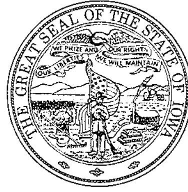

OFFICE OF THE GOVERNOR

CHESTER J. CULVER
GOVERNOR

PATTY JUDGE
LT. GOVERNOR

April 21, 2010

The Honorable Michael Mauro
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

Senate File 2156, an Act relating to the IowaCare program, and providing for repeals.

The above Senate File is hereby approved this date.

Sincerely,

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House

Senate File 2156

AN ACT

RELATING TO THE IOWACARE PROGRAM, AND PROVIDING FOR REPEALS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWACARE PROGRAM UPDATE

Section 1. Section 249J.5, subsections 1, 2, 7, 8, and 9, Code 2009, are amended to read as follows:

1. Except as otherwise provided in this chapter, an individual nineteen through sixty-four years of age shall be eligible solely for the expansion population benefits described in this chapter when provided through the expansion population provider network as described in this chapter, if the individual meets all of the following conditions:

a. The individual is not eligible for coverage under the medical assistance program ~~in effect on or after April 1, 2005~~.

b. The individual has a family income at or below two hundred percent of the federal poverty level as defined by the

most recently revised poverty income guidelines published by the United States department of health and human services.

c. The individual fulfills all other conditions of participation for the expansion population described in this chapter, including requirements relating to personal financial responsibility.

2. Individuals otherwise eligible solely for family planning benefits authorized under the medical assistance family planning services waiver~~, effective January 1, 2005, as described in 2004 Iowa Acts, chapter 1175, section 116, subsection 8,~~ may also be eligible for expansion population benefits provided through the expansion population provider network.

~~7. The department shall contract with the county general assistance directors to perform intake functions for the expansion population, but only at the discretion of the individual county general assistance director.~~

~~8.~~ 7. If the department provides intake services at the location of a provider included in the expansion population provider network, the department shall consider subcontracting with local nonprofit agencies to promote greater understanding between providers, under the medical assistance program and included in the expansion population provider network, and their recipients and members.

~~9.~~ 8. Following initial enrollment, an expansion population member shall reenroll annually by the last day of the month preceding the month in which the expansion population member initially enrolled. The department may provide a process for automatic reenrollment of expansion population members.

Sec. 2. Section 249J.6, subsection 1, unnumbered paragraph 1, Code 2009, is amended to read as follows:

~~Beginning July 1, 2005, the~~ The expansion population shall be eligible for all of the following expansion population services:

Sec. 3. Section 249J.6, subsection 2, Code 2009, is amended to read as follows:

2. *a.* Each expansion population member ~~who enrolls or reenrolls in the expansion population on or after January 31, 2007,~~ shall ~~participate, in conjunction with receiving~~ receive a ~~single~~ comprehensive medical examination ~~and completing a personal health improvement plan, in a health risk assessment coordinated by a health consortium representing providers, consumers, and medical education~~

~~institutions~~ annually. The ~~criteria for the~~ department may implement a web-based health risk assessment~~, the comprehensive medical examination, and the personal health improvement plan shall be developed and applied in a manner that takes into consideration cultural variations that may exist within the expansion population~~ for expansion population members that may include facilitation, if deemed to be cost-effective to the program. ~~The health risk assessment shall utilize a gender-specific approach. In developing the queries unique to women, a clinical advisory team shall be utilized that includes women's health professionals including but not limited to those with specialties in obstetrics and gynecology, endocrinology, mental health, behavioral health, oncology, cardiology, and rheumatology.~~

~~*b.* The health risk assessment shall be a web-based electronic system capable of capturing and integrating basic data to provide an individualized personal health improvement plan for each expansion population member. The health risk assessment shall provide a preliminary diagnosis of current and prospective health conditions and recommendations for improving health conditions with an individualized wellness program. The health risk assessment shall be made available to the expansion population member and the provider specified in paragraph "*c*" who performs the comprehensive medical examination and provides the individualized personal health improvement plan.~~

~~*c.* The single comprehensive medical examination and personal health improvement plan may be provided by an expansion population provider network physician, advanced registered nurse practitioner, or physician assistant or any other physician, advanced registered nurse practitioner, or physician assistant, available to any full benefit recipient including but not limited to such providers available through a free clinic or rural health clinic under a contract with the department to provide these services, through federally qualified health centers that employ a physician, or through any other nonprofit agency qualified or deemed to be qualified by the department to perform these services.~~

~~*d.* Following completion of an initial health risk assessment, comprehensive medical examination, and personal health improvement plan, an expansion population member may complete subsequent assessments, examinations, or plans with the recommendation and approval of a provider specified in paragraph "*c*".~~

~~*c.*~~ *b.* Refusal of an expansion population member to participate in a ~~health risk assessment,~~ comprehensive medical examination~~, or personal health improvement plan~~ or any health risk assessment implemented by the department, shall not be a basis for ineligibility for or disenrollment from the expansion population.

Sec. 4. Section 249J.6, subsection 3, Code 2009, is amended to read as follows:

3. ~~Beginning no later than July 1, 2006, expansion~~ Expansion population members shall be provided ~~all of the following:~~

~~*a.* Access to a pharmacy assistance clearinghouse program to match expansion population members with free or discounted prescription drug programs provided by the pharmaceutical industry.~~

~~*b.* Access~~ access to ~~a medical information hotline~~ an IowaCare nurse helpline, accessible twenty-four hours per day, seven days per week, to assist expansion population members in making appropriate choices about the use of emergency room and other health care services.

Sec. 5. Section 249J.7, subsection 1, Code 2009, is amended to read as follows:

1. Expansion population members shall only be eligible to receive expansion population services through a provider included in the expansion population provider network. Except as otherwise provided in this chapter, the expansion population provider network shall be limited to a publicly owned acute care teaching hospital located in a county with a population over three hundred fifty thousand~~,~~ and the university of Iowa hospitals and clinics~~, and the state hospitals for persons with mental illness designated pursuant to section 226.1 with the exception of the programs at such state hospitals for persons with mental illness that provide substance abuse treatment, serve gero-psychiatric patients, or treat sexually violent predators~~.

Sec. 6. Section 249J.8, Code 2009, is amended to read as follows:

249J.8 Expansion population members — financial participation.

1. Each expansion population member whose family income exceeds one hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human

services shall pay a monthly premium not to exceed one-twelfth of five percent of the member's annual family income. Each expansion population member whose family income is equal to or less than one hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services shall not be subject to payment of a monthly premium. All premiums shall be paid on the last day of the month of coverage. The department shall deduct the amount of any monthly premiums paid by an expansion population member for benefits under the healthy and well kids in Iowa program when computing the amount of monthly premiums owed under this subsection. An expansion population member shall ~~pay~~ respond to the monthly premium notices either through timely payment or a request for a hardship exemption during the entire period of the member's enrollment. Regardless of the length of enrollment, the member is subject to payment of the premium for a minimum of four consecutive months. However, an expansion population member who complies with the requirement of payment of the premium for a minimum of four consecutive months during a consecutive twelve-month period of enrollment shall be deemed to have complied with this requirement for the subsequent consecutive twelve-month period of enrollment and shall only be subject to payment of the monthly premium on a month-by-month basis. Timely payment of premiums, including any arrearages accrued from prior enrollment, is a condition of receiving any expansion population services. The payment to and acceptance by an automated case management system or the department of the premium required under this subsection shall not automatically confer initial or continuing program eligibility on an individual. A premium paid to and accepted by the department's premium payment process that is subsequently determined to be untimely or to have been paid on behalf of an individual ineligible for the program shall be refunded to the remitter in accordance with rules adopted by the department. Premiums collected under this subsection shall be deposited in the premiums subaccount of the account for health care transformation created pursuant to section 249J.23. An expansion population member shall also pay the same copayments required of other adult recipients of medical assistance.

2. The department may reduce the required out-of-pocket expenditures for an individual expansion population member based upon the member's increased wellness activities such

as smoking cessation or compliance with the personal health improvement plan completed by the member. The department shall also waive the required out-of-pocket expenditures for an individual expansion population member based upon a hardship that would accrue from imposing such required expenditures. Information regarding the premium payment obligation and the hardship exemption, including the process by which a prospective enrollee may apply for the hardship exemption, shall be provided to a prospective enrollee at the time of application. The prospective enrollee shall acknowledge, in writing, receipt and understanding of the information provided.

~~3. The department shall submit to the governor and the general assembly by March 15, 2006, a design for each of the following:~~

~~*a.* An insurance cost subsidy program for expansion population members who have access to employer health insurance plans, provided that the design shall require that no less than fifty percent of the cost of such insurance shall be paid by the employer.~~

~~*b.* A health care account program option for individuals eligible for enrollment in the expansion population. The health care account program option shall be available only to adults who have been enrolled in the expansion population for at least twelve consecutive calendar months. Under the health care account program option, the individual would agree to exchange one year's receipt of benefits under the expansion population, to which the individual would otherwise be entitled, for a credit to obtain any medical assistance program covered service up to a specified amount. The balance in the health care account at the end of the year, if any, would be available for withdrawal by the individual.~~

~~4.~~ 3. The department shall track ~~the impact of the~~ out-of-pocket expenditures ~~on~~ by expansion population ~~enrollment~~ members and shall report the ~~findings~~ data on ~~at least a quarterly basis to the medical assistance projections and assessment council established pursuant to section 249J.20~~ the department's internet website. The ~~findings~~ report shall include estimates of the number of expansion population members complying and not complying with payment of required out-of-pocket expenditures~~, the number of expansion population members not complying with payment of required out-of-pocket expenditures and the reasons for noncompliance, any impact as a result of the out-of-pocket~~

~~requirements on the provision of services to the populations previously served, the administrative time and cost associated with administering the out-of-pocket requirements, and the benefit to the state resulting from the out-of-pocket expenditures~~. To the extent possible, the department shall track the income level of the member, the health condition of the member, and the family status of the member relative to the out-of-pocket information.

Sec. 7. Section 249J.9, Code 2009, is amended to read as follows:

249J.9 Future ~~expansion population,~~ benefits~~,~~ and provider network growth.

~~1. *Population.* The department shall contract with the division of insurance of the department of commerce or another appropriate entity to track, on an annual basis, the number of uninsured and underinsured Iowans, the cost of private market insurance coverage, and other barriers to access to private insurance for Iowans. Based on these findings and available funds, the department shall make recommendations, annually, to the governor and the general assembly regarding further expansion of the expansion population.~~

~~2.~~ 1. *Benefits.*

a. The department shall not provide services to expansion population members that are in addition to the services originally designated by the department pursuant to section 249J.6, without express authorization provided by the general assembly.

b. The department, upon the recommendation of the clinicians advisory panel established pursuant to section 249J.18, may change the scope and duration of any of the available expansion population services, but this subsection shall not be construed to authorize the department to make expenditures in excess of the amount appropriated for benefits for the expansion population.

~~3.~~ 2. *Expansion population provider network.*

a. The department shall not expand the expansion population provider network unless the department is able to pay for expansion population services provided by such providers at the full benefit recipient rates.

b. The department may limit access to the expansion population provider network by the expansion population to the extent the department deems necessary to meet the financial obligations to each provider under the expansion population

provider network. This subsection shall not be construed to authorize the department to make any expenditure in excess of the amount appropriated for benefits for the expansion population.

Sec. 8. Section 249J.10, subsection 2, Code 2009, is amended to read as follows:

2. The department ~~of human services shall~~ may include in its annual budget submission, recommendations relating to a disproportionate share hospital and graduate medical education allocation plan that maximizes the availability of federal funds for payments to hospitals for the care and treatment of indigent patients.

Sec. 9. Section 249J.11, Code 2009, is amended to read as follows:

249J.11 Nursing facility level of care determination for facility-based and community-based services.

The department shall amend the medical assistance state plan to provide for all of the following:

1. That nursing facility level of care services under the medical assistance program shall be available to an individual admitted to a nursing facility ~~on or after July 1, 2005~~, who meets eligibility criteria for the medical assistance program pursuant to section 249A.3, if the individual also meets any of the following criteria:

a. Based upon the minimum data set, the individual requires limited assistance, extensive assistance, or has total dependence on assistance, provided by the physical assistance of one or more persons, with three or more activities of daily living as defined by the minimum data set, section G, entitled "physical functioning and structural problems".

b. Based on the minimum data set, the individual requires the establishment of a safe, secure environment due to moderate or severe impairment of cognitive skills for daily decision making.

c. The individual has established a dependency requiring residency in a medical institution for more than one year.

2. That ~~an individual admitted to a nursing facility prior to July 1, 2005, and~~ an individual applying for home and community-based services waiver services at the nursing facility level of care ~~on or after July 1, 2005~~, who meets the eligibility criteria for the medical assistance program pursuant to section 249A.3, shall also meet any of the following criteria:

a. Based on the minimum data set, the individual requires supervision, or limited assistance, provided on a daily basis by the physical assistance of at least one person, for dressing and personal hygiene activities of daily living as defined by the minimum data set, section G, entitled "physical functioning and structural problems".

b. Based on the minimum data set, the individual requires the establishment of a safe, secure environment due to modified independence or moderate impairment of cognitive skills for daily decision making.

3. That, ~~beginning July 1, 2005,~~ if nursing facility level of care is determined to be medically necessary for an individual and the individual meets the nursing facility level of care requirements for home and community-based services waiver services under subsection 2, but appropriate home and community-based services are not available to the individual in the individual's community at the time of the determination or the provision of available home and community-based services to meet the skilled care requirements of the individual is not cost-effective, the criteria for admission of the individual to a nursing facility for nursing facility level of care services shall be the criteria in effect on June 30, ~~2005~~ 2010. The department of human services shall establish the standard for determining cost-effectiveness of home and community-based services under this subsection.

4. The department shall develop a process to allow individuals identified under subsection 3 to be served under the home and community-based services waiver at such time as appropriate home and community-based services become available in the individual's community.

Sec. 10. Section 249J.13, Code 2009, is amended to read as follows:

249J.13 Children's mental health waiver services.

The department shall provide medical assistance waiver services to ~~not more than three hundred~~ children who meet the eligibility criteria for the medical assistance program pursuant to section 249A.3, and also meet the criteria specified in section 234.7, subsection 2.

Sec. 11. Section 249J.14, Code 2009, is amended to read as follows:

249J.14 Health promotion partnerships.

~~1. *Services for adults at state mental health institutes.* Beginning July 1, 2005, inpatient and~~

~~outpatient hospital services at the state hospitals for persons with mental illness designated pursuant to section 226.1 shall be covered services under the medical assistance program.~~

~~2.~~ 1. *Dietary counseling.* ~~By July 1, 2006~~ If a cost-effective strategy with a measurable return on investment or an impact on health care outcomes is identified, the department ~~shall~~ may design and ~~begin implementation of~~ implement a strategy to provide dietary counseling and support to child and adult recipients of medical assistance and to expansion population members to assist these recipients and members in avoiding excessive weight gain or loss and to assist in development of personal weight loss programs for recipients and members determined by the recipient's or member's health care provider to be clinically overweight.

~~3.~~ 2. ~~*Electronic medical records*~~ *Medical assistance health information technology program.* ~~By October 1, 2006, the~~ The department shall develop a ~~practical strategy for expanding utilization of electronic medical recordkeeping by providers under the medical assistance program and the expansion population provider network. The plan shall focus, initially, on medical assistance program recipients and expansion population members whose quality of care would be significantly enhanced by the availability of~~ medical assistance health information technology program for promoting the adoption and meaningful use of electronic medical recordkeeping by providers under the medical assistance program and the Iowa Medicaid enterprise pursuant to the federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5. The department shall do all of the following:

a. Design and implement a program for distribution and monitoring of provider incentive payments, including development of a definition of "*meaningful use*" for purposes of promoting the use of electronic medical recordkeeping by providers. The department shall develop this program in collaboration with the department of public health and the electronic health information advisory council and executive committee created pursuant to section 135.156.

b. Develop the medical assistance health information technology plan as required by the centers for Medicare and Medicaid services of the United States department of health and human services. The plan shall provide detailed implementation plans for the medical assistance program for promotion of the adoption and meaningful use of health information technology by

medical assistance providers and the Iowa Medicaid enterprise. The plan shall include the integration of health information technology and health information exchange with the medical assistance management information system. The plan shall be developed in collaboration with the department of public health and the electronic health information advisory council and executive committee created pursuant to section 135.156.

~~4.~~ 3. *Provider incentive payment programs.* ~~By January 1, 2007~~ If a cost-effective strategy with a measurable return on investment or an impact on health care outcomes is identified, the department ~~shall~~ may design and implement a provider incentive payment program for providers under the medical assistance program and providers included in the expansion population provider network ~~based upon evaluation of public and private sector models~~.

~~5. *Health assessment for medical assistance recipients with mental retardation or developmental disabilities.* The department shall work with the university of Iowa colleges of medicine, dentistry, nursing, pharmacy, and public health, and the university of Iowa hospitals and clinics to determine whether the physical and dental health of recipients of medical assistance who are persons with mental retardation or developmental disabilities are being regularly and fully addressed and to identify barriers to such care. The department shall report the department's findings to the governor and the general assembly by January 1, 2007.~~

~~6.~~ 4. *Smoking cessation.* The department, in collaboration with ~~Iowa~~ department of public health programs relating to tobacco use prevention and cessation, shall implement a program with the goal of reducing smoking among recipients of medical assistance ~~who are children to less than one percent~~ and among ~~recipients of medical assistance and~~ expansion population members ~~who are adults to less than ten percent, by July 1, 2007~~.

~~7.~~ 5. *Dental home for children.* The department shall enter into an interagency agreement with the department of public health for infrastructure development and oral health coordination services for recipients of medical assistance to increase access to dental care for medical assistance recipients. By December 31, ~~2010~~ 2011, every recipient of medical assistance who is a child twelve years of age or younger shall have a designated dental home and shall be provided with the dental screenings, preventive services, diagnostic