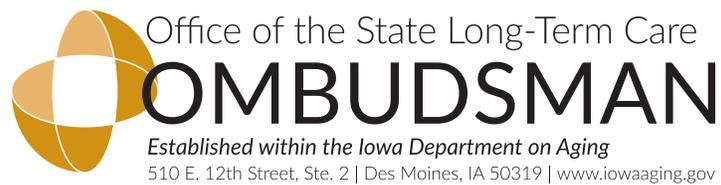




**Final Report: Senate File 505**  
**Health Consumer Ombudsman Alliance**  
December 2015



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December 11, 2015

The Honorable Terry E. Branstad

Members of the General Assembly

Dear Governor Branstad and Members of the General Assembly:

I am pleased to present the Health Consumer Ombudsman Alliance Final Report. This report was prepared pursuant to Senate File 505, which tasks the Office of the State Long-Term Care Ombudsman with convening a multiagency workgroup to gather information and provide recommendations for the establishment of a Health Consumer Ombudsman Alliance.

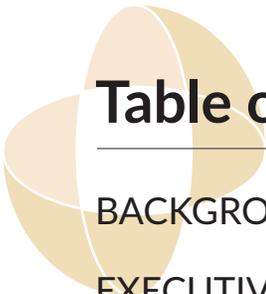
This report reflects the work of the Health Consumer Ombudsman Alliance workgroup and includes a narrative outlining workgroup recommendations, as well as a cost allocation plan.

Respectfully submitted,



Deanna Clingan-Fischer, JD  
State Long-Term Care Ombudsman

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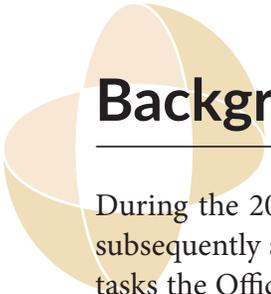


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# Background

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During the 2015 legislative session, Iowa's General Assembly passed Senate File 505, which was subsequently signed into law by Governor Branstad on July 2, 2015. Section 66 of Senate File 505 tasks the Office of the State Long-Term Care Ombudsman (OSLTCO) to convene a multi-agency workgroup to gather information and provide recommendations for the establishment of a Health Consumer Ombudsman (HCO) Alliance.

Senate File 505 states as follows:

*Sec. 66. PROPOSAL FOR A HEALTH CONSUMER OMBUDSMAN ALLIANCE. The office of long-term care ombudsman shall collaborate with the department on aging, the office of substitute decision maker, the department of veteran affairs, the department of human services, the department of public health, the department of inspections and appeals, the designated protection and advocacy agency as provided in section 135C.2, subsection 4, the civil rights commission, the senior health insurance information program, the Iowa insurance consumer advocate, Iowa legal aid, and other consumer advocates and consumer assistance programs, to develop a proposal for the establishment of a health consumer ombudsman alliance. The purpose of the alliance is to provide a permanent coordinated system of independent consumer supports to ensure that consumers, including consumers covered under Medicaid managed care, obtain and maintain essential health care, are provided unbiased information in understanding coverage models, and are assisted in resolving problems regarding health care services, coverage, access, and rights. The proposal developed shall include annual budget projections and shall be submitted to the governor and the general assembly no later than December 15, 2015.*

Pursuant to this legislation, the OSLTCO facilitated a workgroup consisting of representatives from the aforementioned agencies and multiple consumer advocacy and assistance programs to develop a series of recommendations. (A complete listing of HCO Alliance workgroup members can be found in Appendix A.)

This report reflects the work of the HCO Alliance workgroup and includes a narrative outlining the workgroup recommendations, as well as a cost allocation plan comprised of individual budget projections based upon each recommendation. The allocated costs associated with the recommendations represent the initial year of funding only. The proposed recommendations could not be implemented without funding. Continual and adequate financial support is necessary for post-implementation sustainability.



# Executive Summary

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Senate File 505 directed a collaborative workgroup of stakeholders to develop a proposal for establishing a coordinated, statewide consumer assistance program to provide unbiased information and assistance to those attempting to navigate the complex system; obtain and understand coverage; and access health services and resolve problems; as well as to make recommendations for systemic change. This Report details five recommendations to carry out the mission of the proposed Health Consumer Ombudsman (HCO) Alliance:

## REPORT HIGHLIGHTS:

### **1) Establish a Health Consumer Ombudsman Alliance**

Under the proposal developed, the HCO Alliance would identify gaps and discuss the overall health care needs of Iowans, make recommendations to address issues encountered and make appropriate consumer referrals. This would be accomplished through a tiered implementation approach, with the HCO Alliance starting with managed care and expanding into other health care arenas.

### **2) Develop a Medicaid Managed Care Information Program**

The HCO Alliance workgroup proposes the establishment of a program to assist Medicaid members in obtaining objective and unbiased information, counseling and options for enrollment beyond what they are able to receive independently. The program, based upon the current Senior Health Insurance Information Program (SHIIP) model, will provide free, in-depth, one-on-one counseling and assistance to Medicaid members and their families and caregivers.

### **3) Implement a Statewide Single Point of Entry**

A single point of entry, or “no wrong door” approach, will streamline efforts and maximize efficiencies for HCO Alliance partners by connecting consumers to experts who provide unbiased information and support in a specified area of need. The HCO Alliance workgroup proposes the expansion of the established LifeLong Links™ to serve as the statewide single point of entry for health care consumer information.

### **4) Expand the Managed Care Ombudsman Program**

The HCO Alliance workgroup recommends expanding the Managed Care Ombudsman Program (MCOP). The OSLTCO, based upon this recommendation, conducted research of other states’ programs to identify best practices to achieve that objective. The best-practice ratio of moving to one ombudsman for every 3,500 members emerged as the most significant finding. This Report also offers details on two proposals that may implement the spirit and intent of Senate File 505, one expanding the current MCOP to act as the designated advocacy agency for all 560,000 of Iowa’s Medicaid managed care members (the HCO Alliance workgroup’s recommended option) and an alternative proposal, focused only on providing more resources for the current, limited program serving approximately 57,000 Iowans.



## Executive Summary (cont.)

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### **5) Expand the Current Legal Assistance Network**

The HCO Alliance workgroup foresees there will be an increased need for legal advocacy for Iowa's Medicaid members who will be served by managed care organizations. The workgroup recommends expanding the current legal assistance network to assist with appeals, grievances and state fair hearings.



# Recommendations

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## 1. Establish a Health Consumer Ombudsman Alliance.

As Iowa prepares for the implementation of a managed care system that will change the delivery of health care for thousands of consumers, a coordinated statewide consumer assistance program must be established to provide unbiased information and assistance to all populations attempting to navigate the complex system, obtain and understand coverage, access health services and resolve problems, as well as make recommendations for systemic change.

The Health Consumer Ombudsman (HCO) Alliance would be a collaborative network of agencies and consumer advocacy and assistance programs established to fulfill this vision through public/private partnerships among the Office of the State Long-Term Care Ombudsman, Iowa Department on Aging, Iowa Department of Human Services, Iowa Developmental Disabilities Council, Iowa Department of Inspections and Appeals, Office of Substitute Decision Maker, Iowa Department of Public Health, Senior Health Insurance Information Program (SHIIP), Iowa Insurance Consumer Advocate, Iowa Attorney General's Office, Disability Rights Iowa, Iowa Legal Aid, Iowa Association of Area Agencies on Aging, the Coalition for Family & Children's Services in Iowa, The Hale Group, Brain Injury Alliance of Iowa and the Olmstead Task Force, as well as other groups working on behalf of Iowans.

The HCO Alliance, as a whole, would not provide direct services to consumers; instead, with continual, adequate funding as outlined on the following pages, Alliance partners would individually expand roles within their agencies to meet the needs of health consumers. Using their expertise to develop resources and educate consumers about existing resources, Alliance partners would work together to ensure consumers have access to accurate, unbiased health care insurance information so they can make informed decisions. The Alliance would identify gaps and discuss the overall health care needs of Iowans, make recommendations to address issues encountered and make appropriate consumer referrals. This would be accomplished through a tiered implementation approach, with the Alliance starting with managed care and expanding into other health care arenas.

## 2. Develop a Medicaid Managed Care Information Program.

The HCO Alliance workgroup proposes the establishment of a program to assist Medicaid members in obtaining objective and unbiased information, counseling and options for enrollment beyond what they are able to receive independently. The program, based upon the current Senior Health Insurance Information Program (SHIIP) model, will provide free, in-depth, one-on-one counseling and assistance to Medicaid members and their families and caregivers.

Currently, the Senior Health Insurance Information Program (SHIIP) works with beneficiaries and others to address Medicare and long-term care insurance-related issues by providing



# Recommendations (cont.)

information about benefits and coverage rules and helping to explain notices and forms received by beneficiaries. This model has been an effective method of assisting consumers. The HCO Alliance workgroup determined that the framework of the SHIIP model would be useful in establishing the basis for the Medicaid Managed Care Information Program. Therefore, to implement this recommendation, a budget was developed after reviewing the existing SHIIP structure. Locally-based staff, serving four quadrants of the state, as well as subject-matter experts and a toll-free phone line component, are proposed:

## MEDICAID MANAGED CARE INFORMATION PROGRAM COST ALLOCATION PLAN

Function	Develop and fund a Medicaid Managed Care Information Program
Description	Salary/Fringe/Indirect Costs/Program Budget Expenses
Methodology	Additional staffing for: <ul style="list-style-type: none"> <li>• 1 PSM, Director @ \$110,252</li> <li>• 2 PPIII Subject matter experts, \$96,305 x 2 FTE @ \$192,610</li> <li>• 4 PPII Quadrant (w/o volunteer component), \$85,844 x 4 FTE @ \$343,376</li> <li>• 1 PPII Caseworker @ \$85,844</li> <li>• 1 AAll @ \$78,870</li> <li>• 1 Secretary @ \$71,896</li> <li>• 1 Clerk Specialist @ \$68,410</li> </ul> Program Budget expenses = \$142,365
Allocated Cost	\$1,093,623

*(Total Allocated Cost represents initial year of funding only. See Appendix B for a detailed budget upon which the Medicaid Managed Care Information Program proposal is based.)*

### 3. Implement a Statewide Single Point of Entry.

The goal of a statewide single point of entry for health care consumers is to facilitate seamless access to resources, supports and assistance with problems related to health care services, coverage, access and rights. A single point of entry, or “no wrong door” approach, will streamline efforts and maximize efficiencies for HCO Alliance partners by connecting consumers to experts who provide unbiased information and support in a specified area of need.

This recommendation acknowledges that several consumer single-point of entries do exist. One such approach is through LifeLong Links™, Iowa’s network of Aging and Disability Resource Centers. LifeLong Links works to connect older Iowans, adults with disabilities, veterans and their caregivers with services that support long-term independence. The program links consumers to local service providers who can help them maintain independence at home or in the community of their choice and is accessible through physical locations across Iowa, a toll-free call center and a website.

# Recommendations (cont.)

The HCO Alliance workgroup proposes the expansion of LifeLong Links to serve as the statewide single point of entry for health care consumer information. Following an initial intake and assessment, LifeLong Links will offer assistance in the form of counseling, referrals, education and advocacy to Iowa’s health care consumers. In addition, LifeLong Links will:

- Utilize existing resource agencies, such as SHIIP, Legal Aid and Disability Rights Iowa, to connect consumers directly to subject-matter experts, maximizing efficiency and effectiveness;
- Act as a liaison for consumers among HCO Alliance partners, so if an inquiry is directed toward an agency that is not able to assist the consumer, the consumer will be connected to LifeLong Links to receive appropriate information and/or a referral;
- Inform consumers of other programs and benefits for which they might qualify, as many would benefit from the services of multiple entities throughout the planning process; and
- Offer health care consumer information and referrals to consumers who contact LifeLong Links because they are in need of specific Area Agency on Aging services, as appropriate.

## STATEWIDE SINGLE POINT OF ENTRY COST ALLOCATION PLAN

Function	Facilitate seamless access to resources, supports and assistance regarding Medicaid managed care services, coverage, access and rights by utilizing LifeLong Links™ as a statewide single point-of-entry system for health care consumers
Description	Salary/Fringe/Indirect Costs/Program Budget Expenses
Methodology	Additional staffing for: <ul style="list-style-type: none"> <li>• 1 IR&amp;A Specialist @ \$44,550</li> <li>• 3 Options Counselors (\$54,000 X 3 FTE @ \$162,000)</li> </ul> Indirect/Administrative/Supervisory/Quality Assurance = \$81,810 Program support/training = \$25,000
Allocated Cost	\$313,360

*(Total Allocated Cost represents initial year of funding only. See Appendix C for a detailed budget upon which the Statewide Single Point of Entry proposal is based.)*

### 4. Expand the Managed Care Ombudsman Program.

The Office of the State Long-Term Care Ombudsman (OSLTCO) operates as an independent entity serving as an advocate for residents of nursing and residential care facilities and tenants of assisted living programs and elder group homes. It is distinct from the Office of the State Ombudsman, which is the independent state agency charged with investigating complaints about administrative actions of state and local governments. In contrast, the mission of the OSLTCO is to protect the health, safety, welfare and rights of long-term care residents and tenants by investigating complaints, seeking resolutions to problems and providing advocacy, with the goal of enhancing quality of life and care. In Federal Fiscal Year 2014, the OSLTCO worked to protect the rights of more than 52,000 Iowans living in long-term care facilities across the state.



# Recommendations (cont.)

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## **Current Managed Care Ombudsman Program**

Section 65 of Senate File 505 authorizes the OSLTCO to serve as the ombudsman for Medicaid managed care members, but limited the scope of the program to those receiving managed long-term services and supports (MLTSS), allocating two initial positions – one ombudsman and one program manager – to develop and administer the Managed Care Ombudsman Program (MCOP). As currently authorized, the MCOP advocates for the rights and wishes of members receiving care in health care facilities, assisted living programs and elder group homes, as well as members enrolled in one of seven Medicaid home and community-based services (HCBS) waiver programs, including:

- AIDS/HIV
- Brain Injury
- Children’s Mental Health
- Elderly
- Health and Disability
- Intellectual Disability
- Physical Disability

Approximately 57,000 Medicaid managed care members in Iowa are included within this scope.

## **Limitations of Current Program: Narrow Scope and Inadequate Staff Resources.**

The MCOP, as it currently exists, does not have adequate staffing or resources to meet the anticipated need of even this narrowed group of Medicaid managed care members throughout the state. This finding came as a result of efforts by the OSLTCO to research expansion, based upon the HCO Alliance workgroup’s recommendation, to better understand how other states have implemented their managed care ombudsman programs and learn from their experiences. Counterparts in other states reported that common Medicaid managed care issues requiring ombudsman services include, but are not limited to: billing, appeals and grievances, member choice in services and service reductions. Furthermore, they stated that problem resolution for these complex cases takes about three times longer than facility-based casework. Due to the increased complexity of cases and increased resolution time, best practices suggest employing one (1) ombudsman for every 3,500 managed care members.

Further, Senate File 505 only authorized the OSLTCO to serve an estimated 10 percent of Iowa’s Medicaid managed care population. The scope of the current MCOP and corresponding appropriation did not anticipate that approximately 480,000 Iowans would be left without an independent ombudsman to assist with concerns arising during the transition to Medicaid managed care. On a practical level, it has become evident to the OSLTCO and the Office of the State Ombudsman that both offices will no doubt continue to be contacted for assistance regarding general Medicaid managed care problems. The State Ombudsman is already receiving



## Recommendations (cont.)

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questions and complaints about managed care, in part because that office has historically been the public contact for Medicaid issues. These limitations have left the OSLTCO and State Ombudsman to field questions and concerns without the staffing capacity to truly meet the needs of Iowans transitioning to managed care who are in need of assistance, nor the ability to provide those individuals with a managed care ombudsman once the plan is fully implemented.

As a result, the HCO Alliance workgroup recommends expanding the MCOP. The OSLTCO, based upon this recommendation, conducted research of other states' programs to identify best practices to achieve that objective. In terms of resources to responsibly and effectively serve this population, the best-practice ratio of one ombudsman to every 3,500 members emerged as the most significant finding. The first plan described below, which proposes expanding the current MCOP to act as the designated advocacy agency for all of Iowa's Medicaid managed care members, is the HCO Alliance workgroup's recommended option:

### **Recommended Option:**

#### **Expansion to Comprehensive Managed Care Ombudsman Program (to cover Iowa's entire Medicaid managed care population of 560,000 individuals).**

Expanding the MCOP, both in terms of resources and scope, would create a coordinated, comprehensive program. More consistent with the spirit of Senate File 505, it would be capable of ensuring that all 560,000 of Iowa's Medicaid managed care members have an advocate when it comes to resolving problems regarding health care services, coverage, access and rights.

The recommendation to expand to serve the entire population covered by Medicaid managed care is based on the limitations described above and, in part, due to research done by the State Ombudsman, which worked to estimate the number of complaints it might receive from those who should now be served by a "managed care ombudsman." The State Ombudsman gleaned insightful information from the KanCare Ombudsman in Kansas, which provided statistics showing the majority of contacts or complaints in Iowa will likely come from members not in the long-term services and supports (LTSS) or home and community-based services (HCBS) groups (see Appendix F). Accordingly, the State Ombudsman anticipates needing two additional employees in order to be prepared to properly handle the anticipated increase in contacts or complaints to the office from Medicaid managed care members, managed care organizations and providers.



# Recommendations (cont.)

## RECOMMENDED OPTION: OSLTCO MCOP EXPANSION COST ALLOCATION PLAN

Function	Expand the resources and scope of the MCOP to serve as the advocacy agency for Iowa's Medicaid managed care population in its entirety
Description	Salary/Fringe/Program Budget Expenses/Administrative Overhead/Indirect Costs
Methodology	<p>Total Personnel/Direct costs = \$14,100,000</p> <p>Includes direct assistance, travel, training, communication, materials, supplies, publication, postage, printing, and compensation for:</p> <ul style="list-style-type: none"> <li>• 154 Managed Care Ombudsmen</li> <li>• 1 Program Manager</li> <li>• 1 Fiscal Manager</li> <li>• 1 Administrative Assistant</li> <li>• 1 Secretary</li> <li>• 2 Part-time Administrative Support</li> </ul> <p>(Staffing model based on recommended ratio of 1:3,500)</p> <p>Total Program/Indirect costs = \$464,600 (Calculated based on the federally approved indirect rate and time paid)</p>
Allocated Cost	\$14,564,600

(Total Allocated Cost represents initial year of funding only. See Appendix D for a detailed budget upon which the Recommended Option for the OSLTCO MCOP Expansion proposal is based.)

## STATE OMBUDSMAN MCOP EXPANSION COST ALLOCATION PLAN

Function	Provide consumer assistance and issue resolution for anticipated contacts and complaints by Iowa's 560,000 Medicaid managed care members
Description	Salary/Fringe/Indirect Costs/Program Budget Expenses
Methodology	<p>Additional staffing for:</p> <ul style="list-style-type: none"> <li>• 2 Ombudsmen @ \$82,500</li> </ul>
Allocated Cost	\$165,000

(Total Allocated Cost represents initial year of funding only. See Appendix F for a detailed budget upon which the State Ombudsman MCOP Expansion proposal is based.)

### Alternative Option:

#### **Additional Ombudsmen for Limited Managed Care Ombudsman Program (to cover Iowa's 57,000 Medicaid managed care members receiving HCBS & Institutional Care).**

Even if policymakers intend to stay with the original MCOP authorized by Senate File 505, which limited its scope to serving as the advocate for the long-term services and supports (LTSS) and home and community-based services (HCBS) groups, the OSLTCO's research suggests the legislature add at least 16 ombudsmen and five administrative support staff to adequately meet the needs of the MLTSS population, as well as additional staff required to assist those contacting the State Ombudsman by mistake. This is a conservative estimate of the bare minimum needed to responsibly address the critical concerns the MCOP will help resolve in the first year of Medicaid managed care implementation.



# Recommendations (cont.)

## ALTERNATIVE OPTION: OSLTCO MCOP EXPANSION COST ALLOCATION PLAN

Function	Expand the resources of the MCOP to more adequately meet the needs of the 57,000 Medicaid managed care members it serves, including those enrolled in HCBS waivers and those receiving care in health care facilities, assisted living programs and elder group homes
Description	Salary/Fringe/Program Budget Expenses/Administrative Overhead/Indirect Costs
Methodology	Total Personnel/Direct costs = \$1,809,500 Includes direct assistance, travel, training, communication, materials, supplies, publication, postage, printing, and compensation for: <ul style="list-style-type: none"> <li>• 16 Managed Care Ombudsmen</li> <li>• 1 Program Manager</li> <li>• 1 Fiscal Manager</li> <li>• 1 Administrative Assistant</li> <li>• 1 Secretary</li> <li>• 2 Part-time Administrative Support</li> </ul> <i>(Staffing model based on recommended ratio of 1:3,500)</i>  Total Program/Indirect costs = \$132,100 <i>(Calculated based on the federally approved indirect rate and time paid)</i>
Allocated Cost	\$1,941,600

*(Total Allocated Cost represents initial year of funding only. See Appendix E for a detailed budget upon which the Alternative Option for the OSLTCO MCOP Expansion proposal is based.)*

## OFFICE OF STATE OMBUDSMAN MCOP EXPANSION COST ALLOCATION PLAN

Function	Provide consumer assistance and issue resolution for anticipated contacts and complaints by Iowa's 560,000 Medicaid managed care members
Description	Salary/Fringe/Indirect Costs/Program Budget Expenses
Methodology	Additional staffing for: <ul style="list-style-type: none"> <li>• 2 Ombudsmen @ \$82,500</li> </ul>
Allocated Cost	\$165,000

*(Total Allocated Cost represents initial year of funding only. See Appendix F for a detailed budget upon which the State Ombudsman MCOP Expansion proposal is based.)*

### 5. Expand the Current Legal Assistance Network.

The HCO Alliance workgroup foresees there will be an increased need for legal advocacy for Iowa's Medicaid members served by managed care organizations. The HCO Alliance workgroup recommends expanding the current legal assistance network to assist with appeals, grievances and state fair hearings. It is anticipated that Iowa Legal Aid (ILA) and Disability Rights Iowa (DRI) will provide legal and advocacy services to Medicaid managed care members for the purposes of resolving issues in the application process, rectifying payment issues and providing assistance to recipients who face reduction and/or termination of services. It is anticipated that the contracts for the expanded legal assistance network will be administered through the OSLTCO.

# Recommendations (cont.)

## Iowa Legal Aid

Iowa Legal Aid (ILA) provides free legal assistance to low-income Iowans with critical civil legal problems. ILA also serves Iowans aged 60 and older by providing advice and limited services in situations where limited assistance is sufficient to resolve legal problems and by representing clients before administrative agencies or in court when more formal legal representation is necessary.

ILA's work focuses on critical legal needs that involve basic human needs, fundamental rights and safety. ILA anticipates the expansion of these services to assist Medicaid managed care members with denials of preapproval for services; denials of payment for services that have been provided; terminations of home and community-based services; and terminations of Medicaid for services in facilities. Additional services will likely include providing advice and limited services to clients when denials or terminations are confirmed appropriate and offering sufficient assistance to clients who choose to resolve a situation independently. In more complicated situations, ILA may represent Medicaid managed care members in grievances, administrative appeals and court appeals concerning the denial or termination of services.

Based on its past experience with cases for Medicaid members for whom payment of service has been denied, ILA has determined that cases for Medicaid managed care members who need guidance or limited legal services will require approximately five hours of billable time, while members facing appeals or denials will likely require 20 hours of billable time. ILA projects that the cases it handles for managed care recipient issues will fall about equally into each of the two categories referenced above.

### IOWA LEGAL AID COST ALLOCATION PLAN

Function	Serve as the legal advocate for Medicaid managed care members by providing advice and limited services and representing members facing grievances, administrative appeals and court appeals in regard to denials or terminations
Description	Cost to serve approximately 312 Medicaid managed care members by providing advice and limited legal services to an estimated 50 percent of clients and representation in appeal forums to the remaining 50 percent
Methodology	<p>Bill rate for services at \$75 per hour, with the assumption of six new cases per week requiring 50/50 mix of advice and limited legal services and legal representation for grievances and appeals:</p> <ul style="list-style-type: none"> <li>Advice and Limited Service Cases: 156 cases x 5 hours/case x \$75/hour = \$58,500</li> <li>Grievances and Appeals: 156 cases x 20 hours/case x \$75/hour = \$234,000</li> </ul>
Allocated Cost	\$292,500

*(Total Allocated Cost represents initial year of funding only. See Appendix G for a detailed budget upon which the Iowa Legal Aid proposal is based.)*



# Recommendations (cont.)

## Disability Rights Iowa

The mission of Disability Rights Iowa (DRI) is to defend and promote the human and legal rights of Iowans with disabilities including mental illness. DRI provides advocacy and legal representation to individuals with disabilities based on board-approved annual priorities. With its current budget, DRI does not have the resources to provide these services to all of Iowa’s Medicaid managed care members with disabilities, but believes Iowa must increase the availability of independent advocacy programs to members to ensure their rights are protected.

To that end, DRI proposes establishing and receiving funding for a Managed Care Advocacy Services Program. DRI forecasts that, with funding, it could provide comprehensive legal advocacy for Medicaid managed care members with disabilities who receive habilitation services; members with disabilities who qualify for home and community-based waiver services, including self-directed waiver services referred to as the Community Choice Option and Consumer Directed Attendant Care; and members with disabilities who reside in residential care facilities, intermediate care facilities for individuals with an intellectual disability and state resource centers.

Services would include providing information, technical assistance and training about obtaining services; advice and assistance in preparing and filing grievances, appeals and requests for administrative hearings; negotiation and mediation services; individual case advocacy assistance regarding the appropriate interpretation of statutes, rules or regulations; and individual case advocacy services in grievances, appeals, administrative hearings and legal representation for judicial matters.

### DISABILITY RIGHTS IOWA MANAGED CARE ADVOCACY SERVICES PROGRAM COST ALLOCATION PLAN

Function	Provide legal advocacy services to Medicaid managed care members with disabilities who receive habilitation services; members with disabilities who qualify for home and community-based waiver services, including self-directed waiver services referred to as Community Choice Option and Consumer Directed Attendant Care; and members with disabilities who reside in residential care facilities, intermediate care facilities for individuals with an intellectual disability and state resource centers
Description	Salary/Fringe/Indirect Costs/Administrative Overhead
Methodology	Additional staffing for: <ul style="list-style-type: none"> <li>• 1 Program Manager @ \$45,000</li> <li>• 1 Staff Attorney @ \$48,500</li> <li>• 4 Advocates @ \$159,993.60</li> </ul> Fringe benefit costs = \$75,056.33 Administrative Overhead costs = \$63,400 Non-personnel costs = \$102,555
Allocated Cost	\$494,504.93

*(Total Allocated Cost represents initial year of funding only. See Appendix H for a detailed budget upon which the DRI proposal for a Managed Care Advocacy Services Program is based.)*



# Conclusion

Adoption of these recommendations will allow an HCO Alliance to develop the foundation for a coordinated, integrated system of consumer supports. However, ongoing and adequate funding is necessary to fully establish and maintain a permanent system for addressing health care access and issues faced by Iowa’s Medicaid managed care members. The development of a consumer support system as envisioned through these recommendations will allow for opportunities to collect comprehensive data regarding problems, solutions and overall outcomes, which will assist in determining the effectiveness of the Alliance over time and the extent to which Medicaid managed care issues are systemic in Iowa.

The HCO Alliance workgroup offers the two following budget projections for the overall cost of providing statewide consumer assistance, representative of the two options proposed by the Office of the State Long-Term Care Ombudsman (OSLTCO) under “Recommendation 4: Expand the Role of the Medicaid Managed Care Ombudsman” (page 6 of this *Final Report*).

Cost projections presented in the table below are based on the budget proposed for the OSLTCO’s Recommended Option (page 8). This is the proposal the HCO Alliance workgroup most strongly supports, as it would expand the current role of the Managed Care Ombudsman Program to create a comprehensive program that adequately meets the needs of Iowa’s Medicaid managed care population in its entirety (560,000 Iowans).

## OVERALL HEALTH CONSUMER OMBUDSMAN ALLIANCE COST ALLOCATION PLAN: RECOMMENDED OPTION

*(Total allocated cost represents initial year of funding only)*

Agency	Function	Allocated Cost
To be determined	Develop a Medicaid Managed Care Information Program for Medicaid Managed Care Issues	\$1,093,623.00
Iowa Association of Area Agencies on Aging (i4a)	Implement a Statewide Single Point of Entry (Expand Current Role of LifeLong Links™)	\$313,360.00
Office of the State Long-Term Care Ombudsman	Recommended Option: Expand the current role of the Managed Care Ombudsman Program to the best practice ratio of one ombudsman per 3,500 members to create a comprehensive program that adequately meets the needs of Iowa’s entire Medicaid managed care population (560,000 Iowans)	\$14,564,600.00
Office of Ombudsman	Expand the current State Ombudsman program to provide increased consumer assistance and issue resolution for anticipated contacts and complaints	\$165,000.00
Iowa Legal Aid	Expand the current Legal Assistance Network to meet the anticipated legal assistance needs of Medicaid managed care members	\$292,500.00
Disability Rights Iowa	Expand the current Legal Assistance Network to meet the anticipated legal and advocacy needs of Medicaid managed care members with disabilities	\$494,504.93
<b>TOTAL COST:</b>		<b>\$16,923,587.93</b>

## Conclusion (cont.)

Cost projections presented in the table below are based on the budget proposed for the OSLTCO's Alternative Option (page 9). This scenario proposes expanding the existing Managed Care Ombudsman Program to adequately meet the needs of the 57,000 Iowans who are enrolled in one of Medicaid's seven home and community-based services (HCBS) waiver programs and/or those who are Medicaid members receiving care in a health care facility, assisted living program or elder group home.

### OVERALL HEALTH CONSUMER OMBUDSMAN ALLIANCE COST ALLOCATION PLAN: ALTERNATIVE OPTION *(Total allocated cost represents initial year of funding only)*

Agency	Function	Allocated Cost
To be determined	Develop a Medicaid Managed Care Information Program for Medicaid Managed Care issues	\$1,093,623.00
Iowa Association of Area Agencies on Aging	Implement a Statewide Single Point of Entry (Expand Current Role of LifeLong Links™)	\$313,360.00
Office of the State Long-Term Care Ombudsman	Alternative Option: Expand existing Managed Care Ombudsman Program to the best practice ratio of one ombudsman per 3,500 members to adequately meet the needs of the 57,000 Iowans enrolled in one of Medicaid's seven home and community-based services (HCBS) waiver programs and/or those who are Medicaid members receiving care in a health care facility, assisted living program or elder group home	\$1,941,600.00
Office of Ombudsman	Expand the current State Ombudsman program to provide increased consumer assistance and issue resolution for anticipated contacts and complaints	\$165,000.00
Iowa Legal Aid	Expand the current Legal Assistance Network to meet the anticipated legal assistance needs of Medicaid managed care members	\$292,500.00
Disability Rights Iowa	Expand the current Legal Assistance Network to meet the anticipated legal and advocacy needs of Medicaid managed care members with disabilities	\$494,504.93
<b>TOTAL COST:</b>		<b>\$4,300,587.93</b>



**Final Report: Senate File 505**  
**Health Consumer Ombudsman Alliance**  
Appendices



# Appendix A

## SENATE FILE 505 INTERAGENCY HEALTH CONSUMER ALLIANCE WORKGROUP MEMBERS

Facilitated by: Deanna Clingan-Fischer, State Long-Term Care Ombudsman  
Office of the State Long-Term Care Ombudsman

Organization	Representative(s)
Alzheimer's Association of Greater Iowa*	Linda Brown, Program Director
AARP Iowa	Anthony Carroll, Associate State Director, Advocacy
Attorney General's Office	Chantelle Smith, Assistant Attorney General
Brain Injury Alliance of Iowa	Brandi Jensen, Director of Programs & Services
Civil Rights Commission	Kristin Johnson, Executive Director
Coalition for Family & Children's Services in Iowa	Kristie Oliver, Executive Director
Department on Aging	Kim Murphy, Policy Director
Department of Human Services	Mikki Stier, Director, Iowa Medicaid Enterprise
Department of Inspections & Appeals	Aaron Baack, Deputy Director Kathy Sutton, Bureau Chief
Department of Public Health	Gerd Clabaugh, Executive Director
Department of Veterans Affairs	Colonel Robert King (Ret), Executive Director
Disability Rights Iowa	Cyndy Miller, Senior Staff Attorney
Iowa Association of Area Agencies on Aging	Jim Cushing, Executive Director
Iowa Developmental Disabilities Council	Rik Shannon, Public Policy Manager Becky Harker, Executive Director
Iowa Insurance Consumer Advocate	Angel Robinson, Consumer Advocate
Iowa Legal Aid	Scott Hartsook, Managing Attorney Angela Broughton-Romain, Attorney
Iowa NAMI*	Nancy Hale, Executive Director
Office of Substitute Decision Maker	Tyler Eason, Director
Office of the Long Term Care Ombudsman	Merea Bentrott, Project Specialist Paige Thorson, Former Legislative Liaison & Policy Coordinator Cynthia Pederson, Involuntary Discharge Specialist Katie Mulford, Administrative Assistant
Older Iowans Legislature*	Bob Welsh, District 4 Larry Kudej, Vice Chair
Olmstead Task Force	June Klein-Bacon, Chair- Olmstead Consumer Taskforce
Senior Health Insurance Information Program	Kris Gross, Director
The Hale Group	John Hale, Founder and Owner

\* Indicates the specified agency was invited, but not able to participate in HCO Alliance workgroup meetings.

HCO Alliance workgroup meeting attendees: Kris Bell (Senate Democrat Caucus Staff), Linda Brundies (Office of the Ombudsman), Patty Funaro and Jess Benson (Legislative Services Agency), Sandra Hurtado-Peters (Iowa Department of Management), Joe Sample (Heritage Area Agency on Aging)

# Appendix B

## MEDICAID MANAGED CARE INFORMATION PROGRAM BUDGET

### Personnel/Direct Costs:

Position	Description	Salary/Fringe/Indirect Costs	Total
PSM	Program Director (1 FTE)	\$110,252	\$110,252
PP III	Subject-matter experts in office (2 FTEs)	\$96,305	\$192,610
PP II	Quadrant (w/o volunteer component) to handle calls (4 FTEs)	\$85,844	\$343,376
PP II	Case Worker (1 FTE)	\$85,844	\$85,844
AA II	Assists consumers; performs IT and online training functions; assists with answering calls on toll-free line (1 FTE)	\$78,870	\$78,870
Secretary II	Supports Director and other personnel (1 FTE)	\$71,896	\$71,896
Clerk Specialist	Answers calls on toll-free line (1 FTE)	\$68,410	\$68,410
<b>SUBTOTAL, PERSONNEL COSTS:</b>			<b>\$951,258</b>

### Program Costs:

Activity/Item	Description	Cost Calculation	Total
Member Education/Outreach	Open enrollment webinars using GoToWebinar or similar software on various educational topics	10 sessions x 100 participants/session x \$2/hr per participant	\$2,000
Telephones	Annual cost of service	\$600/mo x 12 mos	\$7,200
Toll-free line	Annual cost of service	\$400/mo x 12 mos	\$4,800
Computers	Laptops/wifi/hotspots	\$38.50 per mo x 11 FTEs x 12 mos	\$5,082
Office supplies	Annual cost	\$100/mo x 12 mos	\$1,200
Cell Phones	Annual cost of service	\$75/mo x 6 FTEs x 12 mos	\$5,400
Rent/Utilities	Annual cost	\$2,900/mo x 12 mos	\$34,800
Software	Software license and trainings	\$3,363.63/yr x 11 FTEs	\$37,000
Program materials	Member handbook, outreach/promo items, consumer guides	\$30/handbook x 20 = \$600 Outreach/promo items = \$4,000 \$0.42/guide x 12,000 = \$5,000	\$9,600
Mailings	Outreach to members	Printing 11,730 pieces = \$2,110 11,730 pieces x \$0.45 postage = \$5,279	\$7,389
In-state Travel	Staff training, enrollment events, presentations	\$523/mo x 4 FTEs x 12 mos	\$25,104
Website/Social media	Annual cost of service	ISP @ \$20/mo x 12 mos = \$240 Broadband @ \$750/yr = \$750 Site hosting @ \$300/yr = \$300 Site design and build = \$1,500	\$2,790
<b>SUBTOTAL, PROGRAM COSTS:</b>			<b>\$142,365</b>

**TOTAL BUDGET REQUEST: \$1,093,623**



# Appendix C

## STATEWIDE SINGLE POINT OF ENTRY BUDGET

### Personnel/Direct Costs:

Position	Description	Salary/Fringe/Indirect Costs	Total
Information & Referral Specialist	Answers basic questions (1 FTE)	\$44,550	\$44,550
Options Counselor	Conducts assessments and navigates consumer to resources/supports (0.5 FTE x 6 Area Agencies on Aging = 3 FTEs)	\$162,000	\$162,000
Supervisor	Supervises staff, provides quality assurance (.5 FTE)	\$33,750	\$33,750
<b>SUBTOTAL, PERSONNEL COSTS:</b>			<b>\$240,300</b>

### Program Costs:

Activity/Item	Description	Cost Calculation	Total
Indirect costs	Benefits, administrative support, overhead	Assumes existing infrastructure will support additional work volumes of an estimated 5-8%	\$48,060
Program support	Training, assessment tools	Webinars, software and consumer surveys	\$25,000
<b>SUBTOTAL, PROGRAM COSTS:</b>			<b>\$73,060</b>

**TOTAL BUDGET REQUEST: \$313,360**



# Appendix D

## OSLTCO MANAGED CARE OMBUDSMAN PROGRAM EXPANSION BUDGET: RECOMMENDED OPTION

### Personnel/Direct Costs:

Activity/Item	Description	Total
Compensation for personnel needed to expand MCOP to entire Medicaid population at recommended ratio of 1:3,500	Managed Care Ombudsmen (154 FTEs); Program Manager (1 FTE); Fiscal Manager (1 FTE); Administrative Assistant (1 FTE); Part-Time Administrative Support (.5 x 2 = 1 FTE)	\$11,500,000
Communication/Printing/Postage	Telephone services, local and long distance phone calls, web conferencing, cell phones, ICN, fax, etc. Printing costs (including design, binding, press work and end products), utility fee, distribution, promotion, mailing and general handling	\$900,000
Materials/Supplies	Materials, supplies, books, periodicals, photocopies, etc.	\$52,000
Training/Education	Training provided for employee development; trainings and education for members, MCOs and providers on managed care, appeals, grievances and quality care	\$1,200,000
Travel	Transportation, lodging, subsistence and related items incurred by employees in travel status	\$33,000
Direct Assistance	Costs expended specifically in providing direct Medicaid managed care assistance services	\$415,000
<b>SUBTOTAL, PERSONNEL &amp; DIRECT COSTS:</b>		<b>\$14,100,000</b>

### Program/Indirect Costs:

Activity/Item	Description	Cost Calculation	Total
Compensation of Employees/Personnel Pool	Shared personnel	Calculated based on federally approved indirect rate	\$71,000
Maintenance/General Services Enterprise	Pool cars, overhead, maintenance services, operations, mail utility, utilities	Calculated based on time paid	\$40,000
Central Procurement Enterprise	Purchasing administrative fee	Calculated based on time paid	\$100
Information Technology Enterprise	Computer-related services, centralized printing, meter mail, OCIO services, ITE utilities	Calculated based on time paid	\$240,000
Human Resources Enterprise	Workers compensation, unemployment insurance claims management, human resources	Calculated based on time paid	\$2,000
State Accounting Enterprises	Utility	Calculated based on time paid	\$1,500
Attorney General	Standard use fee	Calculated based on time paid	\$110,000
<b>SUBTOTAL, INDIRECT COSTS:</b>			<b>\$464,600</b>

**TOTAL BUDGET REQUEST: \$14,564,600**



# Appendix E

## OSLTCO MANAGED CARE OMBUDSMAN PROGRAM EXPANSION BUDGET: ALTERNATIVE OPTION

### Personnel/Direct Costs:

Activity/Item	Description	Total
Compensation for personnel needed to expand current MCOP to recommended ratio of 1:3,500	Managed Care Ombudsmen (16 FTEs); Program Manager (1 FTE); Fiscal Manager (1 FTE); Administrative Assistant (1 FTE); Part-Time Administrative Support (.5 x 2 = 1 FTE)	\$1,500,000
Communication/Printing/Postage	Telephone services, local and long distance phone calls, web conferencing, cell phones, ICN, fax, etc. Printing costs (including design, binding, press work and end products), utility fee, distribution, promotion, mailing and general handling	\$115,500
Materials/Supplies	Materials, supplies, books, periodicals, photocopies, etc.	\$5,500
Training/Education	Training provided for employee development; trainings and education for members, MCOs and providers on managed care, appeals, grievances and quality care	\$123,000
Travel	Transportation, lodging, subsistence and related items incurred by employees in travel status	\$3,500
Direct Assistance	Costs expended specifically in providing direct Medicaid managed care assistance services	\$62,000
<b>SUBTOTAL, PERSONNEL &amp; DIRECT COSTS:</b>		<b>\$1,809,500</b>

### Program/Indirect Costs:

Activity/Item	Description	Cost Calculation	Total
Compensation of Employees/Personnel Pool	Shared personnel	Calculated based on federally approved indirect rate	\$71,000
Maintenance/General Services Enterprise	Pool cars, overhead, maintenance services, operations, mail utility, utilities	Calculated based on time paid	\$21,500
Central Procurement Enterprise	Purchasing administrative fee	Calculated based on time paid	\$100
Information Technology Enterprise	Computer-related services, centralized printing, meter mail, OCIO services, ITE utilities	Calculated based on time paid	\$24,500
Human Resources Enterprise	Workers compensation, unemployment insurance claims management, human resources	Calculated based on time paid	\$2,000
State Accounting Enterprises	Utility	Calculated based on time paid	\$1,500
Attorney General	Standard use fee	Calculated based on time paid	\$11,500
<b>SUBTOTAL, INDIRECT COSTS:</b>			<b>\$132,100</b>

**TOTAL BUDGET REQUEST: \$1,941,600**



# Appendix F

## OFFICE OF OMBUDSMAN MANAGED CARE OMBUDSMAN PROGRAM EXPANSION BUDGET

### Office of Ombudsman MCOP Expansion Costs:

Activity/Item	Description	Total
Compensation, training and overhead expenses needed to expand program to meet anticipated demand of Iowa's 560,000 Medicaid managed care members	Ombudsmen (2 FTEs) to provide consumer assistance and issue resolution for anticipated contacts and complaints	\$165,000
<b>TOTAL, OFFICE OF OMBUDSMAN MCOP EXPANSION COSTS:</b>		<b>\$165,000</b>

**TOTAL BUDGET REQUEST: \$165,000**

To further support the budget proposed by the Office of Ombudsman, a letter from Ombudsman Ruth Cooperider to State Long-Term Care Ombudsman Deanna Clingan-Fischer dated Nov. 20, 2015, has been included in this Appendix (see following pages).

The letter outlines the limited resources the Office of Ombudsman currently has available to provide the additional assistance that is anticipated to be required by Iowa's Medicaid managed care members and includes detailed information from the Kansas Ombudsman about how the transition to Medicaid managed care can result in a significant increase in requests to provide consumer assistance and issue resolution.

# Appendix F (cont.)

## STATE OF IOWA



Telephone: (515) 281-3592  
Toll Free: 1-888-426-6283  
TTY: (515) 242-5065  
Fax: (515) 242-6007  
E-mail: [ombudsman@legis.iowa.gov](mailto:ombudsman@legis.iowa.gov)  
Website: <http://legis.iowa.gov/ombudsman>

RUTH H. COOPERRIDER  
OFFICE OF OMBUDSMAN

**OFFICE OF OMBUDSMAN**  
OLA BABCOCK MILLER BUILDING  
1112 EAST GRAND AVENUE  
DES MOINES, IOWA 50319

November 20, 2015

Deanna Clingan-Fischer, Long-Term Care Ombudsman  
Office of the State Long-Term Care Ombudsman  
510 E 12th St., Ste. 2  
L O C A L

Dear Ms. Clingan-Fischer:

This letter is in response to your request for information from the Office of Ombudsman relevant to the Health Consumer Ombudsman Alliance (HCOA) report mandated in Senate File 505. The HCOA is charged with developing a proposal, including annual budget projections, for providing “a permanent coordinated system of independent consumer supports to ensure that consumers, including consumers covered under Medicaid managed care, obtain and maintain essential health care, are provided unbiased information in understanding coverage models, and are assisted in resolving problems regarding health care services, coverage, access, and rights.”

### Iowa Office of Ombudsman’s Statutory Authority

The Office of Ombudsman is an independent state agency which investigates complaints about administrative actions of state and local governments. We have authority to investigate the Iowa Department of Human Services (DHS), but our jurisdiction does not extend to the four managed care companies (MCOs) which the DHS has contracted with to manage the Medicaid program. The only private persons we are authorized by statute to investigate are those providing “child welfare or juvenile justice services under contract with an agency,” such as the DHS.<sup>1</sup>

The DHS currently contracts with private companies to provide some Medicaid services. Among those companies are Magellan, which provides behavioral health services, and TMS, which provides transportation services. Even though the Ombudsman does not have authority over these private companies, we have on occasion worked with DHS staff to help resolve complaints about these companies, in an effort to help the affected Medicaid recipients.

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<sup>1</sup> Iowa Code §2C.9(2)

# Appendix F (cont.)

Deanna Clingan-Fischer

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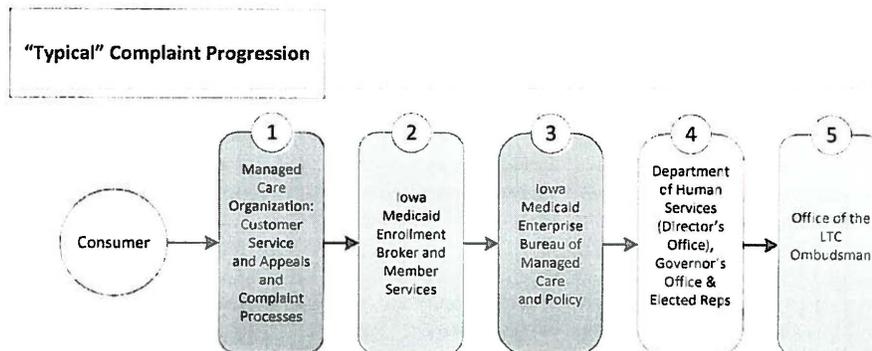
November 20, 2015

## Office of Ombudsman's Role in Medicaid Managed Care

After learning that the DHS and MCOs were going to tell Medicaid members and providers that they could contact our office with complaints,<sup>2</sup> I met with Senate Majority Leader Michael Gronstal on November 5 to discuss the legality and practicality of my office being asked to handle complaints about MCOs. Senator Gronstal informed me by email the following day that he had spoken with the Governor's Chief of Staff, Michael Boussetot. Mr. Boussetot said it was "not the intent of the Administration for the Ombudsman's office to be fielding calls regarding problems associated with Medicaid privatization." He agreed to ask the DHS to remove our office's contact information from its "Medicaid Modernization" website and printed materials.

Even if the Office of Ombudsman is not specifically referenced on the website or in publications, I still expect we will be contacted for assistance from Medicaid consumers and providers, due to our history and recognition as an independent complaint resource with investigatory powers. For this reason our staff met with Mikki Stier, Director of Iowa Medicaid Enterprise, along with other representatives from the DHS and the Long-Term Care Ombudsman's Office (LTCO) on November 17, 2015, to ascertain their view of our role in responding to Medicaid complaints.

The DHS provided the following flow chart to explain consumer's complaint resolution options:



DHS representatives noted there is "no wrong door" so a complainant could contact any of these entities at any time. They confirmed our office could also be contacted any time in this process.

## Assistance for Medicaid Recipients with Concerns or Complaints

DHS was not able to provide any estimates regarding potential complaint numbers. In an effort to estimate the number of complaints that we might receive, we reviewed statistics from offices

<sup>2</sup> See DHS's November 3, 2015, PowerPoint presentation to the Legislative Health Care Policy Oversight Committee. Our contact information on the members' Enrollment Packets was subsequently deleted.

# Appendix F (cont.)

Deanna Clingan-Fischer

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November 20, 2015

in other states that serve as “managed care ombudsmen.” I believe the most insightful and relevant information came from the KanCare Ombudsman in Kansas, Kerrie Bacon.

In January of 2013, KanCare began providing Medicaid services to consumers in an integrated care model through three MCOs. The KanCare Ombudsman’s services are available to 400,000 Medicaid beneficiaries in Kansas—a number similar to Iowa’s Medicaid population. On the KanCare Ombudsman’s webpage, <http://www.kancare.ks.gov/ombudsman.htm>, Bacon states that the “[t]he primary role of the Ombudsman’s office is to help people understand how to navigate the KanCare system and to assist them in solving problems.”

In our conversations with Bacon, she said that, although the Kansas Legislature intended for her office to focus on Medicaid members receiving LTSS and HCBS (the same service groups Iowa’s LTCO is designated to help under S.F. 505), the majority of the contacts she receives and the most serious complaints do not relate to these two service groups.

Bacon’s 2015 4<sup>th</sup> Quarter report included the following statistics on contacts to her office:

Contact	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Comments
2013	615	456	436	341	1848	Does not include email contacts
2014	545	474	526	547	2092	
2015	510	462				

Bacon’s second-quarter statistics for 2015 identify caller and consumer types:

Caller Type		Consumer Sub-Caller Type	
Provider	94	HCBS Related	84
Consumer	343	Long Term Care	28
MCO employee	3	Other	350
Other	22		
<b>Total</b>	<b>462</b>	<b>Total</b>	<b>462</b>

Bacon’s comments and statistics are indicators that the majority of contacts or complaints in Iowa will likely be from those not in the LTSS or HCBS service groups. At present, it is unclear what independent entity will help these individuals with their concerns or complaints. I recommend that this issue be addressed in the HCOA report to the Governor and the legislators.

### Office of Ombudsman’s Staffing and Resource Needs

Currently the 11 investigators and two support staff in our office have opened over 4,000 cases to date this year.<sup>3</sup> This equates to 308 cases per staff member. The total number of cases for

<sup>3</sup> The Deputy Ombudsman position, which may handle some complaints, has remained vacant since June 2010.

## Appendix F (cont.)

Deanna Clingan-Fischer

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November 20, 2015

2015 has increased over 300 cases, stretching our already limited resources. If we only receive a quarter of the contacts received by the KanCare Ombudsman in 2014, we would be adding an additional 523 contacts to our already challenging caseloads. Even if we only act primarily as a referral for callers [to the complaint process resolution avenues identified by DHS], handling those calls can take time, because typically they involve identifying and assessing what the problem is and providing other information that may be helpful to the complainant. In addition, since we still have authority to investigate Medicaid complaints from consumers or providers at any time of the complaint process, including complaints against the LTCO, I believe there will be some complaints our office will find appropriate to intervene in to help the complainants.

For these reasons, if Medicaid managed care is implemented as planned, I believe the Office of Ombudsman will need two additional employees in order to be prepared to properly handle the potential contacts or complaints to our office. The two entry level positions (as Assistant Ombudsman 1), including training and overhead expenses, will cost about \$165,000.

Sincerely,



Ruth H. Cooperrider  
Ombudsman

RHC/jbc

1501422



# Appendix G

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## IOWA LEGAL AID BUDGET

Iowa Legal Aid (ILA) requests that it be included in the Health Consumer Ombudsman Alliance to help ensure that Iowans receiving Medicaid services through Managed Care Organizations (MCOs) will have access to legal services and advocacy. With annual funding of \$292,500, ILA will be able to provide legal representation to Medicaid managed care members who must navigate through grievances and appeals processes in order to obtain and maintain the services to which they are entitled. This funding will allow ILA to provide legal assistance in approximately 312 additional cases per year.

ILA provides a full range of legal representation services to low-income Iowans and Iowans aged 60 and older, from providing advice and limited services in situations where limited assistance is sufficient to resolve legal problems to representing clients before administrative agencies and in court when more formal legal representation is necessary. Work focuses on critical legal cases involving basic human needs, fundamental rights and safety. Through its 10 regional offices located in Iowa's largest metropolitan areas, ILA closed 18,017 cases in 2014, helping an estimated 43,000 Iowans.

Currently, 6 percent of ILA's cases involve health care issues, most of which are related to Medicaid, Medicare and long-term care. In its first year, the requested funding will allow Iowa Legal Aid to take on an additional six cases per week on behalf of Medicaid managed care members facing:

- Denial of preapproval for services;
- Denial of payment for services that have been provided;
- Termination of home and community-based services; or
- Termination of Medicaid for services in health care facilities.

One type of service that ILA anticipates seeing an increase in among Medicaid managed care members involves providing advice and limited services to clients. The advice and limited services would either confirm for clients that denials or terminations were appropriate, or provide sufficient assistance to clients that they would be able to resolve situations on their own.

The other type of service that is likely to increase for ILA involves representing Medicaid managed care members in complicated situations, such as grievances, administrative appeals and court appeals concerning the denial or termination of services. Clients receiving help with denials or terminations would also be screened by ILA for other legal needs that might be related to or caused by the denials or terminations, such as discharges from nursing facilities, or legal problems involving substandard housing, domestic abuse or other matters. Because such issues may contribute to or exacerbate health issues faced by Medicaid managed care members, ILA will also provide assistance to remedy those problems for clients.

Based on its past experience with cases for Medicaid members for whom payment of service has been denied, ILA has determined that cases for Medicaid managed care members who need guidance or

## Appendix G (cont.)

limited legal services will require approximately five hours of billable time, while members facing appeals or denials will likely require 20 hours of billable time. ILA projects that the cases it handles for Medicaid managed care member issues will fall about equally into each of the two categories referenced above.

ILA will bill the State for the actual hours of services it provides to Medicaid managed care members at the rate of \$75 per hour, which is the actual cost incurred by ILA in providing legal assistance and is the method of billing used for ILA's contracts with Iowa's Area Agencies on Aging. Assuming that ILA will receive six new cases per week involving managed care services, or 312 additional cases per year, ILA will need \$292,500 to provide representation in the cases, as represented in the following budget:

### ILA Legal Assistance Costs:

Activity	Description	Cost Calculation	Total
Providing advice and limited services to Medicaid managed care members	Anticipated increase of 3 cases per week involving Medicaid managed care	3 cases/week x 52 weeks @ 5 hrs/case x \$75/hr	\$58,500
Representing Medicaid managed care members during grievances and appeals processes	Anticipated increase of 3 cases per week involving Medicaid managed care	3 cases/week x 52 weeks @ 20 hrs/case x \$75/hr	\$234,000
<b>TOTAL, ILA LEGAL ASSISTANCE COSTS:</b>			<b>\$292,500</b>

**TOTAL BUDGET REQUEST: \$292,500**

*Please note: As a recipient of funding from the national Legal Services Corporation (LSC), Iowa Legal Aid is required by law and regulation to provide written notice to potential funding sources that their funds may not be used in any manner inconsistent with the LSC Act, LSC appropriation acts and applicable regulations. The services contemplated for this funding are permissible activities under the LSC Act, appropriation bills and applicable regulations.*

A graphic consisting of three overlapping, rounded, golden-brown shapes that form a stylized, abstract logo. The shapes are arranged in a way that they appear to be part of a larger, unified design.

# Appendix H

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## DISABILITY RIGHTS IOWA BUDGET

Disability Rights Iowa (DRI) requests that it be included in the Health Consumer Ombudsman Alliance to establish a Managed Care Advocacy Services Program that provides legal advocacy services to Medicaid managed care members with disabilities. With first-year funding in the amount of \$494,504.93, DRI will be able to offer independent advocate services in cases involving a variety of issues, including, but not limited to, the following:

- Habilitation Services pursuant to the State Medicaid Plan;
- Medicaid long-term care services and supports in residential care facilities; intermediate care facilities for individuals with an intellectual disability; state resource centers; and/or
- Home and community-based waiver settings, including self-directed waiver services referred to as the Community Choice Option and Consumer Directed Attendant Care.

According to the Iowa Department of Human Services, individuals with disabilities accounted for approximately 50 percent of Iowa's Medicaid expenditures in 2012. To ensure that Managed Care Organizations (MCOs) are providing appropriate and timely Medicaid services to those Iowans following the transition to Medicaid managed care, the State needs to increase the available advocacy programs independent of the MCOs. Existing advocacy agencies in the state do not have the capacity to appropriately serve the needs of the entire Medicaid managed care population, and programs like the Managed Care Ombudsman Program that have been established to provide some oversight will be limited to providing non-legal advocacy services, such as assisting members with complaints and providing legal representation referrals, when appropriate.

Additionally, although the Iowa Office of Ombudsman exists to investigate complaints about state and local governments and make recommendations for improvements, it does not provide advocacy or legal representation to individuals and will be limited in the services it can provide to Medicaid managed care members as it does not have jurisdiction over the private Managed Care Organizations (MCOs).

DRI, pursuant to several federal grants, already provides advocacy and legal representation to individuals with disabilities who are Medicaid members, but would require additional staffing and resources to provide a comprehensive, statewide advocacy program to all Medicaid managed care members with disabilities. In developing such a program, DRI has consulted with the State of Wisconsin, whose best-practice model contracts for the provision of ombudsman services to individuals under the age of 60 who are enrolled in Wisconsin's consumer-centered programs, including Medicaid's home and community-based waiver programs and the Medicaid State Plan. Based on the Wisconsin model, DRI would provide, among other things, the following services to Medicaid managed care members in Iowa:

- Information, technical assistance and training about how to obtain needed services;
- Advice and assistance in preparing and filing grievances, appeals and requests for administrative hearings;

## Appendix H (cont.)

- Negotiation and mediation services;
- Individual case advocacy assistance regarding the appropriate interpretation of statutes, rules or regulations; and
- Individual case advocacy services in grievances, appeals, administrative hearings and legal representation for judicial services.

### DRI Legal Assistance Personnel/Direct Costs:

Position	Description	Cost Calculation	Total
Compensation for personnel needed to provide legal advocacy for Medicaid managed care members	Program Manager (1 FTE); Staff Attorney; Advocates (4 FTEs)	Program Manager @ hourly rate of \$21.62 = \$45,000; Staff Attorney @ hourly rate of \$23.32 = \$48,500; Advocates @ hourly rate of \$19.23 = \$159,993.60	\$253,493.60
Fringe benefits			\$75,056.33
Admin. Overhead			\$63,400.00
<b>SUBTOTAL, PERSONNEL COSTS:</b>			<b>\$391,949.93</b>

### DRI Legal Assistance Program/Indirect Costs:

Activity/Item	Total	
Audit	\$6,390	
Bank Charges	\$200	
Board Meeting Expense	\$2,875	
Copier Expenses	\$2,685	
Dues & Memberships/Publications/Subscriptions	\$10,360	
IT Hardware/Software	\$610	
IT Professional Fees	\$4,635	
Insurance – Liability & Malpractice	\$10,110	
Janitorial Services	\$1,220	
Legal & Litigation Expenses	\$2,085	
Office Supplies/Printing/Postage	\$3,700	
Professional Services	\$2,400	
Outreach	\$625	
Reasonable Accommodation	\$1,275	
Rent	\$37,500	
Phone/Phone Equipment Maintenance	\$3,185	
Training – Staff	\$7,000	
Travel – Staff	\$3,200	
Vehicle Lease	\$2,500	
<b>SUBTOTAL, PROGRAM COSTS:</b>		<b>\$102,555</b>

**TOTAL BUDGET REQUEST: \$494,504.93**