

## **IMPROVING IOWA'S MEDICAID PROGRAM**

January 2021

Medicaid provides medically necessary health care coverage for financially needy adults, children, parents with children, people with disabilities, elderly people and pregnant women. Medicaid serves more than 700,000 individuals, or about 24 percent of the state's population.

Iowa Medicaid staff provide day-to-day oversight of the program, as well as manage the contracts and provide subject matter expertise on program policies. The Medicaid team is committed to performing at the highest level possible, but they could use some additional help to continue to improve the program. Currently there is just 58 state staff. The rest of the team is made up of contractors.

### **Staffing Challenges:**

- ▶ Many Medicaid state employees are expected to be contract managers, policy experts, and working on requests for proposals at the same time.
- ▶ The current staffing level within Medicaid makes it difficult to carry out new initiatives or new oversight efforts quickly as staff spend much of their time in the day-to-day tasks of administering the program.
- ▶ With no increases in staff in the last five years, current staff have taken on additional duties to implement federal and state changes to Medicaid programs and policies.
- ▶ Difficulty meeting required federal deadlines.
- ▶ Rely too heavily on outsourced expertise.

### **Opportunities:**

- ▶ With additional staff, we would be able to streamline many critical day-to-day activities of our Medicaid program, allowing us to be more efficient and begin focusing our efforts on program improvements.
- ▶ Improvements to maternal health.
- ▶ Better utilization of social determinants of health to improve member outcomes.
- ▶ Regular and broader provider rate reviews.
- ▶ Additional oversight of the Managed Care Organizations (MCOs).
- ▶ Better leverage federal funding opportunities.

To fully assess the staffing needs our Medicaid program, we worked with a consultant – Health Management Associates (HMA) - to provide an in-depth assessment of the Medicaid program's organizational structure. The assessment provides recommendations that will allow us to better target our efforts to drive the program to the outcomes we want.

*(Continued)*

## WHAT THE ORGANIZATIONAL REVIEW ASSESSMENT LOOKED AT:

1. The major functions that the Medicaid program currently outsources through eight contracts (next page) to determine whether replacing them with internal infrastructure – entirely or partially – would enhance the program’s effectiveness and efficiency.

### The operational functions (contracts) currently outsourced by Medicaid:

- ▶ MMIS (systems and software)
- ▶ Revenue Collections
- ▶ Member Services
- ▶ Quality Improvement Organization
- ▶ Provider Services
- ▶ Program Integrity
- ▶ Provider Cost Audit (rate setting)
- ▶ Pharmacy Point-of-Sale

2. Current organizational capabilities and infrastructure of the program related to the major outsourced functions and opportunities to enhance effectiveness and efficiency and meet needs based on knowledge of how other state Medicaid programs are structured.

## THE FINDINGS

Through interviews with staff and its own analysis, HMA found the following challenges the Medicaid program’s current organization structure presents:

- ▶ The IME is significantly understaffed based on staff workloads associated with day-to-day responsibilities, which makes it challenging to function well, both strategically and operationally.
- ▶ The IME lacks sufficient staff necessary to support active contract management to improve performance and mitigate risk.
- ▶ The IME lacks the necessary policy staff to ensure it is not reliant on vendor staff for policy and clinical expertise to inform key decisions.
- ▶ The IME’s understaffing places key functions at succession risk, in the event staff leave the organization.
- ▶ The IME lacks infrastructure and staff necessary to implement formal performance improvement processes that would streamline critical day-to-day activities.
- ▶ The IME may benefit from a reorganization to improve administrative processes and make operational functions more efficient.

## COMPARISON TO OTHER STATES

Through its analysis, HMA compared Iowa’s organizational structure of its Medicaid program to four other states: Oregon, New Mexico, Nevada and Rhode Island.

New Mexico and Nevada have similar Medicaid programs to ours, with enrollment of about 700,000 members and budgets of about \$5 billion annually. Oregon’s program is bigger with an enrollment of 1 million members and an annual budget of \$9.5 billion. Rhode Island is smaller.

The biggest difference HMA found amongst the comparison states is that Iowa outsources nine of its operational Medicaid functions while the comparison states only outsource up to four.

## NEXT STEPS

The Department is requesting flexibility in the Health and Human Services budget to hire additional full-time employees to help improve the future of Iowa Medicaid.