

**IOWA LEGISLATIVE MEETING  
March 21, 2007**

***Medicaid Talking Points***

***DRA 2005 Provisions***

***Money Follows the Person (MFP) Grant***

- Grants were awarded in January 2007
- Awarded \$50,965,815 for 5-year commitment
- To expand services beyond what is currently offered under the MR waiver, and to provide one-time services to individuals transitioning into the community from ICF/MRs
- Ultimate goal will be the successful, sustained transition of 528 individuals from ICF/MR settings into integrated communities

***Home and Community- Based Services (HCBS) State Plan Option***

- 1st in the nation to submit
- Provides case management and habilitation services to Medicaid beneficiaries who meet certain needs-based criteria
- IA and CMS have been working together to meet regulatory requirements for approval
- Decision to be made by 90<sup>th</sup> day, April 11, 2007

***Rural PACE Grant***

- Awarded \$500,000 (Sept 2006) to Hospice of Siouxland to establish PACE program
- Progress in the development stages with application submitted to State Agency in January

***SCHIP Shortfall***

- Iowa's FFY 2007 grant award was \$36.2 million
- CMS will be calculating a reallocation of monies, among the various states that are expecting a shortfall during FFY 2007.

## *Presidents 2008 Budget Proposal*

The budget proposes \$3.5 billion in Medicaid savings in 2008 and 25.7 billion over 5 years.

***The proposal focused on making health care fairer, more affordable, more accessible and flexible:***

### Affordable Choices Initiative

- Currently 25 States (including Iowa) that has expressed interest and some have proposed legislative bills
- Purpose is to make private health insurance more affordable to the sick and poor
- States will be allowed to divert DSH dollars as a funding source
- States have flexibility to design their own programs by deciding who to subsidize and can go up to 300% of the FPL
- The 1115 waiver authority is necessary

### ***Strengthening health care for low-income and vulnerable Americans***

*SCHIP has provided over \$40 billion to States in the last 10 years and SCHIP authorization will end 12/07.*

#### State Children's health Insurance Program (SCHIP)

- Reauthorizes SCHIP for 5 years
- Increases funding by approximately \$5 billion over the next 5 years
- Refocuses the program on children at or below 200% of poverty levels as originally intended to target the most neediest children

**(This information was not presented at the meeting but has since been clarified )**

*Based on the data, it may appear CMS is proposing \$223M less for FY 2008 because last year SCHIP received extra money for the shortfall States (over the \$5B in current law). When the Administration's SCHIP reauthorization proposal is taken into account, FY 2008 proposed law outlays are estimated at \$6.6 billion, an increase of \$997 million over FY 2007 outlays.*

### ***Modernize Medicaid***

- Pharmacy Reform – Builds on DRA 2005 – Gives States tools to manage drug spending
- Program Integrity – Improve third-party liability reforms (enhance current laws by allowing States to avoid costs for prenatal and preventive pediatric claims when a third party is responsible) and develop more effective Medicaid eligibility processes (expand asset verification demonstration in locations where SSA is operating a pilot)
- Extend 1915(b) waiver period - renewals from 2 to 3 years.