

My name is Jim Fox and I represent Options of Linn County, a Day Habilitation Provider. I'd like to quickly bring three things to your attention that as an Oversight Committee I believe you need to look into.

Long Term Disability Services Funding

We believe that Iowa should remove the administration of reimbursement for long-term services and supports (LTSS) from managed care and either return it to a fee for service system or develop its own managed care independent from traditional Medicaid. The first person I recall hearing this from was Director Foxhoven shortly after he took the reins at DHS. I believed it to be a good idea then, and continue to believe it to be a good idea today. The nature of Long Term Services and Supports and community services in general do not fit into a traditional medical model. They never have. This is how it is done in most states and I encourage you to study this as I believe this is the best model for Iowa.

Tiered Medicaid Rates

The oversight committee needs to address the conflict of interests that are inherent in the tiered rate system. Individual tiered rate assignments are based on SIS scores. We contend that the SIS as administered is not a valid/reliable instrument as sections of it have been removed and it does not address all relevant conditions. For example, we serve a number of individuals with Down's syndrome that are getting older and exhibiting signs of dementia. In the SIS, dementia is classified as "Other" and is not taken into consideration when assigning a tier. As a result, persons that need a high level of supervision are placed in a tier that won't support them. Furthermore it is administered by employees of the managed care organizations. The MCOs aspire to do great things, but in the end they are for profit ventures. The Insurance company has a financial interest in the outcome of each SIS assessment. If the individuals that administer the SIS assessment are employees of the insurance company how can we trust that the scoring will be fair and unbiased?

This same conflict also exists with the provision of case management services. Members can no longer feel sure that their case manager is advocating for their best interest, or in the best interest of their employer.

1. Develop an independent (no ties to funders or providers) assessment process. If the SIS is to be the assessment tool, mandate the use of the entire instrument rather than using only selected questions.
2. Develop an independent (no ties to funders or providers) case management system, for home and community based services (HCBS) clients.

Address the effect the tiered rates have had on Day Habilitation Programs

Tiered rates adversely effected day programs across the state with losses in our service area ranging from 12% to over 50%. When the rates went into effect Supported Community Living Programs (24 hour residential programs) were given 18 months to adjust to the new rates. Day programs were hit with the full effect from day one. Last year the legislature, recognizing that the system was underfunded, appropriated additional funds for the Supported Community Living Programs, but none of the increase went to day programs. To make ends meet, we have had to initiate a number of cost containment activities including staff layoffs. For the first time in our history, we have had to turn people away because their tier assignment won't fund the level of support they need. For us, this is a heartbreaking situation. I am asking this committee to review the decisions that have adversely effected Day Habilitation and other Day Services and treat us the same as other HCBS providers.