



House of Representatives

STATE OF IOWA

STATE HOUSE

Des Moines, Iowa 50319

July 8, 1970

TO: MEMBERS OF THE IOWA LEGISLATIVE COUNCIL

Following Representative Lipsky's letter of June 8th to the Council I have re-read the Medicaid Study Committee final report to the 63rd General Assembly, reviewed the expenditures under the Medicaid program over the past 17 months and had occasion to meet with representatives of one of the vendor groups. I have also followed announcements and trends of the federal activity in the field of health care.

I would like to concur in the request for a continuing study and surveillance of the Medicaid program. I recommend that the Council approve the establishment of a Legislative Committee to carry out this assignment.

I call your attention to the Medicaid Study Committee's comments on pages 13 and 14 of their report wherein they suggest legislative members should be involved with the peer review groups. It is felt that this would provide a better understanding on the part of the legislators of the problems of the vendor groups and a better understanding on the part of the vendors of the concerns of legislators and citizens regarding the increasing costs of these programs.

The Study Committee's report spoke briefly to a concept of the state contracting with private or nonprofit insurance carriers to provide Medicaid benefits. I have felt for some time that the state might benefit from such a program for the same reasons that employers use this approach in offering health care to their employees. Only yesterday, you may have noted in the news that the federal government is also thinking along this line. This concept should receive continued study.

Members of the Legislative Council
July 8, 1970
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Health care is becoming one of our biggest programs. It is going to continue to grow. It is imperative that we get all we can for the tax dollar which means we need to continue to seek more efficient ways to provide health care. Some progress is being made as the last committee report shows. Fee schedules have been established for some vendor groups. Perhaps all groups will need to come under this type of control. Better controls need to be established to prevent over-utilization. It is alarming to hear of reports of patients receiving services of questionable need and to hear of numerous calls to the same practitioner or taking advantage of the services of several vendors for the same treatment or prescription. Only recently, we were told that the Department is turning down about \$50,000 in claims per month from vendors. While this shows a vigilance on the part of the Department, it also points out that either the vendors have difficulty determining the qualifications of their patients or there are a considerable number of attempted abuses. In either event, continued effort should bring about better guidelines.

Finally, a continuing study is needed just to keep abreast of the rapid changes taking place. Case loads are increasing and perhaps even more serious are the trends toward cutting back in the federal government's participation. Some very serious problems are being faced by our Department of Social Services and our Department of Health.

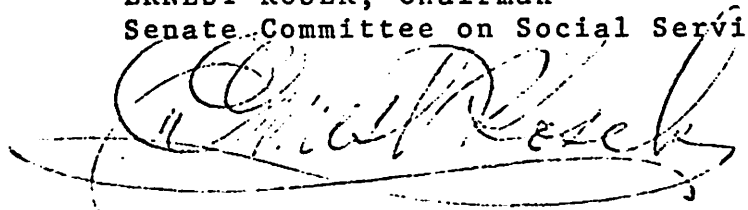
The legislature will need knowledgeable members and good liaison with these Departments and with those who provide health care services if we are to keep up with the kind of care society seems to expect today. I urge your favorable action on the establishment of a continuing legislative study.

Sincerely,



EDGAR H. HOLDEN, Chairman
House Committee on Social Services
with concurrence by

ERNEST KOSEK, Chairman
Senate Committee on Social Services



SUMMARY OF IOWA MEDICAID COSTS

July 1969 - June 1970

July 8, 1970

The four attached pages together give a general summary of the nature and amount of monthly expenditures for the Medicaid program in Iowa during the past 12 months. The first two pages are a reproduction of a table covering the months July through December, 1969, which appeared as Appendix V to the Final Report of the Medicaid Study Committee, submitted to the Legislative Council on March 1, 1970. The third page is a similar table covering the months January through May, 1970. The fourth page is the Department of Social Services monthly report of Medicaid Expenditures for the month of June, 1970, which has just been released as of this date.

Iowa Legislative Service Bureau

Appendix V

MONTHLY MEDICAID EXPENDITURES FOR HEALTH CARE SERVICES
AND SUPPLIES, JULY - DECEMBER, 1969

(Approximately 45% state and 55% federal funds)

	July	August	September	October
"5 Basic Svcs."				
Physicians ¹	\$ 606,960.61	\$ 310,426.08	\$ 371,118.30	\$ 483,733.38
Hospitals:				
-Inpatient	465,130.30	377,022.65	272,590.49	451,163.04
-Outpatient	51,244.83	38,622.91	39,217.35	44,881.30
-Medicare ²	56,223.17	67,307.82	21,179.46	68,274.97
Skilled Nursing Homes	630,835.59	350,987.25	295,831.47	372,965.28
Lab & X-ray	6,253.99	3,376.88	4,437.82	313.80
Total for 5 Basic Svcs.	\$1,816,648.49	\$1,147,743.59	\$1,004,374.99	\$1,421,331.77
% of Grand Total	66.8%	67.7%	66.2%	65.0%
Optional Svcs.				
Pharmacies ³	\$ 607,188.32	\$ 355,771.57	\$ 323,744.83	\$ 466,987.70
Dentists	190,948.15	133,714.04	109,696.65	192,775.90
Podiatrists	8,935.80	5,780.74	6,306.65	7,362.95
Optometrists	47,566.13	30,097.31	41,689.91	56,351.08
Opticians	12,407.82	5,929.05	6,967.79	14,660.84
Chiropractors	12,770.40	9,564.50	9,831.10	12,478.00
Home Health Agencies	6,070.52	302.76	7,313.61	4,203.65
Medical Appli- ance Dealers	15,886.10	6,069.87	6,792.02	7,608.66
Special Clinics	1,328.78	532.97	157.69	1,353.67
Other	--	--	--	2,825.60
Total for Optional Svcs.	\$ 903,102.02	\$ 547,762.81	\$ 512,500.25	\$ 766,608.05
% of Grand Total	33.2%	32.3%	33.8%	35.0%
GRAND TOTAL	\$2,719,750.51	\$1,695,506.40	\$1,516,875.24	\$2,187,939.82
	July	August	September	October

¹Includes both medical and osteopathic doctors.²Represents payment by Medicaid of "deductible" portion of hospital costs of welfare recipients who are Medicare beneficiaries; i.e. Medicaid pays amount which Medicare would require the individual to pay personally if he were financially able to do so.³Iowa Medicaid program pays only for prescription drugs.

Appendix V

	November	December	6 mo. total	% of 6 mo. grand total
"5 Basic Svcs."				
Physicians ¹	\$ 483,347.39	\$ 306,739.91	\$ 2,562,325.67	22.0%
Hospitals:				
-Inpatient	439,183.53	294,132.74	2,299,222.75	19.8%
-Outpatient	62,499.88	30,894.36	267,360.63	2.3%
-Medicare ²	56,459.63	34,660.65	304,105.80	2.6%
Skilled Nursing Homes	313,150.75	175,800.94	2,139,571.28	18.4%
Lab & X-ray	568.30	449.00	15,399.79	0.1%
Total for 5 Basic Svcs.	\$1,355,209.48	\$ 842,677.60	\$ 7,587,985.92	
% of Grand Total	67.9%	55.9%	65.2%	65.2%
Optional Svcs.				
Pharmacies ³	\$ 365,784.31	\$ 431,719.60	\$ 2,551,196.33	22.0%
Dentists	170,780.73	149,256.40	947,171.87	8.2%
Podiatrists	10,728.44	7,206.40	46,320.98	0.4%
Optometrists	54,165.94	45,186.82	275,057.19	2.4%
Opticians	9,129.98	9,348.53	58,444.01	0.5%
Chiropractors	14,148.60	10,652.80	69,445.40	0.6%
Home Health Agencies	3,871.00	2,664.07	24,425.61	0.2%
Medical Appli- ance Dealers	6,968.67	4,953.86	48,279.18	0.4%
Special Clinics	530.85	1,460.44	5,364.40	0.05%
Other	3,718.24	1,802.07	8,345.91	0.07%
Total for Optional Svcs.	\$ 639,826.76	\$ 664,250.99	\$ 4,034,253.88	
% of Grand Total	32.1%	44.1%	34.8%	34.8%
GRAND TOTAL	\$1,995,036.24	\$1,506,928.59	\$11,622,239.80	100.0%
	November	December	6 mo. total	% of 6 mo. grand total

¹Includes both medical and osteopathic doctors.

²Represents payment by Medicaid of "deductible" portion of hospital costs of welfare recipients who are Medicare beneficiaries; i.e. Medicaid pays amount which Medicare would require the individual to pay personally if he were financially able to do so.

³Iowa Medicaid program pays only for prescription drugs.

MONTHLY MEDICAID EXPENDITURES FOR HEALTH CARE SERVICES AND SUPPLIES, JANUARY - MAY, 1970
(Approximately 45% state and 55% federal funds)

	January	February	March	April	May
"5 Basic Svcs."					
Physicians ¹	\$ 317,544.98	\$ 420,755.84	\$ 464,463.79	\$ 697,905.27	\$ 515,255.82
Hospitals:					
-Inpatient	304,956.40	314,599.85	447,577.63	678,797.27	485,874.86
-Outpatient	48,626.13	43,621.50	61,624.67	77,332.31	52,539.32
-Medicaire ²	30,340.10	30,461.75	- - - -	- - - -	- - - -
Skilled Nursing Homes	215,045.29	180,022.29	165,653.42	142,752.24	122,171.86
Lab & X-ray	467.05	639.05	562.70	651.35	602.65
Total for 5 Basic Svcs.	\$ 916,979.95	\$ 990,100.28	\$1,139,882.21	\$1,597,438.44	\$1,176,444.51
% of Grand Total	58.5%	55.6%	62.2%	65.2%	65.4%
Optional Svcs.					
Pharmacies ³	\$ 404,682.34	\$ 514,695.59	\$ 472,190.12	\$ 514,785.67	\$ 385,481.36
Dentists	175,923.15	186,065.00	145,387.00	224,414.50	147,709.05
Podiatrists	4,897.35	5,311.90	4,923.70	5,140.71	4,888.10
Optometrists	38,401.40	50,009.26	39,278.71	65,210.08	43,034.30
Opticians	7,398.92	10,334.81	9,284.36	13,746.73	9,722.41
Chiropractors	10,733.00	11,677.80	11,309.50	13,905.90	13,484.10
Home Health Agencies	2,148.88	3,105.96	2,009.80	2,817.29	3,527.24
Medical Appliance Dealers	4,001.10	6,155.58	6,032.87	10,151.01	8,781.27
Special Clinics	755.33	1,618.32	687.01	636.56	1,187.10
Other	1,019.20	741.25	1,350.11	2,968.56	5,876.05
Total for Optional Svcs.	\$ 649,960.67	\$ 789,715.47	\$ 692,453.18	\$ 853,777.01	\$ 623,690.98
% of Grand Total	41.5%	44.4%	37.8%	34.8%	34.6%
GRAND TOTAL	\$1,566,940.62	\$1,779,815.75	\$1,832,335.39	\$2,451,215.45	\$1,800,135.49

January

February

March

April

May

¹Includes both medical and osteopathic doctors.

²Represents payment by Medicaid of "deductible" portion of hospital costs of welfare recipients who are Medicare beneficiaries; i.e., Medicaid pays amount which Medicare would require the individual to pay personally if he were financially able to do so. Since March, the Department of Social Services has not shown this item separately from other hospital expenditures on its monthly summaries of Medicaid costs.

³Iowa Medicaid program pays only for prescription drugs.

TITLE XIX MONTHLY REPORT OF EXPENDITURES
 BY TYPE OF VENDOR
 JUNE, 1970

<u>Type of Vendor</u>	<u>No. of Recipients</u>	<u>No. of Claims</u>	<u>Amount</u>	<u>Ave. Cost Per Recipient</u>	<u>Ave. Cost Per Claim</u>
Medical Doctors	15,792	20,075	\$ 365,093.35	\$ 23.12	\$ 18.19
Osteopathic Doctors	3,506	4,455	72,696.01	20.73	16.32
Pharmacies	26,010	32,167	370,287.54	14.24	11.51
Hospitals					
Inpatient	1,930	2,006	376,481.50	195.07	187.68
Outpatient	3,067	3,508	54,777.18	17.86	15.61
Dentists	4,016	4,362	203,884.00	50.77	46.74
Podiatrists	429	574	4,946.10	11.53	8.62
Optometrists	1,284	1,293	36,930.82	28.76	28.56
Opticians	344	346	6,645.89	19.32	19.21
Chiropractors	924	996	11,792.70	12.76	11.84
Skilled Nursing Homes	204	282	75,392.03	369.57	267.35
Home Health Agencies	47	80	2,418.32	51.45	30.23
Medical Appliance Dealers	141	168	6,311.34	44.76	37.57
Laboratories and X-Ray Services	146	154	843.33	5.78	5.48
Special Clinics	66	66	601.70	9.12	9.12
Other	216	254	3,228.82	14.95	12.71
TOTAL	44,567	70,786	\$1,592,330.63	\$ 35.73	\$ 22.49

Total for 5 Basic Services \$945,283.40
 59.4%

Total for Optional Services \$647,047.23
 40.6%



ERNEST KOSEK
STATE SENATOR

In Session Address:
STATE HOUSE

DES MOINES, IOWA 50319

Cedar Rapids Address:

501 MERCHANTS NATIONAL BANK BLDG.
CEDAR RAPIDS, IOWA 52401

The Senate
STATE OF IOWA
Sixty-Third General Assembly
STATE HOUSE
Des Moines, Iowa 50319

COMMITTEES

SOCIAL SERVICES, Chairman
APPROPRIATIONS
CITIES AND TOWNS
CONSTITUTIONAL AMENDMENTS
AND REAPPORTIONMENT

July 8, 1970

TO: MEMBERS OF THE IOWA LEGISLATIVE COUNCIL

- Re: 1. Overall review of all state and federal expenditures of Social Services Department or a total of approximately 100 million per year.
2. Recommend Finance Committee be appointed to completely review all state and federal funds and make recommendations to the 1971 Legislature.
3. Endorse requested recommendation on Medicaid Interim Committee by joint Social Service chairmen - Representative Holden of the House and Senator Kosek of the Senate.

You have requested a brief report by the Social Service chairmen as to advisability of appointing interim study committee for Medicaid program. This action by the Legislative Council should pay good dividends on your small investment of time and expenses so I highly endorse it in the joint report made by Representative Holden and Senator Kosek.

I also recommend that your Committee appoint a Joint House and Senate Finance Committee to hold hearings, review total financing expenditures of Social Service Department and make recommendations to the 1971 Legislature.

Sincerely,

ERNEST KOSEK, Chairman
Senate Social Services Committee

Pending at adjournment

HOUSE CONCURRENT RESOLUTION 106

By Franklin, Blouin, Voorhees, Jesse, Alt, Ewell, Koch, Anderson,
Van Drie, Baker, Nolting, Lawson, Schwartz, Roorda, Perkins,
McCartney, Gannon, Kennedy of Chickasaw, Huff and Pelton

Whereas, a great amount of publicity was generated by both major political parties during the last presidential campaign with reference to fair employment and the inclusion of minorities into the economic mainstream, and

Whereas, the religious and business communities of Iowa have now moved toward adopting and implementing employment practices to include ALL people into the economic mainstream of Iowa, and

Whereas, there are facts and figures that show certain departments of state government are doing little, if anything, to implement fair and equal employment opportunity, and

Whereas, state government should be a leader and example of fair and equal treatment to ALL citizens, *Now, Therefore*,

Be It Resolved by the House, the Senate Concurring, that the Legislative Council be urged to establish a study committee for the purpose of a thorough investigation of the employment practices of the Department of Public Instruction, Department of Public Safety, Employment Security Commission, Highway Department and the Board of Regents.

Be It Further Resolved, that a report of the study and specific recommendations be made to the first session of the Sixty-fourth General Assembly.

The State Building Code Enabling Act
Principal Provisions of the Proposed Bill

- * Voluntary adoption by municipalities and/or counties.
- * Enforcement at the local level.
- * A State Commissioner - Director of the Division of Municipal Affairs of the Office for Planning & Programming who shall formulate and adopt rules and regulations relating to the construction of buildings, etc., and prescribe standards for materials and methods, including regulations for safety and sanitary conditions, which shall, when adopted, be the State Building Code.
- * Withdrawal from Code application by any subdivision that has adopted the Code, after a trial of one year, if so desired.
- * Code will apply to all buildings and structures owned by the State.
- * Provides standards and approval for use of factory-built and mobile houses.
- * Reasonably uniform standards consistent with accepted standards of engineering and fire-prevention practice and elimination of restrictive, obsolete, conflicting and unnecessary regulations which tend to impede progress and raise costs.
- * Discretion, for the Commissioner, in regard to limiting the application of any portion of the state code to include or exclude types of buildings according to use and specified areas of the state based upon population, etc.
- * Public hearings for proposed rules and regulations.
- * Study of operation of the Code in regard to costs of construction and the effectiveness of provisions for health, safety and security.
- * An Advisory Council of seven members, appointed by the Governor, without Senate confirmation and compensated on a per diem basis for days of service at \$40 per day with \$2500 annual maximum, plus expenses.
- * Communities may recommend to the Commissioner adoption of requirements higher than Code standards to meet special conditions.
- * Three members of Advisory Committee, appointed by Commissioner may constitute a Board of Review. (Extensive duties of such board are detailed.)
- * Punitive measures for violation of the Code, a fine of not more than \$100 or 30 days in jail or both.
- * Violations of this section shall be misdemeanors and local courts have jurisdiction.
- * Injunctive relief, in district courts, as an alternative to criminal charges, may be petitioned by the Commissioner.

- * A governmental subdivision may enact other building regulations, but if it has adopted the State Code, it may not alter provisions of this Act.
- * Several amendments (sect. 24 and following) to permit fitting this Act into the Iowa Code.

PROPOSED STANDING COMMITTEE ITINERARY

TO: IOWA LEGISLATIVE COUNCIL

FROM: Repr. Charles Grassley, Chairman
House Committee on Schools
(Indicate House)

Is this a joint proposal with corresponding chairman of other house? Yes

1. PROPOSED NUMBER OF STANDING COMMITTEE MEETINGS _____

2. PROPOSED NUMBER OF SUBCOMMITTEES 1 (supplement to previous approved program)
PROPOSED NUMBER OF MEETINGS FOR EACH SUBCOMMITTEE 1

3. PROPOSED NUMBER OF JOINT MEETINGS WITH OTHER HOUSE 1

4. PROPOSED DAY OF MONTH, TIME OF DAY FOR MEETINGS _____

5. PROPOSED FREQUENCY OF MEETINGS _____
(Indicate whether standing, subcommittee, or joint)

6. SIZE OF COMMITTEE, SUBCOMMITTEES, OR JOINT COMMITTEES Nor more than 5

PROPOSED PURPOSE OF MEETINGS:

- a. Study pending legislation X
- b. Conduct studies X
- c. Hold hearings _____
- d. Investigations _____
- e. Draft legislation _____
- f. Other _____

7. PROPOSED STUDY AREAS To consider with the Senate Committee on Higher Education problems of and legislation affecting area schools.

8. STAFF DESIRED 1 person

9. OTHER INFORMATION The Senate Committee on Higher Education has jurisdiction over area schools as does the House Committee on Schools.

The Senate and House Committees on Schools previously submitted to the Legislative Council its study program which was approved. The Senate Committee on Higher Education would like to use its authorized meeting to meet jointly with the House Committee on Schools to consider problems and legislation affecting area schools. Since the House Committee on Schools has already developed its interim program and plans to use its authorized meeting it would like to have authority to have a subcommittee of not more than five persons authorized to meet with the Senate Committee on Higher Education.