

Senate File 480 - Introduced

SENATE FILE 480
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SF 117)

A BILL FOR

1 An Act relating to health care and policy, and health care
2 infrastructure and integration of public and private
3 programs, and related matters, and including effective date
4 provisions.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

DIVISION I
HEALTH CARE INFRASTRUCTURE —
CERTIFICATE OF NEED

Section 1. Section 135.61, subsection 17, Code 2011, is amended by striking the subsection.

Sec. 2. Section 135.61, subsection 21, Code 2011, is amended to read as follows:

21. *“Outpatient surgical facility”* means a medical facility which as its primary function provides, through an organized medical staff and on an outpatient basis to patients who are generally ambulatory, that provides surgical procedures not ordinarily performed in a private physician’s office, but not requiring twenty-four hour hospitalization, and which is neither a part of a hospital nor the private office of a health care provider who there engages in the lawful practice of surgery in at least one dedicated, fully equipped operating room, which has the capacity to permit administration of general anesthesia, to patients who are admitted to and discharged from the facility within the same day, that meets staffing and equipment requirements necessary to ensure patient safety and quality care. *“Outpatient surgical facility”* includes a ~~facility certified or seeking certification as an ambulatory surgical center, under the federal Medicare program or under the medical assistance program established pursuant to chapter 249A.~~

Sec. 3. Section 135.63, subsection 1, Code 2011, is amended to read as follows:

1. A new institutional health service or changed institutional health service shall not be offered or developed in this state without prior application to the department for and receipt of a certificate of need, pursuant to this division. The application shall be made upon forms furnished or prescribed by the department and shall contain such information as the department may require under this division. The application shall be accompanied by a fee equivalent to

1 three-tenths of one percent of the anticipated cost of the
2 project with a minimum fee of six hundred dollars and a maximum
3 fee of twenty-one thousand dollars. The fee shall be ~~remitted~~
4 retained by the department ~~to the treasurer of state, who shall~~
5 ~~place it in the general fund of the state for administration~~
6 and fulfillment of the duties set out in this division VI of
7 this chapter. Revenues retained by the department under this
8 section shall be considered repayment receipts as defined in
9 section 8.2. Notwithstanding section 8.33, moneys retained
10 by the department pursuant to this section are not subject to
11 reversion to the general fund of the state. If an application
12 is voluntarily withdrawn within thirty calendar days after
13 submission, seventy-five percent of the application fee shall
14 be refunded; if the application is voluntarily withdrawn more
15 than thirty but within sixty days after submission, fifty
16 percent of the application fee shall be refunded; if the
17 application is withdrawn voluntarily more than sixty days
18 after submission, twenty-five percent of the application fee
19 shall be refunded. Notwithstanding the required payment of an
20 application fee under this subsection, an applicant for a new
21 institutional health service or a changed institutional health
22 service offered or developed by an intermediate care facility
23 for persons with mental retardation or an intermediate care
24 facility for persons with mental illness as defined pursuant to
25 section 135C.1 is exempt from payment of the application fee.

26 Sec. 4. Section 135.63, subsection 2, paragraph 1, Code
27 2011, is amended by striking the paragraph and inserting in
28 lieu thereof the following:

29 1. The repair, remodeling, or renovation of any
30 institutional health facility necessary to meet federal or
31 state compliance if the repair, remodeling, or renovation does
32 not add new health services or additional bed capacity for
33 existing health services, notwithstanding any provision of this
34 division to the contrary.

35 Sec. 5. Section 135.63, subsection 2, paragraphs n and o,

1 Code 2011, are amended to read as follows:

2 *n.* Hospice services ~~provided by a hospital~~, notwithstanding
3 any provision in this division to the contrary.

4 *o.* The change in ownership, ~~licensure, or~~ organizational
5 structure, ~~or designation of the type of~~ institutional health
6 facility if the health services offered by the successor
7 institutional health facility are unchanged. This exclusion is
8 applicable only if the institutional health facility consents
9 to the change in ownership, ~~licensure, or~~ organizational
10 structure, ~~or designation of the type of~~ institutional health
11 facility and ceases offering the health services simultaneously
12 with the initiation of the offering of health services by the
13 successor institutional health facility.

14 DIVISION II

15 OFFICE OF HEALTH POLICY

16 Sec. 6. Section 135.163, Code 2011, is amended to read as
17 follows:

18 **135.163 ~~Health and long-term care access~~ Office of health**
19 **policy.**

20 1. The An office of health policy is created in the
21 department shall coordinate to integrate public and private
22 efforts to develop in formulating and implementing a state
23 health policy agenda. The department shall coordinate the
24 efforts of appropriate divisions within the department to
25 support the work of the office. The state health policy agenda
26 shall accomplish all of the following:

27 a. Develop and maintain an appropriate health care delivery
28 infrastructure and a stable, well-qualified, diverse, and
29 sustainable health care workforce in this state. The health
30 care delivery infrastructure and the health care workforce
31 shall address the broad spectrum of health care needs of Iowans
32 throughout their lifespan including long-term care needs.

33 b. Establish a methodology and process to achieve cultural
34 transformation that emphasizes health and wellness by removing
35 barriers across the spectrum of personal, professional, and

1 community constructs to empower individual behavioral and
2 systemic change.

3 c. Provide for the collection, analysis, and use of cost
4 and quality data to inform decisions by individual consumers,
5 businesses, and policymakers in determining the most effective
6 and efficient use of resources in arriving at economically
7 sustainable health care outcomes.

8 2. The office shall be staffed by a coordinator who is
9 a health economist. The coordinator may utilize existing
10 councils and workgroups as necessary and shall establish
11 a technical advisory council to assist in the development
12 of policy priorities and the strategic plan described in
13 subsection 3. The technical advisory council shall include
14 but is not limited to representatives of the university of
15 Iowa college of public health and the university of Iowa
16 public policy center, health planners, health care consumers,
17 health care purchasers, state and local agencies that regulate
18 entities involved in health care, health care providers, and
19 health care facilities.

20 3. The ~~department~~ office of health policy shall, at a
21 minimum, do all of the following:

22 ~~1-~~ a. Develop a strategic plan for health care delivery
23 infrastructure and health care workforce resources in this
24 state in accordance with section 135.164. The office shall
25 act as an ongoing resource to the health facilities council in
26 evaluating and updating the certificate of need program.

27 ~~2-~~ b. Provide for the continuous collection of data to
28 provide a basis for health care strategic planning and health
29 care ~~policymaking~~ decision making by individual consumers,
30 businesses, and policymakers.

31 ~~3-~~ Make recommendations regarding the health care delivery
32 infrastructure and the health care workforce that assist
33 in monitoring current needs, predicting future trends, and
34 informing policymaking.

35 c. Develop and implement a blueprint to make Iowa one of the

1 healthiest states by the year 2014.

2 Sec. 7. Section 135.164, Code 2011, is amended to read as
3 follows:

4 **135.164 Strategic plan.**

5 1. Development of a strategic plan. The office
6 shall develop a strategic plan for health care delivery
7 infrastructure and health care workforce resources. The
8 strategic plan shall describe the existing health care system,
9 describe and provide a rationale for the desired health
10 care system, provide an action plan for implementation of
11 changes necessary to achieve the desired health care system,
12 and provide methods to evaluate the system. The plan shall
13 incorporate expenditure control methods and integrate criteria
14 for evidence-based health care. The ~~department~~ office shall
15 do all of the following in developing the strategic plan ~~for~~
16 ~~health care delivery infrastructure and health care workforce~~
17 ~~resources:~~

18 a. Conduct strategic health planning activities related to
19 preparation of the strategic plan.

20 b. Develop a computerized system for accessing, analyzing,
21 and disseminating data relevant to strategic health planning.
22 The ~~department~~ office may enter into data sharing agreements
23 and contractual arrangements necessary to obtain or disseminate
24 relevant data.

25 c. Conduct research and analysis or arrange for research
26 and analysis projects to be conducted by public or private
27 organizations to further the development of the strategic plan.

28 ~~d. Establish a technical advisory committee to assist in~~
29 ~~the development of the strategic plan. The members of the~~
30 ~~committee may include but are not limited to health economists,~~
31 ~~representatives of the university of Iowa college of public~~
32 ~~health, health planners, representatives of health care~~
33 ~~purchasers, representatives of state and local agencies that~~
34 ~~regulate entities involved in health care, representatives~~
35 ~~of health care providers and health care facilities, and~~

1 ~~consumers.~~

2 2. Guiding principles. The strategic plan shall include
3 statewide health planning policies and goals related to the
4 availability of health care facilities and services, the
5 availability of appropriate health care workforce resources,
6 health and wellness promotion, the quality of care, and the
7 cost of care. The policies and goals shall be based on the
8 following principles:

9 a. That a strategic health planning process, responsive to
10 changing health and social needs and conditions, is essential
11 to the health, safety, and welfare of Iowans. The process
12 shall be reviewed and updated as necessary to ensure that the
13 strategic plan addresses all of the following:

14 (1) Promoting and maintaining the health of all Iowans.

15 (2) Providing accessible health care services through the
16 maintenance of an ~~adequate~~ appropriate and sustainable supply
17 of health facilities and an ~~adequate~~ a competent workforce
18 reserve.

19 (3) Controlling excessive increases in costs.

20 (4) Applying specific quality criteria and population
21 health indicators.

22 (5) Recognizing prevention and wellness as priorities ~~in~~
23 ~~health care programs to improve quality and reduce costs and~~
24 promoting prevention and wellness across all sectors to improve
25 individual well-being and health outcomes, while reducing human
26 and financial costs.

27 (6) Addressing periodic priority issues including disaster
28 planning, public health threats, and public safety dilemmas.

29 (7) Coordinating health care delivery and resource
30 development efforts among state agencies including those tasked
31 with facility, services, and professional provider licensure;
32 state and federal reimbursement; health service utilization
33 data systems; and others.

34 (8) Recognizing long-term care as an integral component of
35 the health care delivery infrastructure and as an essential

1 service provided by the health care workforce.

2 *b.* That both consumers and providers throughout the state
3 must be involved in the health planning process, outcomes of
4 which shall be clearly articulated and available for public
5 review and use.

6 *c.* That the supply of a health care service has a
7 substantial impact on utilization of the service, independent
8 of the effectiveness, medical necessity, or appropriateness of
9 the particular health care service for a particular individual.

10 *d.* That given that health care resources are not unlimited,
11 the impact of any new health care service or facility on
12 overall health expenditures in this state must be considered.

13 *e.* That excess capacity of health care services and
14 facilities places an increased economic burden on the public.

15 *f.* That the likelihood that a requested new health care
16 facility, service, or equipment will improve health care
17 quality and outcomes must be considered.

18 *g.* That development and ongoing maintenance of current and
19 accurate health care information and statistics related to cost
20 and quality of health care and projections of the need for
21 health care facilities and services are necessary to developing
22 an effective health care planning strategy.

23 *h.* That the certificate of need program as a component
24 of the health care planning regulatory process must balance
25 considerations of access to quality care at a reasonable
26 cost for all Iowans, optimal use of existing health care
27 resources, fostering of expenditure control, and elimination of
28 unnecessary duplication of health care facilities and services,
29 while supporting improved health care outcomes.

30 *i.* That strategic health care planning must be concerned
31 with the stability of the health care system, encompassing
32 health care financing, quality, and the availability of
33 information and services for all residents.

34 3. Components of the strategic plan. The health care
35 ~~delivery infrastructure and health care workforce resources~~

1 strategic plan developed by the ~~department~~ office shall include
2 all of the following:

3 *a. Assessment and objectives.* A health care system
4 assessment and objectives component that does all of the
5 following:

6 (1) Describes state ~~and regional~~ population demographics,
7 health status indicators, and trends in health status and
8 health care needs.

9 (2) Identifies key policy objectives for the state health
10 care system related to access to care, health care outcomes,
11 quality, and cost-effectiveness.

12 *b. Certificate of need determinations.* A health care
13 facilities and services plan that assesses the demand for
14 health care facilities and services to inform state health care
15 planning efforts and direct certificate of need determinations
16 for those facilities and services subject to certificate of
17 need. The plan shall include all of the following:

18 (1) An inventory of ~~each geographic region's~~ existing
19 health care facilities and services.

20 (2) Projections of the need for each category of health care
21 facility and service, including those subject to certificate
22 of need.

23 (3) Policies to guide the addition of new or expanded health
24 care facilities and services to promote the use of quality,
25 evidence-based, cost-effective health care delivery options,
26 including any recommendations for criteria, standards, and
27 methods relevant to the certificate of need review process.

28 (4) An assessment of the availability of health
29 care providers, public health resources, transportation
30 infrastructure, and other considerations necessary to support
31 ~~the needed health care facilities and services in each region.~~

32 (5) An analysis of and recommended revisions to division VI
33 of this chapter to direct certificate of need determinations in
34 a manner that reflects the statewide health planning policies
35 and goals specified in subsection 2. The analysis shall

1 specifically address inclusions in and exclusions from the
2 certificate of need process and whether the exclusions comport
3 with the policies and goals specified in subsection 2.

4 *c. Data resources.* A health care data resources plan that
5 identifies data elements necessary to properly conduct planning
6 activities and to review certificate of need applications,
7 including data related to inpatient and outpatient utilization
8 and outcomes information, and financial and utilization
9 information related to charity care, quality, and cost. The
10 plan shall provide all of the following:

11 (1) An inventory of existing data resources, both public
12 and private, that store and disclose information relevant
13 to the health care planning process, including information
14 necessary to conduct certificate of need activities. The plan
15 shall identify any deficiencies in the inventory of existing
16 data resources and the data necessary to conduct comprehensive
17 health care planning activities. The plan may recommend that
18 the ~~department~~ office be authorized to access existing data
19 sources and conduct appropriate analyses of such data or
20 that other agencies expand their data collection activities
21 as statutory authority permits. The plan may identify any
22 ~~computing~~ information technology infrastructure deficiencies
23 that impede the proper storage, transmission, and analysis of
24 health care planning data.

25 (2) Recommendations for increasing the availability of data
26 related to health care planning to provide greater community
27 involvement in the health care planning process and consistency
28 in data used for certificate of need applications and
29 determinations. The plan shall also integrate the requirements
30 for annual reports by hospitals and health care facilities
31 pursuant to section 135.75, the provisions relating to analyses
32 and studies by the department pursuant to section 135.76,
33 the data compilation provisions of section 135.78, and the
34 provisions for contracts for assistance with analyses, studies,
35 and data pursuant to section 135.83.

1 ~~d.~~ e. Evaluation of trends. An assessment of emerging
2 trends in health care delivery and technology as they relate to
3 access to health care facilities and services, quality of care,
4 and costs of care. The assessment shall recommend any changes
5 to the scope of health care facilities and services ~~covered by~~
6 ~~the certificate of need program~~ that may be warranted by these
7 emerging trends. In addition, the assessment may recommend
8 any changes to criteria used by the department to review
9 certificate of need applications, as necessary.

10 ~~e.~~ f. Rural health care resources plan. A rural health care
11 resources plan to assess the availability of health resources
12 in rural areas of the state, assess the unmet needs of these
13 communities, and evaluate how federal and state reimbursement
14 policies can be modified, if necessary, to more efficiently and
15 effectively meet the health care needs of rural communities.
16 The plan shall consider the unique health care needs of rural
17 communities, the adequacy of the rural health care workforce,
18 and transportation needs for accessing appropriate care.

19 ~~f.~~ g. Workforce resources plan. A health care workforce
20 resources plan to assure a competent, diverse, and sustainable
21 health care workforce in Iowa and to improve access to health
22 care in underserved areas and among underserved populations.
23 The plan shall include the establishment of an advisory council
24 to inform and advise the department and policymakers regarding
25 issues relevant to the health care workforce in Iowa. The
26 health care workforce resources plan shall recognize long-term
27 care as an essential service provided by the health care
28 workforce.

29 h. Blueprint for a healthy Iowa. A blueprint for a
30 healthy Iowa to provide a methodology and process for cultural
31 transformation that emphasizes health and wellness by removing
32 barriers across the spectrum of personal, professional, and
33 community constructs to empower individual behavioral and
34 systemic change. The blueprint shall provide for coordination
35 of existing public and private health and wellness initiatives

1 and shall include recommendations for replication of health and
2 wellness initiatives for which evidence-based success has been
3 demonstrated.

4 *i. Long-term living plan.* A long-term living plan that
5 reflects the intent specified in section 231F.1 in a manner
6 that most effectively and efficiently meets the needs of
7 Iowa's population. The plan may include recommendations
8 for modification of requirements for certificate of need
9 determinations, health care workforce requirements, and funding
10 to promote the specified intent.

11 ~~4. The department shall submit the initial statewide health~~
12 ~~care delivery infrastructure and resources strategic plan to~~
13 ~~the governor and the general assembly by January 1, 2010, and~~
14 ~~shall submit an updated strategic plan to the governor and the~~
15 ~~general assembly every two years thereafter.~~

16 4. The office shall develop a timeline for completion and
17 submission of the various components of the strategic plan to
18 the governor and the general assembly and shall submit the
19 proposed timeline to the governor and the general assembly by
20 October 1, 2011. The component relating to certificate of
21 need determinations shall be completed and submitted to the
22 governor and the general assembly by October 1, 2011. The
23 office may contract with public or private entities to provide
24 impartial, evidence-based research and analysis in developing
25 this component of the strategic plan.

26 Sec. 8. EFFECTIVE UPON ENACTMENT. This division of this
27 Act, being deemed of immediate importance, takes effect upon
28 enactment.

29 DIVISION III

30 MEDICATION THERAPY MANAGEMENT

31 Sec. 9. NEW SECTION. 135P.1 Medication therapy management.

32 1. As used in this chapter, unless the context otherwise
33 requires:

34 *a. "Eligible employee"* means an employee of the state
35 including an employee of the state board of regents or

1 institutions under the state board of regents for whom group
2 health plans are established pursuant to chapter 509A providing
3 for third-party payment or prepayment for health or medical
4 expenses, and employees of a governmental subdivision for whom
5 the governmental subdivision provides for third-party payment
6 or prepayment for health or medical expenses.

7 *b. "Medication therapy management"* means a systematic
8 process performed by a licensed pharmacist, designed to
9 optimize therapeutic outcomes through improved medication use
10 and reduced risk of adverse drug events, including all of the
11 following services:

12 (1) A medication therapy review and in-person consultation
13 relating to all medications, vitamins, and herbal supplements
14 currently being taken by an eligible individual.

15 (2) A medication action plan, subject to the limitations
16 specified in this section, communicated to the individual and
17 the individual's primary care physician or other appropriate
18 prescriber to address safety issues, inconsistencies,
19 duplicative therapy, omissions, and medication costs. The
20 medication action plan may include recommendations to the
21 prescriber for changes in drug therapy.

22 (3) Documentation and follow-up to ensure consistent levels
23 of pharmacy services and positive outcomes.

24 2. *a.* The department of administrative services shall, and
25 the state board of regents and governmental subdivisions at
26 the election of the state board of regents or the governmental
27 subdivision respectively may, utilize a request for proposals
28 process to contract for the provision of medication therapy
29 management services for eligible employees who meet any of the
30 following criteria:

31 (1) An individual who takes four or more prescription drugs
32 to treat or prevent two or more chronic medical conditions.

33 (2) An individual with a prescription drug therapy problem
34 who is identified by the prescribing physician or other
35 appropriate prescriber, and referred to a pharmacist for

1 medication therapy management services.

2 (3) An individual who meets other criteria established by
3 the third-party payment provider contract, policy, or plan.

4 *b.* For any contract for medication therapy management
5 services for eligible employees of the state under the purview
6 of the department of administrative services all of the
7 following shall apply:

8 (1) The department shall utilize an advisory committee
9 comprised of an equal number of physicians and pharmacists to
10 provide advice and oversight regarding the contract and the
11 evaluation processes. The department shall appoint the members
12 of the advisory committee from designees of the Iowa pharmacy
13 association, the Iowa medical society, and the Iowa osteopathic
14 medical association.

15 (2) The contract shall require the contractor to provide
16 annual reports to the general assembly detailing the costs,
17 savings, estimated cost avoidance and return on investment, and
18 patient outcomes related to the medication therapy management
19 services provided. The contractor shall guarantee demonstrated
20 annual savings, including any savings associated with cost
21 avoidance at least equal to the contract's costs with any
22 shortfall amount refunded to the state. The department and the
23 contractor shall agree on the terms, conditions, and applicable
24 measurement standards associated with the demonstration of
25 savings. The department shall verify that the demonstrated
26 savings reported by the contractor were attained in accordance
27 with the agreed upon measurement standards. The contractor
28 shall be prohibited from using the contractor's employees to
29 provide the medication therapy management services and shall
30 instead be required to contract with licensed pharmacies,
31 pharmacists, or physicians.

32 *c.* The fees for pharmacist-delivered medication therapy
33 management services shall be separate from the reimbursement
34 for prescription drug product or dispensing services; shall
35 be determined by each third-party payment provider contract,

1 policy, or plan; and must be reasonable based on the resources
2 and time required to provide the service.

3 d. A fee shall be established for physician reimbursement
4 for services delivered for medication therapy management as
5 determined by each third-party payment provider contract,
6 policy, or plan, and must be reasonable based on the resources
7 and time required to provide the service.

8 e. If any part of the medication therapy management
9 plan developed by a pharmacist incorporates services which
10 are outside the pharmacist's independent scope of practice
11 including the initiation of therapy, modification of dosages,
12 therapeutic interchange, or changes in drug therapy, the
13 express authorization of the individual's physician or other
14 appropriate prescriber is required.

15 Sec. 10. APPLICATION. The department of administrative
16 services shall continue to contract for the provision of
17 medication therapy management services under the initial
18 contract entered into pursuant to 2010 Iowa Acts, chapter 1193,
19 section 166. Upon completion of the initial contract term,
20 the department shall utilize a request for proposals process
21 to subsequently contract for medication therapy management
22 services pursuant to section 135P.1 as enacted in this Act.

23 Sec. 11. EFFECTIVE UPON ENACTMENT. This division of this
24 Act, being deemed of immediate importance, takes effect upon
25 enactment.

26 DIVISION IV

27 DIRECTIVES FOR INTEGRATION OF PUBLIC AND PRIVATE PROGRAMS

28 Sec. 12. PLAN FOR SEAMLESS PUBLIC AND PRIVATE PROGRAM
29 INTEGRATION IN IOWA HEALTH BENEFIT EXCHANGE. The department
30 of human services, division of insurance of the department of
31 commerce, department of public health, department of revenue,
32 department of workforce development, and other appropriate
33 agencies, shall develop a plan to meet the requirements of the
34 federal Patient Protection and Affordable Care Act, Pub. L.
35 No. 111-148, relating to a health benefit exchange. The plan

1 shall address issues relating to eligibility determinations
2 for Medicaid, hawk-i, and tax credit subsidies; information
3 technology and process reengineering; necessary policy,
4 statutory, and regulatory changes; financing; and tools
5 and strategies necessary for implementation. The plan
6 shall provide for integration and seamless operation of the
7 eligibility system, which shall be housed within the department
8 of human services, with the Iowa health benefit exchange, if
9 created. The departments shall submit a joint plan to the
10 joint appropriations subcommittee on health and human services
11 by October 15, 2011.

12 Sec. 13. BENCHMARK PLAN DEVELOPMENT — ANALYSIS OF
13 INCLUSION OF BEHAVIORAL HEALTH BENEFITS. The department of
14 human services shall analyze how the inclusion of behavioral
15 health benefits in a benchmark plan developed under the
16 federal Patient Protection and Affordable Care Act, Pub. L. No.
17 111-148, would impact the delivery and financing of behavioral
18 health services in the state. The department shall report its
19 findings to the joint appropriations subcommittee on health and
20 human services no later than sixty days following the receipt
21 of federal directives or regulations regarding requirements for
22 benchmark plans.

23 Sec. 14. FEDERAL FUNDING OPPORTUNITIES. The department
24 of human services, department of public health, division of
25 insurance of the department of commerce, and other affected
26 state agencies shall pursue all federal funding opportunities
27 under the federal Patient Protection and Affordable Care Act,
28 Pub. L. No. 111-148, including but not limited to funding
29 relating to implementation funding for the health benefit
30 exchange and eligibility system planning and implementation.
31 The departments shall coordinate efforts to the maximum extent
32 possible and shall report their activities on a monthly basis
33 to the joint appropriations subcommittee on health and human
34 services.

35 Sec. 15. ALL-PAYER CLAIMS DATABASE PLAN. The department of

1 human services shall develop a plan to establish an all-payer
2 claims database to provide for the collection and analysis of
3 claims data from multiple payers of health care. The plan
4 shall establish the goals of the database which may include
5 but are not limited to determining health care utilization
6 patterns and rates; identifying gaps in prevention and health
7 promotion services; evaluating access to care; assisting with
8 benefit design and planning; analyzing statewide and local
9 health care expenditures by provider, employer, and geography;
10 informing the development of payment systems for providers; and
11 establishing clinical guidelines related to quality, safety,
12 and continuity of care. The plan shall identify a standard
13 means of data collection, statutory changes necessary to the
14 collection and use of the data, and the types of claims for
15 which collection of data is required which may include but are
16 not limited to eligibility data; provider information; medical
17 data; private and public medical, pharmacy, and dental claims
18 data; and other appropriate data. The plan shall also include
19 an implementation and maintenance schedule including a proposed
20 budget and funding plan and vision for the future.

21 Sec. 16. PROVIDER PAYMENT SYSTEM PLAN — PILOT PROJECT.

22 1. The department of human services shall develop a provider
23 payment system plan to provide recommendations to reform the
24 health care provider payment system as an effective way to
25 promote coordination of care, lower costs, and improve quality.
26 The plan shall provide analysis and recommendations regarding
27 but not limited to accountable care organizations, a global
28 payment system, or an episode of care payment system.

29 2. a. If an entity applies for certification from the
30 secretary of the United States department of health and
31 human services prior to January 1, 2012, and is subsequently
32 certified to administer an accountable care organization
33 pilot project, pursuant to the federal Patient Protection and
34 Accountability Act, Pub. L. No. 111-148, the department of
35 human services shall work with the entity to provide access to

1 the complete deidentified claims data of the medical assistance
2 recipients receiving health care services through the pilot
3 project for the purposes of identifying areas of utilization,
4 need, and potential cost savings to the medical assistance
5 program. The department shall also employ new payment models,
6 information technology, and data analytics provisions necessary
7 to the administration of the pilot project.

8 b. The department of human services shall work with
9 an entity to administer an accountable care organization
10 pilot project, only if the entity meets all of the following
11 requirements:

12 (1) At a minimum, includes the participation of a
13 prospective payment system hospital, ten primary care
14 physicians, a home health care practice, a palliative care
15 services, a hospice service, and a community mental health
16 center, all of which agree to be paid under a partial or global
17 payment for identified services.

18 (2) Requires all participating providers to utilize
19 electronic health records.

20 (3) Includes delivery of mental health services to
21 recipients of medical assistance through collaboration with the
22 regional community mental health center, a federally qualified
23 health center, and at least one nursing facility.

24 c. The entity certified to implement the pilot project shall
25 report to the joint appropriations subcommittee for health and
26 human services during the 2012 legislative session detailing
27 the progress and expected outcomes of the pilot project.

28 Sec. 17. EFFECTIVE UPON ENACTMENT. This division of this
29 Act, being deemed of immediate importance, takes effect upon
30 enactment.

31 EXPLANATION

32 This bill relates to health care and health policy.
33 Division I of the bill relates to certificate of need
34 determinations. The bill amends certificate of need
35 exclusions relating to institutional health facilities,

1 including outpatient surgical facilities, hospitals, and
2 nursing facilities. The bill also provides for retention of
3 certificate of need fees by the department for administration
4 of the program.

5 Division II of the bill relates to the office of health
6 policy. Current law directs DPH to coordinate public and
7 private efforts to develop and maintain an appropriate health
8 care infrastructure and workforce, to develop a strategic plan
9 to address various components of the health care infrastructure
10 and workforce, and to utilize a technical advisory committee
11 to assist in the development of the strategic plan. Under
12 the bill, the office of health policy is created in DPH to
13 fulfill the duties of the department in integrating public and
14 private efforts in formulating and implementing a state health
15 policy agenda that addresses the health care infrastructure
16 and workforce, cultural transformation to emphasize health and
17 wellness across all sectors, and the collection, analysis,
18 and use of cost and quality data. The bill provides that the
19 coordinator of the office is to be a health economist and
20 directs the office to establish a technical advisory council
21 to assist the office in development of policy priorities and
22 the strategic plan.

23 The bill specifies the duties of the office relating to
24 development of a strategic plan, collection of data, and
25 development of a blueprint to make Iowa one of the healthiest
26 states by the year 2014.

27 The bill specifies the components of the strategic plan
28 including the addressing of a health care system assessment and
29 objectives; certificate of need determinations; data resources;
30 evaluation of trends; rural health care resources; workforce
31 resources; a blueprint for a healthy Iowa; and long-term
32 living.

33 The bill directs the office of health policy to develop a
34 timeline for completion and submission of the components of
35 the strategic plan to the governor and the general assembly.

1 The bill directs the office to complete and submit the
2 components relating to certificate of need determinations to
3 the governor and the general assembly by October 1, 2011. The
4 bill authorizes the office to contract with public or private
5 entities to provide impartial, evidence-based research and
6 analysis in developing this component of the strategic plan.

7 Division II takes effect upon enactment.

8 Division III of the bill relates to medication therapy
9 management. The bill codifies the pilot program for medication
10 therapy management implemented on July 1, 2010, for eligible
11 state employees and authorizes employees of the state board
12 of regents or institutions under the state board of regents
13 and employees of governmental subdivisions at the election
14 of the governmental subdivision to participate in medication
15 therapy management through a request for proposals process if
16 so determined by the authorizing entity. Division III takes
17 effect upon enactment.

18 Division IV of the bill provides directives to state
19 departments relative to provisions in the federal Patient
20 Protection and Affordability Act.

21 Division IV directs the department of human services,
22 division of insurance, department of public health,
23 department of revenue, department of workforce development,
24 and other appropriate agencies, to develop a plan to meet
25 the requirements of the federal Act relating to a health
26 benefit exchange. The plan is to address issues relating to
27 eligibility determinations for Medicaid, hawk-i, and tax credit
28 subsidies; information technology and process reengineering;
29 necessary policy, statutory, and regulatory changes; financing;
30 and tools and strategies necessary for implementation. The
31 plan is to provide for integration and seamless operation
32 of the eligibility system, which shall be housed within the
33 department of human services, with the Iowa health benefit
34 exchange, if created. The plan is to be submitted by October
35 15, 2011.

1 Division IV directs the department of human services to
2 analyze how the inclusion of behavioral health benefits in
3 a benchmark plan under the federal Patient Protection and
4 Affordable Care Act would impact the delivery and financing of
5 behavioral health services in the state. The department is to
6 report its findings to the joint appropriations subcommittee
7 on health and human services no later than 60 days following
8 receipt of federal directives or regulations regarding
9 requirements for the benchmark plans.

10 Division IV also directs the department of human services,
11 department of public health, division of insurance, and
12 other affected state agencies to pursue all federal funding
13 opportunities under the federal Act including but not
14 limited to funding relating to implementation funding for the
15 health benefit exchange and eligibility system planning and
16 implementation. The bill directs the departments to coordinate
17 efforts to the maximum extent possible and to report their
18 activities on a monthly basis to the joint appropriations
19 subcommittee on health and human services.

20 Division IV directs the department of human services to
21 develop plans for an all-payer claims database and a provider
22 payment system. The provider payment system directive also
23 includes authorization for an accountable care organization
24 pilot project.

25 Division IV takes effect upon enactment.