

# IowaCare

Prepared for  
Health & Human Services Subcommittee

Presented by  
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# IowaCare Background



- IowaCare is a Section 1115 Medicaid demonstration waiver program which began July 1, 2005 that covers adults ages 19-64 without insurance with incomes up to 200% of the federal poverty level. The current waiver will expire December 31, 2013.
- It was created in large part to generate funds to replace the loss of intergovernmental transfer dollars for the state.
  - **Broadlawns Medical Center and the UI Hospitals and Clinics both provide dollars used for the state match requirement.**
- Beneficiaries with incomes between 150% to 200% of the federal poverty level are assessed a sliding-scale monthly premium.
- The benefit package is similar to Iowa Medicaid, except that there is no coverage for outpatient pharmaceuticals, limited durable medical equipment coverage, and very limited mental health and dental coverage.
- Except for certain emergency care and some pregnant women, covered services may only be received at a network provider.
- **Up until FY 10, there was no reimbursement for physician services provided at UI Health Care. Payment is now capped at \$16.3 million and claims will exceed this total.**
- Medical homes were introduced in October 2010 and, effective January 1, 2012, IowaCare beneficiaries in every county have been assigned to a medical home.
  - **The UIHC received a bonus for its performance on FY 11 medical home quality measures with a 90 percent success rate.**

## UIHC Assistance with Transition to Medical Homes



- To help with the transition of IowaCare patients who received primary care medical services at UI Hospitals and Clinics in the past and who now will receive care at either Broadlawns, Community Health Center of Fort Dodge, Council Bluffs Community Health Center, Crescent, Peoples, Primary Health Care of Marshalltown, or Siouxland medical homes, UI Hospitals and Clinics will continue to refill valid prescriptions written by UI Hospitals and Clinics providers.
- Patients are responsible for working with their new medical homes for prescription services when they begin receiving care at the new medical home, any other primary care provider, or their UI Hospitals and Clinics prescription expires, whichever happens first.



# Medical Home Certification Forthcoming

- Per 1.4(a) of the IowaCare Expansion Network - Medical Home Agreement, “The provider shall meet Medical Home standards” and Per 1.4(a)(i) the Medical Home will, “Have National Committee for Quality Assurance (NCQA) Patient Centered Medical Home (PCMH) Level I recognition/certification or equivalent within 18 months of start of this contract.”
  - April 1, 2012 will be the 18 month point for Broadlawns Medical Center, People’s Community Health Clinic, Siouxland Community Health Center, and the University of Iowa Hospitals and Clinics.
  - DHS recently changed the requirement so only the application needs to be filed by April 1, 2012.
- The UIHC has already submitted its “corporate application” to the NCQA.
- The UIHC scores an 87 out of 100 on the self assessment tool and is on target to receive Level 3 certification (the highest).



## Need for Specialty Care Expected to Increase

	Enrollment July 1	Enrollment End Dec	Difference	%
TOTAL	49,363	53,569	4,206	8.5%

- IowaCare enrollment continues to grow, and the assignment of medical homes in closer proximity to potential beneficiaries is likely to stimulate further growth.
- For FY 11 and the first six months on FY 12, less than 15 percent of IowaCare patient encounters at the UI Hospitals and Clinics were for primary care, suggesting there may not be a substantial decrease in care provided there due to the presence of new medical homes.
- The UIHC also has a substantial medical home population for which it is responsible.
- FQHC IowaCare medical homes report they refer on the majority of IowaCare patients they see for services not able to be provided there.
- As enrollment grows, increases in specialty care provided to IowaCare patients is likely to occur.



# IowaCare Enrollment in the UIHC's Medical Home Exceeds 20,000<sup>1</sup> (UIHC Still Provides Services to Residents in All Medical Homes)

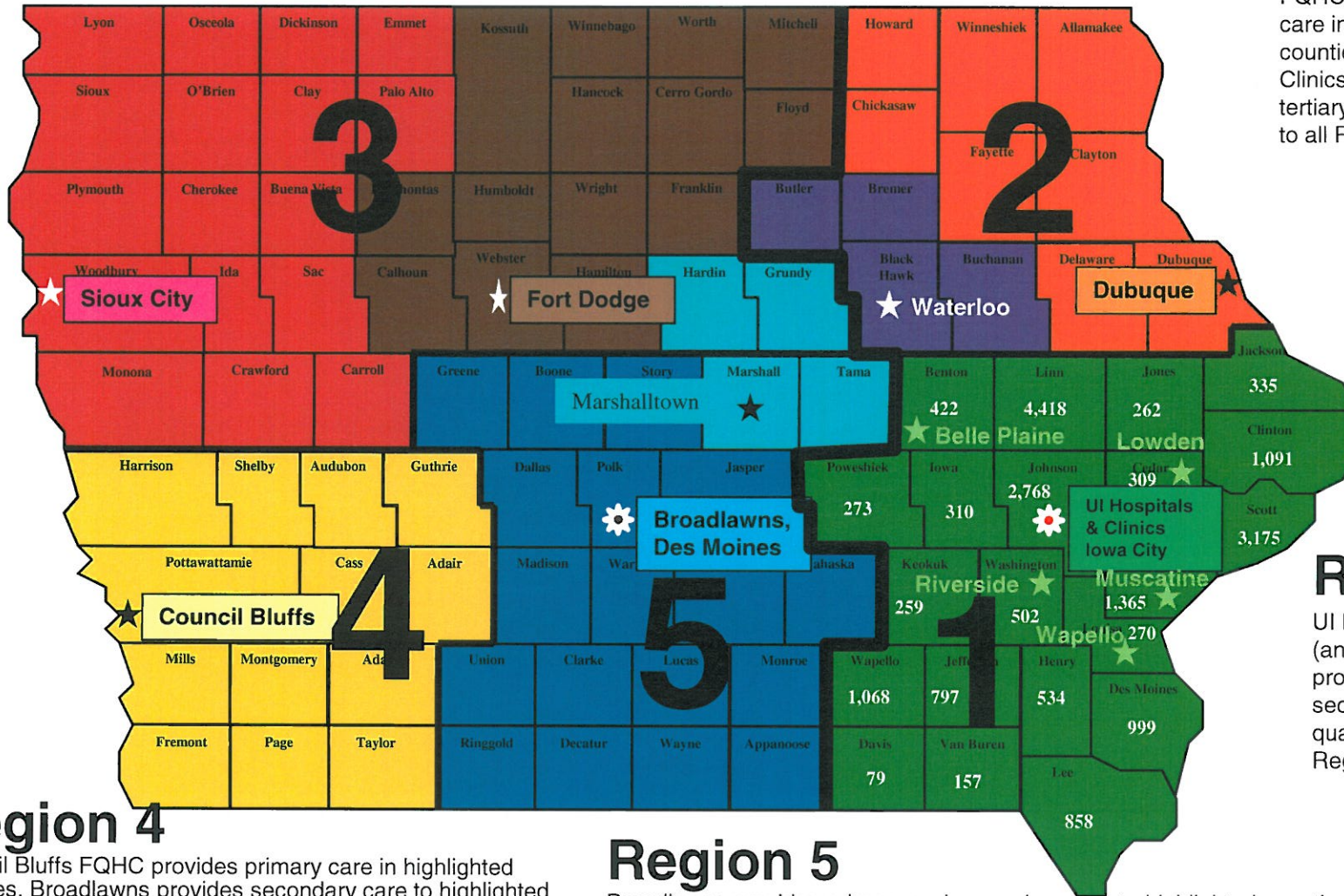


## Region 3

Sioux City, Fort Dodge and Marshalltown FQHCs provide primary care in highlighted counties, Broadlawns provides secondary care to highlighted counties, UI Hospitals and Clinics provides tertiary and quaternary care to all Region 3 counties.

## Region 2

Waterloo & Dubuque FQHCs provide primary care in highlighted counties, UI Hospitals and Clinics provides secondary, tertiary and quaternary care to all Region 2 counties.



**38% of all IowaCare beneficiaries are assigned to the UIHC's medical home.**

## Region 1

UI Hospitals and Clinics (and satellite sites) provide primary, secondary, tertiary and quaternary care to all Region 1.

## Region 4

Council Bluffs FQHC provides primary care in highlighted counties, Broadlawns provides secondary care to highlighted counties, UI Hospitals and Clinics provides tertiary and quaternary care to all Region 4 counties.

## Region 5

Broadlawns provides primary and secondary care to highlighted counties except that Marshalltown provides primary care to Marshall and Tama counties, UI Hospitals and Clinics provides tertiary and quaternary care to all Region 5 counties.

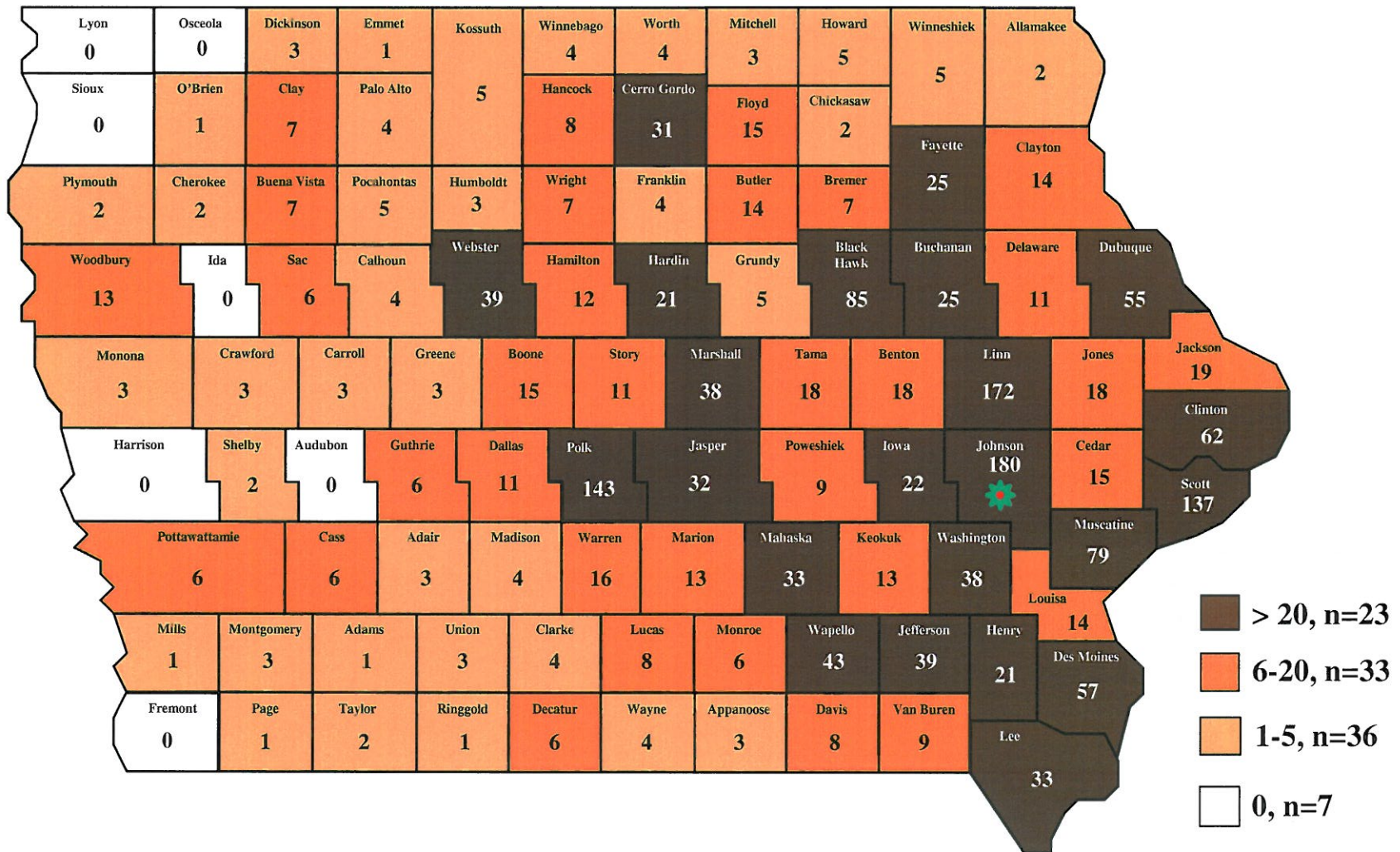


# IowaCare Inpatient Admissions at the UIHC by County

## July 1 – December 31, 2012



Total Inpatient Admissions = 1,883\*



\*Total includes admissions by people with IowaCare who do not appear to live in Iowa.

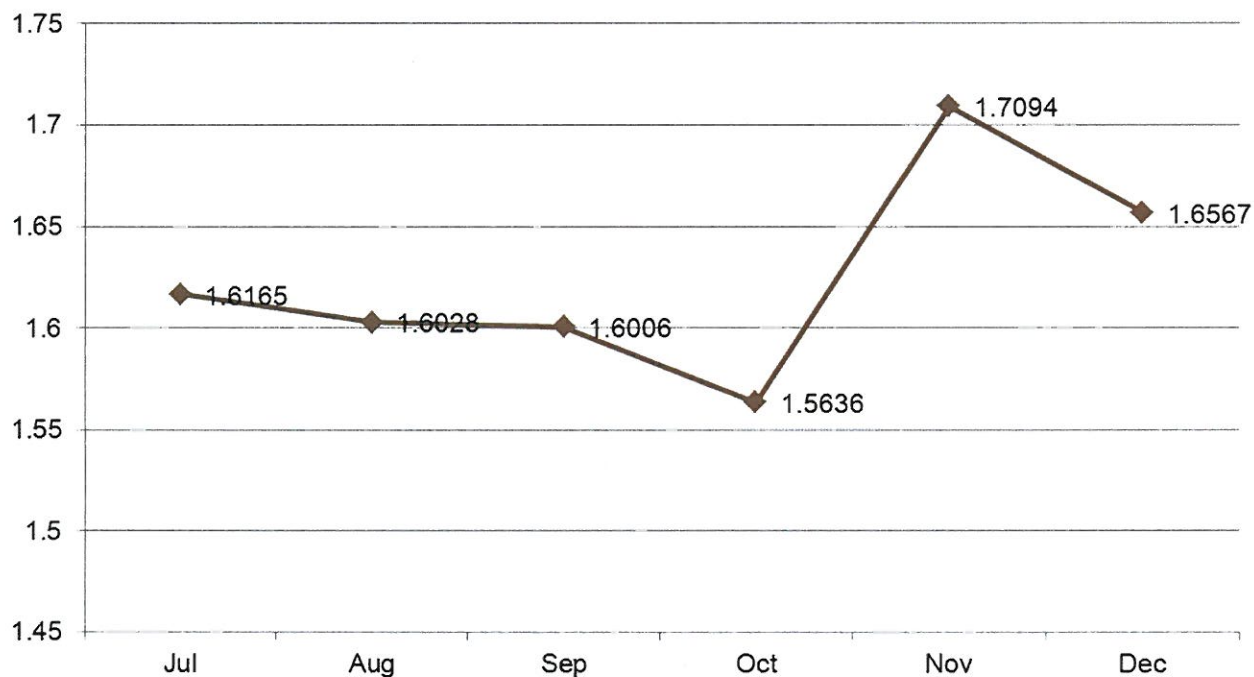
**Most Common MS-DRGs for IowaCare Patients Treated at the UIHC  
July 1 – December 31, 2011**



Rank	MS-DRG	Description	Count
1	897	ALCOHOL/DRUG ABUSE OR DEPENDENCE W/O REHABILIT	60
2	470	MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOW	49
3	918	POISONING & TOXIC EFFECTS OF DRUGS W/O MCC	47
4	287	CIRCULATORY DISORDERS EXCEPT AMI W CARD CATH W	46
5	392	ESOPHAGITIS GASTROENT & MISC DIGEST DISORDERS	38
6	603	CELLULITIS W/O MCC	37
7	101	SEIZURES W/O MCC	28
8	638	DIABETES W CC	27
9 (tie)	683	RENAL FAILURE W CC	26
9 (tie)	847	CHEMOTHERAPY W/O ACUTE LEUKEMIA AS SECONDARY D	26
11	439	DISORDERS OF PANCREAS EXCEPT MALIGNANCY W CC	25
12	494	LOWER EXTREM & HUMER PROC EXCEPT HIP FOOT FEMU	23
13	330	MAJOR SMALL & LARGE BOWEL PROCEDURES W CC	22
14	871	SEPTICEMIA W/O MV 96+ HOURS W MCC	21
15	247	PERC CARDIOVASC PROC W DRUG-ELUTING STENT W/O	20



# Monthly FY 12 Case Mix Index of IowaCare Patients Admitted at the UIHC



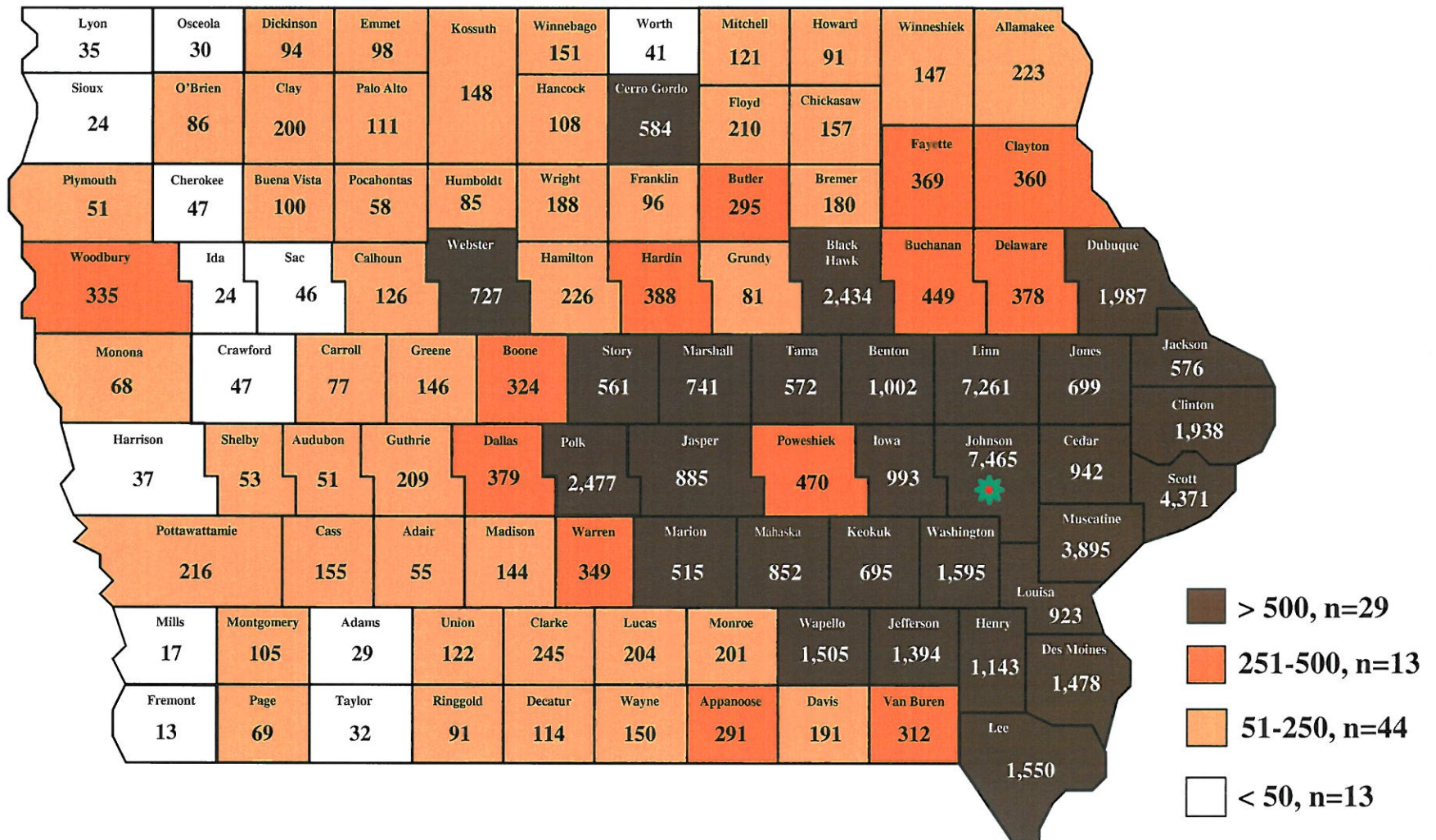
- A case mix index of 1.2 is typical for a patient in Iowa.
- IowaCare patients tend to be more complex than the average patient.

# IowaCare Outpatient Encounters By County

## July 1 – December 31, 2012



Total Outpatient Encounters= 62,824\*



\*Total includes visits by people who do not appear to live in Iowa.



**Most Common Outpatient Principal Diagnoses for IowaCare Patients  
Treated at the UIHC  
July 1 – December 31, 2011**

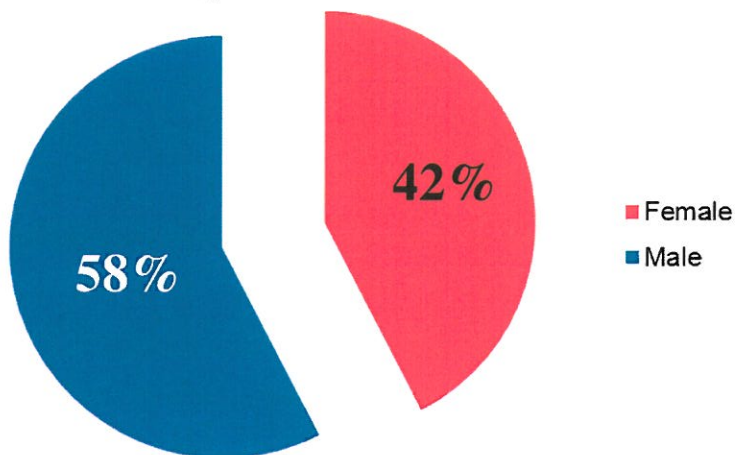


Rank	Code	Description	Count
1	4019	HYPERTENSION NOS	2,519
2	25000	DMII WO CMP NT ST UNCNTR	1,545
3	V580	RADIOTHERAPY ENCOUNTER	1,542
4	7295	PAIN IN LIMB	1,195
5	7242	LUMBAGO	989
6	52100	DENTAL CARIES NOS	988
7	V5849	POSTOP OTH SPECFD AFTRCR	926
8	V7651	SCREEN MALIG NEOP-COLON	798
9	71946	JOINT PAIN-L/LEG	758
10	25002	DMII WO CMP UNCNTRLD	739
11	7245	BACKACHE NOS	692
12	78650	CHEST PAIN NOS	644
13	78900	ABDMNAL PAIN UNSPCF SITE	622
14	71941	JOINT PAIN-SHLDER	572
15	V571	PHYSICAL THERAPY NEC	562

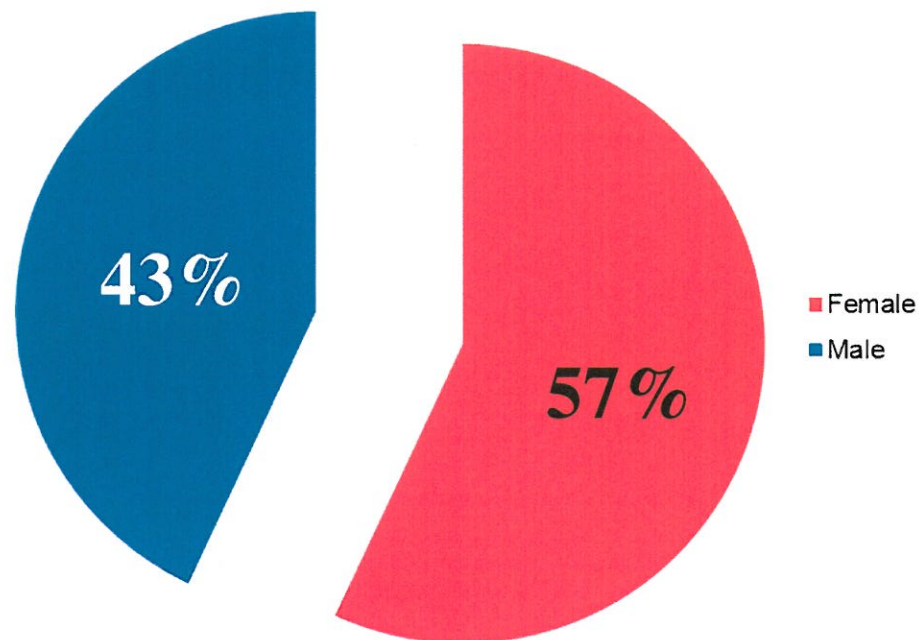
# Gender Analysis of IowaCare Patients Seen at the UIHC July 1 – December 31, 2011



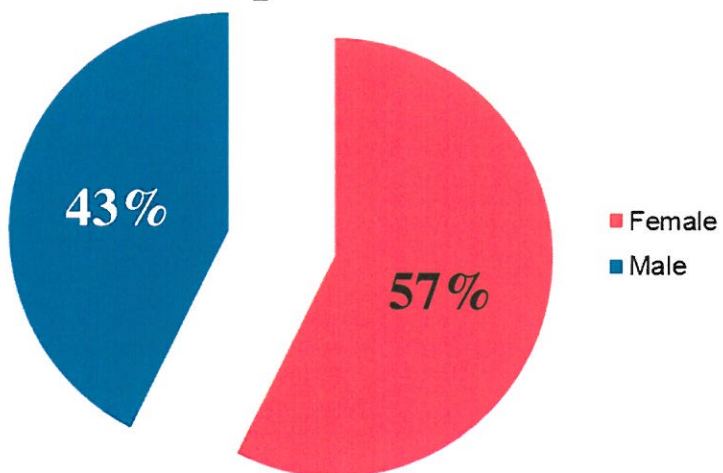
### Inpatient



### Overall

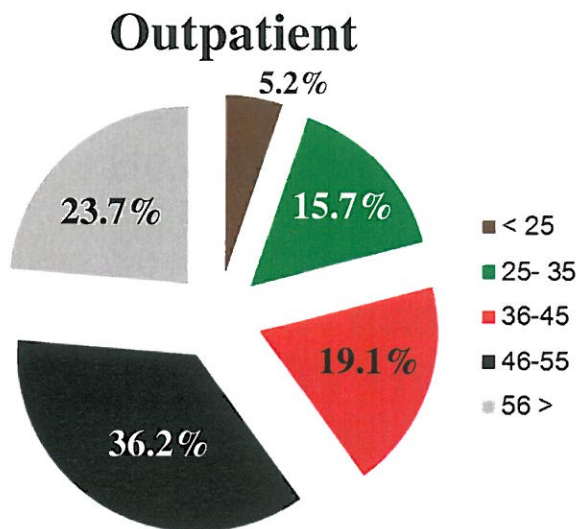
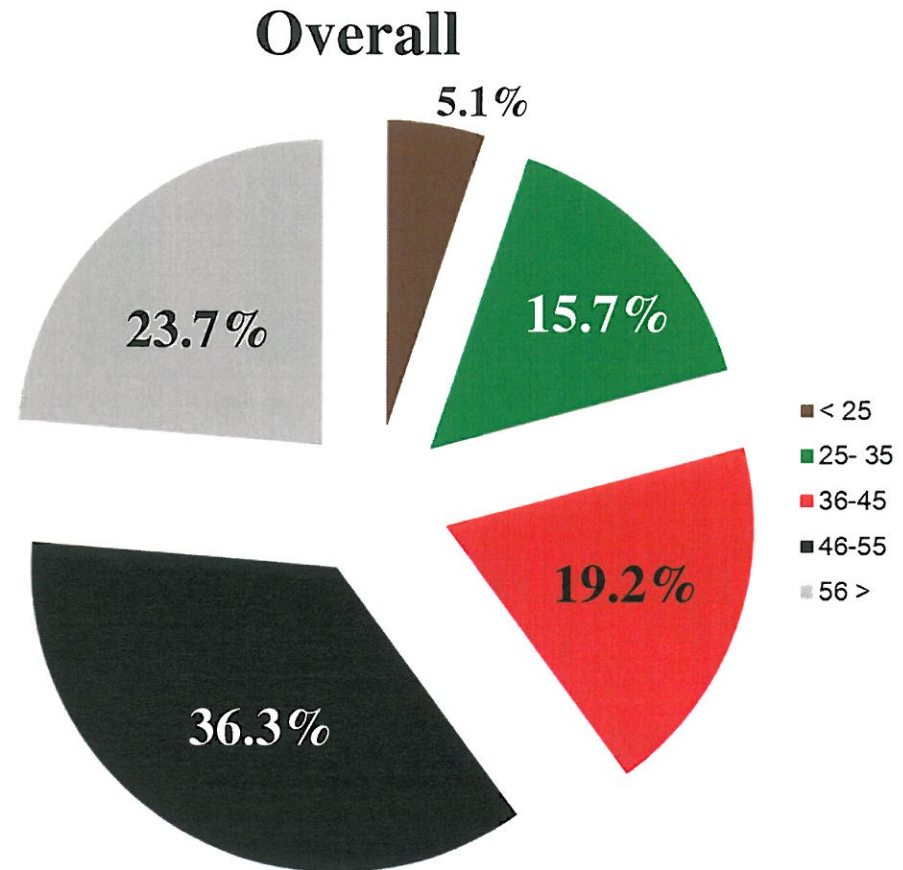
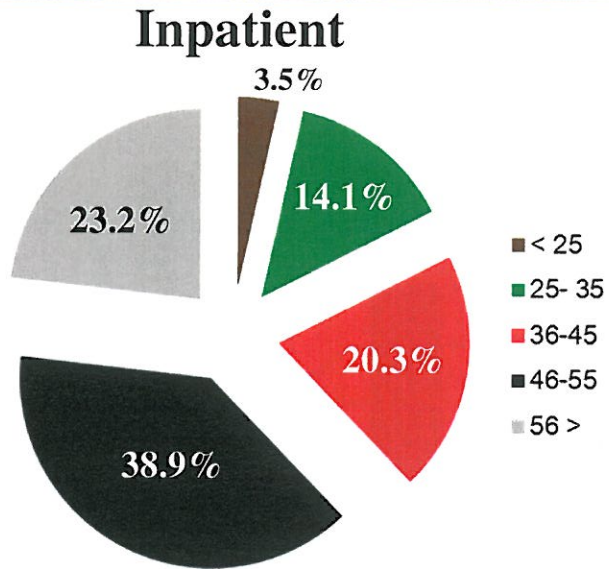


### Outpatient





# Age Analysis of IowaCare Patients Seen at the UIHC July 1 – December 31, 2011



## UI Hospitals and Clinics Operates Pharmaceutical and Durable Medical Equipment Programs for IowaCare Beneficiaries



- On August 14, 2006, the University of Iowa Hospitals and Clinics implemented pilot programs without reimbursement to facilitate IowaCare beneficiary access to pharmaceuticals and durable medical equipment (which are not covered benefits).
- These programs continue today and have cost the UIHC multiple millions of dollars.
- For FY 12 through December (July 1- December 31, 2011), nearly 84,400 prescriptions have been filled at a product, personnel, shipping and mailing cost of \$2.0 M (revenue from \$4 co-pays and mailing fees was \$322,000) and over \$920,000 has been provided in DME (but only \$350,000 has been charged to the Care Coordination Pool).





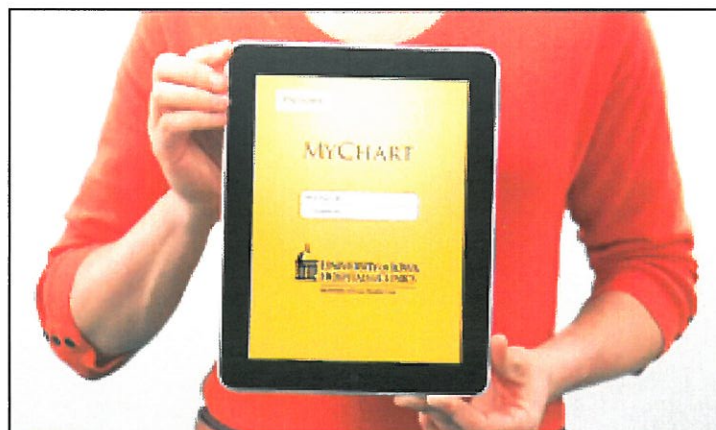
# IowaCare Care Coordination Pool



- A \$1.5 M care coordination pool was established effective November 1, 2011 to provide payment for medically necessary services provided to IowaCare members for continuation of care provided by a participating IowaCare hospital. Reimbursement is available from designated care coordination pool funding subject to the following conditions:
  - (1) Payment may be made for continuing care that is related to an IowaCare member's hospital services as determined in a referral from the participating IowaCare hospital.
  - (2) Payment for continuing care is available to providers that are enrolled in the Iowa medical assistance program, regardless of whether the provider is a participating provider for IowaCare and regardless of the member's county of residence or medical home assignment.
  - (3) A provider of continuing care that does not participate in the IowaCare program must include information regarding the referral on the claim form.
  - (4) Payment shall be made only for services that are not otherwise covered under the IowaCare program. Payment shall not be made for services that would normally be provided by the IowaCare provider to other non-IowaCare patients.
  - (5) The type, scope, and duration of payable services shall be limited as determined by the department. Payable services are limited to:
    - 1. Durable medical equipment.
    - 2. Home health services.
    - 3. Rehabilitation and therapy services, including intravenous antibiotics and parenteral therapy delivered at home.

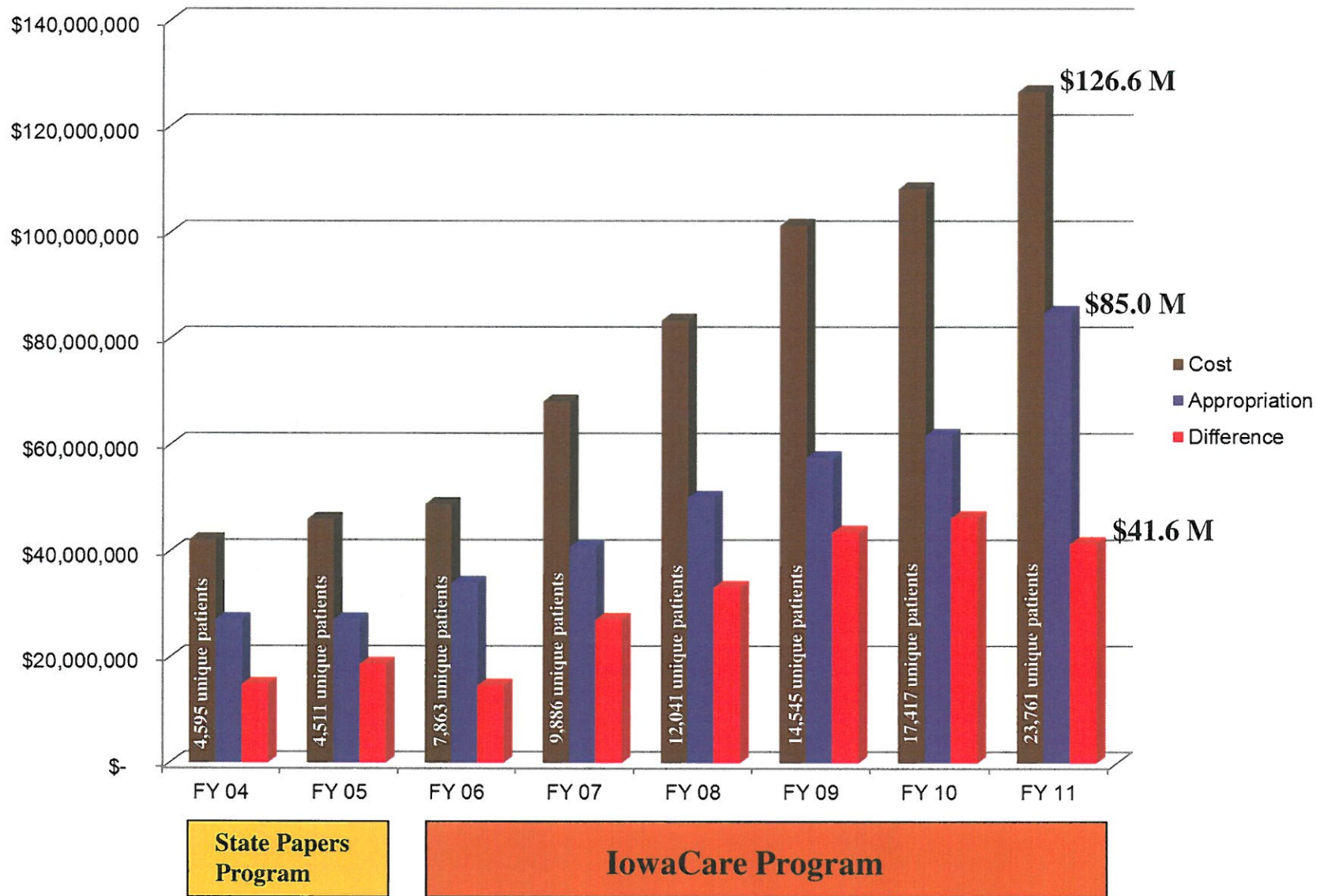
## Electronic Communication is Promoted

- **MyChart** is a secure, web-based tool that enables IowaCare patients to electronically view their UI Hospitals and Clinics medical record, request an appointment, see test results, request a prescription renewal, send a secure message to their health care team, and to find helpful health tips and other trusted information. Each patient has his/her own login and password and only needs a computer with Internet access. MyChart is free to UI Health Care patients.
- **UI CareLink** is a tool that allows referring providers electronic access to enter and retrieve secure patient information contained in UI Hospitals and Clinics medical records. This tool is being used with IowaCare medical homes at the Federally Qualified Health Centers (FQHCs) while they are in the process of implementing electronic medical records.





# Comparison of UI Health Care Cost, Appropriations & the Difference for State Papers vs IowaCare



# Rebasing Negatively Impacts UIHC's Inpatient Payments



- The Iowa Department of Human Services is in the process of rebasing IowaCare rates.
- The new inpatient rates represent a **9.9 percent decrease** for the UIHC
  - Unlike Medicaid, no hold harmless funding is applied to IowaCare rebasing.
- The impact of new outpatient rates is yet to be determined.



# Challenges

- Transitioning care post discharge to the patient's medical home.
- Payment of providers utilizing the Care Coordination Pool.

## Recommendations

- Perform a detailed assessment of the maximum matched funding available for the remainder of the existing IowaCare waiver and its expected adequacy to meet projected payment obligations so that adjustments can be implemented, if necessary.
- Tighten eligibility requirements and assessments.
- Cover pharmaceuticals.
- Begin planning now for a renewal of the IowaCare waiver beyond December 31, 2013 in case relevant portions of the Accountable Care Act are ruled unconstitutional, repealed, or have their implementation delayed.



