

## UI Health Care Update on IowaCare

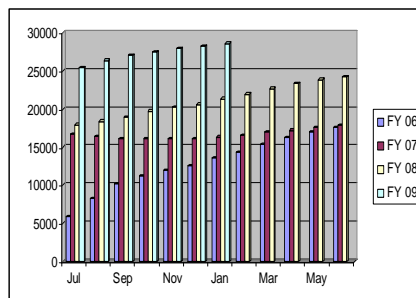
Prepared for  
**Health & Human Services Appropriations Subcommittee**

Prepared By  
*Stacey T. Cyphert, Ph.D.*  
*Assistant Vice President for Health Policy*

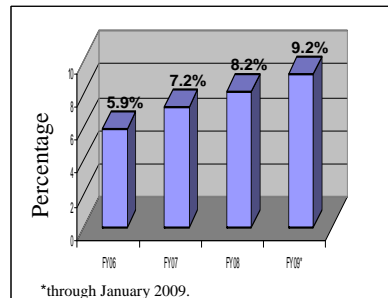
**February 19, 2009**

### IowaCare Continues to Grow and is an Increasing Percentage of the Patient Volume at the UI Hospitals and Clinics

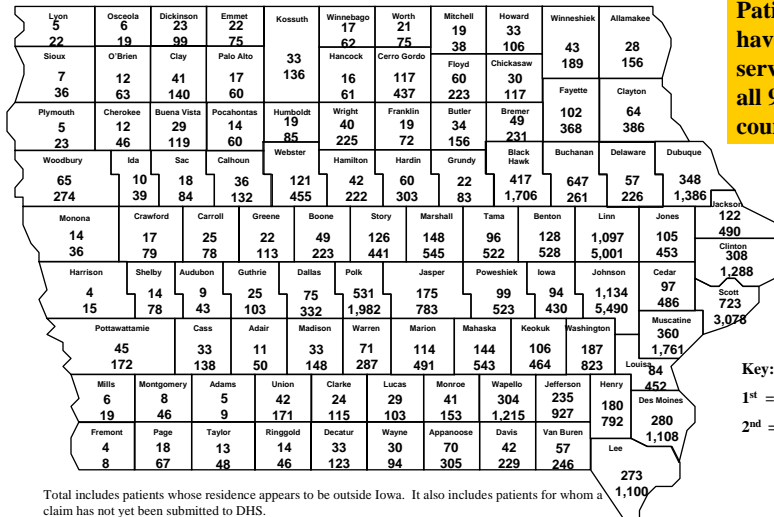
IowaCare & Chronic Care Enrollment  
 (Net of Disenrollments)  
 Monthly Comparison



IowaCare & Chronic Care Patients  
 Percentage of Encounters  
 at the UI Hospitals and Clinics



10,359 Unique IowaCare & Chronic Care Patients  
Have Accounted for 44,607 Visits at the UIHC in FY 09\*



Patients have been served from all 99 counties.

Key:  
1st = # Unique Pts.  
2nd = # Visits

Total includes patients whose residence appears to be outside Iowa. It also includes patients for whom a claim has not yet been submitted to DHS.  
\*through January 2009.

Most Common Reasons in FY 09 Why IowaCare Patients are Treated at the UI Hospitals and Clinics



**Inpatient**

Rank	MS-DRG	Description	% of Inpatients
1	287	Circulatory disorders except AMI, w card cath w/o MCC	3%
2	392	Esophagitis, gastroent & misc digest disorders w/o MCC	3%
3	470	Major joint replacement or reattachment of lower extremity w/o MCC.	3%

**Outpatient**

Rank	Code	Description	% of Outpatients
1	7295	Pain in limb	4%
2	25000	Diabetes mellitus without mention of complication	3%
3	4019	Hypertension NOS	3%

## Carver College of Medicine Physicians Donate Services Provided to IowaCare Beneficiaries



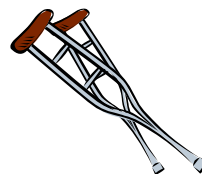
- Per the laws of the 81<sup>st</sup> General Assembly, 2005 Session, CH. 167 (HF 841), Sec. 47(4), "...a physician or surgeon who provides treatment or care for an expansion population member pursuant to chapter 249J shall not charge or receive any compensation for the treatment or care except the salary or compensation fixed by the state board of regents to be paid from the hospital fund."
- For FY 09 through the end of January:
  - Carver College of Medicine (CCOM) physicians have donated \$10.0 M in services provided to IowaCare beneficiaries when valued at Iowa Medicaid rates.
  - It is projected for all of FY 09 some \$18.2 M in physician services will be donated to IowaCare beneficiaries when valued at Iowa Medicaid rates.
- IowaCare's large and growing uncompensated physician service volume is creating a significant financial challenge for the CCOM and needs to be addressed.



## UI Hospitals and Clinics Self-Funds Pilot Pharmaceutical and Durable Medical Equipment Programs



- On August 14, 2006, the University of Iowa Hospitals and Clinics implemented pilot programs without reimbursement to facilitate IowaCare beneficiary access to generic pharmaceuticals and durable medical equipment.
- For FY 09 through the end of January:
  - Nearly 129,000 prescriptions have been filled at a cost for drugs, labor and shipping of approximately \$3.3 M.
  - Nearly 22,700 durable medical equipment items were provided at a cost of \$563,000.
- It is projected for all of FY 09 the UI Hospitals and Clinics will subsidize the pilot pharmaceutical program by \$5.3 M and the durable medical equipment pilot program by \$940,000.



Prescription	Use
Omeprazole	Gastroesophageal (acid) reflux
Hydrochlorothiazide	Hypertension (high blood pressure)
ProAir HFA Aerosol Solution	Asthma (breathing problems)
Tramadol	Pain
Hydrocodone/acetaminophen	Pain
Accu-check Aviva strip	Diabetic supply
Lisinopril	Hypertension (high blood pressure)
Simvastatin	Hyperlipidemia (high cholesterol)

UI Hospitals and Clinics Subsidizes Patient Transportation Services

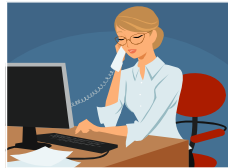
- The University of Iowa Hospitals and Clinics provides free patient transportation services to and from an IowaCare beneficiaries' home using its fleet of 10 vans.
- For FY 09 through the end of January:
  - Over 1,000,000 miles have been traveled in making 1,175 round trips to serve 5,480 patients.
  - Costs exceed reimbursement by \$305,000.
  - It is projected that transportation costs will exceed reimbursement by \$530,000 for all of FY 09.



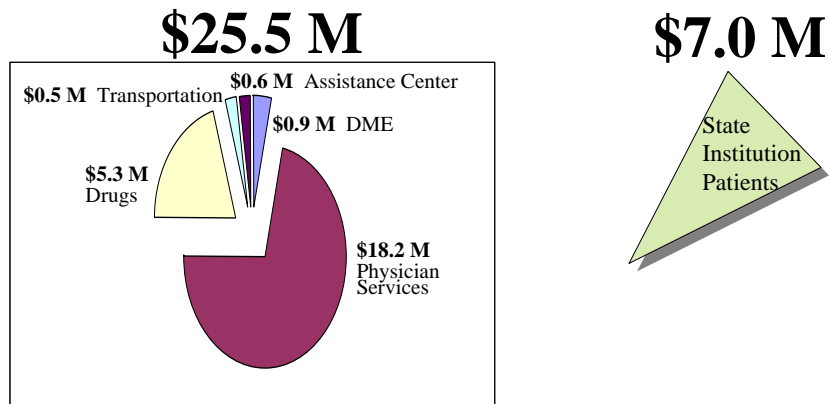
UI Hospitals and Clinics Self-Funds an IowaCare Assistance Center to Facilitate Delivery of Services



- The Center provides patients and care providers with information about the IowaCare program and covered services, appointments, application forms and information about local lodging and transportation options.
- Several registered nurses with case management training staff the Center.
- The Center's phone number is (319) 356-1000.
- Annual cost to the University of Iowa Hospitals and Clinics to operate the Center is approximately \$600,000.



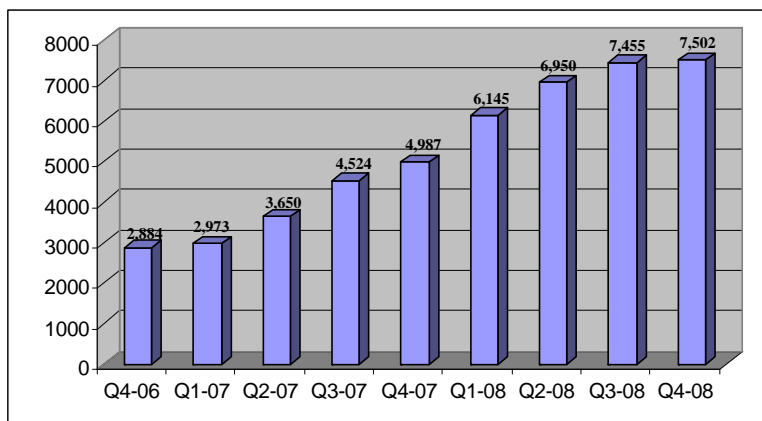
Summary of Projected UI Health Care Subsidization of the IowaCare Program in FY 09



Note: If subsidization is calculated at cost instead of Medicaid reimbursement rates the total will be higher.



- The UI Hospitals and Clinics is paid to provide Nurse Helpline Services to the enrolled IowaCare population. This service became operational October 2, 2006 and is funded separately from IowaCare.
- The goal of the Nurse HelpLine is to assist enrolled IowaCare population members in making appropriate choices about the use of emergency room and other health care services.
  - Operational questions pertaining to IowaCare are not part of the agreement and are directed to the Department of Human Services.
  - Marketing the Nurse HelpLine is the responsibility of the Iowa Department of Human Services.
  - The telephone number for the helpline is 866-890-5966.



\*Encounters represent all service contacts with IowaCare patients, regardless of the source of the contact (telephone, e-mail, etc.)

## New Pharmacy Co-Payment to be Implemented



- Effective March 1, 2009, a co-payment of \$4.00 will be charged for each medication supplied. Most covered medications will be provided in 60-day quantities.
- The maximum out-of-pocket patient responsibility for co-payments will be \$20.00 per calendar month. University of Iowa Health Care Pharmacies will provide medications free of charge after the \$20.00 per calendar month out-of-pocket maximum is met. Mailing or shipping fees are different than co-payments and are not included in the out-of-pocket maximum.
- UI Health Care Pharmacies will continue to mail prescription refills.
  - All requests for mailing will generate a mailing/shipping fee.
  - Prescription groups requiring normal postage will be charged \$5 in addition to the co-payments noted above.
  - Prescription groups requiring refrigeration or other special handling will be charged \$10 in addition to the co-payments noted above.
  - Patients should request all needed medications at the same time to avoid multiple shipping fees.
- Payment is expected at the time of service if present at UI Health Care, or within 30 days of mailing. Acceptable forms of payment include MasterCard®, Visa®, cash and check. Bills will be generated and mailed on the first business day of the following month.

## Frequently Asked Questions Regarding Co-Payment Policy



- Am I able to fill my prescriptions at any pharmacy?

Yes, as always, prescriptions from UI Health Care may be filled at any pharmacy. However, to take advantage of the IowaCare Prescription Drug Service, they must be filled at UI Health Care Pharmacies. Prescriptions filled elsewhere do not count toward the \$20 copay maximum, nor will UIHC make payments to outside pharmacies or IowaCare beneficiaries if prescriptions filled elsewhere exceed \$20.
- What medications are covered?

Most generic medications for medically necessary conditions are covered. In cases where a similar generic is NOT available, a one-month supply of a brand name medication is provided. Certain brands of diabetic supplies and insulins are also covered. Medications that are not medically necessary, such as those for cosmetic purposes, in-vitro fertilization, travel, and erectile dysfunction, are not covered. Over-the-counter medications (those available without a prescription) are not covered.
- Which medications will NOT be provided as 60-day quantities?

Controlled substances, medications written by the prescriber with directions of “as needed,” and medications intended for shorter use will not be provided in a 60-day quantity.
- May I use this program if I have other prescription insurance or Medicare?

No. If you have commercial insurance or Medicare you may not participate in the prescription program.

- What is “normal postage” and “special handling” for prescriptions delivered via mail?  
Prescriptions sent through the US Mail are sent “normal postage” and are charged a \$5 fee. Large packages, those requiring refrigeration or overnight delivery are considered “special handling” and are sent via FedEx/UPS for a \$10 fee.
- Is there a way to limit my mailing charges?  
Yes. You can avoid mailing charges if you pick up your prescriptions at any UI Health Care Pharmacy. If you are not able to go to a UI Health Care Pharmacy, it is recommended that you request refills of all of your prescriptions at once in order to have them mailed together in one package for a single mailing fee.
- May I request more than a 60-day supply of medications?  
No. Quantities of greater than 60-day supplies will not be provided.
- How and when am I able to request refills for my prescriptions?  
The preferred method of requesting refills is through the JasRx website ([www.jasrx.com](http://www.jasrx.com)). The automated phone system (319-384-6800) may also be used. In order to ensure medications arrive when needed, you are required to order refills 2 weeks in advance of your medications running out. Early requests will not be accepted until two weeks before your medication supply will run out.

- UI Health Care has been pleased to serve low-income Iowans through the IowaCare program.
- Expansion of the IowaCare provider network, payment for physicians, and coverage for prescription drugs are among the changes that should be considered for the future.
- The IowaCare section 1115 Medicaid demonstration waiver is scheduled to expire June 30, 2010. Absent action, however, restrictions go into effect on January 1, 2010.
  - Per the enclosure in then CMS Administrator Mark McClellan’s letter to then DHS Director Kevin Concannon approving the IowaCare waiver.... “9. Enrollment Limitation. During the last six months of the Demonstration, the enrollment of individuals who would not be eligible for Medicaid under the current State plan shall not be permitted unless the Demonstration is extended by CMS.”
- As plans are developed for the future of IowaCare beyond July 1, 2010, UI Health Care would welcome the opportunity to participate in the discussions.





**QUESTIONS?**