however, most had visited this doctor within the last 6 months. It is interesting to note that enrollees with a personal doctor at Broadlawns were more likely to report 5 or more visits to their personal doctor within the past 6 months.

About 80% of those with a personal doctor also received care from another doctor, usually within the same facility. About 75% of respondents felt that communication between their personal doctor and other doctors providing care was good. Care coordination was provided to 75% of those who had received care from multiple providers most often through the facility and occasionally through the IowaCare program. Most were satisfied with the care coordination they received. Given the distance to care for some enrollees, access by telephone can be critical. Almost 75% got the help they needed when calling their personal doctor's office, while only 8% never got the help they needed.

Emergency care is critical at the point it is needed, but can also be costly when an emergency department (ED) is used for routine or non-emergent acute care. There were 64 ED visits per 1,000 enrollees covered by the IowaCare program in SFY 2006

The most common emergency department complaint was chest pain

compared to 57 per 1,000 in SFY 2007. Anxiety attacks, pain (chest, abdominal, and back), infections (skin and respiratory), and respiratory distress were the most common reasons for these ED visits. Nearly 2 out of 3 respondents reported using the ED in the previous 6 months, which may or may not have been covered by the program.

In addition to ED care, enrollees made use of urgent care services. Over half indicated they had a need for urgent care in the past 6 months. One-third went to UIHC for this care, 1/3 went to Broadlawns and 1/3 went to a provider outside the IowaCare network. Two-thirds felt they received the care when they needed it, while 10% felt they never received the care they needed. Polk county enrollees were more likely to report getting care when they needed it.

Ambulatory care encompasses all care provided without an inpatient admission. This is usually described by four categories of service that include outpatient visits, ED visits, ambulatory surgeries, and observation room stays. Ambulatory care utilization decreased from the first year of the program to the second year for all groups. Older enrollees were more likely to utilize ambulatory care, ambulatory surgery, and observation beds, while younger enrollees were more likely to utilize the ED.

An essential component of the care continuum for establishing and maintaining good health is the utilization or routine and preventive care services. Approximately two-thirds of respondents indicated they had sought routine care in the past 6 months, with Polk county residents being more likely to have made a visit than non-Polk county residents. The proportion with a routine visit covered by the program was reflected in the claims data with 74% having seen a physician in SFY 2006 and 61% having seen a physician in SFY 2007. Preventive care was accessed by over half of the respondents within the previous year; however, nearly ¼ had not had a preventive visit in the last three years. In looking at specific preventive procedures, colorectal cancers screenings were performed for 16% of 51-64 years olds in SFY 2006 and 21% in SFY 2007.

One-third of enrollees needing urgent care went outside the IowaCare network

Care provided by specialists was needed by 45% of respondents, however, 20% never saw a specialist. Those seeing a specialist at UIHC were more likely to see multiple specialists at the same facility.

Regarding inpatient visits, claims data revealed that there were over 4,000 hospitalizations accounting for over 20,000 days of care in SFY 2006 and over 4,400 hospitalizations accounting for almost 22,000 days of care in SFY 2007. The average length of stay remained stable over the first two years of the program. Average length of stay (ALOS) was always higher for those over 44 years of age. Additionally, the ALOS for surgical care was consistently higher than the ALOS for medical care. On the survey, 10% of respondents reported having been in the hospital within the past 6 months. Almost 40% were hospitalized for 4 or more nights, while about 5% had trouble leaving the hospital due to needing non-covered services at discharge.

Surgical care is provided under IowaCare. Gall bladder surgery was provided to very

IowaCare enrollees outside Polk county were much less likely to receive a dental visit

few enrollees, however the group with the highest rate of gall bladder surgery was women 20-44 years of age, as might be expected given the natural progression of gall bladder disease. Looking at the rate of back surgery (including back injections), the rates are highest for young men, 20-44 years of age. Rates did not change greatly over time.

Tooth extractions are the only dental services covered by the IowaCare program, although Broadlawns does provide preventive and routine restorative dental care in their clinic to IowaCare members. Approximately 25% of respondents attempted getting dental care, with Polk county residents being more likely to attempt to access dental care. Of those who tried to receive care, about 60% did get at least one visit. Those outside Polk county were much less likely to get any dental care.

IowaCare enrollees are able to access some mental health services at UIHC, Broadlawns, as well as the 4 MHIs. Just over ¼ of respondents indicated they needed treatment or counseling and of these almost 3 out of 4 actually received services. Polk county residents were more likely to report receiving mental health care than those outside Polk county.

Prescription drugs are not covered under IowaCare, however, some generic medications are provided by UIHC and Broadlawns. Three out of 4 respondents reported needing medication in the 6 months prior to the survey. Most of these medications were to help with a chronic condition. About 50% of respondents received their medications from UIHC or Broadlawns. Durable medical equipment (DME) is also not covered under IowaCare but occasionally provided by UIHC or Broadlawns. Just over 10% of respondents reported needing DME and 44% obtained DME from UIHC or Broadlawns, whereas the other 46% went somewhere else.

Access

1/3 of enrollees had an unmet need for routine medical care in the previous 6 months

Though utilization provides information about the needs that the program met, asking about needs that were not met is also important. One-third of respondents indicated that they had unmet need for routine care and residents outside Polk county were more likely to have unmet need. The most important reasons for having unmet need included could not afford care, transportation/travel distance, care not covered by IowaCare, and trouble getting an appointment at UIHC/Broadlawns. Delays can be an important problem when trying to access timely care. Of those who sought care at UIHC or Broadlawns in the previous 6 months, two-thirds were able to get in as soon as they wanted, however, 11% were never able to get in. Those who sought care at Broadlawns were more likely to get timely care than those who sought care at UIHC. When asked about delays for urgent care the results were similar to routine care, except that the delays were longer for a provider other than UIHC or Broadlawns than they were at either provider.

Almost half of enrollees reported needing specialty care. Of these, 37% reported

Enrollees in non-Polk counties felt travel distance and expense stopped them from getting care

having a time when they could not see a specialist at UIHC or Broadlawns. This was higher for those attempting to schedule an appointment at UIHC than for those scheduling at Broadlawns. Nearly two-thirds of those attempting to see a specialist were able to get an appointment easily. Again, enrollees reported having more trouble scheduling at UIHC.

Of those who needed mental or behavioral health services, 39% reported a time when they were stopped from getting care with non-Polk county residents more likely to report having an unmet need for mental health care. The reasons for not getting care included; care not covered by IowaCare, could not afford mental health medications, trouble getting an appointment with a mental health care provider, and transportation/travel distance.

Dental services were needed and could not be accessed by over one-third of respondents in the six months before the survey. Cost and being a non-covered service were the reasons most often cited for not getting care by those needing dental care outside Polk county, while trouble getting an appointment was mentioned most often by those in Polk county.

Less than 10% of enrollees had contacted UIHC transportation for help getting to UIHC in the 6 months prior to the survey. 60% of these enrollees made at least 1 trip to UIHC. Most felt UIHC transportation was their only option and that UIHC met their needs. 42% of those who contacted UIHC were unable to get transportation at least 1 time in the previous 6 months.

Quality

Over half of IowaCare enrollees indicated that their personal doctor always spent enough time with them

Survey respondents were asked to rate the quality of care they received under IowaCare. They generally ranked the care as high. Respondent rankings of all health care through IowaCare was similar to that of all health care by Iowa Medicaid enrollees in 2007, though more IowaCare respondents ranked the program 0-6 on a scale of 1-10. Personal doctors were ranked lower by respondents who sought care at UIHC with a slightly lower proportion believing doctors at UIHC spent enough time with their patients than those seeking care at Broadlawns .

More respondents who sought care at UIHC ranked their specialist as 9 or 10 (60%) than those who sought care at Broadlawns (52%) or who were in the Medicaid program (52%). This was similar for hospital ratings, with 66% of respondents who sought care at UIHC ranking the hospital a 9 or 10 while only 53% of those who sought care at Broadlawns giving one of these rankings

Provider perspectives

Focus groups with the IowaCare providers were used to elucidate issues for the six providers as well as their perspective on enrollee concerns. Common themes

Providers felt that the IowaCare application process was easy and DHS staff acted quickly on applications

regarding eligibility determination were the ease of the application, birth certificate requirement as a barrier to enrollment, quick turnaround of application from DHS, flow of information about IowaCare, and verification of eligibility.

In addition to determining eligibility UIHC, Broadlawns, and the 4 MHIs attempt to link enrollees with needed community resources. The themes regarding this linkage were: social workers working with patient on aftercare/discharge, shortage of psychiatrists in Iowa for MHI patients, rurality and logistics to reach services, and lack of coverage for pharmaceuticals, DME, vision, dental and continuing care (nursing homes), and mental health services.

Though administrators seem to understand the IowaCare program, physicians have little understanding of how the program works or what is covered. Social workers are responsible for connecting patients with resources. It appears that patients like the provision of preventive care in the program.

Common themes regarding the flow of information about practice guidelines within IowaCare include having a central point of contact at all facilities for IowaCare information dissemination, evidence-based practice is utilized by providers, regular interaction between UIHC and Broadlawns about IowaCare.

When asked about the effect of IowaCare on treatment, the following themes were found: all patients received the care they needed for the presenting issue, problems with referrals to UIHC specialty clinics, practice guidelines and protocols are the same for all patients-regardless of insurance, medication are prescribed generic unless there is a medical reason to prescribe name-brand.

Summary

The IowaCare program was designed to cover a limited set of health care services for low and moderate income adults using a limited provider network. It has successfully enrolled a population with a high proportion of chronic illnesses. It is also a group that was previously uninsured for an extended period of time. In general, the program is meeting the needs of about two-thirds of enrollees well, while the other third have some problems accessing services. For example, about one-third of those outside Polk County sought urgent and routine care at a provider outside the IowaCare network, which is related to the need to travel to UIHC for services. More effective marketing of the nurse helpline and Medicaid hotline would be helpful. The chronic health problems of this population increases the need for prescription drugs, a non-covered service that are provided by UIHC and Broadlawns when possible. Dental care, another limited coverage service, was repeatedly said to be needed by enrollees, with oral health problems being the most frequent self-reported chronic health problem.

Iowa Medicaid Enterprise
IowaCare Workgroup
Fact Sheet
November 17, 2008

Enrollment History

FY	July	August	Sept.	October	November	December	January	February	March	April	May	June
2006	8,400	10,392	11,511	12,253	12,972	13,802	13,466	14,141	14,742	15,686	16,274	17,932
2007	16,559	16,033	15,649	15,754	15,851	15,888	15,993	16,345	16,712	17,041	17,475	17,784
2008	17,774	18,263	18,687	19,549	20,063	20,507	21,143	21,807	22,369	23,017	23,640	23,698
2009	25,062	26,156	26,590	27,037	26,521							

Total number of unduplicated Iowa Care Members 57,934

Information on IowaCare Members

- IowaCare Parents with Children on Medicaid-3367
- Females 29,572
- Males 28,362

Age groups of total enrollment

Age Range	Number Enrolled
Under 20	216
20-29	14,274
30-39	11,440
40-49	14,969
50-59	12,658
60+	4,377

Premiums

Premium Amount	Member Count
$00.00	22,438
$22.00-$$82.00	4,497

- July 1, 2005 Members with income above 10% FPL had a monthly premium. The premium amount ranged from $1 - $77
- July 1, 2007 Members with income at and below 100% FPL are not charged a premium. Members with income above 100% FPL have a monthly premiums.
- The current premium range is $22 - $82. Members who pay a hawk-i premium are given a deduction for the hawk-i premium that they pay.
- The premium amount is adjusted with the new federal poverty levels in April of each year. This effects new enrollees and effects members at the time of re-enrollment.
- If members are unable to pay the premium, the members may claim hardship. The hardship must be claimed monthly.
- July 1, 2005 all members were required to pay the first four months of premiums. October 1, 2007 members paying premiums begin to pay the four months of mandatory premiums the month after month of decision.

Services

- The average cost per member per month for Polk = $283.76
- The average cost per member per month outside of Polk = $285.83

Encounters per person per month- FY –08

- Polk 1.128
- Non-Polk 0.276

Top 20 Diagnosis Codes based on submitted claims

Polk County Residences

Diagnosis code	Description	IowaCare Member Count
401.9	Unspecified Essential Hypertension	3568
250.00	Adult-Onset Diabetes Mellitus Type II	3058
786.50	Unspecified Chest Pain	2834
789.00	Abdominal Pain Unspecified Site	1960
729.5	Pain In Limb	1921
465.9	Acute Upper Respiratory Infections Of Un	1779
724.5	Backache, Unspecified	1739
724.2	Lumbago	1718
V57.1	Care Involving Other Physical Therapy	1433
719.46	Pain In Joint Involving Lower Leg	1250
490	Bronchitis, Not Specified As Acute Or Ch	1204
070.70	Unspecified Viral Hepatitis C W/O Hepatic Coma	1063
784.0	Headache	1021
719.41	Pain In Joint Involving Shoulder Region	1017
486	Pneumonia, Organism Unspecified	920
250.02	Diabetes Mellitus W/O Compl Type II	792
491.21	Obstruct Chronic Bronchitis, W/Exacerbate	723
346.90	Migraine, Unspecif W/O Ment. Intract.	707
477.9	Allergic Rhinitis, Cause Unspecified	703
414.00	Coronary Atherosclerosis Unspecif Vessel	703

Non-Polk County Residents

Diagnosis code	Description	IowaCare Member Count
250.00	Adult-Onset Diabetes Mellitus Type II	1530
401.9	Unspecified Essential Hypertension	1525
729.5	Pain In Limb	1485
789.00	Abdominal Pain Unspecified Site	1146
724.2	Lumbago	999
719.46	Pain In Joint Involving Lower Leg	812
V70.0	Routine General Medical Examination At A	716
724.5	Backache, Unspecified	711
V58.0	Radiotherapy	562
070.54	Chronic Hepatitis C W/O Mention Coma	518
521.00	Dental Caries, Unspecified	517
786.59	Other Chest Pain	473
719.41	Pain In Joint Involving Shoulder Region	456
784.0	Headache	429
786.50	Unspecified Chest Pain	422
719.47	Pain In Joint Involving Ankle And Foot	378
272.4	Other And Unspecified Hyperlipidemia	375
786.2	Cough	371
427.31	Atrial Fibrillation	366
723.1	Cervicalgia	356

Iowa Medicaid Enterprise
IowaCare Workgroup
Minutes
November 17, 2008

Attendees: Jennifer Vermeer (IME), Stacey Cyphert (U of I), Kim Stout (U of I), Lucinda Wonderlich-Fuller (DHS), Shannon Strickler (IA Hosp Assoc), Elizabeth Momaney (U of I), Kellee McCrory (U of I), Patti Ernst Becker (IME), Dennis Janssen (IME), Hugh Ceaser (Capitol), Brad Trow (House Rep Staff), Jess Benson (LSA), Patty Funaro (LSA), Al White (Broadlawns), Matthew Haubrich (DHS), Zeke Furlong (IH Legislature), Larry Carl (Iowa Dental Assoc), Jack Hatch (State Senator), Kris Bell (Senate Dem Caucus), Keith Saunders (U of I), Karla Fultz McHenry (Iowa Medical Society), Jeff Steggerda (Iowa Health Care Assoc), Cindy Doyle (U of I), Ken Croken (Genesis), Miki Stier (Broadlawns), Matt Eide (Genesis), John Pederson (Genesis), Julie Smith (IHS), Sabra Rosener (IHS), Alisa Horn (IME), Deb Johnson (IME)

Review of Legislation

History of IowaCare-(IowaCare PowerPoint Presentation)

- 2005-Federal action likely to cease offering Intergovernmental Transfers (IGT's)-loss of $65,000,000 in federal revenue.
- IowaCare was largely created to address this federal loss.
- IowaCare converted State/County funded indigent care programs at Broadlawns, U of I, 4 State MHI's to receive a federal match (Approx 67% FFP)
- IowaCare provides limited inpatient/outpatient hospital, physician, limited dental and transportation.
- Approved through a federal 1115 Demonstration waiver. Approved for 5 years and allows to put limits of enrollment/services/providers, etc.
- Able to cover adults age 19-64 who normally would not be eligible for Medicaid as they aren't on FIP or considered disabled by SSA.
- Providers are Broadlawns Medical Center, U of I, and 4 State Mental Health Institutes.
- 1115 waiver expires 6/30/10
- Priority #1-continuing what is currently in place-funding, services.
- Supporting the providers-they had to expand their capacity to serve this growing population.
- No guarantees that Iowa will get the same deal on the 1115 budget from CMS. The elimination of IGT's is how Iowa received the $'s and the amount was based on IGT's.
- Pushing Congress to make it a law that States have the option to cover the group of recipients that IowaCare covers. This would then allow Iowa to continue to cover this group without having to go through the 1115 demonstration and cost neutrality.

- Expansion for IowaCare-continued growth; need for prescription drug, DME coverage; access to local services; better coverage for dental and outpatient mental health, podiatry care.
- Constraints-Budget neutrality; state match; difficult geographic access has constrained program growth; with scarce resources need to set priorities.
- Broadlawns-about 30% of patients seen are IowaCare; 20% have no insurance.

Statistics (review of Statistic sheet)

- Enrollment started at 8,400 in 7/06 and is currently at 26,521 as of 11/1/08.
- 22,000 plus have no premiums.
- 8,500 are Polk County members.

Evaluation (See U of I Evaluation PowerPoint)

- Review of claims data
- Member Survey (56% response rate)
- Qualitative interviews with IowaCare Provider network.
- 20-25% stated that paying a premium is a hardship and barrier to care. Especially those who owe premiums from the past.

Questions/issues/comments

1. Can IowaCare expand to allow other providers within the State of Iowa to be compensated for care they are currently providing for this population?

2. Expansion or Renewal of IowaCare? This program has acknowledged a great need for health care. The Legislature has commissions looking at health care in Iowa. Funding is flat, have been advised that there will be no expansion of services. The legislative Iowa Choices Advisory Council is looking at health care issues. This committee is to work on a larger health care strategy for the State.

3. Any new information learned at the State Medicaid Director's conference? All states are trying to figure out how to expand coverage. States are at different phases –some have completed a coverage expansion i.e. WI. States have used tobacco tax to pay for the expansions.

4. Has anyone approached other county hospitals to put forth additional $'s for FFP match? This was originally offered at the beginning of IowaCare. Not too many public hospitals are situated the same as Broadlawns. Most county hospitals tax levy is 2-3% of tax revenues.

5. Disproportional share is low compared to other states. Some States have given up DSH payment for Medicaid, not an advantage for Iowa because of the low DSH.

6. Any initial conversations with DMS to see if the 1115 can be renewed? CMS has stated that IGT $'s cannot be used for cost neutrality and have tried to have Iowa

go for a managed care benefit. The IowaCare population is not a managed care population so still working on IGT's.

7. What can stakeholders do to be helpful with IowaCare? There will be an effort/time when the Governor's office will be making a push for IowaCare to continue (should be within the next few months).

8. Next steps for DHS? Report to be submitted by December 15, 2008. Comments from this meeting would be used to assist in developing the report to Iowa Legislature. Lay out issues, enrollment, benefit expansion, transportation, etc.

9. Concerns about the current economy and how this will effect people who need health care services. 40% of IowaCare members had insurance from employers previously (see Evaluation Report). This number may increase due to economy and what employers offer.

Next Steps

IME will develop a report and circulate electronically. Members of the workgroup may want to meet after the report is circulated.

Handouts will be e-mailed out.

IowaCare Workgroup

Jennifer Vermeer
Iowa Medicaid Enterprise
November 17, 2008

Agenda

- IME presentation
  - Program history
  - Program statistics
  - Issues
- IowaCare Evaluation – Public Policy Center
- Public Comment

Why do we have IowaCare?

- In 2005, Federal action to eliminate $65 million in federal revenue from Intergovernmental Transfers (IGTs).
- Represented over 10% of Medicaid funding. Due to General Fund pressures at the time, this would certainly have resulted in program/provider cuts.
- IowaCare was developed to offset that loss.

Why do we have IowaCare?

- IowaCare converted long standing State/County funded indigent care programs at Broadlawns and Univeristy of Iowa Hospitals and the 4 State MHIs to a limited benefit Medicaid program.
- The 100% state/county funding was converted to a program that received 2/3 federal match. The "savings" went to the General Fund to offset the loss of federal IGT funding.
- Prevented significant program/provider cuts in the Medicaid program.

IowaCare Program – Limited Benefit Medicaid Expansion

- Eligibles = Adults age 19-64 below 200% FPL, 200%-300% pregnant women, former state papers grandfathered.
- Services = Inpatient, outpatient hospital, physician, limited dental and transportation.
- Providers = ONLY at UIHC, Broadlawns, MHIs (because their GF/County dollars funded the program).
- Designed to roughly match the prior 100% state/county funded programs.
- Sliding scale premiums – originally 10% FPL up, changed to 100% FPL up.

CMS Terms & Conditions

- Budget neutrality – federal funding cap, premised on exchanging the federal IGT dollars for 1115 waiver.
- MHI separate cap - $25M, down to $9M in FY 2009, to $0 in FY 2010.
- The 'phase-down' of MHI dollars replaced by GF; the freed up IowaCare dollars used to offset growth primarily at UIHC.
- Any changes need waiver amendment.

Planned vs. Experience

- Planned to cover about 14,000 Iowans / enrollment now over 27,000.
- Unduplicated members since program inception over 57,000.
- Most of growth at UIHC.
- UIHC appropriation ('claims experience') grown from $27M (the original state papers amount) to over $63M in FY 09.

Program Statistics

- See handout.

Waiver Renewal

- Expires June 30, 2010.
- Priority #1 – continuing what we have, at a minimum.
  - There are 27,000 Iowans enrolled and over $110 million in expenditures – any reduction would be difficult.
  - It is NOT a given that we will get the same deal on budget neutrality.

Waiver renewal – expansion?

- There are many competing demands for expansion:
  - Continued growth in uninsured adults/need for coverage (large number of Medicaid/hawk-i parents uncovered).
  - Need for prescription drug, DME coverage under IowaCare.
  - Local access to local physician/hospital care
  - Better coverage for dental, and outpatient mental health.

Constraints

- Budget Neutrality
- Always need the State match – where will it come from?
- We believe the more difficult geographic access has constrained program growth – how big would the program be with better local access and better coverage?
- In a world of scarce resources we have to set priorities – what will they be?

Subject: FW: IowaCare Data

From: Strickler, Shannon [mailto:stricklers@ihaonline.org]
Sent: Mon 11/24/2008 10:44 AM
To: Vermeer, Jennifer
Subject: IowaCare Data

https://events.ihaonline.org/images/Cus

Jennifer,

Please see below IHA's statement from our position paper on the IowaCare program. This is consistent with the concerns raised by hospitals at the workgroup and also includes one of the data points that discussed, the data regarding $14M (cost) provided to IowaCare members. Three of the top five top hospitals reporting losses treating IowaCare patients are located 60 miles or less from an IowaCare network provider.

The other data that I shared was that hospitals provided $108M (cost) in charity care and $284M (cost) in bad debts last year. This is in addition to the $178M (cost) lost treating Medicaid patients. I share these per our discussion that they would possibly be included in the IowaCare report.

If you have any questions, please do not hesitate to contact me.

Thank you,

SS

- ***IowaCare:*** The General Assembly must begin to seriously evaluate changes to the IowaCare Medicaid waiver program. The initial five-year waiver will expire June 30, 2010. As the General Assembly and Department of Human Services pursue strategies to extend the IowaCare program, there must be recognition that more and more of these patients are routinely seen at community hospitals closer to their homes—with no reimbursement to those hospitals. In fact, Iowa hospitals are now providing more than $14 million of charity care to patients enrolled on the IowaCare program. At the very least, IowaCare should provide reimbursement to all Iowa hospitals for the

provision of emergency services to IowaCare enrollees who cannot be transferred to the program's two service points as a first step in expanding the reach of the IowaCare program.

Shannon Strickler

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