

**Department of Human Services
FY14 Medicaid Cost Containment Initiatives**

Initiative	Savings	Description
Limit Home Health Visits to 100/year for Adults	975,000	Cap HH benefit at 100 visits/year for adults w/PA for services over the cap; cap w/PA already in place for children.
Cesarean Sections-no elective deliveries	500,000	Hospitals are adopting similar policies.
Adult Chiropractic Services Limited to 12 visits/year	225,000	Align plan with Meridian Managed Care Plan. Wellmark also instituting same concept.
Prior Authorization for Swing Beds	1,000,000	Swing beds are when a bed can be considered & reimbursed as either a NF bed or a hospital bed. PA would require that NF bed is not available within a 25 mile radius. Patients are staying in hospital swing beds too long.
Nursing Facility Authorizations for Individuals moving from hospital	960,000	Shorter admission authorizations for members entering NFs from hospital setting when prior to hospital stay, they lived at home. Current authority allows for 1-year authorization without checking to see if rehab is completed.
HCBS Transportation Rates	500,000	Current transportation contract only covers medical appointments; non-medical not included.
Pharmacy Dispensing Fee at \$10.02	400,000	Pharmacy dispensing fee survey has resulted in a fee of \$10.02 resulting in savings of \$1.9M which is \$400,000 more than originally estimated.
Prepayment Editing	250,000	Checks for duplicative/overlapping services billed to both Magellan and IME by mistake or through fraud. IME would realize savings immediately for denied or reduced fee-for-fee billing and would be positioned to save in the savings reduction for Magellan savings either through future rate setting, use of existing provisions in the contract, or an amendment to the current contract.
HCBS Provider Enrollment Fees for Background Checks	100,000	Limit to one State background paid by IME (\$50). Rest of fees (including federal check) will be paid by CDAC/CCO providers.
Discontinue Iowa Chronic Care Consortium Contract funding currently in budget	200,000	Funding was originally placed in the budget through legislative action for Medicaid Strategic Planning. ICCC work is duplicative of efforts already in place at DHS. DHS has several federal grants that lead the agency in a strategic direction beyond the scope of services offered by the ICCC. The \$200K is just viewed as general funding for the ICCC now.
Diabetic Supply Rules	100,000	Expand categories of diabetic supplies for which a rebate can be received. Current rules limit rebates to monitors and test strips.
Eliminate Medically Needy Coverage above 138% FPL (Adults Only)	1,900,000	With or without expansion, individuals with income above 138%FPL will be able to access subsidized health insurance coverage through the Exchange. This would start 1/1/14.

Program Integrity Package (Program Integrity)	2,000,000	Implements a set of program integrity strategies: 1) Eliminates individual CDAC services & replaces w/agency-only personal care services. All members able & desiring to self-direct services have the option of CCO. 2) Removing day care license as licensure for respite. Providers gain access to become a Waiver provider through a day care license yet the provider doesn't actively provide day care. 3) Increase the # of unannounced, on-site investigations. 4) Utilize a Lexis/Nexis type service for verifying provider information. LexisNexis has a huge database on members with multiple addresses.
Pending cost report rules	5,500,000	Cleans up how nursing facility cost reports are done. Rule would remove payment for the Medicare portion of therapy cost which is already paid by Medicare, plus other clarifications, and would address the issue currently under review by the Supreme Court.
BIP: Implement Service Intensity Scale (SIS) for resource allocation in ID Waiver	8,500,000	Related to MHDS Redesign. SIS determines level of need & funding amounts for services on the ID waiver. Projected to provide a savings of 5% in ID waiver services & increase management of the waiver.
BIP: Implement SIS assessment for all persons accessing ID services	3,000,000	Related to MHDS Redesign. Use SIS assessment tool to provide independent, validated assessments for ALL individuals with ID. Reduces Targeted Case Management costs since TCMs will no longer perform assessments. Fee schedule will be derived as an average of costs provided in cost reports. TCM rates have increased by 6% in recent years. This change will reduce the rate inflation.
Integrate all MH services under managed care plan	2,000,000	Move Habilitation to the Magellan contract 7/1/13. Moving to managed care plan will increase integration of services and integrated care planning. Same process as moving remedial and PMIC to managed care.
Replace TCM w/Integrated Health Home for adults w/Chronic Mental Illness	2,000,000	DHS & Magellan are developing an integrated health home model for persons with CMI which will replace all TCM.
Total Recommended MCD Reductions	30,110,000	