

# Legislative Health Care Coverage Commission

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## WORKGROUP 3 ADMINISTRATION OF HEALTH CARE REFORM IN IOWA QUARTERLY PROGRESS REPORT

- **Members**

Mr. Ted Williams (Chair)

Mr. Mike Abbott

Ms. Jennifer Browne

Ms. Joan Jaimes

Mr. Tom Newton, Director, Iowa Department of Public Health (Ex-Officio). Ms. Lynh Patterson attended the meetings as Mr. Newton's alternate.

- **Workgroup Web Page**

<http://www.legis.state.ia.us/Current/Interim>

- **Charge**

At the Commission's meeting on September 9, 2009, Commission Chair David Carlyle presented the following charge to Workgroup 3:

Workgroup 3 is tasked to review, analyze, recommend, and prioritize options related to the administration of health care reform in Iowa and creation of an affordable, accessible, seamless health care coverage system for all Iowans, by doing, including but not limited to, the following:

- A. Presenting options for the coordination of a children's health care network in the state that provides health care coverage to all children without such coverage; utilizes, modifies, and enhances existing public programs; maximizes the ability of the state to obtain federal funding and reimbursement for such programs; and provides access to private, affordable health care coverage for children who are not otherwise eligible for health care coverage through public programs.
- B. Presenting options for children, adults, and families to transition seamlessly among public and private health care coverage options.
- C. Presenting options to develop a long-term strategy to provide access to affordable health care coverage to the uninsured in Iowa, particularly adults, and development of a structure to implement that strategy including consideration of whether to utilize an existing government agency or newly covered entity.

During Workgroup 3's initial meeting on October 15, 2009, Chairperson Ted Williams suggested to the Workgroup that it focus its initial activities between October and December 2009 on answering the following question:

If federal health care reform includes an individual mandate and an exchange to assist Iowans in selecting coverage, what recommendations would the Commission make to prepare the state for this?

The members agreed that given the current uncertainty surrounding federal health care reform, this was an appropriate initial charge.

- **Workgroup Meetings and Focus**

Workgroup 3 met on three occasions in the fall of 2009:

- **October 15**

Discussion of the fundamentals of health insurance exchanges.

- **November 11**

Iowa Insurance Commissioner Susan Voss provided the Workgroup with information on opportunities for an Iowa health insurance exchange.

Iowa Medicaid Director Jennifer Vermeer, Susan Voss and Dr. Bery Engebretsen (Iowa Nebraska Primary Care Association) discussed opportunities for creating a more seamless health care system for children, families, and adults in Iowa.

- **November 20**

Focused discussion of recommendations to the Commission.

With the exception of the November 11th meeting which was held at the Des Moines headquarters of the American Enterprise Group, the Workgroup's meetings were held at the Iowa Capitol. Notice of the meetings was provided to the the public on the Commission's web site ([www.legis.state.ia.us/Current/Interim](http://www.legis.state.ia.us/Current/Interim)). In addition, a call in number was provided for meetings. A majority of workgroup members attended each of the meetings.

- **Workgroup Materials**

Information gathered by the Workgroup is available at the Workgroup's web page: [www.legis.state.ia.us/Current/Interim](http://www.legis.state.ia.us/Current/Interim)

## RECOMMENDATIONS

### **Recommendation 1.**

**Iowa needs to move towards a more seamless system for Iowans moving from public health care to private health care coverage and for moving between public health insurance programs.**

Specific options to assist in the creation of a more seamless system include:

- ▶ The Commission should work with the Department of Human Services to examine current and past recommendations to improve transitions between the Medicaid and hawk-i programs and to prioritize those recommendations which have not yet been put into effect.
- ▶ **Iowa needs a common portal for public program eligibility determinations.** To the extent legally possible, the state should use common definitions of income for determination of public program eligibility. While Department of Human Services representatives indicated that the health care reform bills in Congress include provisions for common eligibility common standards to promote seamless transitions, the Department needs to act now to make the process more seamless prior to 2014.

### **Recommendation 2.**

**Iowa needs to invest in the technology necessary to power a more seamless system for Iowans moving from public health care to private health care coverage and for moving between public health insurance programs.**

- ▶ Iowa needs to aggressively seek opportunities to leverage federal funds available for Department of Human Services technology enhancements.
- ▶ Iowa state government needs to determine if it has adequate staffing levels to maintain a seamless system, and to the extent possible, add staff where necessary to promote seamlessness.

### **Recommendation 3.**

**Role of Safety Net Providers: The Workgroup recommends information be readily available to Iowans that provides details about the health care services provided by the safety net providers, specifically:**

- ▶ The population served by safety net providers
- ▶ Where safety net providers located in Iowa, and
- ▶ What services safety net providers offer

### **Recommendation 4.**

**Creditable Coverage. The Workgroup recommends that the Iowa Insurance Division and the Insurance Commissioner pursue all statutory options to improve seamlessness through increasing opportunities for “creditable coverage” in Iowa.**

### **Recommendation 5.**

**Iowa should begin the process of designing an Iowa Exchange.**

The following issues need to be examined in designing an Iowa Exchange:

- ▶ **What functions should an exchange include?** If the exchange includes involvement in insurance benefit design, the following benefit components should be considered for inclusion:
  - ✓ A medical home model
  - ✓ A focus on prevention
  - ✓ Provisions for chronic care management.

Even in the absence of an Iowa Exchange, the above functions are important to adequate insurance benefit design, and should be considered by Workgroups 1 and 2 as they pursue their respective charges.

- ▶ **Is the optimum exchange model one that is light, medium or heavy?**  
The Workgroup believes that federal reform will, in all likelihood, determine the form that exchanges will take. However, to the extent the state has the opportunity to do so, Iowa should determine what model of exchange will produce the best opportunities for promoting affordable coverage given the state's demography and economy.
- ▶ **Who should be included in an Iowa exchange?**  
Should it include the individual and small group markets and public plans. The Workgroup recommends that an Iowa exchange include public and private sector participation.
- ▶ **Should participation in an Iowa Exchange be voluntary?**  
The Workgroup believes that unless Iowa has an individual coverage mandate, guaranteed issue and adequate subsidies for purchase of coverage for persons not eligible for public coverage, an Iowa exchange should start as an information clearinghouse with a focus on promoting seamless transitions. The clearinghouse model should provide information for the general public on health care quality and cost. If Iowa moves to an individual mandate, guaranteed issue and coverage subsidies, there will be a need to revisit the complexity of an Iowa Exchange.
- ▶ **Who should operate an Iowa Exchange?**  
The Workgroup recommends that state government should facilitate the creation of the exchange and assume operational oversight responsibility.

#### **Recommendation 6.**

**An Iowa exchange will need to provide quality data on providers and plans, and data to consumers and funders on the cost of medical care.** It is currently difficult to obtain data on provider pricing and Iowa should consider expanding opportunities to obtain greater transparency. Iowa will need to look at creating/encouraging common definitions for quality of care and health care prices.