

FINAL REPORT
HEALTH CARE SERVICES STUDY COMMITTEE

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Copies of the minutes of the meetings of the Study Committee are available under separate cover from the Legislative Service Bureau.

F I N A L R E P O R T

HEALTH CARE SERVICES STUDY COMMITTEE

January 1989

AUTHORIZATION AND MEMBERSHIP

The Health Care Services Study Committee was established by the Legislative Council in 1987. The charge of the Committee as specified by the Legislative Council was to "study and make recommendations regarding the accessibility of affordable, quality health care services to all Iowans, with special attention to the uninsured, underinsured, and rural populations. Areas of investigation should include but not be limited to expanded reimbursement mechanisms, including case management, tax credits for charity care, mandatory Medicare and Medicaid assignment, health education programs, and implementation of agricultural health programs." The Committee submitted a progress report and recommendations in January 1988.

Members of the Study Committee during the 1988 interim period were:

Senator Charles Bruner, Ames, Co-chairperson
Representative Johnie Hammond, Ames, Co-chairperson
Senator Beverly Hannon, Anamosa
Senator William Palmer, Des Moines
Senator John Jensen, Plainfield
Senator Jim Lind, Waterloo
Representative Robert Arnould, Davenport
Representative David Osterberg, Mt. Vernon
Representative Mary Lundby, Marion
Representative Joan Hester, Honey Creek
Mr. Donn Dunn, Des Moines
Mr. Jack Fischer, Pocahontas
Dr. Steve Gleason, D.O., Des Moines
Ms. Helen Kopsa, Beaman
Ms. Colleen Shaw, Corning

MEETING DAYS

The Committee was authorized three meetings in 1988, which were held on October 3, November 10, and December 13. Maternal and child health services were the primary focus at the October meeting. The November meeting was devoted primarily to rural health care matters. In December, Committee members reviewed proposals and agreed to specific recommendations with respect to (1) access and care to the uninsured and the underinsured, (2)

rural health care service delivery, (3) health care cost containment, (4) medical education and support, and (5) health promotion.

PRESENTATIONS

On October 3, 1988, the following presentations were made to the Committee:

Ms. Joyce Borgmeyer of the Iowa Department of Public Health presented an explanation and analysis of maternal and child health care in Iowa and suggested specific recommendations for Committee consideration with respect to child health, maternal health, the obstetrical and newborn indigent patient care program, and family planning services.

Mr. Don Herman of the Department of Human Services addressed the Committee regarding Medicaid benefits, especially as they relate to maternal and child health services. Ms. Anita Smith of the Department of Human Services accompanied Mr. Herman to present specific information about the extent of state implementation with respect to Medicaid eligibility provisions allowable for pregnant women and children under the Sixth Omnibus Budget Reconciliation Act (SOBRA) and subsequent federal legislation.

On November 10, 1988, the following presentations were made to the Committee:

Mr. Ron Davis of Mercy Hospital Medical Center, who formerly served as administrator of the Monroe County Hospital in Albia, presented information on the financial and other problems faced by rural hospitals and the success of networking arrangements involving rural hospitals working in conjunction with hospitals and medical personnel in urban areas. He addressed such problems as the shortage of physicians and allied health personnel in rural areas, the differential in Medicare reimbursement rates for rural and urban hospitals, and the concentration of elderly persons in rural areas.

Dr. Kelley Donham of the University of Iowa Institute of Agricultural Medicine and Occupational Health presented information about the Iowa Agricultural Health and Safety Service Pilot Project (IA-HASSPP), a program aimed at providing comprehensive occupational health and prevention services specifically for farmers and farm families. The program has been funded by the General Assembly for a two-year period beginning July 1, 1987, and project sites have been established in Cedar Falls and Marshalltown. He was accompanied by Ms. Jane Gay, Projector Coordinator, Ms. Pam Delagardelle of Sartori Hospital in Cedar Falls, and Mr. Frank Fair of Marshalltown Medical Surgical Hospital, who gave details of the project. Mr. Art Spies of the Iowa Hospital Association was also part of the presentation, urging continued support and expansion of the program.

Ms. Katy Gammack of Blue Cross and Blue Shield of Iowa presented information relating to the problem of uninsured Iowans. She reported statistics from a research study conducted by her organization and discussed several options for alleviating the problem, including a newly established community service program known as the Caring Foundation of Children, sponsored by Blue Cross and Blue Shield to assist in providing primary health care coverage for children whose families are at or below the poverty level but are not eligible for Medicaid or the medically needy program. Ms. Gammack was accompanied by Ms. Molly Kurtz-Antisdell, Administrator of the new Caring Foundation, who gave a more detailed explanation of its structure and purpose.

On December 13, 1988, Ms. Mary Ellis, Director of the Iowa Department of Public Health, addressed the Committee concerning the recommendations contained in the November 1988, report of the Certificate of Need Committee.

INFORMATIONAL MATERIALS PROVIDED TO COMMITTEE MEMBERS

The following informational materials were provided to the members of the Committee from various sources:

Memorandum from Ms. Mary Ellis, Director of the Iowa Department of Public Health, listing Iowa health data sets that are available through various state agencies and the Iowa Hospital Association.

Summary of Iowa Perinatal Statistics, Iowa Department of Public Health, September 1988.

Brochure describing Maternal and Child Health Services, Iowa Department of Public Health.

Summary of Child Health, Maternal Health, OB Indigent, and Family Planning Services, including numbers served, the potential target population, and funding sources and amounts, Iowa Department of Public Health.

Information on Quotas and Use of OB-GYN Indigent Care Program for Fiscal Year 1988-89, by County, Iowa Department of Public Health.

List of Approved Rural Health Clinics in Iowa, Department of Human Services.

Information from Department of Inspections and Appeals regarding potential Rural Health Clinics.

Physicians Providing 25% or More of Obstetrical Care, by County, Department of Human Services and Legislative Fiscal Bureau.

Information on Medicaid Babies as High Cost Users, Iowa Hospital Association.

Fiscal Information for Individual Iowa Hospitals and List of Rural and Urban Hospitals, Iowa Department of Public Health and Legislative Fiscal Bureau.

Death Before Life: The Tragedy of Infant Mortality, Report of the National Commission to Prevent Infant Mortality.

Memorandum from the Legislative Fiscal Bureau regarding the inclusion of parenting skills training as a special need under the Aid to Families with Dependent Children program.

Article from Modern Healthcare, September 9, 1988, describing Montana's "medical assistance facility" plan.

Proposed administrative rules for the new "medical assistance facilities" in Montana.

Executive Summary of Report of the National Action Commission on the Mental Health of Rural Americans, 1988.

Executive Summary of Report on Economic Stress and Mental Health in Rural Iowa, Danny R. Hoyt, Department of Sociology and Anthropology, Iowa State University, October 1988.

Information on Implementation of Services to Medicaid Eligible Groups (Mandatory and Optional Medicaid Coverage and State-Only Coverage), Department of Human Services.

Preliminary Estimates for Medicaid Modifications relating to Maternal and Child Health, Department of Human Services and Legislative Fiscal Bureau.

Explanation relating to the Co-Location of the WIC, Medicaid, Family Planning, and Maternal and Child Health Center Programs, Department of Human Services.

Information on Codification of the Moratorium Allowing Less Restrictive Income and Resource Methodology When Determining Medicaid Eligibility, Department of Human Services.

Letters from the University of Iowa Hospitals and Clinics regarding effect of reduction of number of deliveries on the educational programs of the Department of Pediatrics and the Department of Obstetrics and Gynecology.

Iowa 1987 Vital Statistics Pocket Guide, Iowa Department of Public Health.

Information on Health Manpower Shortage Areas in Iowa, Iowa Department of Public Health.

Analysis of Massachusetts Universal Health Insurance Law, Blue Cross and Blue Shield Association.

Statement of Richard A. Stilley, Blue Cross and Blue Shield of Iowa, relating to the uninsured.

Report of the Certificate of Need Committee, November 1988.

Fiscal Estimates on "Presumptive Eligibility" Under Medicaid for Pregnant Women, Department of Human Services and Legislative Fiscal Bureau.

Fiscal Estimates on Expanding Medicaid Coverage to Children Up to Age Eight, Department of Human Services and Legislative Fiscal Bureau.

Survey and Cover Letter Sent by Co-chairperson Bruner and Hammond to Rural Hospital Administrators and Board Members Regarding Flexibility in Hospital Licensure.

Summary of Responses to Survey of Rural Hospitals, Legislative Service Bureau.

RECOMMENDATIONS

At its final meeting on December 13, 1988, the Committee reviewed and voted on proposals presented by Co-chairpersons Bruner and Hammond. Although attendance was not sufficient to permit formal adoption of the recommendations by a majority of the members from each house as required by the rules of the Committee, the proposed recommendations were revised and agreed to by a majority of the members present.

The following represent the legislative recommendations agreed to by members of the Health Care Services Study Committee at the final meeting. These recommendations are arranged under five broad titles, all of which could become part of a health care bill.

TITLE ONE: ACCESS AND CARE TO THE UNINSURED AND THE UNDERINSURED

Medicaid Expansion for Pregnant Women and Infants

Increase the reimbursement level to maternal health centers and child health centers under Medicaid to the maximum allowable by the federal government. Raise SOBRA eligibility (that is, Medicaid eligibility under the Sixth Omnibus Budget Reconciliation Act and subsequent federal legislation) to 185 percent of poverty for pregnant women and infants. Provide continuous Medicaid coverage under SOBRA for pregnant women regardless of changes in income or resources. Extend the resource definition of "tools of the trade"

to avoid excluding stressed farmers from program participation. Expand the prenatal case management program statewide. Establish "presumptive eligibility" for pregnant women. Expand the EPSDT (early and periodic screening, diagnosis, and treatment) case management program statewide. Cover children up to eight years of age under SOBRA.

Direct the department of human services, in conjunction with the department of public health and the health data commission, to review and evaluate Title XIX births as a high risk group, and keep records of the effect of service expansion on reducing risk.

Maternal and Child Health

Provide coordination/collaboration technical assistance to encourage development of additional outreach centers like those at Ottumwa and Sioux City.

Provide monitoring by the legislative fiscal bureau of the effectiveness of the maternal and child health centers and of their follow-up and case management, including transportation to appointments and the timely keeping of appointments.

Provide legislation establishing the conditions under which the various state agencies providing services to individuals may share that information with each other while maintaining the individuals' right to confidentiality of personal information.

Expanding Coverage for the Uninsured

Incentives and Cross-Compliance (Option A):

Provide state assistance in a "state health care insurance assistance plan" to small employers (20 or fewer employees) not providing health coverage that seek to provide health care coverage, with the state providing one-third of the cost of that coverage, the employer providing one-third of the cost, and the employee providing one-third of the cost, provided the small employers can demonstrate that their financial circumstances would otherwise make providing health care coverage fiscally impossible, as determined by the department of employment services.

Make the provision of a minimum level of health care coverage (equivalent to the current minimum coverage received by state employees) a condition for participation in the Job Training Partnership Act's On-Job Training (OJT) program, the program established by the Iowa Industrial New Jobs Training Act (House File 623 of 1983), and other state programs providing financial assistance for all businesses with more than twenty employees. Make such provision or, where the business qualifies, an agreement to participate in the "state health care insurance assistance plan", a condition for participation in the Job Training

Partnership Act's On-Job Training (OJT) program, the program established by the Iowa Industrial New Jobs Training Act (House File 623 of 1983), and other state programs providing financial assistance for all businesses with twenty or fewer employees.

Comprehensive Coverage by Employers (Option B):

Establish a task force to develop an employer-based plan for health insurance financing, with the requirement that, if no subsequent legislation is enacted, by 1995, all employers will be required to provide health insurance for all employees working 17.5 or more hours per week or pay into a health insurance support fund an amount equal to five percent of payroll. Require all employers of more than fifty employees to provide such coverage by 1992. Require the task force to define a minimum acceptable level of coverage for an employer to offer to workers, examine ways the state can assist in developing mutual employer trusts to provide such coverage at reasonable cost, and develop financing options for such services.

HMO Effect on Health Care of Medicaid Recipients

Require the department of human services to collect data on the health care use of Medicaid recipients under health maintenance organizations (HMO's), including surveys of recipients as to their difficulty in obtaining access or receiving services, their transportation problems, etc. and the actual use of primary care services by such recipients (child immunizations, diagnostic tests for sickle cell anemia, complete physicals, etc.).

Medicare Assignment

Require the department of public health, in cooperation with the Iowa Medical Society, to collect and analyze information relating to Iowa physicians' acceptance of Medicare assignment as payment in full or participation in the voluntary Medicare assignment program for low-income families. Establish statewide goals to assure that any Medicare patient in Iowa has access to appropriate care from physicians participating in such programs.

Tax Policy

Phase in the deductibility of health insurance premiums paid by individuals on the individual income tax, based in part on the income level of the individual.

TITLE TWO: RURAL HEALTH CARE
SERVICE DELIVERY

Rural Health System Delivery

Establish a state division of rural health within the department of public health. Establish an advisory committee to that division consisting of representatives from the Department of Agriculture and Land Stewardship, the National Institute for Rural Health Policy, the Rural Health Research Center, the Institute of Agricultural Medicine and Occupational Health, the Iowa State Association of Counties, the League of Iowa Municipalities, two farm organizations active within the state, the Iowa General Assembly, and the Department of Public Health. Provide that division with many of the following responsibilities.

Provide technical assistance grants to rural communities and counties seeking to explore alternative means to deliver rural health services, including hospital conversions, cooperative agreements among hospitals, physician and health practitioner support, public health services, and emergency medical services (expand upon section 135B.33 of the Iowa Code).

Allow the expansion, within current limits, of the levy currently used for hospitals for the purpose of enhancing rural health care services in the community or county, but only after a local planning process (with the advisement of providers of health care affected within the county) has taken place in which the following requirements are met:

a. In a county that currently levies taxes under chapter 347, the elected board of trustees of the county hospital agrees upon the plan for use of the funds.

b. In a county that does not currently levy taxes under chapter 347, the board of supervisors, in conjunction with the publicly elected hospital boards of trustees within the county (there may be more than one), agree upon the plan for use of the funds. Enhancements could include emergency medical services, shared health care services with other hospitals, and support for rural health care practitioners and public health services.

Provide competitive research grants to conduct economic analyses of the effects of various health care restructuring models on rural communities, including: the employment effects on the community of redirecting funds to new areas of service; the overall effects on the number of health care dollars expended in the area; the health care benefits of expending resources on upgrading emergency medical services vs. maintaining rural hospital beds to the health of patients; etc.

Establish an appropriate additional compensation structure to rural hospitals completing technical assistance planning projects to offset a portion of the DRG differential (that is, the differential between payments to rural and urban hospitals under the payment system based on diagnosis related groups) faced by those hospitals, within funds appropriated or available for that purpose.

Develop a medical facility licensure standard for a more limited, primarily infirmary care service, making use of the Montana experience. Seek appropriate federal waivers or other actions to allow continued coverage under Medicare for such facilities.

Establish the capacity within the state to assist rural communities in maximizing their use of Medicare and Medicaid funds through establishing rural health clinics under P.L. 95-210 and distinct part hospital beds (skilled nursing facilities).

Rural Occupational Health

Provide state support for expansion of the agricultural health and safety service pilot and related programs, including the following:

- A. Iowa Agricultural Health and Safety Service Pilots
(IA-HASSPP)
Add more hospitals (6 with networks)
Make grants for small hospitals who participate
Develop farmer stipends
Bolster University of Iowa staffing of project
Industrial Hygienist
Director/Coordinator
Evaluator
Center Support Staff
- B. Iowa State University Safety Specialist
Additional funding for staff
- C. Reporting/Surveillance of Farmer Sickness
Diseases
Accidents
- D. National Coalition for Agricultural Safety and Health
Travel (explain Iowa plan and seek funds)
Explain findings to Iowans

Provide funding for research on rural occupational health, including: an examination of the prevalence of rural occupational health injuries in the state; the current level of skill among rural health practitioners in diagnosing rural health occupational diseases, the continuing education support necessary for rural health practitioners to diagnose and treat illnesses caused by

exposure to rural occupational health hazards; and the types of actions that can help prevent agricultural accidents.

TITLE THREE: HEALTH CARE COST CONTAINMENT

Medicaid

Require the development of a relative value scale resource-based reimbursement system for physicians under Medicaid within the next two years.

Direct the department of human services to review and evaluate selective contracting arrangements in other states for their use in Iowa.

Prohibit health care providers (e.g., pharmacists) in intermediate care facilities serving Medicaid clients also to serve as consultants to those facilities on services and products they may supply.

General

Establish a health care services task force, to provide state policy recommendations (both with respect to Medicaid and general health care policy) on:

1. Ways to identify appropriate admission criteria for certain health services, including the use of small area analysis in the provision of health care services and the use of protocols to reduce hospital-based substance abuse and mental health treatment, and to investigate the overuse of heroic measures on the dying, the use of diagnostic procedures and tests, and the use of child psychiatric care.

2. Necessary protocols to create uniform access and utilization criteria so providers and insurers are less likely to discriminate for or against health services.

3. Ways to avoid duplication of service provision through encouraging coordination among existing health care practitioners.

Provide for the certificate of need staff of the department of public health to make specific recommendations to the health facilities council on certificate of need applications.

Make the certificate of need process applicable to physicians' equipment acquisitions, other than basic equipment and office space, subject to the dollar thresholds recommended in the Certificate of Need Committee's report issued in November 1988.

Enact the revisions to the certificate of need program recommended in the Certificate of Need Committee's report issued in November 1988.

TITLE FOUR: MEDICAL EDUCATION AND SUPPORT

Rural Health Practitioners

Establish a forgivable loan program for registered nurses who complete nurse practitioner education and licensure and locate practice in rural areas. Expand the nurse practitioner education programs in the state to provide education for additional people.

Allow nurse practitioners to perform all the duties currently allowed for physicians' assistants.

Osteopathic Subvention Program

Change the osteopathic subvention program to a forgivable loan program (Division Three of House File 2385, introduced in 1988).

Decentralization of Indigent Patient Fund and Medical Education

Establish a task force (including membership from the University of Iowa Hospitals and Clinics, the Iowa Hospital Association, the Health Policy Corporation of Iowa, the largest hospitals in the state, and consumer members) to identify means to provide greater decentralization of the indigent patient fund through the decentralization of medical education, making use of affiliations with the highest volume hospitals geographically distributed throughout the state. Require the task force to explore the potential for establishing areawide health education centers (AHEC's) within the state.

Establish a declining percentage of the indigent patient fund that may be used for services provided at the University of Iowa Hospitals and Clinics, from 100 percent of the funds in fiscal year 1989-90 to 50 percent of the funds in fiscal year 1994-95, with the remaining funds for use only at affiliated hospitals,

AND/OR

Reduce the level of funding for the indigent patient fund by one-half for fiscal year 1989-90, redirecting those funds to other programs established in this legislation.

TITLE FIVE: HEALTH PROMOTION

Financing

Increase by two percent the tax on alcohol to finance research and demonstration programs developed in other parts of the legislation.

Increase by two cents the tax on all tobacco products to finance research and demonstration programs developed in other parts of the legislation.

Disease Prevention

Include warning labels on all alcoholic beverages sold within the state, similar to those for cigarettes and including information on fetal alcohol syndrome.

Require data collection from employers on occupational injury and reinjury incidences.

Establish a set of objectives for the analysis of data available through the health data commission, including specific public policy research concerns, and provide the resources to address these research concerns in an objective, responsible fashion.

Strengthen the "Indoor Air Act" to apply to restaurants.

Enact a motorcycle helmet law for persons age 18 and under.

Expand the state employee assistance program (EAP) to maintain at least one position in each of the sixteen areas formerly designated as planning districts by the office of planning and programming (now known as regional planning districts).

Provide support for demonstration programs in school districts relating to substance abuse and the use of tobacco.