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## LEGAL UPDATE

Legal Services Division



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### HEALTH POLICY OVERSIGHT COMMITTEE MEETING — SEPTEMBER 20, 2019

**Purpose.** *Legal updates are prepared by the nonpartisan Legal Services Division of the Legislative Services Agency. A legal update is intended to provide legislators, legislative staff, and other persons interested in legislative matters with summaries of recent meetings, court decisions, Attorney General Opinions, regulatory actions, federal actions, and other occurrences of a legal nature that may be pertinent to the General Assembly's consideration of a topic. Although an update may identify issues for consideration by the General Assembly, it should not be interpreted as advocating any particular course of action.*

**Co-chairperson:** Senator Mariannette Miller-Meeks

**Co-chairperson:** Representative Joel Fry

**Background.** The Health Policy Oversight Committee (HPOC) of the Legislative Council was established as a permanent legislative committee of the Legislative Council under Iowa Code section 2.45. The committee is composed of 10 members of the General Assembly, consisting of five members from each house, appointed by the Legislative Council. The committee is required to meet at least two times annually during the legislative interim to provide continuing oversight for Medicaid managed care, and to ensure effective and efficient administration of the program, address stakeholder concerns, monitor program costs and expenditures, and make recommendations to the General Assembly.

**Procedural Business.** The meeting was called to order at 10:02 a.m. and was adjourned at 12:43 p.m. in Room 116 of the State Capitol.

**Department of Human Services (DHS) Presentations:** Following opening comments by Mr. Gerd Clabaugh, Interim Director, Department of Human Services (DHS), Mr. Michael Randol, Medicaid Director, DHS, provided an overview of the Medicaid program, reviewed state fiscal year 2020 Medicaid program cost drivers and managed care contracts and rates, provided an update on changes to the Medicaid program based on recent legislative changes, and provided an update on the transition resulting from United HealthCare terminating, and Iowa Total Care commencing, Medicaid managed care coverage in the state.

**Amerigroup Provider Quality Incentive Program:** Mr. Jeffrey Jones, President, Amerigroup, provided an overview of Amerigroup's value-based purchasing (VBP) opportunities and results in the Iowa Medicaid program. He reviewed the goals of VBP and noted that VBP is based on a partnership model. VBP agreements, including shared savings models and quality incentive programs, are based on a continuum to fit the provider type and to include measurement tools tailored to the specific provider. Amerigroup's value-based arrangements include 48 percent of its Iowa members and approximately \$1.5 million has been paid out as incentives to providers enrolled in value-based arrangements. Future goals include increasing program participation and the statewide footprint; improving provider engagement, care coordination, and physical and behavioral health integration; continuing to lower the medical loss ratio; and continuing on the continuum of risk with providers who are ready to move forward. Ms. Sarah Dixon, Chief Strategy Officer, IowaHealth+ (IH+), provided an overview of IH+. IH+ is an integrated primary care network that is a voluntary business venture owned and managed by 11 Iowa health centers and the Iowa Primary Care Association. IH+ has partnered with the Iowa Medicaid Enterprise, Medicaid Managed Care Organizations (MCOs), and others to transform the care delivery system and to share in the financial rewards of the work as one of the largest accountable care organizations in Medicaid. Ms.

Dixon reviewed the IH+ provider quality incentive program (PQIP) focus areas; the IH+ model of care which includes a focus on integration of care, ensuring access to care, managing patient care transitions, improving high-risk care coordination, providing high-quality care, and focusing on social determinants of health, and which is supported by health information data and analytics and by patient engagement strategies; the investments necessary to perform successfully; and the Amerigroup PQIP results. The results include that IH+, which served over 170,000 patients and had more than 58,000 attributed Medicaid lives in 2018, reduced its medical loss ratio (MLR) by nearly 9 percent from 2017 to 2018, saved nearly \$6 million in medical expenses, and received a shared savings amount of over \$651,000. The shared savings are being reinvested in network capacity and distributions to each member/owner health center of IH+. Ms. Dixon noted that future plans include optimizing data systems, securing partnerships, continuing progress on quality and performance improvement, continuing progress across the value-based pay spectrum, supporting leadership development, and enhancing change management capacity.

**Managed Care Organization Updates:** Mr. Jeffrey Jones, President, Amerigroup, and Mr. Mitch Wasden, President and CEO, Iowa Total Care, provided updates on the Medicaid managed care transition effective July 1, 2019, and on current MCO activities.

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