



Shelly Chandler
Executive Director

November 8, 2017

Health Policy Oversight Committee
Statehouse
1007 East Grand Avenue
Des Moines, Iowa 50319

Chairmen Costello and Heaton and members of the committee:

Please accept this letter as comments from the Iowa Association of Community Providers (IACP) regarding the recent developments with managed Medicaid in Iowa and the transition that is about to occur. IACP represents 143 organizations throughout the state that provide Medicaid-funded services to people with intellectual and developmental disabilities, brain injury and mental illness. Nearly all the clients served by our members are eligible for Medicaid and it is therefore the primary, if not only, revenue source for the long-term services and supports our members provide.

From the beginning of the process to the transition to managed Medicaid in our state, we have provided comments and input to the administration, legislature, and the Center for Medicaid and Medicare Services (CMS). We have repeatedly stated that in our long history, we have been managed by many entities; counties, the state, Magellan, etc. We acknowledge that we don't get to choose who manages our services and revenues and that we pledge to work productively with whoever is chosen to manage us. We stand by that pledge.

The implementation of managed Medicaid has been difficult for our members and their clients to say the least, particularly for the Intellectual Disability Waiver. The primary difficulty stems from the fact that the rate cell developed to pay the managed care organizations (MCOs) to cover these services was based on outdated data and therefore is grossly underfunded. Analysis we conducted last spring indicated that the intellectual disability rate cell was underfunded by \$12-15 million just for daily Supported Community Living (SCL) services, one of the many services available under the waiver.

The departure of AmeriHealth Caritas from the program is at least partly due to this factor. AmeriHealth has well more than 80% of the Medicaid members on the Intellectual Disability Waiver. As they prepare to leave, we have consistently heard that no one wants "our people." This is specifically due to how underfunded the waiver rate cell is and that the MCOs are losing substantial money on waiver services. Additionally, rates paid to providers are insufficient to sustain services to higher-need clients; and there is a very real danger that higher need clients, currently on the waiver, will end up in institutions or out of state placements. This problem has been in place since the beginning of managed Medicaid and simply must be fixed to avoid further erosion of the intellectual disability waiver.

Transition from AmeriHealth Caritas – Immediate Issues

As previously stated, well more than 80% of our providers' clients have been enrolled with AmeriHealth Caritas. The impact of their decision to depart has a disproportionate impact these providers and clients. As of Monday, November 6, 2017, at least twelve of our providers do not have contracts with Amerigroup and/or United Healthcare. There are likely other providers that are members of IACP that do not have contracts with them as well. We have recommended that these providers immediately begin the contracting process, but the likelihood of those being completed prior to December 1, 2017 is not promising.

To that end, we strongly encourage that direction be given immediately to the department to require both of the following:

- **Deem that providers credentialed by AmeriHealth Caritas meet credentialing requirements for both Amerigroup and United**
- **Waive out-of-network provider payment penalties until contracting can be completed**

Credentialing is part of the contracting process and is very time-consuming. The requirements are very similar across all MCOs. Granting deemed status for at least a grace period would eliminate one barrier to the transition of clients from AmeriHealth Caritas. Similarly, waiving the payment penalty for being an out-of-network provider would help smooth the transition as the contracting process is completed for providers that do not have contacts with Amerigroup and/or United Healthcare.

Expiring authorizations is another issue that needs to be addressed. It is our understanding that AmeriHealth Caritas is not authorizing beyond 11/30/2017, which is problematic for starting with a new MCO on 12/1/2017. **We therefore request automatic extensions at transition for those with expiring authorizations, at least until the new MCO reviews the authorization.**

New Payment System for Intellectual Disability Waiver Services beginning December 1, 2017

In addition to reassignment of clients from AmeriHealth Caritas to the other MCOs, the tiered rate system for some waiver services is also going into place December 1, 2017. Clients will be stratified into payment tiers based on Support Intensity Scale assessment scores. IACP supports the concept of a tiered rate payment system that is based on clients' assessed needs. However, there are a number of issues that we believe need to be addressed:

- Our providers report that there are more than 2,600 current clients that they do not have assessment scores for. They need access to these reports and scores immediately as they prepare for implementation December 1.
- Authorizations coming over from AmeriHealth will not match the new payment system. The department needs to ensure that the clients' new MCO and their service providers have the assessment scores prior to December 1, 2017.
- As payments are directly tied to assessments, the accuracy and adequacy of the assessments is critical. Challenges to the accuracy and adequacy of assessments need to be subject to appeal. We strongly recommend that challenges to assessments qualify as an adverse determination to the client and therefore subject to appeal.
- The tiered rate system was developed on a budget neutral basis. As previously discussed, it is therefore underfunded. To avoid the dire consequences previously referenced, this issue needs to be addressed.



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In conclusion, there are significant issues with the intellectual disability waiver. There are also significant complexities associated with the transition that is going to occur on December 1, 2017. Our comments in this letter are an attempt to help with this transition and limit disruption to our providers' services to the very vulnerable population they serve. We are committed to assist in any way we can and are available for questions and will provide follow-up information at your request.

Respectfully submitted,

A handwritten signature in cursive script that reads "Shelly Chandler".

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