

Senate File 468 - Introduced

SENATE FILE 468

BY BROWN

A BILL FOR

1 An Act relating to an administrative services organization
2 delivery model for the Medicaid program, and including
3 effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

ADMINISTRATIVE SERVICES ORGANIZATION DELIVERY MODEL FOR
MEDICAID PROGRAM

Section 1. Section 249A.4, subsection 4, Code 2019, is amended by striking the subsection.

Sec. 2. NEW SECTION. **249A.4A Administrative services organization — managed fee-for-service value-based delivery model — Medicaid program.**

1. The department of human services shall issue a request for proposals and enter into contracts as necessary effective July 1, 2020, to provide a managed fee-for-service value-based delivery model utilizing an administrative services organization to coordinate delivery of physical health and behavioral health services for the Medicaid program.

2. An administrative services organization under contract with the state shall not have any financial incentive to approve, deny, or reduce services, and shall ensure that service providers and persons seeking services have timely access to program information and timely responses to inquiries, including inquiries concerning clinical guidelines for services and reimbursement.

Sec. 3. **EFFECTIVE DATE.** This division of this Act takes effect July 1, 2020.

DIVISION II

DEVELOPMENT OF REQUEST FOR PROPOSALS — ADMINISTRATIVE SERVICES ORGANIZATION DELIVERY MODEL FOR MEDICAID PROGRAM

Sec. 4. **DEVELOPMENT OF REQUEST FOR PROPOSALS TO CONTRACT FOR ADMINISTRATIVE SERVICES ORGANIZATION DELIVERY MODEL FOR MEDICAID PROGRAM.**

1. The department of human services shall contract with the university of Iowa public policy center to assist in developing a request for proposals to be issued no later than January 1, 2020, as the basis for soliciting bids from entities to contract for and implement a managed fee-for-service value-based delivery model, utilizing an administrative

1 services organization for the Medicaid program in place of
2 Medicaid managed care beginning July 1, 2020. The public
3 policy center shall convene a request for proposals development
4 work group consisting of representatives of the Iowa hospital
5 association, the medical assistance advisory council created
6 pursuant to section 249A.4B, the patient-centered health
7 advisory council created pursuant to section 135.159, and
8 other stakeholders to develop the request for proposals. The
9 work group shall consider the experiences of other states
10 such as Connecticut and Colorado that utilize administrative
11 services organization Medicaid service delivery models.
12 The goals of the delivery system shall be to centralize
13 management of physical and behavioral services for all
14 managed Medicaid beneficiaries thereby increasing program
15 consistency, streamlining member and provider support, and
16 reducing uncertainty; to employ a single, fully integrated set
17 of data which spans all coverage groups and covered services
18 to increase the use of predictive modeling tools to inform
19 risk stratification and policy decisions that yield improved
20 health outcomes and beneficiary experiences; and to build and
21 sustain community partnerships and expand value-based delivery
22 of services.

23 2. All of the following shall be considered in developing
24 the request for proposals pursuant to subsection 1:

25 a. The key elements for the delivery system including all
26 of the following:

27 (1) A simplified administrative structure utilizing an
28 administrative services organization to effectively support and
29 empower both members and providers.

30 (2) A fully integrated claims database and statewide data
31 analytics infrastructure.

32 (3) A strong emphasis on prevention.

33 (4) A focus on integration of all health services including
34 medical, behavioral, and dental services with social services.

35 (5) A long-term services and supports system that enables

1 true choice and integration.

2 b. An infrastructure that provides all of the following:

3 (1) A single statewide data analytics infrastructure.

4 The statewide data analytics infrastructure may be managed
5 by the department of human services internally or through a
6 contractor. The infrastructure shall support information
7 exchange among Medicaid providers, allow providers across the
8 continuum to participate in health information exchange, and
9 provide data analytics that incorporate both medical and social
10 determinants of health to inform population health management
11 efforts, illuminate needs, inform policy direction, support
12 cost savings, and ensure accountability through transparent
13 external reporting to state regulators and stakeholders. The
14 statewide data analytics platform shall also enable providers
15 to track patient care patterns, identify areas of need, and
16 evaluate the impact of provider initiatives.

17 (2) A statewide administrative services organization.

18 An established administrative services organization shall
19 act as a single, statewide entity to provide consistent,
20 centralized, and streamlined administrative functions for
21 all Medicaid providers and members. The administrative
22 services organization shall receive monthly administrative
23 payments and may receive a percentage of a payment contingent
24 on meeting performance metrics as defined in the contract.
25 The administrative services organization may provide such
26 services as planning and marketing, human resources management,
27 regulatory compliance, development of information systems,
28 contract management, provider and member services, claims
29 administration, data reporting, utilization management, quality
30 management, intensive care management, review of grievances,
31 provider network development and management, credentialing of
32 providers, reporting, and other services.

33 (a) The administrative services organization shall also
34 provide a statewide framework and infrastructure for care
35 management and coordination across all populations and

1 services, including a standardized set of quality measures,
2 clinical guidelines, and care improvement initiatives,
3 while providing flexibility for local variation and
4 innovation and generating the provision of care management
5 locally, at the site of care. The administrative services
6 organization infrastructure and resources shall be developed in
7 collaboration with providers, members, and other stakeholders,
8 and shall take into consideration the unique needs and
9 priorities of smaller providers and rural settings.

10 (b) The administrative services organization shall address
11 statewide population health improvement by doing all of the
12 following:

13 (i) Developing targeted statewide population health-based
14 performance goals and a coordinated infrastructure to
15 support providers in achieving these goals. The coordinated
16 infrastructure shall provide for the development of
17 partnerships with community-based organizations to address
18 the full array of social determinants of health and for the
19 utilization of robust care coordination that employs a standard
20 social and health assessment, provides for referral to health
21 and social services, and tracks outcomes. Goals shall be
22 informed by state innovation model efforts and by community
23 health needs assessments and community health improvement plans
24 conducted by hospitals and local public health agencies.

25 (ii) In collaboration with Iowa hospitals, physicians,
26 health care providers, and other entities that support Medicaid
27 recipients, serving as a unified administrative support system
28 and accelerator for provider-led initiatives to advance care
29 management, practice transformation, and value-based payment
30 objectives.

31 (iii) Developing and maintaining a coordinated statewide
32 network of qualified and licensed service providers to ensure
33 appropriate, local access to care.

34 (3) A statewide strategy for the adoption and advancement of
35 value-based payment models, taking into account the diversity

1 in provider readiness across the state.

2 The statewide strategy shall provide for payment models that
3 build upon the fee-for-service reimbursement model including
4 a uniform fee schedule, annual reimbursement updates, and
5 cost-based reimbursement for critical access hospitals and
6 shall transition providers to value-based payment arrangements
7 over time, taking into account accommodations for small
8 and rural providers to ensure the strategy is responsive to
9 provider capabilities and the needs of specific communities.
10 The strategic provider-led care improvement initiatives
11 shall be developed and implemented utilizing the centralized
12 resources of the administrative services organization and shall
13 provide for partnership with providers across the continuum of
14 care incorporating clinical services and nonclinical community
15 and social supports to address the whole patient.

16 (4) Enhanced state oversight and accountability.

17 State oversight and accountability measures shall, at a
18 minimum, do all of the following:

19 (a) Ensure state and public access to timely, accurate, and
20 actionable data regarding utilization and quality.

21 (b) Establish mechanisms that require the sharing of
22 information regarding performance and internal processes,
23 policies, and decisions that may affect quality and access to
24 care.

25 (c) Establish mechanisms that support candid communication
26 between the state and stakeholders to encourage trust and a
27 vested interest in the success of the program.

28 (d) Provide for monitoring of the administrative
29 services organization including through review of service
30 authorizations, individual outcomes, appeals, outreach and
31 accessibility, and comments from members and providers compiled
32 from written surveys and face-to-face interviews.

33 c. The role of state agencies. The request for proposals
34 shall require collaboration across state departments and the
35 utilization of the membership of the patient-centered health

1 advisory council established pursuant to section 135.159
2 and the medical assistance advisory council established
3 pursuant to section 249A.4B to directly engage experts in
4 determining and addressing data analytics needs; developing
5 and implementing standardized quality measures, clinical
6 guidelines, a credentialing process, a social determinants of
7 health assessment, and strategic provider-led care improvement
8 initiatives that lead to population health improvement; and the
9 implementation and progress of the structure and key elements
10 of the Medicaid delivery system established.

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EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

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This bill relates to the development and implementation of a
15 managed fee-for-service value-based delivery model utilizing an
16 administrative services organization.

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Division I of the bill requires the department of human
18 services (DHS) to issue a request for proposals and enter into
19 contracts as necessary effective July 1, 2020, to provide a
20 managed fee-for-service value-based delivery model utilizing
21 an administrative services organization to coordinate delivery
22 of physical and behavioral health services for the Medicaid
23 program. The bill also strikes current Code language that
24 authorizes the DHS director to contract with corporations
25 authorized to insure groups or individuals; corporations
26 maintaining and operating medical, hospital, or health service
27 prepayment plans; or health maintenance organizations to
28 provide coverage for Medicaid members. This division takes
29 effect July 1, 2020.

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Division II of the bill requires DHS to contract with the
31 university of Iowa public policy center to assist in developing
32 a request for proposals (RFP) to be issued no later than
33 January 1, 2020, as the basis for soliciting bids from entities
34 to contract for and implement a managed fee-for-service
35 value-based delivery model utilizing an administrative services

1 organization for the Medicaid program in place of Medicaid
2 managed care beginning July 1, 2020. The public policy center
3 is required to convene a request for proposals development
4 work group to develop the RFP. The bill describes the goals
5 of the delivery system and requires the work group to consider
6 the key elements for the delivery system; the infrastructure
7 for the delivery system including a single statewide data
8 analytics infrastructure, a statewide administrative services
9 organization, a statewide strategy for the adoption and
10 advancement of value-based payment models, and enhanced state
11 oversight and accountability; and the role of state agencies.