



# **Medical Assistance Advisory Council**

**November 21, 2013**



# Introduction of New Executive Committee Members

Jennifer Vermeer  
Medicaid Director



## **Hospitals**

Dan Royer-Iowa Hospital Association

## **Nursing Homes**

Cindy Baddeloo-Iowa Health Care Association/Iowa Center for Assisted Living

## **Physicians**

Dennis Tibben-Iowa Medical Society

## **Optional Services**

Shelly Chandler-Iowa Association of Community Providers

## **Pharmacies**

Jess Purcell Smith-Iowa Pharmacy Association



## **Public Members/Consumer Organizations**

Jill Halverson-Iowa Association of Area Agencies on Aging

Nancy Hale-National Alliance on Mental Illness Iowa

John Grush-Boone County Representative

Paula Connolly-ASK Resource Center

Jodi Tomlonovic-Family Planning Council



# Executive Committee Roll Call and Approval of Minutes



# Medicaid Budget Update

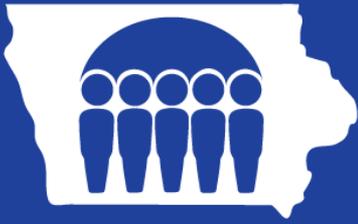
Joe Havig  
DHS



## Current SFY13 – SFY15 Estimates

- Medicaid Forecasting Group Midpoints

Final and Projected Medicaid Midpoint Funding Levels			
	SFY13	SFY14	SFY15
Carry-Forward	\$15,337,099	\$10,030,023	\$0
General Fund	\$975,956,421	\$1,135,293,332	\$1,135,293,332
Other State Funds	\$426,298,477	\$301,147,667	\$285,532,212
<b>State Revenue</b>	<b>\$1,417,591,997</b>	<b>\$1,446,471,022</b>	<b>\$1,420,825,544</b>
<b>State Expenditures</b>	<b>\$1,407,561,974</b>	<b>\$1,480,471,022</b>	<b>\$1,582,825,544</b>
<b>Ending Balance</b>	<b>\$10,030,023</b>	<b>(\$34,000,000)</b>	<b>(\$162,000,000)</b>



## SFY14 Expenditure Growth

- Actual SFY13 Expenditures - \$1,407 Million
- Assumed SFY14 Expenditures - \$1,480 Million

<b>SFY14 Expenditure Growth</b>	<b>\$73M</b>
FMAP Change	\$52M
<b>Growth (Enrollment, Costs, Etc...)</b>	<b>\$21M</b>
Final SFY13 Spending	\$1,408M
Projected SFY14 Growth	\$21M
Percent Change	1.49%



## SFY15 Department Medicaid Request

- Comparison of SFY15 Expenditures

Department Budget Request vs. Forecasting Group		
	Department Request	Forecasting Group
State Expenditures	\$1,517,168,878	\$1,582,825,544
Plus ACA Enrollment Increases	\$30,490,053	Built-In
Plus Additional FMAP Change	\$43,980,944	Built-In
<b>Total State Expenditures</b>	<b>\$1,591,639,875</b>	<b>\$1,582,825,544</b>



## SFY15 Department Medicaid Request

- Assumed SFY14 Expenditures -- \$1,482 Million
- Assumed SFY15 Expenditures -- \$1,517 Million

<b>SFY15 Expenditure Growth</b>	<b>\$35M</b>
FMAP Change	\$35M
<b>Growth (Enrollment, Costs, Etc...)</b>	<b>\$0M</b>
Projected SFY14 Spending	\$1,482M
Projected SFY15 Growth	\$0M
Percent Change	0.00%

- The \$0M growth excludes ACA enrollment increases.
  - Growth would be \$30.5M with ACA increases.

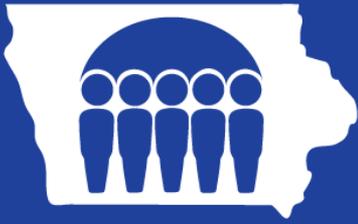


## SFY15 Forecasting Group Midpoint

- Assumed SFY14 Expenditures -- \$1,480 Million
- Assumed SFY15 Expenditures -- \$1,583 Million

<b>SFY15 Expenditure Growth</b>	<b>\$103M</b>
FMAP Change	\$79M
<b>Growth (Enrollment, Costs, Etc...)</b>	<b>\$24M</b>
Projected SFY14 Spending	\$1,480M
Projected SFY15 Growth	\$24M
Percent Change	1.62%

- The \$24M growth includes ACA enrollment increases.



## Iowa Health and Wellness Plan

### SFY14 Department Estimates

	<b>Enrollment</b>	<b>Expenditures</b>
Wellness Plan	75,249	\$214,131,623
Marketplace Choice Plan	19,932	\$64,709,192
Employer-Sponsored Coverage	19,083	\$46,045,456
<b>Grand Total</b>	<b>114,264</b>	<b>\$324,886,271</b>

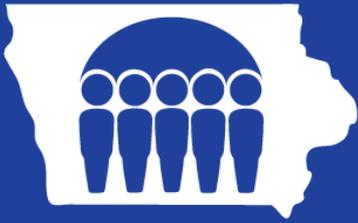
### SFY15 Department Estimates

	<b>Enrollment</b>	<b>Expenditures</b>
Wellness Plan	113,294	\$649,003,552
Marketplace Choice Plan	32,577	\$214,195,562
Employer-Sponsored Coverage	32,241	\$157,601,585
<b>Grand Total</b>	<b>178,111</b>	<b>\$1,020,800,699</b>



## Medical Contracts

- State Spending = \$20M - \$25M
- SFY15 Request – Key Drivers
  - Revenue Losses -- \$6.7 Million
  - Contract/Operational/IT Increases -- \$1.2 Million
  - Iowa Health and Wellness Plan -- \$1.6 Million



## CHIP

- State Spending = \$40M - \$50M
- SFY15 Request – Key Drivers
  - Revenue Losses -- \$3.0 Million
  - FMAP Change -- \$0.9 Million
    - Increased to \$2.5 Million after final FFY15 FMAP published.
  - Expenditure Increases -- \$3.5 Million
    - 5% enrollment increase.
    - 4.5% premium increase.



## IowaCare

- No funding requested in SFY15 due to waiver expiration on 12/31/13.



Iowa Department of Human Services

# ICD-10 Readiness Update

Bob Schlueter

Iowa Medicaid Provider Services



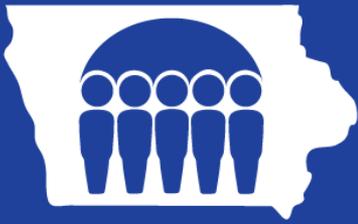
## **Background**

### **Description:**

- International Classification of Diseases (ICD) code set is used to report, transmit and exchange clinical data
- On October 1, 2014, the current version (ICD-9) will be replaced (ICD-10)
- ICD-10 Introduces a higher level of specificity, description and granularity; five times the number of diagnosis codes
- First IME provider readiness survey was October 2012, second March 2013, third August 2013

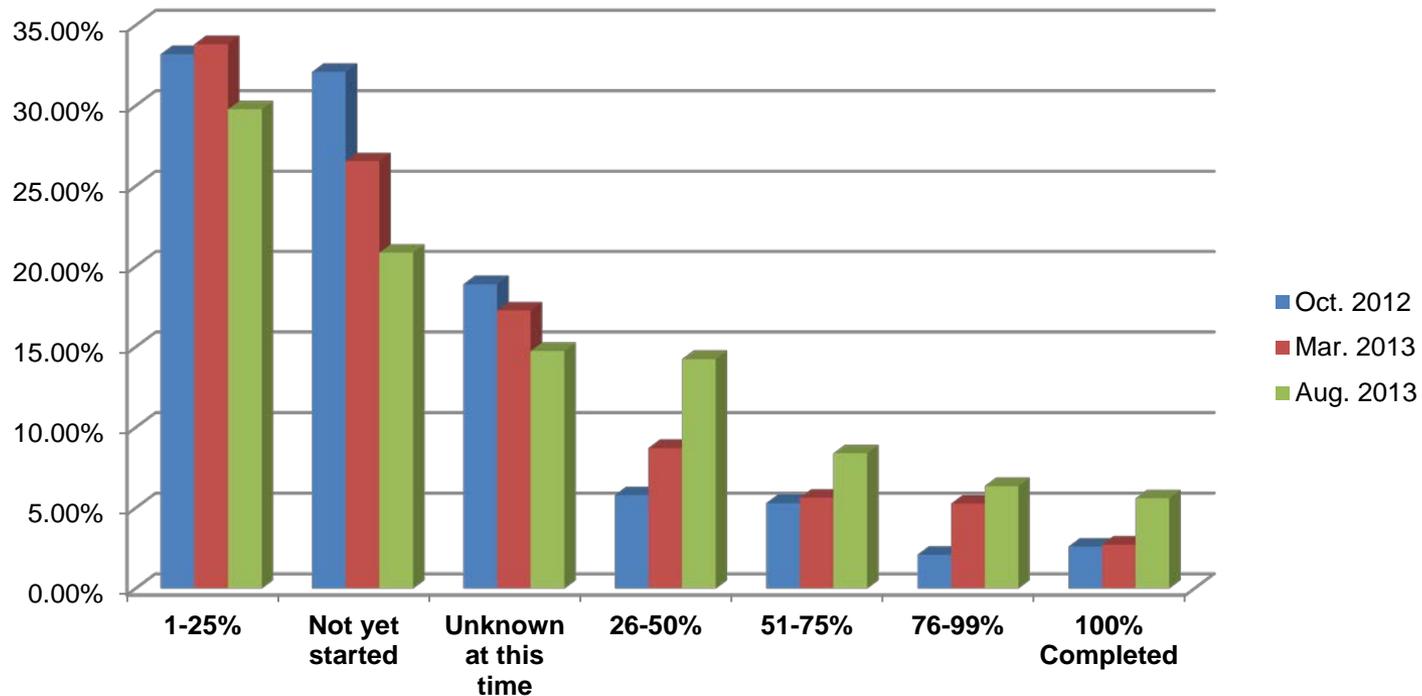
### **Goals:**

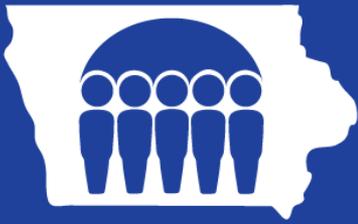
- Information previously only carried in documentation now on the claim record
- Care coordination and information exchange will be more robust
- Allows for better description and maintains international data consistency



## Key Response 1

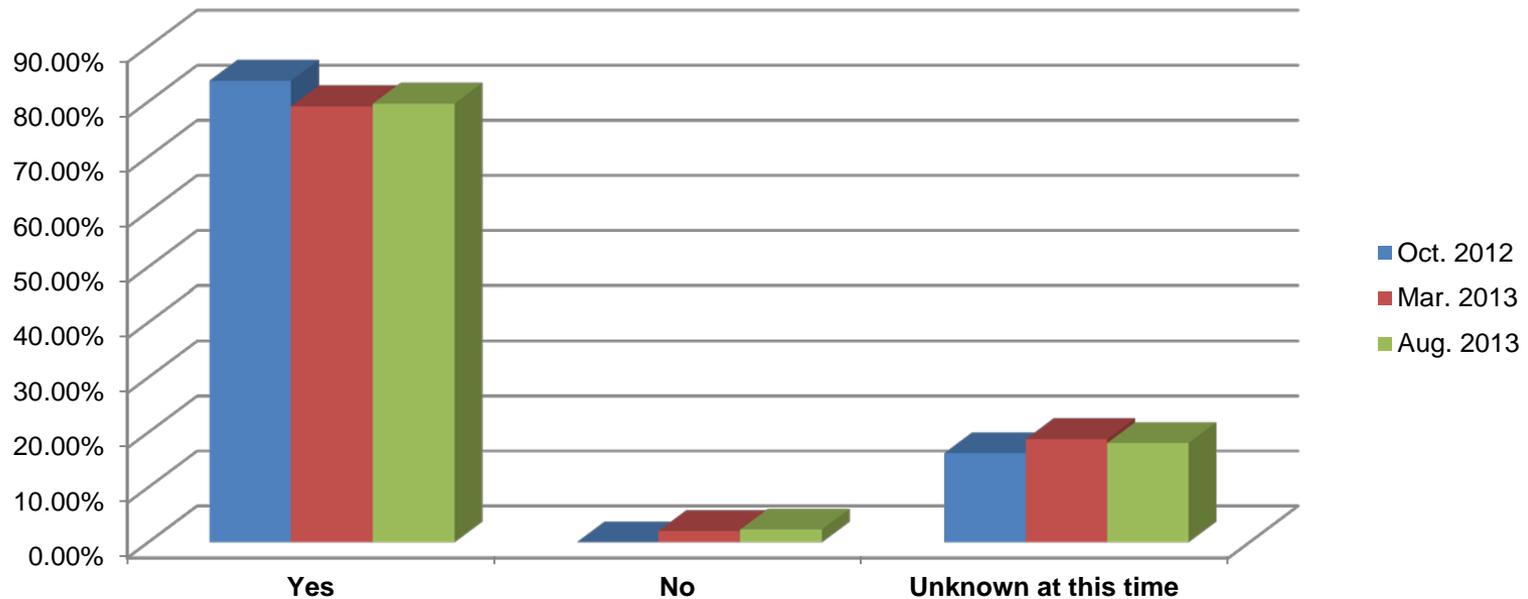
- How complete is your planning for dedicating resources to ICD-10 implementation efforts?*





## Key Response 2

- Do you expect to be able to utilize ICD-10 codes on the current federal compliance date of October 1, 2014?*





## Questions?

***Ensure a surprise-free transition to ICD-10!*** The IME will conduct external end-to-end testing with providers beginning October 2013. This gives a full year for testing alongside production ICD-9 claims.

### Contact

IME Provider Services

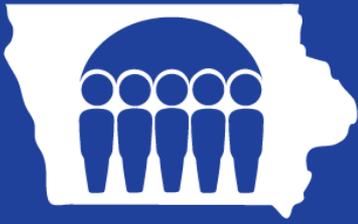
Todd Hong, Operations Manager

[THong@dhs.state.ia.us](mailto:THong@dhs.state.ia.us)

515-974-3157

ICD-10 email: [ICD-10project@dhs.state.ia.us](mailto:ICD-10project@dhs.state.ia.us)

Website: <http://www.ime.state.ia.us/Providers/ICD10.html>



# Informational Letter 1286 Annual Resubmission Requirements

Rocco Russo

Iowa Medicaid Program Integrity  
Director

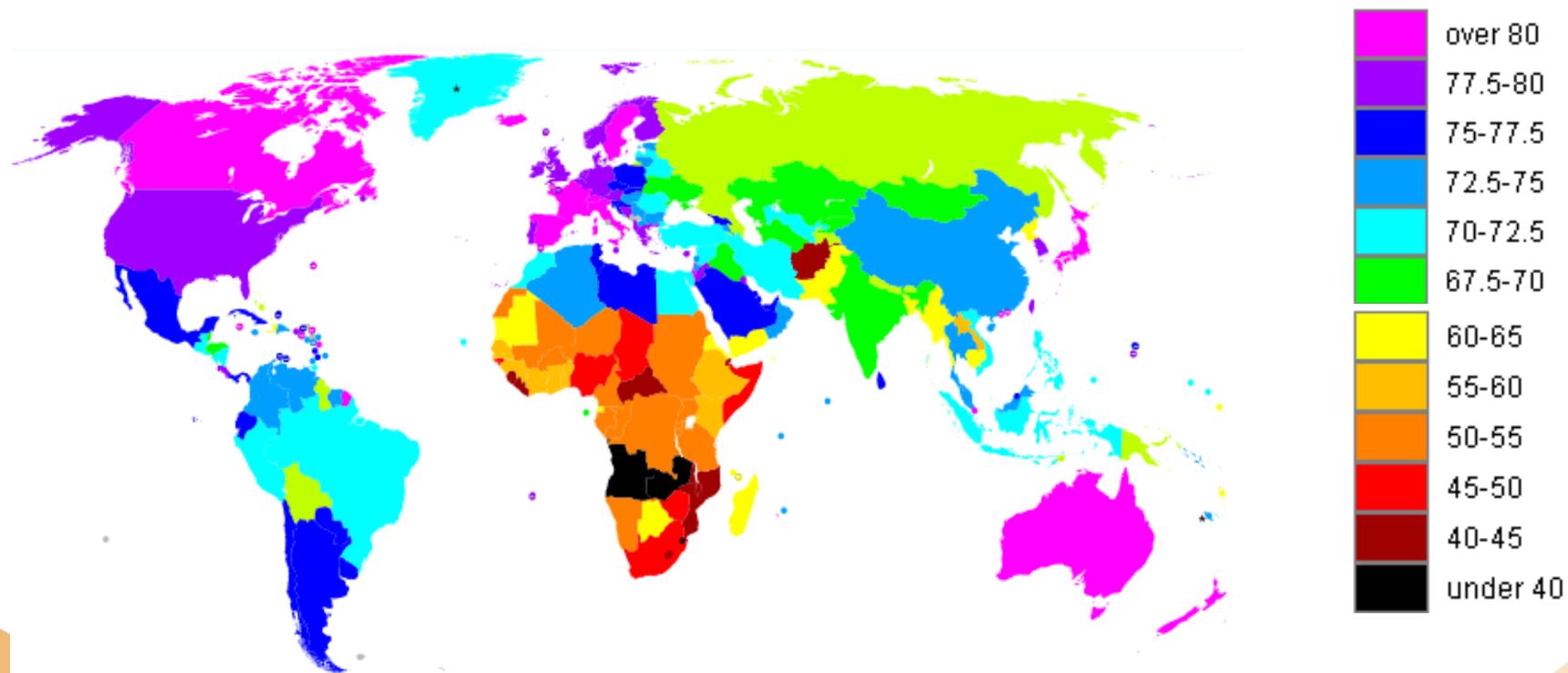


# Integrated Health Homes For Iowa Plan Members

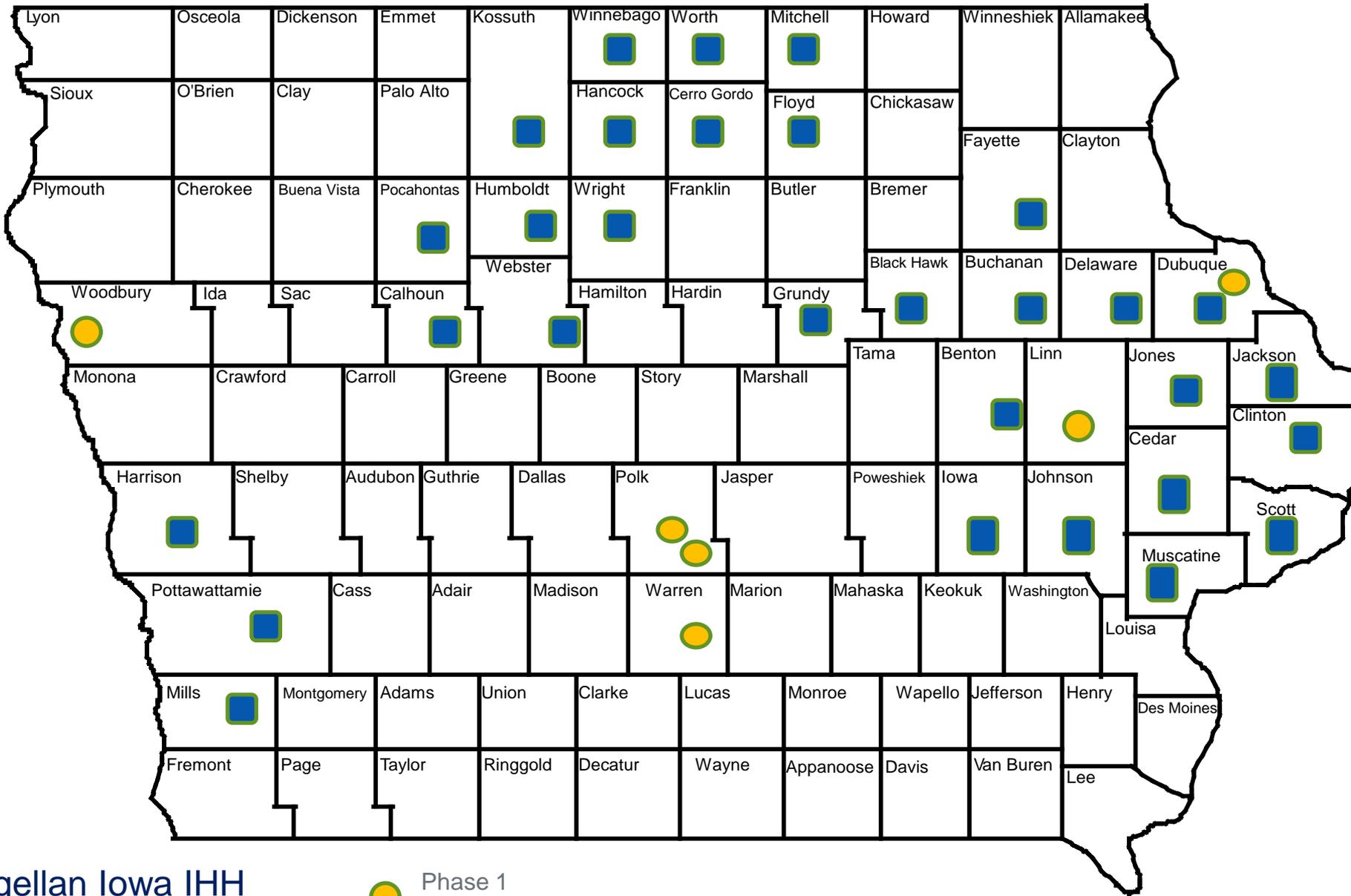
Magellan Behavioral Care of Iowa  
October 2013



## Why IHH? :The drastically reduced lifespan for people with SMI and SMI/SUD is comparable with Sub-Saharan Africa



NASMHPD 2006 Study: *Morbidity and Mortality in People with Serious Mental Illness*



Magellan Iowa IHH  
SPA Phases



Phase 1  
July 1, 2013



Phase 3 (all other counties)  
July 1, 2014



Phase 2  
April 1, 2014

# Integrated Health Homes Enrollment

15-Oct-13

IHH-PHASE 1 JULY 1, 2013 ROLL-OUT	Counties Served	Attributed	Actively Engaged
<b>Pediatric IHH</b>			
Orchard Place	Polk/Warren	2,669	874
Four Oaks	Linn	1,638	543
Tanager Place	Linn	1,307	601
Child Health Spec. Clinic/U of I	Dubuque	898	104
Hillcrest	Dubuque	N/A	10/1 start
Lifeworks	Polk/Warren	598*	98
YESS	Polk/Warren	1185*	16
TOTAL		6,512	2,236
<b>Adult IHH</b>			
Abbe	Linn	1,962	1,215
Broadlawns	Polk/Warren	2,204	926
Eyerly Ball	Polk/Warren	1,134	598
Siouxland	Woodbury	668	435
CSA	Polk/Warren	N/A	17
Hillcrest	Dubuque	990*	10/1start
TOTAL		5,968	3,191
<b>TOTALS</b>		<b>12,480</b>	<b>5,427</b>

**Total Statewide Enrollment Projected to be about 26,000 Actively Engaged Members**

## Magellan

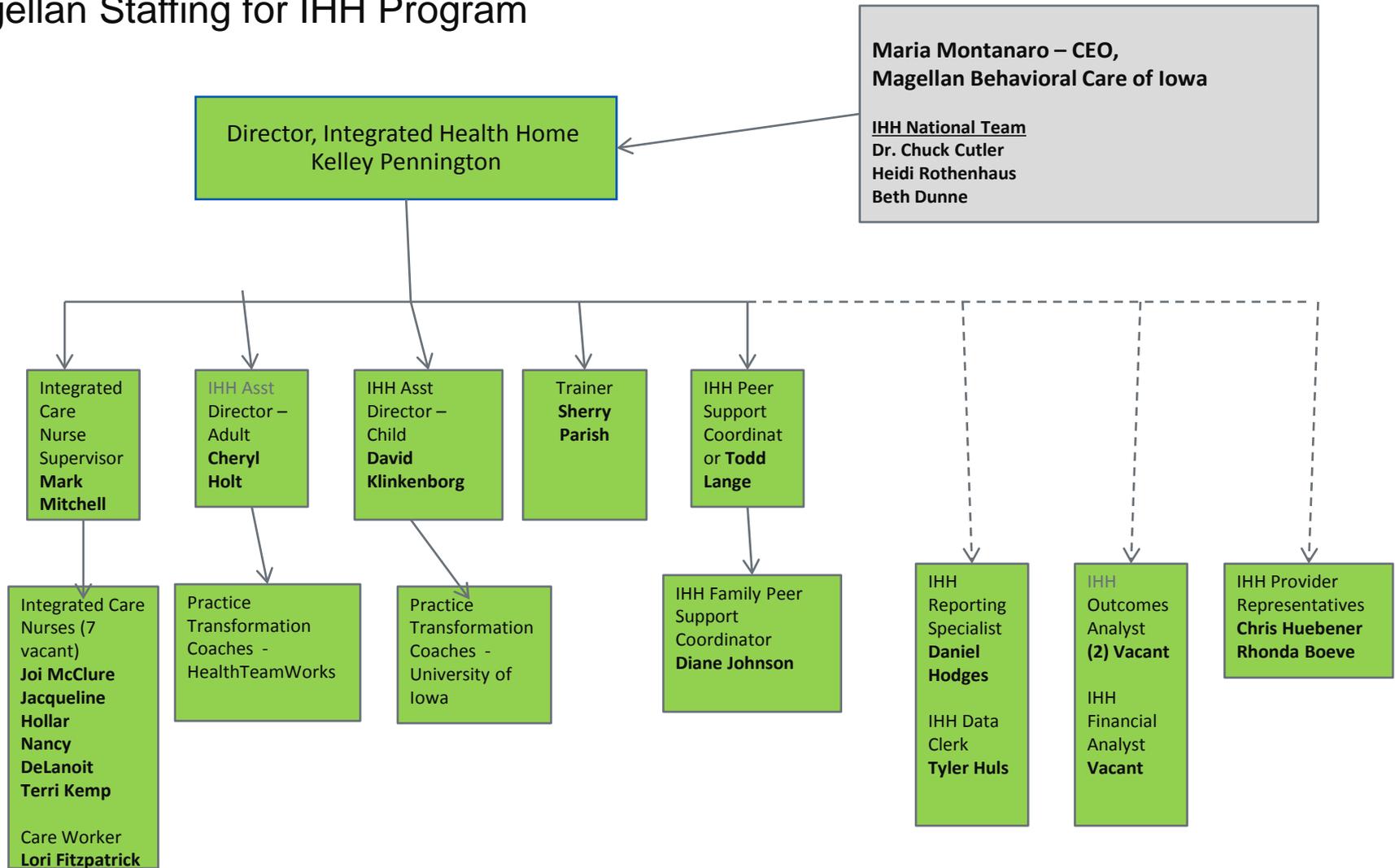
- Selects IHH providers
- Provides care management support through
  - ✓ Claims-based reporting to identify gaps in care
  - ✓ Risk analysis
  - ✓ Development of online tools

to support daily service delivery and population management needs

## Community IHH Provider

- Develops care teams to work with members
- Uses data and technology to oversee and intervene in the total care of the member
- Works with community services and supports to address member/family needs
- Develops whole-health approaches for care

# Magellan Staffing for IHH Program



# TCM clients move to IHH for Care Coordination



- 15% of the IHH members have had Targeted Case Management
- TCMs work to transition care to IHHs within the first 6 months that they are established (by county)
- IHH members must migrate from TCM to IHH
- IHH has a special intensity program and payment for TCM called Intensive Care Management (ICM)
- ICM replaces TCM but the programs are different
- ICM provides a one to one relationship for the member with an IHH social worker and monthly interaction between the IHH team and the member.
- ICM also gives the client peer support, nurse care management and other program support
- ICM provides more involvement in care management, including physical health care management, with a team at Magellan supporting services and authorizations.

# IHH Provider Staffing Model Example:

1,200 members (3 teams with 400 members per team)

including 180 (15%) Intensive Care Management (formerly TCM)



Nurse Care Coordinator			
Care Coordinator 15 ICM 85 non-ICM			
Peer Support Specialist 200 members		Peer Support Specialist 200 members	

Nurse Care Coordinator			
Care Coordinator 15 ICM 85 non-ICM			
Peer Support Specialist 200 members		Peer Support Specialist 200 members	

## Three IHH Teams

Nurse Care Coordinator			
Care Coordinator 15 ICM 85 non-ICM			
Peer Support Specialist 200 members		Peer Support Specialist 200 members	

Suggested ratios for ICM are between 25 and 50 members though funding will support lower staff ratios

# PER MEMBER PER MONTH BREAKDOWN



Adult Member	Monthly Payment
IHH Adult (Non-ICM)	\$80.38 PMPM
IHH Adult ICM (formerly TCM clients)	\$280.38 PMPM*

Pediatric Member	Monthly Payment
IHH Pediatric (Non-ICM)	\$103.39 PMPM
IHH Pediatric ICM (formerly TCM clients)	\$303.39 PMPM*

\* ICM pmpm payments were calculated using actual claims billing for TCM services per client, per month, which ranged from \$175-\$350 on average.

## ER USE FOR MH PURPOSES

- # of ER visits for mental health reasons decreased 26%
- # of members using ER decreased by 16%

## INPATIENT PSYCHIATRIC ADMISSIONS

- # of psychiatric admissions decreased by 36%
- # of members admitted for psychiatric reasons decreased by 40%

# IHH Pilot Program -Member Experience Survey Results



- The IHH member experience survey, comprised of 28 questions, was conducted in May and early June 2012 for IHH participants with at least 3 months or more\* participation in the program.
- The survey was facilitated by IHH peer support specialists, care coordinators, and other IHH team members on site; IHH participants were given the option to complete the survey with assistance or on own.
- Of 381 eligible, 165 IHH participants completed the survey, representing an impressive **43%** overall response rate\*

Survey Population	Total Eligible	Number of Respondents	Response Rate	Overall Satisfaction
All IHH Eligible Members	381	165	43.3%	94.8%
Abbe Center	121	37	30.6%	97.3%
Eyerly Ball MHC	152	47	30.9%	88.4%
Heartland	22	18	81.8%	100.0%
Siouxland MHC	86	63	73.3%	96.5%

\* Based on this criteria, Broadlawns participants did not participate in this round of survey administration.

## Outcome Measures



- IHH program is measuring health outcomes for the management of chronic diseases
- IHH is measuring ER and hospital utilization for its members
- IHH is measuring health and wellness goals of clients
- IHH members have individualized care plans for the coordination of their care.
- IHH teams engage physical health providers in care planning
- IHH members are surveyed on satisfaction
- The IHH program is independently evaluated for performance, cost efficiency and outcomes by the University of Iowa
- Magellan supports IHH provider performance and helps them change their system of care to conform with medical home and ACO models.

# Where is it all going?

## IHH and its role in improving the health care system



- **Value Based System of Care**

- Client Focused
- Comprehensive
- Holistic and Integrated
- Population Focused
- Outcomes Based
- Cost Effective

- **IHH and ACOs**

- ACOs need to change care systems to increase value and produce better outcomes on a broad-scale, across populations
- IHH is designed to increase value and produce better outcomes for the seriously mentally ill (smaller focused population group)
- Both focus on the value-based system of care
- One program builds off the other and when they work together, move the delivery system to better integration.

# Where is it all going?

## The Role of Magellan in Care Transformation



- **Tools, Training and Oversight**
  - Network Development- Capacity Building, Provider Performance Profiles
  - System Improvement
  - Use and flow of data to providers, clients and external stakeholders
- **Team Based Approach to Care Management**
  - CM at the point of Care
  - CM directly with the client
  - CM at the MBHO
- **Value Based Contracting**
  - Aligning Payments with Incentives
- **Quality Assurance and Program Integrity**
- **Program Innovation**
  - Using new and innovative approaches to enhance care and engage clients in care management

For More Information: [www.Magellanoflowa.com](http://www.Magellanoflowa.com)

Maria Montanaro, CEO- Magellan Behavioral Care of Iowa

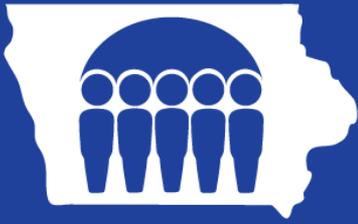
515-273-5035

[mmontanaro@magellanhealth.com](mailto:mmontanaro@magellanhealth.com)

Kelley Pennington, IHH Director

[Kmpennington@Magellanhealth.com](mailto:Kmpennington@Magellanhealth.com)





# Iowa Health and Wellness Plan and IowaCare Transition Update

Jennifer Vermeer  
Medicaid Director



## One Plan, Two Options

### **Iowa Wellness Plan**

- For adults age 19 - 64
- Income up to and including 100% of the Federal Poverty Level

### **Marketplace Choice Plan**

- For adults age 19 - 64
- Income 101% to no more than 133% of the Federal Poverty Level



## Waiver Update

- The Iowa Health and Wellness Plan must receive approval from the federal government
- DHS is working to obtain approval
- Some program details may still change as we work with federal officials



## Iowa Wellness Plan Provider Network

- Provider training began in September
  - 16 sessions held in 8 cities
- Managed care to be available for Wellness Plan members in 74 counties on January 1, 2014
  - 91% of IowaCare members eligible for Iowa Wellness Plan will have access to managed care
  - Will continue to contract in remaining counties for future months
  - HMO also available in several counties



## Member Enrollment Process

- Began member primary care provider assignment and health plan assignment
  - Mailings begin November 21, 2013
  - Includes both Iowa Wellness Plan and Iowa Marketplace Choice Plan members
  - Members have until Dec. 19, 2013 to make a change for January 1, 2014



## Medically Exempt

- Members who are considered ‘Medically Exempt must be given the option of enrolling in regular State Medicaid Plan
  - ‘**Medically Exempt**’ includes individuals with disabling mental disorders (including adults with serious mental illness), individuals with chronic substance use disorders, individuals with serious and complex medical conditions, individuals with a physical, intellectual or developmental disability that significantly impairs their ability to perform 1 or more activities of daily living, or individuals with a disability determination based on Social Security criteria
- Medicaid is finalizing process and releasing documents
  - Member survey
  - Provider referral form



## Outreach Efforts

- Weekly stakeholder emails
- Public and stakeholder meetings
- Provider and legislative toolkits
- Coming soon: Branded member education campaign
  - Custom website
  - Member materials, mailings, plan education



## IowaCare Transition

- IowaCare will end on December 31, 2013
- Current members will continue to have same access to services until the program ends
  - Continue to seek care at medical home



## IowaCare Transition

- DHS re-evaluated the decision that all IowaCare members will have to go through the full application process and will:
  - Centrally verify the income of all IowaCare members
  - `Administratively transfer` qualifying members into the Iowa Health and Wellness Plan



## IowaCare Transition

- The verification/transfer process took place in October and November
- Members whose verified income indicates eligibility for Iowa Health and Wellness received confirmation of eligibility
  - Proceeding to enrollment for physician selection, or qualified health plan selection
- Members whose income cannot be verified *or* cannot be transferred, *or* have income too high for the program
  - Received an additional letter instructing them to proceed to [HealthCare.gov](https://www.healthcare.gov)



# Dental Coverage Plan: Iowa Health and Wellness Plan

Jennifer Vermeer  
Medicaid Director



## **Accountable Dental Care Plan**

Current Medicaid dental program needs change

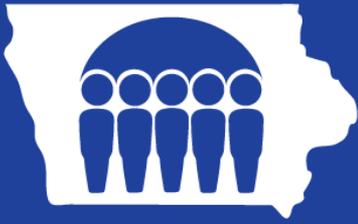
- Must serve 140,000 new adults
- Not sufficient access
- High need for dental care

- Adequate reimbursement rates for dental services
- Contracting with a commercial dental plan to cover services
- Population health approach
- Member incentives: providing basic services, with ability to earn higher cost restorative services



## Accountable Dental Care Plan Design Strategies

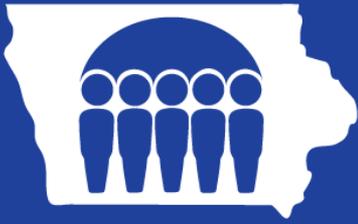
1. Contract with a commercial dental plan
2. Covered benefits and earned benefits model
3. Population health management
4. Care coordination and member engagement
5. Increase provider reimbursement and pay for performance
6. Accountable care approach to contracting



## Covered vs. Earned Benefits Model

Examples of Covered Benefits	Examples of Earned Benefits
Preventive services	Restorative services
Cleanings	Crowns
Screenings	Bridges
Emergency services	Dentures

- Examples of How Benefits May Be Earned:
- Follow-up visit completed within 6 months of initial visit
- Oral health education and instruction
- Dental health risk assessment
- Follow treatment plans



## Population Health Management

- Dental health risk assessment
- Three treatment categories:
  - Core, Enhanced, Enhanced Plus
- Treatment category based on need for services



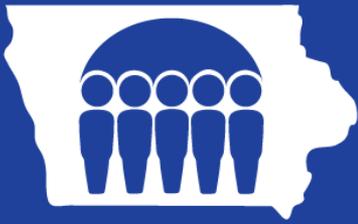
## Alignment with Accountable Care Organizations

- Pay for performance quality measures
- Network adequacy
- Care coordination with physical health care, I-Smile program
- Community outreach
- Member education



# SIM Update

Jennifer Vermeer  
Medicaid Director



## State Innovation Model (SIM)

- Grants available to Governors from the Centers for Medicare and Medicaid Innovation
- 2 tracks: design (Iowa) or testing
- Funding to develop State Healthcare Innovation Plan (SHIP)
- Submit SHIP in December
- Will apply for testing grant

2013 Design:  
State Health Care  
Innovation Plan

2014 Testing:  
Application for funds /  
authority to test

2016? Implementation



## **Public Stakeholder Process – Learning and Listening Sessions**

- Three learning sessions conducted April - June:
  - Accountable Care Organizations, Long Term Care and Wellmark model
- Six listening sessions conducted July – September:
  - Ottumwa, Newton, Council Bluffs, Cedar Rapids, Fort Dodge, Waterloo
  - Also discussed Iowa Health and Wellness Plan
- Presentations at other meetings by invitation



## Public Stakeholder Process – Workgroups

- **Four workgroups: Metrics & Contracting; Member Engagement; Behavioral Health Integration; Long Term Care Integration**
- **Conducted (July – September)**
  - *Meeting 1*: overview, need for transformation, ACOs
  - *Meeting 2*: what works, what doesn't, goals & vision
  - *Meeting 3*: 10 to 12 recommendations, prioritized
  - *Meeting 4*: refine prioritized recommendation; commented on priorities
- **Two consumer meetings held in October**



## **Steering Committee**

- October 30, 2013
- Reviewed synthesized recommendations from workgroups
- Steering Committee provided feedback to those recommendations



## **SIM Step 1: State Healthcare Innovation Plan (SHIP)**

- Due December 2013 to CMS
- 5 year visionary plan
- 19 required components, including:
  - Vision statement for system transformation
  - Well-defined “AS IS” for current system and “TO BE” for transformed state
  - Barriers and opportunities
  - Population health status measures, social/economic impacts on health
  - Timeline



## **SIM Step 2: Pursue Model Testing Grant Proposal**

- 2012: 6 states received ~ \$45 - \$55 million
- Anticipated 2<sup>nd</sup> round in early 2014
- Number of awardees unknown
- SHIP is part of testing grant



## SIM Levers

- ✓ Align payers and payments to provide 'critical mass' to support needed investments to change
- ✓ Value based payment reform
- ✓ Organized, coordinated delivery systems
- ✓ Build on developing health homes/medical homes
- ✓ Engage individuals in becoming and staying healthier



- Strategy 1: Implement multi-payer ACO\* methodology across Iowa's primary health care payers

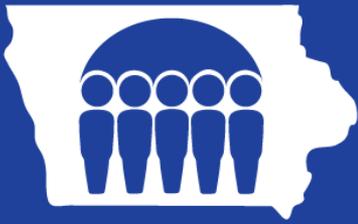


- Strategy 2: Expand multi-payer ACO methodology to address integration of long term care services and supports and behavioral health services



- Strategy 3: Incorporate population health, health promotion, member incentives

\* 'Accountable Care Organizations' are a reimbursement method that incents accountability for outcomes and lowers costs

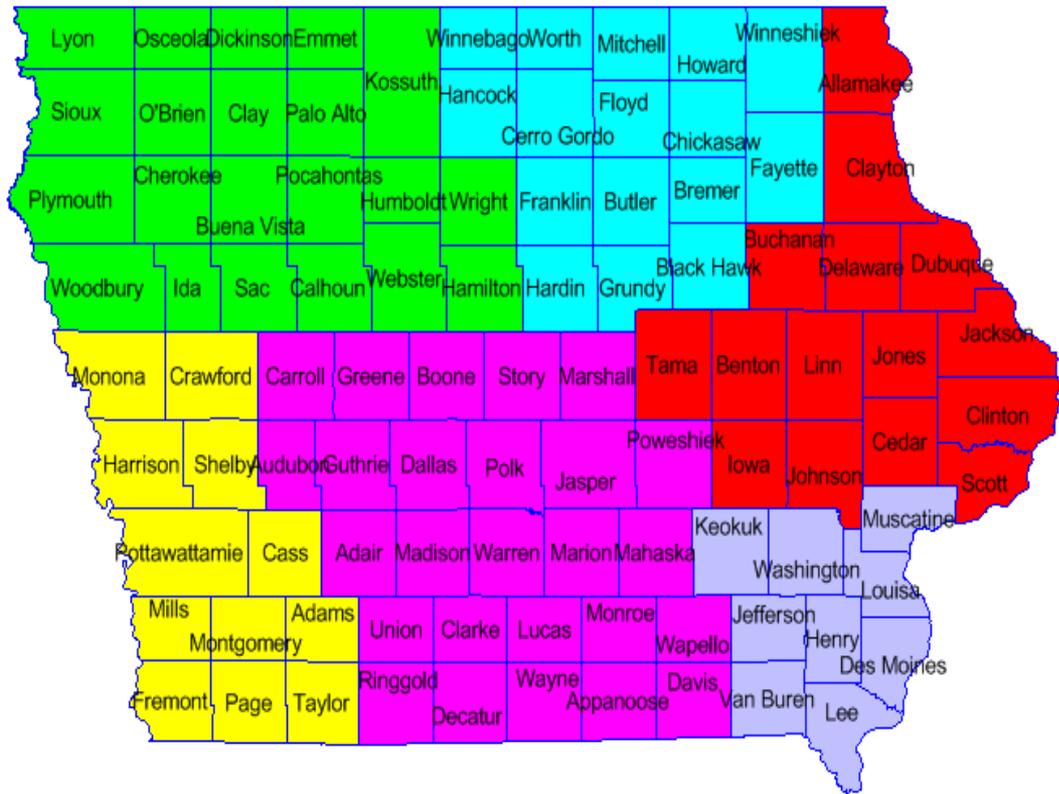


## State Healthcare Innovation Plan – Key concepts

- Develop a regional approach and contract requirements for Medicaid ACOs
  - Clearly defined accountability at the community level
  - Provider relationships with other systems important (LTC, BH, Public Health, etc...)
- Align w/other payers in reimbursement, quality measurement, and reporting
- Increased transparency/data sharing
- Member engagement/healthy behaviors



## DRAFT: ACO Regions



- Region\_1 Legend  
 Region
- Region\_2 Legend  
 Region
- Region\_3 Legend  
 Region
- Region\_4 Legend  
 Region
- Region\_5 Legend  
 Region
- Region\_6 Legend  
 Region

Regions were derived by examining medical neighborhoods at zip code level and drawing geographic lines at county borders



## Value Index Score (VIS)

- Aligns with Wellmark ACO program
- Aligns with Iowa Wellness Program starting January 1, 2014
- Planned for Full Medicaid ACO through SIM

Member Experience

Primary & Secondary Prevention

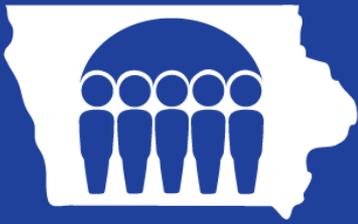
Tertiary Prevention

Population Health

Continuity of Care

Chronic and Follow-up care

Efficiency



## 5 Year Accountability Timeline

Accountability increases as additional systems are brought into the Total Cost of Care budget

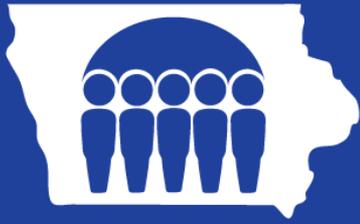
**Step 1:**  
Implement Health and Wellness Plan w/ACO Option

**Step 2:**  
Expand ACO model for full Medicaid population

**Step 3:** Add Behavioral Health Services

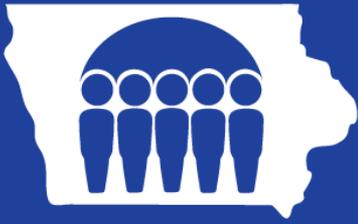
**Step 4:** Add Long Term Care (Institutional and HCBS)

Timing of steps determined by readiness exercise between the State and ACO



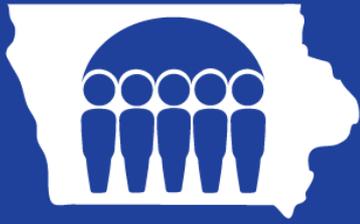
# Six Month Medicaid Preview

Jennifer Vermeer  
Medicaid Director

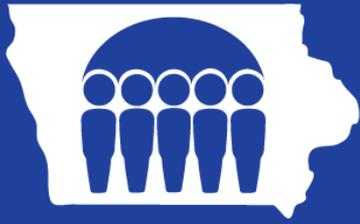


## Six Month Preview

- State Innovation Model
- Habilitation Transition
- Integrated Health Home
- DHS Website Launch
- Iowa Health and Wellness Plan Waiver Approval
- Health Home Relaunch
- Budget / Legislative Session



# Rules Review



# Current Pending State Plan Amendments



# Medical Assistance Advisory Council

for additional questions or comments, please contact  
Maggie Reilly at 515-256-4640 or [mreilly@dhs.state.ia.us](mailto:mreilly@dhs.state.ia.us)