

IowaCare – Iowa’s 1115 Demonstration Waiver

February 10, 2011

Presentation to:
Health and Human Services Appropriations
Subcommittee



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Presentation Overview

- I. IowaCare Overview
- II. IowaCare Expansion
- III. IowaCare Future
- IV. Q & A

I. IowaCare Overview

- History
 - 2005 loss of \$65M “Intergovernmental Transfer (IGT)” federal revenue
 - Identified programs providing health care services to low-income Iowans, ineligible for Medicaid with 100% state or county funds
 - Created a limited Medicaid benefit to replace those programs – brought 2/3 federal funds to offset state/county dollars.
 - Savings to the General Fund to replace lost IGT revenue
 - Original waiver July 1, 2005 to June 30, 2010

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I. IowaCare Overview

- What is IowaCare?
 - IowaCare Act (House File 841) passed FY2005
 - IowaCare is a 1115 demonstration waiver – not an entitlement
 - Provides a limited benefit package, limited provider network
 - Replaced Indigent Care Program (“State Papers”) program at University of Iowa
 - Funding source is \$38M Polk County property tax, UIHC funds, and \$4M General Fund
- Goals of IowaCare:
 - Expand access to health care coverage for low-income, uninsured adults who are not eligible for Medicaid
 - Provide financial stability for safety net hospitals that have high amounts of uncompensated care
 - Experiment with health care innovations

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I. IowaCare Overview

- Who does IowaCare cover?
 - Adults aged 19 – 64
 - 200% or below the Federal Poverty Level
 - Not eligible for Medicaid (because they don't fit into one of the federal 'categories' – pregnant women, parents, disabled)
 - No comprehensive private insurance
- 1115 Waiver has budget neutrality caps – meaning total state and federal funding is capped for the life of the waiver

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I. IowaCare Overview

- IowaCare services include:
 - Inpatient and outpatient hospital services
 - Physician and advanced registered nurse practitioner services, including annual preventive physicals
 - Limited dental services
 - Tobacco cessation
 - Extremely limited prescription drug benefit
- IowaCare Providers include (historically):
 - University of Iowa Hospitals and Clinics (all counties except Polk)
 - Broadlawns (Polk County)

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I. IowaCare Overview

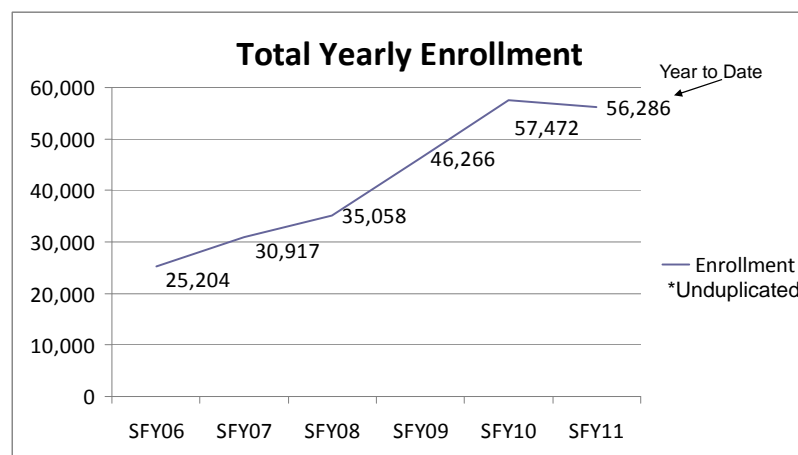
- IowaCare members have a high incidence of unmanaged chronic disease
 - 25% have never had health insurance; 66% have not had insurance for more than 2 years
 - 80% of patients have one or more chronic conditions (diabetes, chest pain, coronary artery disease, cancer, high blood pressure, pain)
 - IowaCare patients self report poorer health status than the general Medicaid population
 - 80% of IowaCare patients self report depression
- The population accessing IowaCare continues to grow

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I. IowaCare Overview



As of July 2010, more than 93,000 Iowans have received necessary health care through IowaCare since the inception of the program

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II. IowaCare Expansion

- Waiver renegotiation with CMS took place from August 2009 to September 2010
- Included the terms of the expansion (detailed later)
- Premium changes (federal law)
 - Increased FPL threshold for paying premiums from 100% FPL to 150% FPL
 - Total cost sharing does not exceed 5% of family income
 - Implemented grace period so members do not lose coverage for 60 days after premium due date
 - Eliminated requirement that members cannot reenroll if past-due premiums are owed

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II. IowaCare Expansion

- Waiver renewal October 1, 2010 to December 31, 2013. Designed to expire by January 2014 if Federal health reform remains intact
 - Vast majority of patients would be eligible under the Medicaid Expansion in Health Care Reform
 - Conversion of IowaCare members would be considered 'new eligibles' so eligible for 100% federal match
- IowaCare evaluation provides needed data on populations that will be newly eligible for full Medicaid
- If Medicaid Expansion is repealed or changed, state may need to negotiate another extension
- Maintenance of effort for <133% of Federal Poverty Level

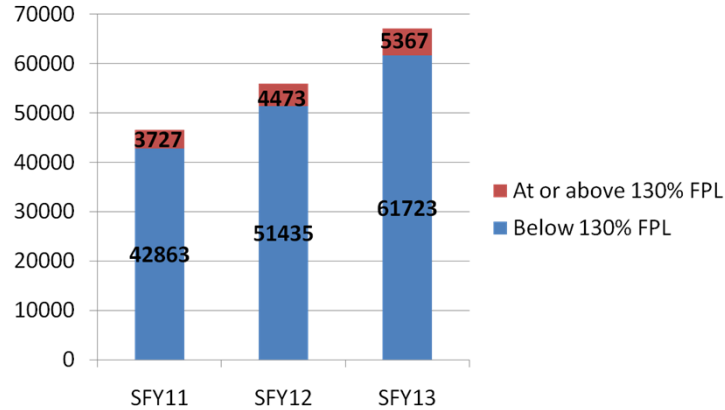
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II. IowaCare Expansion

Proportion of IowaCare Enrollees Below 130% FPL



*Approximately 8% of the IowaCare population is above 133% FPL. This population would participate in the insurance exchange.

II. IowaCare Expansion

2011 Federal Poverty Level Guidelines

Family Size	100%	133%	200%
1	\$10,890	\$14,484	\$21,780
2	\$14,710	\$19,564	\$29,420
3	\$18,530	\$24,645	\$37,060
4	\$22,350	\$29,726	\$44,700
5	\$26,170	\$34,806	\$52,340
6	\$29,990	\$39,887	\$59,980
7	\$33,810	\$44,967	\$67,620
8	\$37,630	\$50,048	\$75,260

II. IowaCare Expansion

- 2010 State legislation (SF 2356)
 - Expand provider network to include Iowa’s 13 Federally Qualified Health Centers on a phased-in basis
 - Implement a medical home pilot – will serve to inform regular Medicaid
 - Provide reimbursement to non-covered hospitals for emergency room visits resulting in an inpatient stay – capped at \$2 million
 - Provide partial reimbursement to UIHC for physician services to reduce wait times

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II. IowaCare Expansion

Expansion Goals:

- Increase IowaCare member satisfaction with health care
- Improve statewide access of IowaCare members to quality health care
- Reduce duplication of services
- Enhance communication among providers/family and community partners
- Improve the quality of health care to IowaCare members through the patient-centered medical home model
- Promote and support a plan for meaningful use of health information exchange (HIE)

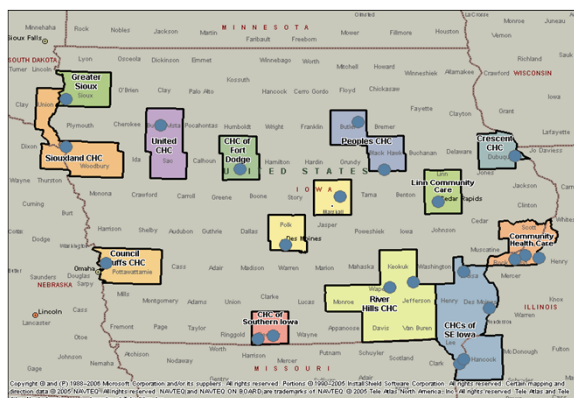
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II. IowaCare Expansion

Location of 13 FQHCs



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II. IowaCare Expansion

Medical Home:

- Members are assigned to a Medical Home based on county of residence
- Members will access care through their medical home – referral required to access UIHC specialists
- Providers required to provide enhanced care coordination services
- Quarterly and annual report due to Department
- Payment methodology changes

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II. IowaCare Expansion

Medical Home Quarterly Reports

- NCQA recognition
- Referrals
- Scheduling and Access
- Disease Management
- Wellness/Disease Prevention Program
- Health Information Technology
- Preventive Reminder Service
- Sharing Clinical Data with UIHC

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II. IowaCare Expansion

Medical Home Annual Reports

- Colon Cancer Screen/need 50+ (65%)
- BMI Charted (75%)
- Translated Educational Materials
- Referral Tracking
- Active Medication List (80%)
- Diabetes Registry
- Tobacco Use Status (75%)
- Immunizations
- Cervical Screen/need (70%)
- One HbA1c (80%)

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II. IowaCare Expansion

Lessons Learned - Information Sharing

- Challenge: Patient records cannot be shared unless a release form is signed.
- Solution: Release forms will be sent earlier in future implementations than they were for the first.

- Challenge: HIT capabilities different at each provider.
- Solution: UIHC and FQHCs have interim solutions and are working well together to implement new solutions as FQHCs continue to improve HIT capacity.

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II. IowaCare Expansion

Lessons Learned - Capacity to Serve Enrolled Members

- Challenge: New providers overwhelmed by the sheer volume of members assigned to their medical home and the complexity and severity of some of these members' conditions.
- Solutions:
 - IME compiling population reports to inform the medical home of the health status of the assigned population.
 - IME is conducting pre-implementation, on-site visits to answer staff questions, review medical home requirements, and start the process to readiness.
 - IME is researching options to slowing and staggering rollouts by county instead of implementing the entire service area.
 - IME has conducted on-site visits with FQHCs that have already implemented to examine lessons learned and how to improve subsequent rollouts.

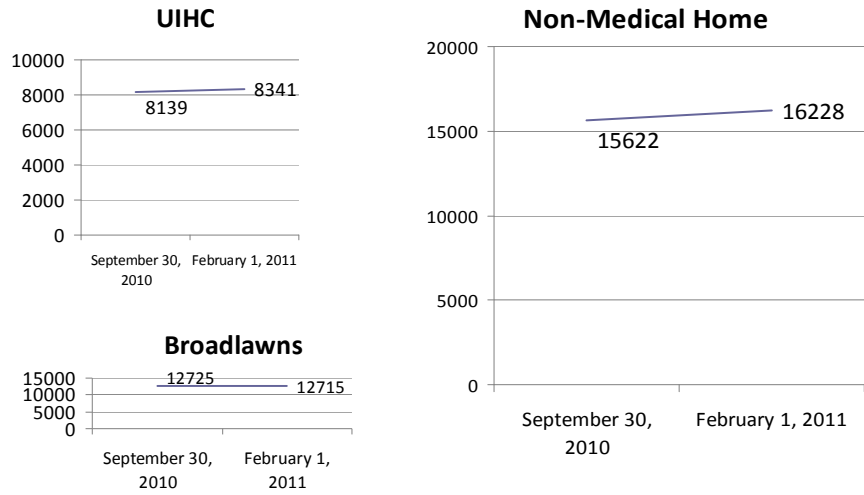
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II. IowaCare Expansion

Enrollment Growth



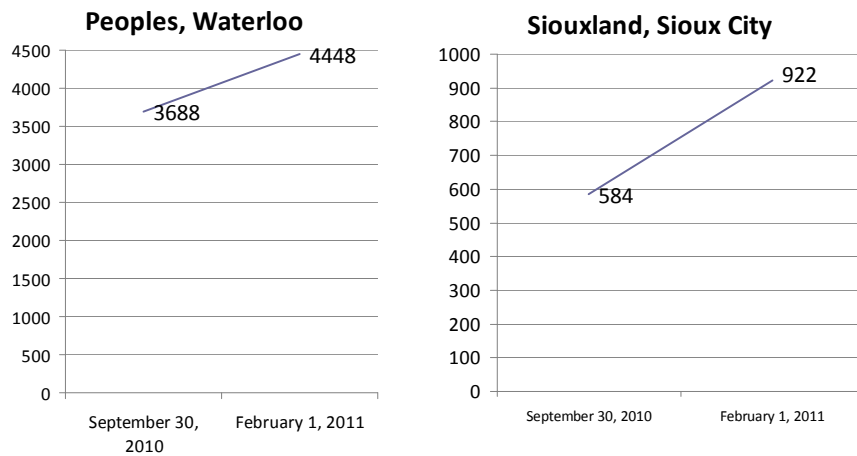
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II. IowaCare Expansion

Enrollment Growth



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III. IowaCare Future

- Original phase-in plan had FQHCs added January 1 and March 1
- Delayed due to working through medical home and coordination of care issues among providers
- More time is needed to fully understand fiscal and operational impacts of adding more FQHCs over the life of the waiver period
- Ensure we can continue to meet commitments as more are added

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III. IowaCare Future

- **Financial**
 - Projections very close to federal budget caps
 - Facing budget shortfall in SFY13, due to growth and elimination of one-time federal match increase
- **Enrollment Growth**
 - Enrollment growing faster than expected, especially in new medical home areas, and will continue as medical homes are added
 - Fiscal impacts
- **Member Health**
 - Sicker than Medicaid population
 - More visits per year than expected
 - Fiscal impacts

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III. IowaCare Future

- Recommendation to expand certified public expenditures at UIHC to cover budget shortfall
 - Currently, UIHC forgoes the state share of approximately \$7.3M which frees up state dollars to be used for IowaCare expansion and UIHC physicians
 - If UIHC forgoes an additional \$10M on hospital expenditures using CPE, a net gain of approximately \$6M is realized in the IowaCare Account after making up the loss to UIHC by increasing payment to UIHC physicians by \$10M
 - Zero net gain for UIHC
- Continue closely monitoring enrollment growth and expenditures

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Questions?

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