

BROADLAWNS MEDICAL CENTER
Presentation for the
Health and Human Services Committee
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Broadlawns Medical Center
and the
IowaCare Program

– A partnership with the State of Iowa –





What is IowaCare?

- Iowa Care was enabled by legislation resulting from an agreement between state and federal officials in the spring of 2005. The agreement permitted federal matching funds (approximately 2:1) for state dollars in the University of Iowa Hospitals and Clinics charity care program (formerly known as State Papers), for state dollars supporting the four mental health institutes, and for **Polk County's \$34 million in property tax dollars supporting the county hospital.**
- ***The agreement prevented a loss of more than \$66 million in federal funds for the State of Iowa.***

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Purpose of IowaCare

- The IowaCare program is a limited expansion of Medicaid that provides health benefits to low income people.
- IowaCare has statewide eligibility criteria. In July of 2005, it replaced county-by-county decisions in the prior "State Papers" charity care program.
- The majority of IowaCare services are provided at the University of Iowa Hospitals and Clinics in Iowa City and Broadlawns Medical Center in Des Moines for Polk County residents.

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Who is Eligible?

Eligible people are adults aged 19-64 in households with adjusted income of up to 200% of the Federal Poverty Level (about \$2,333/month for a family of two), **who:**

- Are not eligible for Medicaid,
- Do not have other health insurance, and who
- Agree to pay a premium if their income is over 100% of the Federal Poverty Level, and
- Beginning July 1, 2007, members with income at or below 100% of the Federal Poverty Level do not pay a premium.

In Polk County, we are aware of approximately 850 people who meet these guideline but are unable to pay back premiums so they are unable to re-enroll in this program.



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IowaCare Enrollment

- Since the inception of IowaCare, Broadlawns Medical Center has seen the enrollment grow by 17% per year.
- Year-to-date, 36,049 people are enrolled in Iowa Care; of which 10,457 receive their care at Broadlawns Medical Center.
- Broadlawns Medical Center provides 29% of all the care statewide, which is the largest enrollment of any county.



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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.
- 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.



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Health Risk Assessments and Physicals

- 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 presented this issue last year in front of the Health and Human Service Council and it continues to be an issue for our patients.

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Clinical Reflection of this Program

- We have established a Primary Care Clinic that provides a Medical Home for our IowaCare enrollees. The clinic has seen growth beyond our expectations.
- As we have implemented this program, we are now aware that 25% of all our patients enrolled in IowaCare for Broadlawns Medical Center have Diabetes. We have developed clinics to assist in managing this disease with our patients.
- We have been working with our enrollees on prevention and accessing care early in the Primary Care Clinic, rather than waiting and then accessing the Emergency Department. This should also lower the cost of providing care to our enrollees.

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Durable Medical Equipment and Pharmaceuticals Provided to IowaCare Patients

Durable Medical Equipment and Pharmaceuticals are not covered services under IowaCare; however, Broadlawns Medical Center has been providing these to our enrollees since the inception of the program.

- **Pharmaceuticals:**
2005: \$3 million; 2006: \$2.5 million; 2007: \$4.2 million; 2008: \$4.2 million
TOTAL: \$13.9 million
- **Durable Medical Equipment:**
2005: \$75,000; 2006: \$72,855; 2007: \$134,000; 2008: \$250,000
TOTAL: \$531,855

As outlined above, Broadlawns Medical Center has provided over \$14 million in additional non-covered services to our IowaCare enrollees. We consider these additional services to be essential to the well-being of our patients.



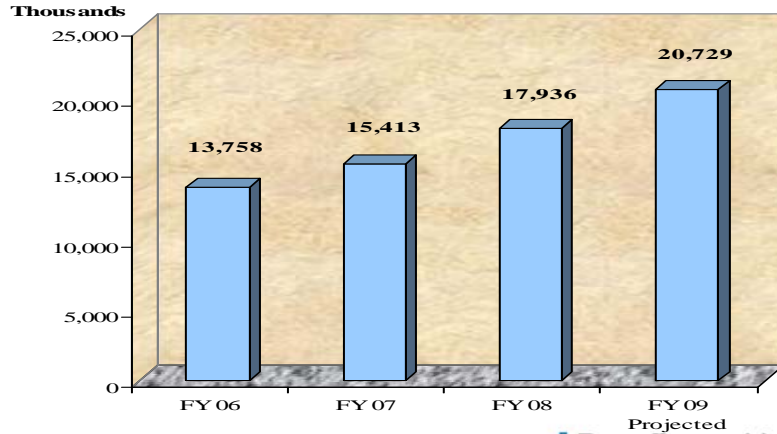
Financial Information





Claim Growth Since the Inception of the Program

IOWACARE CLAIMS HISTORY



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Overall Increase in Total Claims

CURRENT LEGISLATION	BMC LOAN TO STATE	STATE APPROP W \$3M ADDITIONAL	CLAIMS MATCHED W 40m CAP	ACTUAL CLAIMS W CURRENT GROWTH	NEW PATIENTS W PREMIUM CATCH UP	TOTAL PROJ. CLAIMS	IMPACT ON BMC
ORIGINAL TARGETS	\$34,000,000	\$37,000,000	\$40,000,000	\$36,627,030	\$0	\$36,627,030	\$372,970
FY 2008 ACTUAL	\$34,000,000	\$37,000,000	\$40,000,000	\$40,207,163	\$0	\$40,207,163	(\$207,163)
FY 2009 PROJ W NEW PTS	\$34,000,000	\$37,000,000	\$40,000,000	\$42,000,727	\$1,000,000	\$43,000,727	(\$3,000,727)
FY 2010 PROJ W NEW PTS.	\$34,000,000	\$37,000,000	\$40,000,000	\$43,973,648	\$2,170,213	\$46,143,860	(\$6,143,860)

Contingent on determination of allowable cost standards by CMS as directed to the Department of Health and Human Services.

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Broadlawns' Financials

- Our claims grew by 5% the first quarter of FY 09. We are anticipating and seeing a steady increase in the number of individuals we are enrolling in this program in part due to our current economic environment.
- On a monthly basis we are working with the Department of Human Services to track our growth and estimate potential fiscal shortfalls so we can be proactive not reactive to our needs.

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Broadlawns Medical Center Proactive Solution in Partnership with the State of Iowa

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Potential Solution

- Since last spring, Broadlawns Medical Center has been working with the Department of Health and Human Services (DHS) and key legislators to develop a potential solution to our appropriation shortfall.
- We believe we have a solution that is a win-win for Broadlawns Medical Center, the citizens we serve, and the State of Iowa.
- Our solution involves no additional cost to the State of Iowa.
- Broadlawns Medical Center has worked on a proposal with key governmental officials and DHS that involves matching an additional \$4 million of our Tax Levy for a federal matching of funds to benefit the State.



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Potential Solution (continued)

CURRENT LEGISLATION & ADDITIONAL TAX LEVY FY 2009	BMC LOAN TO STATE	STATE APPROP W 3 MILLION ADDITIONAL	FEDERAL MATCHING DOLLARS (FMAP)	TOTAL FUNDS PROVIDED	CLAIMS MATCH TO BMC W CAP	IMPACT ON STATE FUNDS	IMPACT ON BMC-FY 2009
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USE OF ADD'L \$4M LEVY	\$38,000,000	\$41,000,000	\$76,000,000	\$114,000,000	\$48,000,000	\$66,000,000	\$0
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Strategic Issues for Broadlawns

- Timing cash flows is a concern and we cannot wait every year for the State Audit for our additional funding. The patient care and the associated costs have already been incurred.
- We need to be assured that our administrative costs are covered and they do not create an additional uncompensated expense to Broadlawns Medical Center.
- How can we work in collaboration with the State on this solution and build in our additional expenses incurred from FY 2008?
- We need to ensure that we manage our cash flow.

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The Future of IowaCare

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Renewing of the IowaCare Waiver

- Broadlawns Medical Center stands ready to work in collaboration with the State of Iowa to renew the Waiver.
- Challenges that we need to address with renewing the Waiver.
 - How do we continue to offer this program and manage the volume growth of those we serve?
 - How do we work on the issue of access to care for the IowaCare enrollees?



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Renewing of the IowaCare Waiver

- How can we work to get additional services covered that we believe are preventative in nature and ultimately save healthcare resources (i.e. Pharmaceuticals, Durable Medical Equipment and Podiatric care)?
- As our enrollment continues to grow in primary healthcare, we will need to work to ensure that Broadlawns Medical Center has timely access to specialists at the University of Iowa. In the last six months, access to specialty care has become an issue for us. We have had conversations with the University of Iowa about how to work collaboratively for the access to these services.



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Questions?

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