



Iowa Medicaid Update

Health and Human Services
Appropriations Subcommittee
February 7, 2012

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Presentation Overview

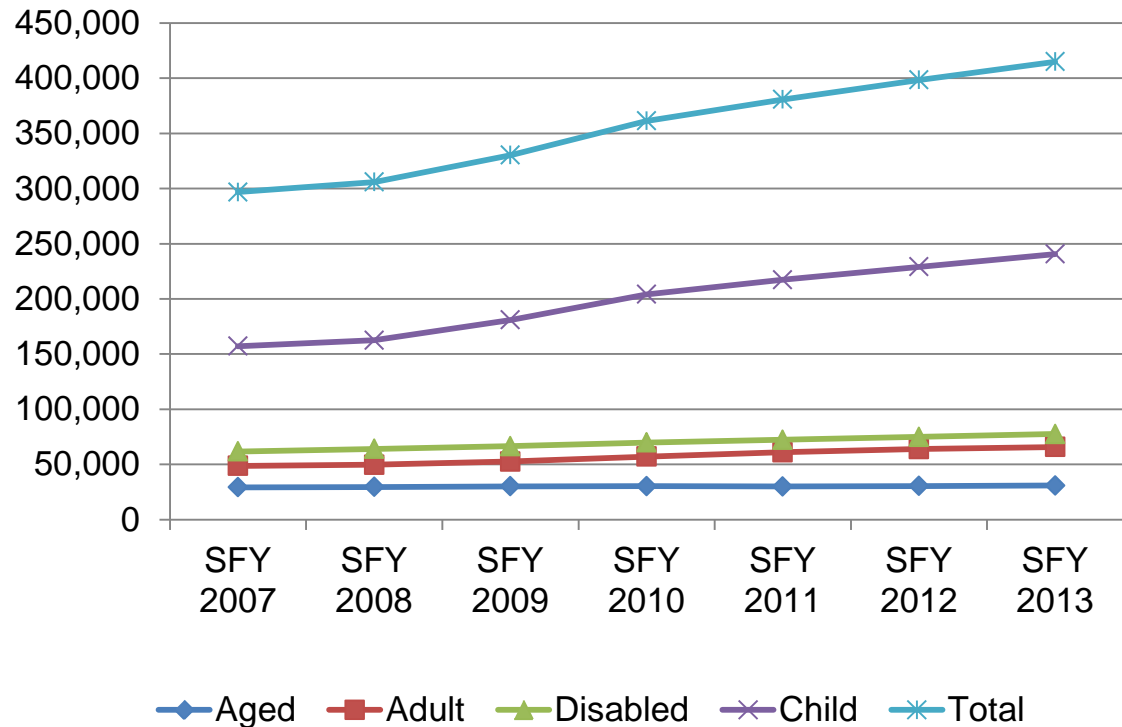
- Current Medicaid Picture
- Update on Key Projects
- FY 2013 Budget Projection
- Cost Containment Proposals



Medicaid Enrollment *

Projected Average Enrollment FY 2013	
Children	240,670
Adults	65,834
Aged	30,909
Disabled	77,573
Total	414,986

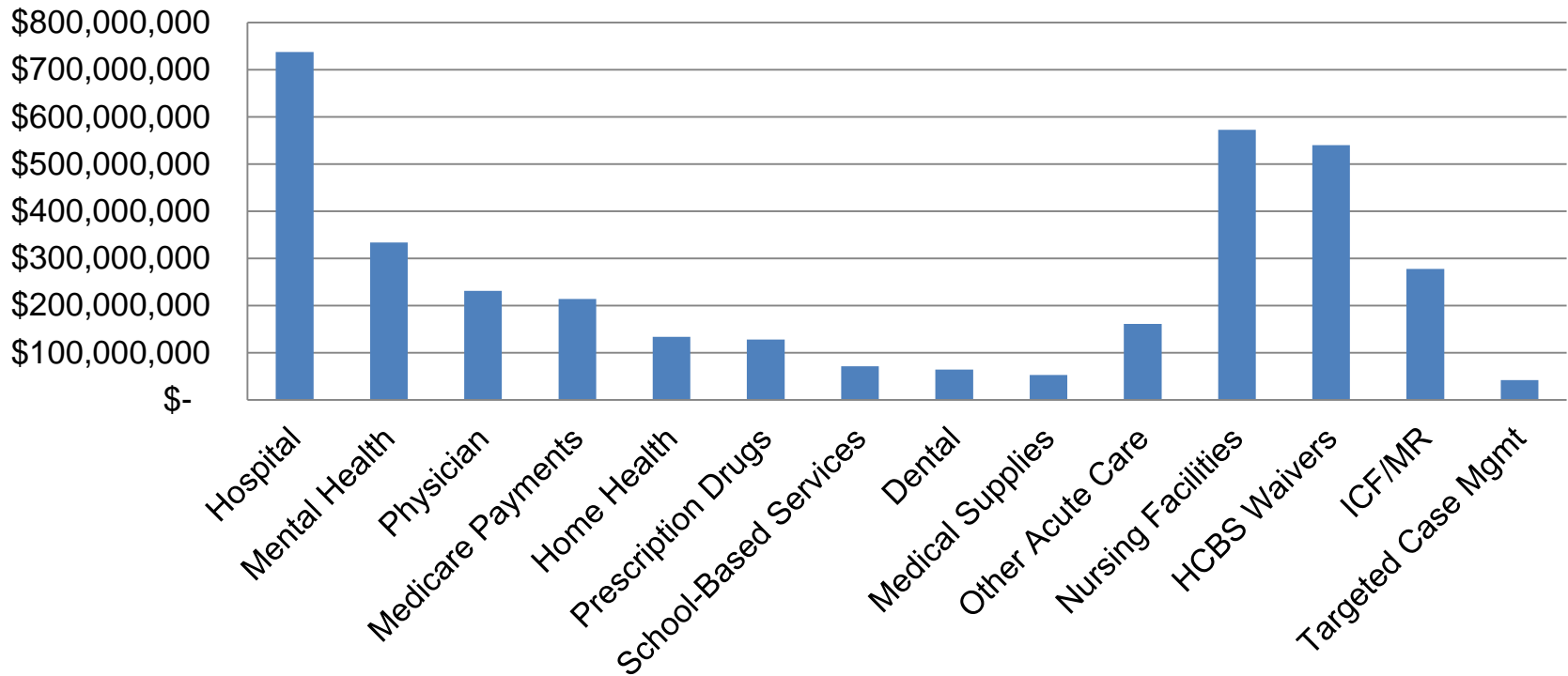
Enrollment Increase FY 2007 to FY 2013



* Does not include IowaCare, Family Planning Waiver or CHIP Medicaid Expansion



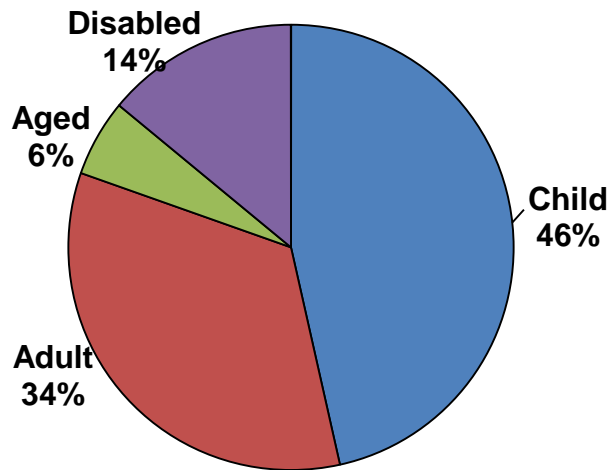
FY 13 Medicaid Expenditures \$3.5 Billion (All Funds)



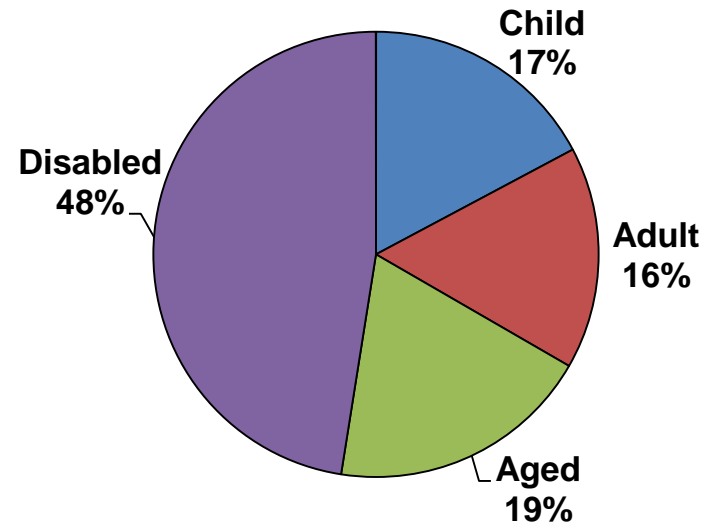


20% of Enrollees (Aged/Disabled) =
69% of Expenditures

**Medicaid Enrollment - SFY
2013**



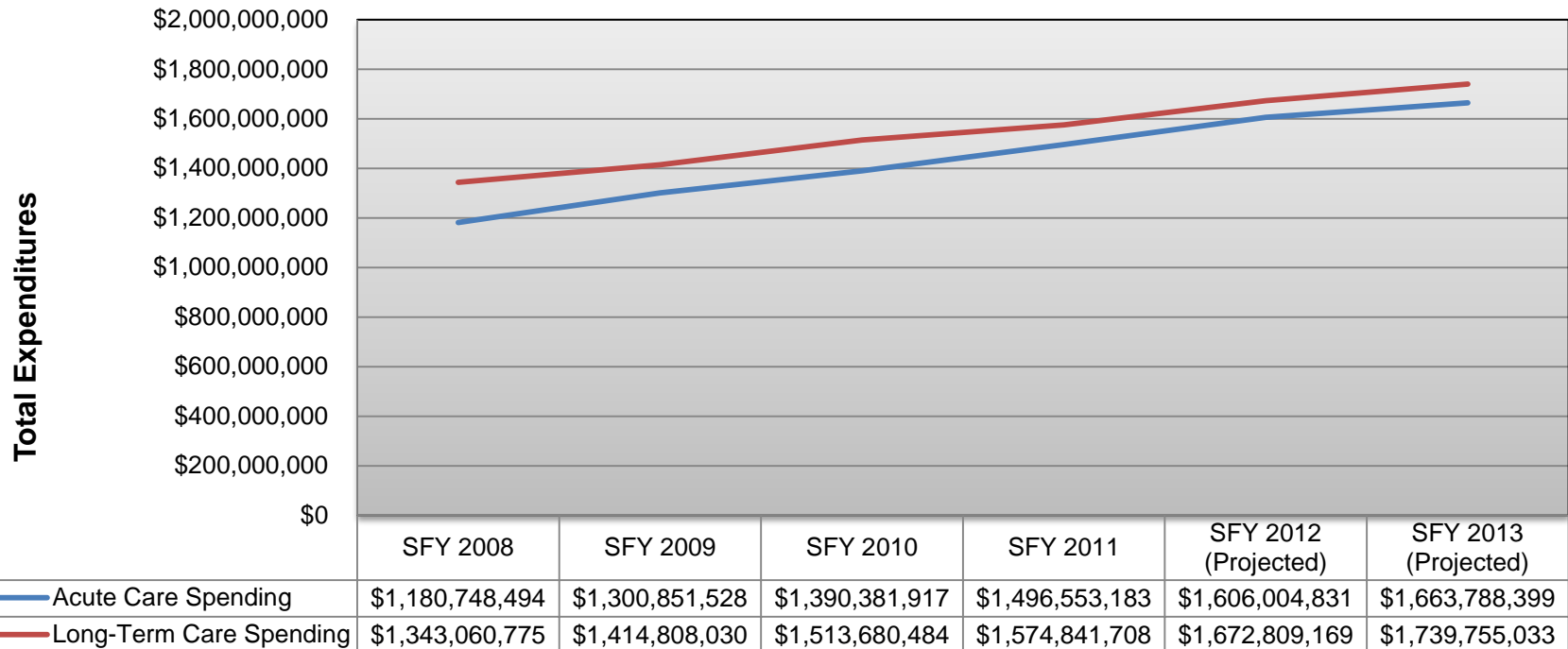
**Medicaid Expenditures - SFY
2013**

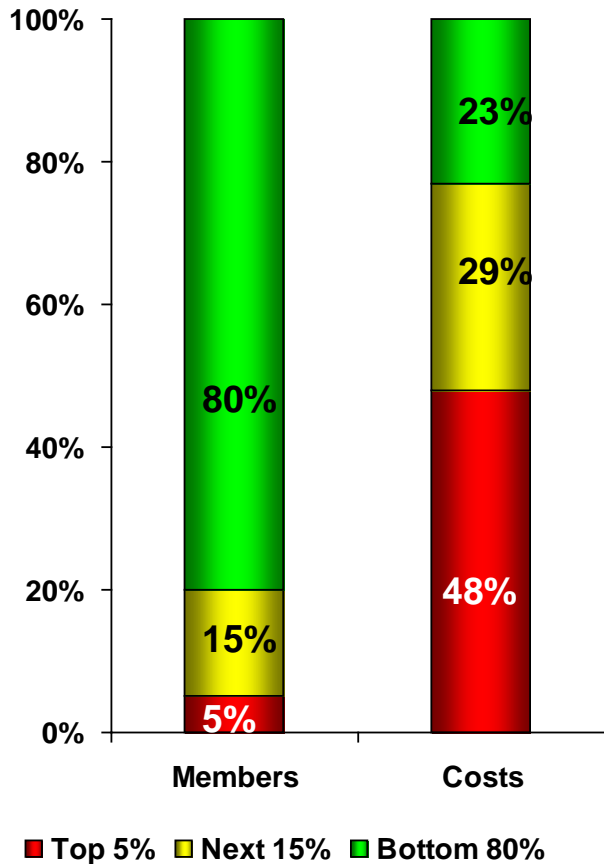




Long Term Care expenditures account for nearly half of Medicaid expenditures

Iowa Medicaid Acute Care and Long-Term Care Spending SFY 2008 - SFY 2013





- Acute Care:
 - Individuals with chronic disease drive a significant share of cost in the Medicaid Program
 - 5% of members account for 48% of acute care costs*



Top 5% High Cost/High Risk Members* Accounted for:

- 90% of hospital readmissions within 30 days
- 75% of total inpatient cost
- Have an average of 4.2 conditions, 5 physicians, and 5.6 prescribers
- 50% of prescription drug cost
- 42% of the members in the top 5% in 2010, were also in the top 5% in 2009

*Excludes Long Term Care, IowaCare, Dual Eligibles, and maternity



Update on Key Projects from 2011 session

- Health Home – Implementation to begin 7/1/12 for persons with Chronic Disease
- IT projects:
 - HIPAA 5010 – implemented 1/1/12
 - ICD-10 – work continues, on schedule
 - MMIS procurement – intent to award issued
 - Eligibility procurement – RFP released in Dec.
 - EHR Incentive Program - \$32.1M in payments; 567 providers (100% federal funds)



Update on Key Projects from 2011 session

- Provider documentation system (an electronic health record-type system for HCBS waiver and other providers) – issued RFI and viewing demonstrations
- Uniform Cost Report – Draft cost report nearly final. Next step - recruit providers to test it.
- FY 2012 Cost Containment items - implemented



HCBS Waiver Waiting List Buy-down

- FY 2012: \$5M appropriated for three waivers:
 - Children’s Mental Health (CMH)
 - Brain Injury (BI)
 - Intellectual Disabilities, adults and children (ID)
- As of 2/1/12, we have released a total of 1,129 slots for the three waivers:
 - ID - now has no waiting list
 - CMH – Released 100 slots/month, 103 left to go
 - BI – Released 75 slots/month, 72 left to go



2/1/12: HCBS Waiver Waiting List Status

Waiver Name	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12
Intellectual Disabilities (All)	247	228	0	0	0	0
Elderly	0	0	0	0	0	0
Ill & Handicapped	1,548	1,455	1,415	1,451	1,485	1,326
Brain Injury	698	622	648	580	554	467
Children's Mental Health	1,104	1,134	1,047	916	858	792
Physical Disability	1,765	1,711	1,674	1,803	1,745	1792
HIV/AIDS	0	0	0	0	0	0
Total	5,362	5,150	4,784	4,750	4,642	4,377



How did the buy-down impact the amount of time a person waits for a slot on the HCBS Waiver Waiting List?

Waiver Name	As of 6/30/2011	As of 2/1/2012
Intellectual Disabilities (All)	6/24/2009 (2 yrs) *	No Wait List
Elderly	No Wait List	No Wait List
Ill & Handicapped	4/21/2010 (14 mo.)	2/3/2011 (12 mo.)
Brain Injury	11/9/2009 (20 mo.)	2/25/2011 (12 mo.)
Children's Mental Health	3/15/2010 (15 mo.)	1/14/2011 (12 mo.)
Physical Disability	12/1/2009 (19 mo.)	8/10/2010 (18 mo.)
HIV/AIDS	No Wait List	No Wait List

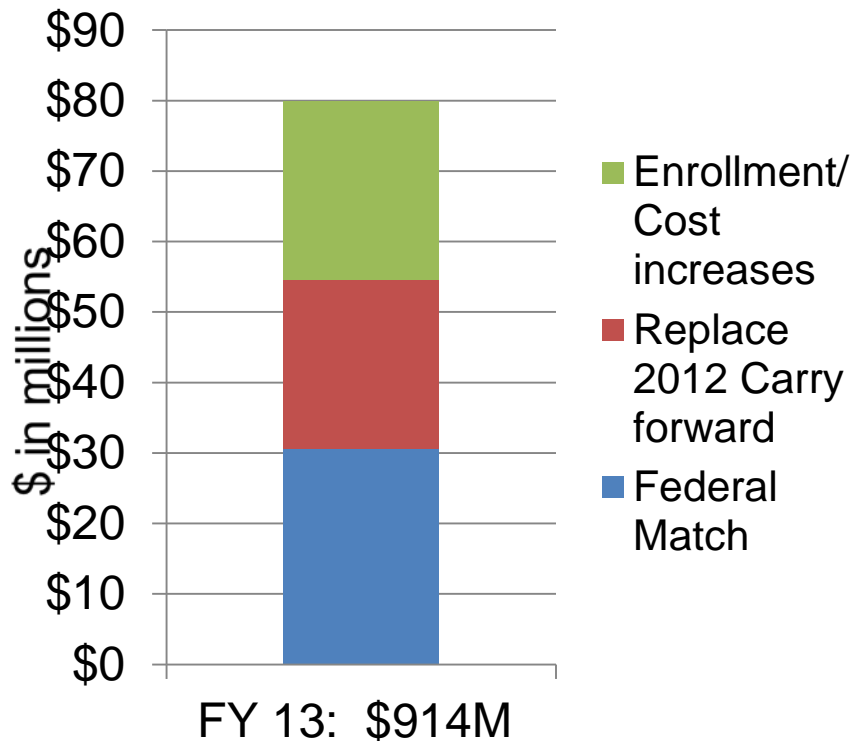


HCBS Waiver Waiting List Buy-down

- FY 2013: \$5M appropriated for all waivers (allocated by date of application):
 - Elderly – no waiting list
 - ID – no waiting list
 - CMH – will release another 312 slots
 - BI – will release another 63 slots
 - Ill & Handicapped – will release 1,142 slots
 - Physical Disability – will release 1,328 slots
 - HIV/AIDS – no waiting list



FY 2013 Governor's Budget



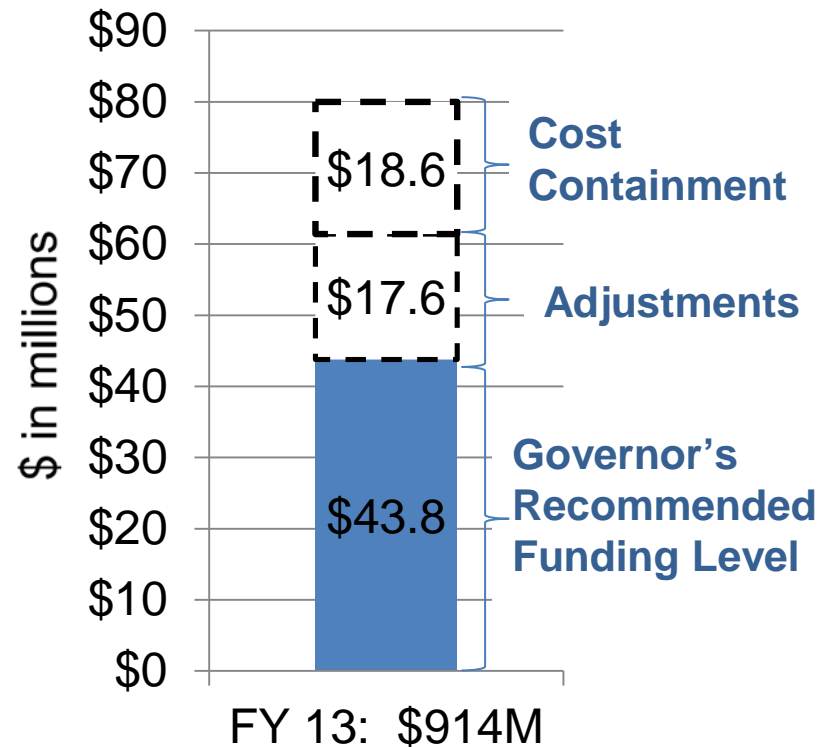
- FY 13 *original* appropriation = \$914M
- Governor's budget provides increase of \$80M before adjustments
- More than 2/3 due to revenue changes (federal match rate, FY 12 carryforward replacement)

• **\$80M Increase (low end of range)**



FY 2013 Governor's Budget

- From the \$80M, the following reductions:
 - \$18.6M for Cost Containment recommendations
 - \$17.6M other adjustments, including \$5M risk pool and \$5M CHIP contingency funds
 - Funded increase amount is \$43.8M over FY 12





FY 2013 Cost Containment: \$18.6 M

****See One-Page Summaries Distributed**

Item	FY 2013 Projected State Savings
Yield Management: Pursue recovery for claims that should have been paid by other third party payors	\$(1,600,000)
Medicare Crossover Claims – Part A (hospital): Cap the payments for Medicare crossover claims to be no more than what Medicaid otherwise would have paid	\$(5,400,000)*
Medicare Crossover Claims – Part B (professional): Cap the payments for Medicare crossover claims to be no more than what Medicaid otherwise would have paid	\$(3,800,000)*
Primary Care Health Home: Implement a health home program 7/1/12 utilizing 90% federal match for 2 years	\$(4,900,000)

* Represents high level cost estimates. More detailed estimates in progress, however, there are elements IME cannot estimate.



FY 2013 Cost Containment: \$18.6M

Item	FY 2013 Projected State Savings
Pharmacy Average Acquisition Cost: Converts reimbursement for prescription drugs to 'Average Acquisition Cost' based on surveys of pharmacy actual costs plus a \$10 dispensing fee	\$(1,900,000)
Physician Prescription Drug Reimbursement: Aligns reimbursement for physician administered drugs to equate to reimbursement for pharmacies	\$(85,000)
Medicare Part B Disallowance: Recover claims paid by Medicaid that should have been paid by Medicare – current program for Part A, expands to Part B	\$(97,500)
Estate Recovery – IPERS: IPERS to notify Medicaid of recipient death; recovery prior to disbursement to beneficiaries	\$(780,000)
Hospital Readmission within 7 days: When a patient is readmitted to the hospital within 7 days for the same condition, payment consolidated to 1 stay	\$(253,500)



Questions?

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