



BROADLAWNS MEDICAL CENTER
 Presentation for the
 Chairs of the Health and Human Services
 subcommittee


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**Broadlawns Medical Center
 and the
 IowaCare Program
 – Historical Overview –**

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Iowa Medicaid Initiative: IowaCare

Goals for Medicaid:

- Preserve Medicaid, Reduce the \$65 M gap
 - Iowa loses \$65M in IGT
 - Iowa converts Iowa tax dollars into Medicaid
 - Using state/county funds to match feds
- More Federal Dollars for Healthcare
- More personal responsibility, ownership of healthcare

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Iowa Medicaid Initiative: IowaCare

- **Goal: Introduce Limited Medicaid Program**
 - Expansion Population expand Medicaid to 200% FPL
 - Not an entitlement
 - Coverage limited to services provided by safety net hospitals
 - Mental Healthcare Services are provided by the State MHI's
 - Who will be covered, examples:
 - Parents of *hawk-i* kids (SCHIP)
 - Childless/single adults – (19-64 years old)

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Iowa Medicaid Initiative

- **Goal: More Ownership of Health for Citizens**
 - Premium cost sharing
 - Incentives:
 - To stay healthy (Wellness Initiatives)
 - To avoid unnecessary Emergency Room visits
 - To quit smoking

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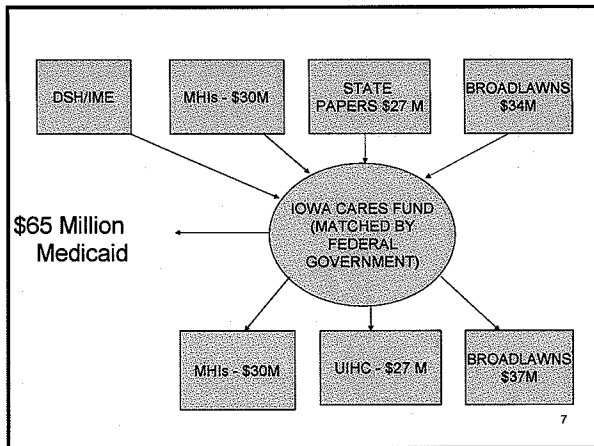
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Iowa Medicaid Initiative

- **Advantages of Iowa Medicaid Initiative**
 - Reduces the \$65 Million Gap
 - Expands Coverage for the Poor
 - Requires More Ownership of Health
 - Avoids Institutionalization when not needed
 - Treats Medicaid like a business
 - Includes careful monitoring
 - Non-partisan problem-solving

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Broadlawn's Medical Center
Tax Levy
and
Community care Program

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Broadlawns Medical Center

- The Polk County Tax Levy is for the care and operations of Broadlawns Medical Center. Not for the specific deliver of care to patients.
- Broadlawns has stated since the beginning we would never have enough claims to offset the \$34 Million dollars that the State is using for Federal match.
- In addition, the State is providing an additional \$3 million to Broadlawns based on additional needs.

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How Broadlawns Tax Levy is being Utilized

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Broadlawns Medical Center

- Tax supported medical program for the uninsured
- Only services rendered at Broadlawns are covered
- Financial Counseling department administers the program
- Funds are **payer of last resort**
- Patients are notified in writing of their status

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Broadlawns Community Care Program

- Eligibility Guidelines
 - Polk County residents only
 - Must be a U.S. citizen or documented alien **FREELY** living in Polk County with the intent to stay (consistent with the Code of Iowa's definition of residency)
 - Up to 200% of the Federal Poverty Guidelines
 - Must cooperate with all applications for other federal, state, and county funding sources
 - Must return all information within a 30-day period
 - Resources are evaluated using Medicaid guidelines
 - Previous suspension from other programs because of fraud or abuse will result in a denial of eligibility


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Community Care Program

- Inpatient Medical Services
- Inpatient Mental Health Services
- Emergency Services
- Variety Club Women's Health Center Services
- Diagnostic Services
- Durable Medical Equipment
- Prescription Drugs
- Outpatient Clinic Services
- Outpatient Mental Health Services
- Preventative Care Services
- Surgical Services
- Dental Services (limited coverage)


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Broadlawns Medical Center and the IowaCare Program —Present—


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Current IowaCare Enrollment

- As of January 21, 2008, Broadlawns Medical Center is averaging per month approximately 6,137 patients enrolled in IowaCare.
- Broadlawns is eligible to serve 31 percent of all the individuals enrolled in this program.


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IowaCare Disenrollment Issues

- As of January 21, 2008, 5,020 individuals were disenrolled in IowaCare statewide. 1,728 of these were in Polk County.
- Polk County has the highest level of disenrollment in the program statewide.
- Approximately 75 percent of all the individuals enrolled in IowaCare do not pay a premium.
- Approximately 864 of the individuals in Polk County who are disenrolled due to failure to pay their premiums will continue to be disenrolled since they have not paid premiums or declared hardship in the past.


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IowaCare Disenrollment Issues

- Broadlawns is grateful to the Legislators for eliminating the premiums for the majority of our patients.
- Broadlawns if Broadlawns was to pay the back premiums of the 864 patients this would be approximately \$ 50,000.
- This would allow the patients to re-enroll in IowaCare rather than be uninsured.


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Broadlawns Financials

- Our claims grew by 12.2 percent this last fiscal year.
- During the last two fiscal years, Broadlawns Medical Center has been working diligently to reduce our cost and become more efficient. While this is a good business strategy for most payer contracts, this can have a negative impact for IowaCare since claims allocation is based on cost to charge.
- This will impact both Broadlawns and the State because the end result is a reduced amount of claims dollars for federal matching.
- The FY 2009 Budget packet sent out this week contains a table showing our costs per adjusted patient day have decreased approximately 2 percent from FY 2006 to Budget FY 2009 projections. However, preliminary numbers indicate Broadlawns may receive some additional appropriation for FY 2007 based on additional service volumes to IowaCare patients. This additional funding is very much needed as we see higher claims volumes for patients served.


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Overall Increase In Total Claims

	FY 2006	FY 2007	Change
1. Gross Charges	\$26,944,000	\$29,453,000	\$2,509,000
2. Allowed Claims Amount	\$13,758,000	\$15,431,000	\$1,673,000


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Additional Clinical Information


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Health Risk Assessments and Physicals

- We have been offering physicals to the IowaCare patients. However, one issue prevents many of our patients from obtaining a physical. It is the **Same Day Billing** rule.
- Frequently, when a patient comes to Broadlawns transportation is an issue. Under the current Medicaid billing rules if we see a patient for an acute medical condition and then provide a physical, we cannot bill for both of these services on the same day.



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Health Risk Assessments and Physicals

- In order for the patient to receive the physical they would need to come back on a different day. This is a serious challenge for our patients with transportation issues.
- Broadlawns has recommended to DHS that an exception be made to the **Same Day Billing** rule so we can provide preventative physicals to our patients on IowaCare and in the Medicaid program.
- We have been keeping in contact with Des Moines University regarding the Health Risk Assessments provision of the IowaCare program.



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Smoking Cessation Pharmaceuticals

- As of February 1, 2007, Broadlawns Medical Center has been providing Smoking Cessation Pharmaceuticals to our IowaCare patients.
- We are very appreciative of DHS working with us to provide this much needed service to our patients.
- We are concerned about how we implement the program in collaboration with Quitline Iowa. Patients will need to wait for approval from Quitline in order to receive their gum and/or patches.



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Additional Services provided to the IowaCare patient but not covered by IowaCare

- Podiatric Services:
 - Approximately 25% of the patients who are enrolled in the IowaCare program are diabetic. Ensuring proper foot care is key to their overall health.
 - IowaCare does not provide for Podiatric Services provided by a Podiatrist.
 - The Foot care provided at Broadlawns is different. We have an Amputation Prevention Center that works to prevent limb loss due to improper wound healing.


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 Additional Services provided to the IowaCare patient but not covered by IowaCare

- Podiatric Services:
 - Last year Broadlawns Medical Center provided over \$900,000 in Podiatric care to IowaCare patients.
 - These are dollars that could be matched by the State to draw down additional funding not only for the IowaCare program but, of the Medicaid program.

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 Durable Medical Equipment and Pharmaceuticals Provided to IowaCare Patients

Broadlawns Medical Center has provided:

- Pharmaceuticals - \$1,976,340 (January- December 2007)
- Durable Medical Equipment - \$134,238 (January- December 2007)
- **Total: \$2,110,578**

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28E Agreement Issues

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 28E Agreement Update

- Broadlawns Medical Center does not have a signed 28E Agreement this year. The Department of Human Services has indicated that they can no longer pay us for the Administrative Costs to operate the IowaCare program. This has become a roadblock in reaching a current agreement.
- The legislation that created IowaCare is HF 841. According to HF 841, Iowa Code Section 249J.22, Health Care Transformation Account, money has been allocated to pay for administrative costs for the IowaCare program and this account is also referenced in our earlier 28E Agreements.


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28E Agreement Update

- Prior to IowaCare, Broadlawns Medical Center did not bill patients who now qualify for the IowaCare program. It was critical during the initial development of IowaCare that Broadlawns be held harmless from any new or additional costs. The following information outlines the commitments that were made to Broadlawns to ensure that we were not going to see an increase in our costs with the implementation of IowaCare.
- A letter dated August 17, 2005, from Broadlawns to Representative Heaton during the initial implementation of the IowaCare program memorializes the promises that were made by the Department of Human Services to hold Broadlawns harmless in the distribution of moneys from the IowaCare Account and payment of new administrative costs from the Health Care Transformation Account.




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28E Agreement Update

- An email dated September 21, 2007, from Jennifer Vermeer, Assistant Director of Medicaid, Department of Human Services supports this. Ms. Vermeer stated: "The state share for your admin payments has already been allocated in the budget, but what was formerly the federal share has not." This is inconsistent with the memo dated December 7, 2007, that Kevin Concannon sent to legislators regarding the budgeting for our administrative costs. If the Department of Human Services was not planning to pay the administrative costs to Broadlawns Medical Center, why have they again placed the costs in their budget?
- In a letter dated November 21, 2007, Norene Jacobs, Esq., legal counsel for Broadlawns Medical Center, noted extensive research of statutes and legislative materials that clearly authorizes – obligate the Department of Human Services to compensate Broadlawns Medical Center for administrative costs.




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28E Agreement Update

- Finally, on page 77 in the Summary of FY 2009 Budget and Department Request that was sent to the Fiscal Services Division of the Legislative Services Agency this month, the Department of Human Services is requesting an increase of \$202,000 for the administrative costs for the IowaCare program. We believe there should be sufficient funding to continue to pay us for the administrative costs associated with the IowaCare program that the Department of Human Services has been appropriately paying Broadlawns Medical Center since the inception of the IowaCare program. Broadlawns Medical Center has acted in good faith working in collaboration with the State of Iowa to develop and work to ensure the success of the IowaCare Medicaid Waiver. In fact, approximately 35 percent of all the care provided in the State under the IowaCare program is provided at Broadlawns Medical Center.




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IowaCare Collaborative Successes with DHS

- The establishment of a cash collection center at Broadlawns in order to assist the patients to pay their premiums.
- The ability for Department of Human Services to access the Department of Public Health records to assist with citizenship verification.
- The ability for Broadlawns Medical Center to dispense smoking cessation pharmaceuticals.
- Enrollment is growing in Polk County which provides an insurance product for the uninsured.
- Citizens are taking responsibility for their healthcare and seeking out preventative healthcare.




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Recommendations

- Broadlawns Medical Center working with DHS to resolve the issue of paying back premiums so that we can enroll the uninsured in Polk County in IowaCare.
- Working with the Legislators to ensure that our Administrative costs for this program continue to be reimbursed as they have in the past three years.
- Working with Legislators to ensure our appropriation language continues to provide the range of reimbursement to Broadlawns of \$37 million - \$40million as this year we have matched up to \$38 million


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Recommendations


- Working with legislators to have Podiatric services covered to ensure quality patient care to diabetic patients as well as generate additional claims that can be Federally matched.
- Continue to work with DHS on the implementation of the I-Smiles program. Broadlawns administers the WIC grant as well as has a Dental Clinic that provides care to Hawk-I and IowaCare patients.
- Work with the Legislation and DHS on renewing the IowaCare Wavier.

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Questions?

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