

Response to Fiscal Committee Questions Regarding Iowa Priority
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Questions:

- 1) *Did the department allocate any FTE's or partial FTE's to Iowa Priority for the first grant period? If so, what function did that person perform?*

The Department of Public Health allocated funds to provide partial payment for two FTE's in the amount of approximately \$55,256. Similar to the current grant contract, this provided for salaries, benefits, supplies and services required to perform the duties of the position. These FTE's helped in development of the Iowa Prescription Drug Corporation and provided clerical services on a part time basis.

- 2) *What services will specifically be provided by the \$116,000 and the 1.0 FTE position that will work with Iowa Priority this year? Is the FTE really necessary? Do the job duties and responsibilities warrant the use of an Executive Officer 4 for this position?*

The Iowa Prescription Drug Corporation was established with limited government involvement and excluded the Department of Public Health from day-to-day oversight of Iowa Priority. Following initiation of the program, the Department of Public Health experienced great difficulty in acquiring the reports required under the contract with Iowa Prescription Drug Corporation. The reporting requirements outlined in the contract performance measures were not met in a timely manner and the department was legally unable to interfere with the operations of Iowa Priority. The only response allowed to us was to increase reporting requirements to improve tracking of the program and to provide greater enforcement of performance measures in order to increase accountability. The FTE in question provides this necessary oversight to the contract to assure compliance with performance measures and that the financial reporting is timely and accurate. In addition, she maintains consistent contact with the management of Iowa Priority regarding policies and decision-making issues. This requires not only an understanding of the contract law, but also an ability to review, evaluate and report on the corporation's policy and fiscal status.

The position provides for policy analysis and correspondence with members and constituents. The office receives numerous letters regarding Iowa Priority, many of which require a knowledgeable, detailed response.

This individual will also be responsible for the development of the cognitive services mechanism. This is an extremely complex undertaking, in that this is an entirely new type of program and demands a high level of expertise and understanding of the health care market in general and the pharmaceutical market in particular.

In addition, all federal reporting requirements and contacts with the Centers for Medicaid and Medicare Services (CMS) with regard to the Iowa Prescription Drug Corporation fall under the responsibility of this individual.

3) *In what capacity did the person who is currently in this position serve the department last year and how was this position funded?*

The individual responsible for the oversight of Iowa Priority is a State Planning Director for the department and was previously funded by the HRSA State Planning Grant Program. She managed a major federal state planning and research initiative design to provide the federal government and 49 states with data and policy analysis related to increasing the number of state residents with access to affordable health insurance.

4) *Regarding cognitive services: What line items are these funds being taken from or what line items will see a reduction compared to the first grant period as a result of holding back these funds from the Iowa Prescription Drug Corporation? What cognitive services will be performed, other than brown bag assessments, for Iowa Priority? How will pharmacists be compensated for performing these services? Will this go through Argus or be direct payments to pharmacists? Is there a cap on how much one pharmacist may receive for these services?*

There is no significant reduction in expenditures for Iowa Priority under the current contract. The funds in question do not impact Iowa Priority services since the level of funding remains constant with the actual expenditures for the previous year. The actual expenditures by Iowa Priority in the previous grant period were \$1,135,007.98. Iowa Priority did not draw down the total award. The remaining \$309,816.02 was not spent and still remains available to them. Therefore, the current allocation of \$1,133,444.00 is consistent with the amount required for operation of the corporation. (A difference of \$1,563.98) It appears that the funds are not crucial to operations and that services will not be reduced as is evident by the failure to request the full allocation.

Iowa Prescription Drug Corporation Funding Expenses and Current Allocation

First Grant Period Actual Expenditures '01-'02	Second Grant Period Budget '02-'03
\$1,135,007.98	\$1,133,444.00

Cognitive Services:

The form and mechanism of the new cognitive services has yet to be developed. In cooperation with Iowa Pharmacy Association and Iowa Prescription Drug Corporation, the Department of Public Health will work to establish a plan that benefits both Iowa Priority and pharmacists and maintains discounts to seniors. This requires an individual with the expertise in pharmaceutical, legal, and policy areas that will arise in the development of this program.