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Director Charles M. Palmer
c/o Mr. Harry Rossander
Bureau of Policy Coordination
Department of Human Services
Hoover State Office Building
Fifth Floor
1305 E. Walnut Street
Des Moines, IA 50319-0114

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via email: policyanalysis@dhs.state.ia.us
via fax: (515) 281-4980

Dear Director Palmer,

AARP opposes Rule 441-73.23(3) and urges the Iowa Department of Human Services to reconsider and withdraw this proposed rule and course of action.

“Claims payment by the managed care organization:

73.23(3) Payment to nonparticipating providers. In reimbursing nonparticipating providers, the managed care organization is obligated to pay 90 percent of the payment to participating providers.”

AARP’s expresses these concerns with Rule 441-73.23(3), not just on behalf of older Iowans who receive long-term Medicaid services in institutions and in their homes through the elderly waiver, but also on behalf of the many AARP Iowa members and their family members on other waiver services like DD, BI, etc. Several of these AARP Iowa members with family members on other waiver service programs have contacted AARP Iowa about their concerns of whether they will be able to see their current providers or even who a new potential Medicaid provider might be as they are faced with a pending December 17 deadline to enroll with an MCO for themselves or a family member.

In AARP’s position on the MAAC Executive Council, we did not learn of this new proposed change until October. Prior to that, it was our understanding that MCOs would be required to have an open network and reimburse all credentialed Iowa Medicaid health care providers at fee-for-service rates for the first six months of 2016 whether the providers had signed a contract with individual MCOs or not.

AARP
Real Possibilities

This original positive feature of Iowa's proposed six-month transition was an important safety valve because it allows transition time so that:

1. All Iowa providers can negotiate contracts with each of the four MCOs and come to a collective understanding that best serves Iowa Medicaid participants.
2. All Iowa providers can carefully review the lengthy and complex contract proposals so they and the MCOs can best build a high-quality Medicaid system in Iowa.
3. Iowa can build a more adequate provider network for this new managed care system by giving all current and pending Medicaid providers the opportunity to continue to provide Medicaid services and be reimbursed at fee-for-service rates for the first six months while they work on points 1 & 2.
4. Iowa Medicaid members and their families have greater provider access, choice, predictability, and continuity of care for the first six months of their transition into this new system because of point 3.

Ultimately as a consumer advocate organization in Iowa, we are particularly concerned with point 4. Adopting a 90% reimbursement rate for out-of-network providers starting as early as January 1, 2016 runs contrary to point 4. If Iowa adopts Rule 441-73.23(3), by rule, Iowa's four new MCOs will be allowed to only pay 90% of fee-for-service rates to current Iowa Medicaid providers who may still be in the process of signing complex contracts. We are concerned that the consequence of this proposal will be that some Iowa Medicaid providers will be inadequately reimbursed for the services they provide and Iowa Medicaid members need.

Moreover, this proposal may cause some providers, including some high-quality providers seeking to do their due diligence before signing contracts, to simply stop seeing Iowa Medicaid members. Given the aggressive timeframe for implementation of this program, it is especially important that continuity of care for individual Medicaid members be preserved during this transition period. Withdrawing Rule 441-73.23(3) could help improve continuity of care during this first six month transition period.

We strongly urge the Department to withdraw Rule 441-73.23(3), or at a minimum, delay the effective date of this rule until July 1, 2016, to restore the original shared understanding of a six-month provider network transition period and thereby better protect continuity of care. To implement this rule would run contrary to Iowa's goal of an improved rather than diminished Iowa Medicaid program.

Thank you for your consideration. If you have any questions, please contact Anthony Carroll at acarroll@arp.org or at 515-707-2722

Sincerely,



Kent Sovrn
AARP Iowa State Director

ecc:
Director Palmer
Mikki Stier
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