

Senator Hatch and Committee Members, thank you for providing Broadlawns Medical Center the opportunity to comment on the Healthcare Affordability Act.

Over two years ago, Broadlawns Medical Center and the State of Iowa embarked upon a new partnership to provide a new Medicaid Waiver (IowaCare) to an expanded population of uninsured citizens in our State. Along the way, we have worked collaboratively to ensure the success of this new program.

INTERIM COMMISSION ON AFFORDABLE HEALTH CARE PLANS

HEALTHCARE AFFORDABILITY ACT, DIVISION II – Several areas of the Medicaid and the IowaCare program are addressed:

1. **Hospital Reimbursement:** We support the language in this legislation to increase the Medicaid Reimbursement Rate to the Medicare levels.

However, for public hospitals such as Broadlawns Medical Center we need the assistance of the Legislature to ensure that our Medicaid Indirect Medical Education (IME) payments are not reduced. These payments assist Broadlawns Medical Center with the cost of operating our Family Medicine Residency Program (teaching program).

If this legislation is enacted as written, Broadlawns Medical Center will be negatively impacted by approximately \$400,000. **It is our suggestion that our Medicaid IME payments are excluded from change in reimbursement for the Medicaid program.**

Broadlawns Medical Center has the second oldest and largest Family Medicine Residency Program in Iowa. Since 1971 we have trained over 400 family medicine physicians, of which two-thirds stay in Iowa which is critical to ensure healthcare to our rural citizens.

Ensuring that reimbursement for our Family Medicine Residency Program stays intact will ensure that Broadlawns Medical Center can continue to train tomorrow's family medicine physicians for the State of Iowa.

2. **IowaCare Premiums:** We support the language in this legislation to change the IowaCare premium structure for family incomes equal to or less than one hundred percent of the federal poverty guidelines. If these individuals do not have to pay the premium or have to remember to mark hardship on their monthly bill this would assist with keeping these individuals enrolled in IowaCare.

However, we suggest funding be made available to provide education about the IowaCare program to individuals who are currently enrolled in the program, as well as for potential new enrollees. Similar to when the Hawk-I

program was enacted, there has been little advertising to the citizens of Iowa to make them aware of the IowaCare program and who is eligible.

Polk County has the largest percentage of the uninsured in our State. If we were successful in utilizing the IowaCare program to its fullest potential, it would greatly reduce the number of the uninsured in Polk County as well as in our State.

Broadlawns Medical Center has visited with the leaders of several area colleges, universities and community organizations. They are not aware of the IowaCare program or how it can benefit their employees, students, or individuals they serve. How do we expect individuals to enroll in a program if they are not aware it exists? Together, we need to embrace this opportunity to ensure the success of IowaCare. The end-result will be that we provide healthcare to a greater population of the uninsured.

The individuals we treat who have enrolled in this program view it not as an entitlement, but as an asset. They are beginning to take accountability for their healthcare and pursue preventative healthcare. When we began this program, I was very skeptical that we could change the culture of the patients we treat. We are accomplishing this and our physicians and our patients have a new sense of pride that together we can change the outcome of their healthcare status.

3. IowaCare Payment for Pharmaceuticals: We support the language in this legislation to provide pharmaceuticals to the individuals enrolled in IowaCare.

Since the inception of IowaCare Broadlawns Medical Center has been providing pharmaceuticals to the individuals enrolled in the program. It is best practice for us to provide the pharmaceuticals to these individuals in order to ensure management of acute and chronic healthcare conditions. In healthcare today, pharmaceuticals are key to the success of an individual becoming a healthy, working citizen.

However, the estimate of the cost of providing the pharmaceuticals has been grossly understated.

To date it has cost Broadlawns Medical Center the following:

	FY 2005-2006	FY 2006-2007	Totals
Pharmaceuticals includes dispensing fees	\$3,604,236	\$3,604,236	\$7,208,472

It should be noted that Broadlawns Medical Center is a 340B outpatient pharmacy. Because of this designation, Broadlawns Medical Center has been able to purchase these pharmaceuticals at a significant discount. If our patients purchased pharmaceuticals at a retail location, the cost would have been \$8.4 million dollars for these two years. Broadlawns Medical Center provided a considerable savings of \$1.2 million a year to our community.

We recommend an increase in this legislation to cover the cost of providing pharmaceuticals to the individuals enrolled in IowaCare.

4. **IowaCare Expansion** – We support the expansion of the IowaCare program with implementing the Community Awareness program for IowaCare.

We support the expansion of providers as long as the other organizations you want to be considered a provider for IowaCare have unencumbered certified local matching funds.

We need to ensure necessary protection for Broadlawns Medical Center that our Public funds are not diluted in any manner.

IN THE HEALTHCARE AFFORDABILITY ACT, DIVISION III – DENTAL HOME

Dental Home - Broadlawns Medical Center embraces the concept of a Dental Home for every child. Currently, Broadlawns Medical Center is one of the largest providers of dental care to children in Polk County.

In addition, Broadlawns Medical Center manages the largest WIC (Women's Infants and Children) grant program in the State. We would welcome a partnership with the State to provide oral health support to these families. In fact, Broadlawns Medical Center currently sends our Dental Hygienist to the WIC program site once a week.

Broadlawns Medical Center has already implemented this initiative and would like to request funding support for mobile equipment and staff, as this program continues to grow. Funding would ensure we could provide this service to the WIC families.

We also support the increase in reimbursement for fluoride applications and oral exams for the children we see in our Dental Clinic.

Finally, we support reinstating periodontal services for adults in the Medicaid program as we see a substantial amount of these individuals. We currently provide these services and are not able to bill for the services, as they are not reimbursed under Medicaid. Good oral hygiene is key to an individual's overall health.

Broadlawns Medical Center also suggests that we be included in the following legislation:

1. **Forgivable Loan Program** that targets dental students who agree to practice in an underserved area. The Broadlawns Medical Center Dental Clinic is in a designated Medically Underserved area.
2. **Rural Community Loan Repayment** – We suggested that Broadlawns Medical Center be added to this loan repayment program. This would allow Broadlawns to have available to us matching funds for loan repayments so as we continue to grow our Dental Clinic we can attract and retain the students we are training in our program.

It should be noted that Broadlawns Medical Center's Dental Clinic is affiliated with the University of Iowa School of Dentistry. We train approximately 40 students annually. If we could partner with the State to offer the above mention programs to our students, we could play a key role in the recruitment of dentists to the rural communities and the medically underserved areas.

IN THE HEALTHCARE AFFORDABILITY ACT, DIVISION VIII – IOWA SAFETY NET COLLABORATIVE

We want to thank Senator Hatch for involving Broadlawns Medical Center in the Iowa Safety Net Collaborative. As the largest provider of care to the uninsured, both on an inpatient and an outpatient basis, in the State of Iowa we believe our knowledge and expertise in healthcare delivery for this unique population is one that should be utilize throughout our State.

We believe Broadlawns Medical Center can assist in furthering the development of the following areas:

- a. **Pharmaceutical Infrastructure for Safety Net** - Broadlawns Medical Center provides over 166, 0000 outpatient prescriptions per year at no cost to the individuals we serve.

In addition, we have a Patient Assistance Program that works with the large pharmaceutical companies to provide free drugs to patients. A model of this program could be implemented throughout the State.

- b. **Specialty Care for Safety Net Provider**- Broadlawns Medical Center struggles with being able to recruit and retain specialist to care for our patients. An example is that we have tried for over 24 months to recruit an OB/GYN physician to our organization. We have been unsuccessful. We anticipate that our birth rate will exceed 500 this year. We need funding to support us with having Specialists to serve our patients. Therefore, we

request that Broadlawns Medical Center be included in this portion of this legislation.

- c. **Recruitment of Healthcare Professionals** - Broadlawns Medical Center is a primary care hospital that operates much like a rural community hospital. Yet, we are located in an urban area with the two largest healthcare systems with hospitals located in our community. Given the limited funding, we struggle to retain and recruit physicians. As we continue to grow, recruiting physicians will become critical to continue serving the uninsured. We suggest that Broadlawns Medical Center be added to this legislation and be able to obtain support for our recruitment efforts.

COMMISSION ON AFFORDABLE HEALTHCARE:

We want to thank Senator Hatch and this Committee for appointing Broadlawns Medical Center to this Commission. We believe our organization plays a unique roll in our community and in the State. Our knowledge about providing quality, affordable healthcare will be of value to this Commission.

IOWACARE APPROPRIATIONS TO DATE:

We have taken the liberty to include a summation to the legislation regarding the appropriation that Broadlawns Medical Center has been receiving since the inception of the IowaCare program. We want to thank the key leaders who assisted with ensuring financial support to Broadlawns Medical Center during the development of the IowaCare legislation.

The additional funding for Broadlawns Medical Center was to be used to assist with employee salaries and to purchase much needed capital equipment. In fact, we have used the appropriation to do what we committed to do -- Increase our employee's salaries and we have purchased some capital equipment. However, our funding is breakeven if you consider the fact that we have been providing pharmaceuticals to the IowaCare population.

However, this year we will need your support to ensure that our appropriation language is maintained. The Governor's budget reduced our appropriation language by \$3 million. We need support from the Legislature again this year to reinstate appropriation language.

BROADLAWNS MEDICAL CENTER
SUMMARY OF USE FOR ADDITIONAL IOWA CARE FUNDS ABOVE TAX LEVY

	FY 2005- 2006 (Actual)	FY 2006- 2007 (Projected)	TOTALS
FUNDS RECEIVED	\$3,000,000	\$3,000,000	\$6,000,000
FUNDS APPLIED:			
Market Increases	\$1,500,000	\$1,500,000	\$3,000,000
Pharmaceuticals includes dispensing fees	\$3,604,236	\$3,604,236	\$7,208,472
Durable Medical Equipment	\$140,000	\$140,000	\$280,000
Capital Equipment Additions	\$500,000	\$500,000	\$1,000,000
Total Funds Applied	\$5,744,236	\$5,744,236	\$11,488,472

Note 1: Initial proposal was to use 50% of additional funds to provide market increases since none had been given for two years and use the remaining 50% for needed capital equipment. Both had been deferred due to operating losses in recent years with increasing indigent care levels.

Note 2: Although pharmaceuticals are not covered under Iowa Care, these have been provided to these patients under the previous Broadlawns Community Care Program guidelines since the need still exists.

Senator Hatch and the Committee Members, again thank you for your time and support for Broadlawns Medical Center and for the citizens we serve.

I would be happy to answer any questions you may have of me.

SUMMATION

SUGGESTED CHANGES TO THE HEALTHCARE AFFORDABILITY ACT

1. Exclude the Medicaid IME payments from the change in reimbursement for the Medicaid program.
2. Provide funding for Community Awareness (marketing) regarding IowaCare. Outline who can enroll in the program and what services are covered.
3. Increase in this legislation to cover the cost of providing pharmaceuticals to the individuals enrolled in IowaCare. **From \$1 million to \$3.6 million.**

Dental Home:

4. We need to ensure necessary protection for Broadlawns Medical Center that our public funds are not diluted in any manner if there is an expansion in the providers for IowaCare.
5. Funding support for mobile equipment and staff to provide Dental Services to the WIC families.
6. We support the increase in reimbursement for fluoride applications and oral exams for the children we see in our Dental Clinic.
7. We support reinstating periodontal services for adults in the Medicaid program.
8. Broadlawns Medical Center should be included in the programs for Dentists:
 - a. Forgivable Loan Program
 - b. Rural Community Loan Repayment

Iowa Safety Net Collaborative

9. Pharmaceutical Infrastructure for Safety Net – Broadlawns Medical Center included as a participant in this discussion.
10. Specialty Care for Safety Net Providers - Broadlawns Medical Center needs to be included in this portion of the legislation for funding.
11. Recruitment of healthcare professionals – Inclusion of Broadlawns Medical Center in this portion of the legislation for funding consideration for loan forgiveness and recruitment dollars.
12. **Support Broadlawns Medical Center in our need to change our appropriation language to last year's range of \$37 million - \$40 million.**