WORKGROUP 1 COVERAGE OF ADULTS
QUARTERLY PROGRESS REPORT

- **Members**
  Dr. David Carlyle (Chair)
  Ms. Betty Ahrens
  Ms. Diane Crookham-Johnson
  Mr. Bruce Koeppel
  Mr. Charles Krogmeier (Ex-Officio) Iowa Medicaid Director Ms. Jennifer Vermeer attended the meetings as Director Krogmeier's alternate.

- **Workgroup Web Page**
  www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=506

- **Charge**

At the Commission's meeting on September 9, 2009, Commission Chair David Carlyle presented the following charge to Workgroup 1**:**

> Workgroup 1 is tasked to review, analyze, recommend, and prioritize options to offer health coverage to uninsured and underinsured adults in the state, by doing the following, including, but not limited to:
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> A. Presenting options for subsidized and unsubsidized health care coverage programs which offer public and private, adequate and affordable health care coverage, including, but not limited to, options to purchase coverage with varying levels of benefits including basic catastrophic benefits, an intermediate level of benefits, and comprehensive benefits coverage.
>
> (1) Including options for providing an array of benefits that may include physical, mental, and dental health care coverage.
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> (2) Including development of health care coverage options for purchase by adults and families with the goal of including options for which the contribution requirement for all cost sharing expenses is no more than 6 and one-half percent of family income.
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> B. Analyzing the ramifications of requiring each employer in the state with more than ten employees to adopt and

maintain a cafeteria plan that satisfies §125 of the Internal Revenue Code.

- **Workgroup Meetings and Focus**
  Workgroup 1 met on four occasions in the fall of 2009:

  - **September 28**
    Discussion of IowaCare and hawk-i programs with presentations by Jennifer Vermeer, DHS and Anita Smith, DHS.
  - **October 12** (Telephonic meeting)
    Focused discussion of potential for IowaCare expansion.
  - **November 9**
    Presentations on IowaCare by University of Iowa Hospitals and Clinics (UIHC), Iowa Nebraska Community Primary Care Association (IANEPCA) (community health centers), Broadlawns Medical Center, and the Iowa Hospital Association representatives.
  - **November 23**
    Presentation on IowaCare expansion by Jennifer Vermeer (DHS) and preparation of recommendations for the January 1, 2010 Commission quarterly progress report.

The meetings were held either at the AARP state headquarters (600 E. Court Ave., Des Moines, Iowa) and via telephone conference. Notice of the meetings was provided to the the public on the Commission's web site (www.legis.state.ia.us/Current/Interim). In addition, a telephone call in number was provided for telephonic meetings. A majority of workgroup members attended each of the meetings.

Background

IowaCare

Representatives from the University of Iowa Hospitals and Clinics (UIHC) shared information on the level of subsidy provided by UIHC to the IowaCare program and on wait times for Iowa Care enrollees.

FY 2009 University Hospital & Clinic & University of Iowa Physician (UIP) and the IowaCare Program	
Total IowaCare Patients (Representing 98 counties) (Approx. 80% had incomes below 100% of FPL)	33,000
UIHC Cost of Serving IowaCare Population (Including voluntary services)*	$87,241,821
UIHC IowaCare Reimbursement	-$57,060,391

FY 2009 University Hospital & Clinic & University of Iowa Physician (UIP) and the IowaCare Program	
UIHC Subsidization of IowaCare	**$30,181,430**
University of Iowa Physicians (UIP) Cost of Serving IowaCare Population	$20,961,317
UIP IowaCare Reimbursement	$0
UIP Subsidization of IowaCare	$20,961,317
Total University of Iowa Health Care Subsidization of IowaCare	**$51,142,747**
Voluntary services provided by UIHC include $4,870,535 for the pharmaceutical assistance pilot program; $1,098,861 for transportation; $612,242 for the IowaCare Assistance Center; $966,330 for the durable medical equipment pilot program $253,436 spent on expedited discharges; and $224,162 spent on placing IowaCare patients in nursing facilities and inpatient rehabilitation centers for post-hospital care. Source: UIHC	

UIHC IowaCare Wait Times. Currently, a new IowaCare patient with no significant medical needs can expect to wait several months to get an appointment at UIHC. Accordingly, UIHC provides triage services to assure that IowaCare patients in need of more timely services will be seen sooner. Due to the demand for specialized services at UIHC all Iowans seeking care can expect to face delays in obtaining appointments in the absence of pressing medical needs.

Broadlawns Medical Center (Polk County)

Representatives from Broadlawns Medical Center presented information to the Workgroup on Broadlawns' involvement with the IowaCare program. Broadlawns served approximately 13,000 IowaCare patients in 2009. Broadlawns enrolls IowaCare patients as primary care patients in "medical homes" and provides mental health care services to IowaCare enrollees. Broadlawns has a limited capacity to provide advanced medical services to IowaCare patients, and currently has no capacity to provide orthopedic, cardiac or vascular care. About 90 Broadlawns IowaCare patients are referred to UIHC every month for more advanced care.

National Health Care Reform

The Workgroup has followed the U.S. Congress' health care reform efforts, including bills that have emerged from the House and the Senate. Workgroup 1 has a strong sense that, beginning in 2014, the Medicaid program will be expanded to provide eligibility to persons with income levels up to either 133 percent or 150 percent of the Federal Poverty Level. Expansion will also provide eligibility to include adults without dependent children. Federal reform also includes potential increases in the the federal

medical assistance percentage (FMAP) which will reduce Iowa's fiscal burden in providing coverage to newly eligible populations.

These changes, along with many others that may emerge should a health care reform bill be signed by the President in 2010, will create a vastly different terrain for expanding access to health care across Iowa which the Workgroup believes will provide new opportunities for providing new public and/or private coverage to low income Iowans. At the same time the Workgroup does recognize that it is currently somewhat limited in its ability to prepare recommendations due to the uncertainty surrounding federal health care reform efforts.

RECOMMENDATIONS

The Workgroup's initial recommendations are focused on helping the state expand coverage between now and 2014, and to prepare Iowa to take advantage of the new opportunities that national level reform can provide.

Recommendation 1: Expand IowaCare.
Expand IowaCare to create a regional delivery model that will provide access to primary care and hospital care in the least geographically burdensome manner, which is defined as providing all but tertiary level care as close as possible to an IowaCare member's home.

As a result the current limited IowaCare provider network will expand beyond Broadlawns Hospital in Polk County and the University of Iowa Hospitals and Clinics and the estimated (2006) 52 percent of uninsured Iowans with incomes below 200 percent of the Federal Poverty Level will have significant new opportunities to access important health care services.[1]

The future of IowaCare is in large part dependent on the ultimate outcome of federal health care reform. Even if federal health care reform does come about and provide new coverage opportunities for low income adult Iowans, IowaCare will need to provide access to care until federal reform becomes operational, in 2014 at the earliest. The Workgroup anticipates many IowaCare enrollees will become part of an expanded, post-reform, Medicaid population and believes that an immediate expansion of the IowaCare network can help IowaCare enrollees and providers successfully transition to an expanded Medicaid program.

As part of an an IowaCare expansion, the Iowa Care benefits package should be amended to include a limited pharmacy benefit.

[1] Eathington, L. (August 14, 2009). *Health Insurance Coverage Estimates for Iowa. Department* of Economics: Iowa State University.

Furthermore, an IowaCare regional model expansion should include provisions that will require IowaCare participating providers to continue to provide a reasonable level of uncompensated care.

The Workgroup is aware that a regional IowaCare expansion model, as suggested by the Iowa Department of Human Services, the University of Iowa Hospitals and Clinics, and Broadlawns Hospital, is at a very early stage of development and the Workgroup is committed to providing input to aid in the continued design of this expansion model.

Recommendation 2: Fund increases in DHS technological capacities.
In anticipation of federal health care reform, the Department of Human Services needs to receive increased technology funding, including funding to provide for electronic eligibility determination and processing. The Department also needs to be aggressive in pursuing opportunities from the federal government to implement new technological approaches for determining Medicaid eligibility and enrollment mechanisms.

Recommendation 3: Iowa should pursue federal health care reform early opt-in opportunities. Iowa has a strong history of taking on a leadership role in health care access reform. If the federal government provides useful incentives for early adoption of measures that can increase access to affordable health care, the Workgroup recommends that Iowa move aggressively in pursuing these opportunities before 2014.

Recommendation 4: The Workgroup supports the development of a statewide diabetic registry. In order to improve care of uninsured diabetic patients and begin the process leading to upcoming Medicaid expansion, the state should set up a diabetic registry with the assistance of Iowa's Community Health Centers and free medical clinics, which in exchange for data and lab tests will provide a basic combination of medications, including anti-hypertensives, cholesterol lowering agents, and diabetic medications.