

MENTAL HEALTH AND DISABILITY SERVICES COMMISSION  
June 21, 2012, 9:30 am to 3:00 pm  
United Way Conference Center, Room E  
1111 9<sup>th</sup> Street, Des Moines, IA  
MEETING MINUTES

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MHDS COMMISSION MEMBERS PRESENT:

Richard Crouch	Laurel Phipps
Jill Davisson	Deb Schildroth
Lynn Grobe	Patrick Schmitz
Representative Dave Heaton	Susan Koch-Seehase
Richard Heitmann (by phone)	Suzanne Watson
David Hudson	Gano Whetstone
Zvia McCormick	Jack Willey

MHDS COMMISSION MEMBERS ABSENT:

Senator Merlin Bartz	Representative Lisa Heddens
Neil Broderick	Chris Hoffman
Lynn Crannell	Gary Lippe
Senator Jack Hatch	Dale Todd

OTHER ATTENDEES:

Theresa Armstrong	DHS, Bureau Chief MHDS Division
Robert Bacon	U of Iowa Center for Disabilities and Development
David Basler	CHILDSERVE
Kris Bell	Senate Democratic Caucus
Jess Benson	Legislative Services Agency
Teresa Bomhoff	Iowa Mental Health Planning Council
Diane Diamond	DHS, Targeted Case Management
Patty Funaro	Legislative Services Agency
Geoffrey Lauer	Brain Injury Association of Iowa
Sherri Nielsen	Easter Seals
Liz O'Hara	U of Iowa Center for Disabilities & Development
Chuck Palmer	DHS Director
Ann Riley	U of Iowa Center for Disabilities & Development
Jim Rixner	Siouxland Community Mental Health Services
Rick Shults	DHS, Administrator MHDS Division
Deb Eckerman Slack	Iowa State Association of Counties
Robyn Wilson	DHS, County Plan Management

## WELCOME AND CALL TO ORDER

Chair Jack Willey called the meeting to order at 9:35 a.m. A quorum was established with 11 members present and one participating by phone. Jack welcomed everyone and led introductions of Commission members and guests. No conflicts of interest were declared for this meeting.

## APPROVAL OF MINUTES

The minutes for the Joint Commission/Mental Health Planning Council meeting on May 16<sup>th</sup> were not yet available due to Connie Fanselow's extended absence dealing with family issues. Minutes were reviewed for the Commission retreat on May 17. Gano Whetstone moved to approve the minutes as submitted. Laurel Phipps seconded the motion. Motion carried.

## COUNTY MANAGEMENT PLAN AMENDMENTS

Robyn Wilson reported Woodbury and Des Moines County plans will be reviewed at the July Commission meeting. Clay County's amended management plan has simply been updated; there are no provisions more restrictive than the previous plan, so no Commission action is required.

For the benefit of new Commission members, Robyn provided an overview of the administrative rules, policies and procedures pertaining to review of county management plans. Once a plan is submitted and approved by Commission, action is required on plan changes only if they include new restrictions on people's ability to receive services. Robyn noted some counties are revising their plans because of fiscal issues. Clay Co. has always offered services to people with incomes over 150% of Federal Poverty Level (FPL). Now their plan will require people over 150% and up to 220% of FPL to pay a sliding scale fee. Robyn expects this type of change to be more common when counties experience fiscal limitations.

Dave Hudson asked what type of impact information will be shared with Commission members to reduce the number of unanswered questions the Commission has when they are asked to approve a plan. He noted that at a meeting last spring a CPC was unable to answer questions such as how many people would be affected, the potential impact on providers, whether there were alternative services or funding sources and how much money the proposed changes would save the County. Robyn reported impact questions had not been asked in the past nor had counties been asked to submit information about alternative services available to reduce the negative impact. She stated that in the future DHS staff can ask counties to share data on projected impact and notify the CPCs to come prepared to discuss this with the Commission. Earlier this year Linn County did share projections of the number of people likely to be affected, and also submitted information on alternative services available. Jack Willey said this is important. Laurel Phipps suggested the Commission track the negative changes occurring in plan amendments statewide. Robyn projects not all plan amendments will

be negative because some counties are fiscally sound and experiencing less severe financial distress. She agreed to tell CPC's to be prepared in the future to share impact data when they submit any plan changes.

## MHDS DIVISION UPDATE

Director Palmer addressed the issue of funding shortfalls projected for FY 2013. One year ago the Legislative Services Agency projected a \$55 - \$56 million funding shortfall for counties due to the loss of one time federal ARRA funding. Under redesign, the state assumes responsibility for the non-federal share of Medicaid, amounting to \$40 million—which counties now no longer have to pay. Some counties benefit more than others, depending on how each county uses Title XIX funds to cover services. Because of uncertainties of counties' projections of their funding shortfalls, the Legislature has set aside—but not formally appropriated--\$20 million from savings in the CHIP program to cover the shortfall. The intent is that the Legislature will appropriate an appropriate level of funds in January 2013, and counties would then be able to apply for them. Counties have been instructed to review their actual and anticipated expenditures and identify transition issues.

The Legislature's Financial Services Bureau anticipates at least 22 counties will experience a negative financial impact under changes in tax levies and new funding formulas. Individual counties have multiple funding issues and unique factors that will impact their fiscal situation. Counties must address cash flow issues resulting from the first tax revenues not being available until October, while providers still need to be reimbursed for services given during the first quarter of the fiscal year. Most counties have diminishing fund balances. Cash flow issues need to be distinguished from actual funding shortfalls.

Director Palmer said it is unknown which counties will change their eligibility guidelines for people over 150% FPL, develop waiting lists, or choose to move people to less expensive levels of care. Historically families have been resistive to reducing their loved one's level of care. He stressed the importance of ensuring consumer safety and access to an appeal process, especially for those on Title XIX. He encourages counties to request technical assistance from DHS staff to help them take stock of their financial situation and determine all funding alternatives. This is not a "gotcha" game. Robyn and Julie Jetter have visited counties needing extra help; some are doing fine financially while others face tough situations. Linn County is unique and reports a need to cut about \$6.5 million in services. Laurel Phipps asked if every county will have to lobby their legislative representatives for transition funds in the next session. Director Palmer stressed the importance of keeping the General Assembly informed about the need for the Transition Fund because newly elected legislators may not understand. The Commission has the responsibility to recommend an appropriate level of funding to both the DHS Council and the Governor. The DHS Council will also make recommendations to the Governor regarding his budget recommendation to the General Assembly.

The equalization of funding across counties will mean that a significant number of counties will have to lower their levy. The Director anticipates discussions on whether the new provisions on county levies should be changed. DHS realizes it has been difficult for counties to plan when they did not even know if a levy would be reinstated, or if their request for transition funds will be approved in January, six months into the fiscal year. ISAC and individual counties will likely weigh in on the equalization of the levy discussion. The Commission also has rule-making authority for use of the Transition Fund. Decisions must be made such as whether funds should be used to replace lost services. If so, what is the plan to sustain those services once these one-time funds are no longer available? Should the transition fund be used to infuse money to develop increased services to meet core functions? Should the funds be used to cover the increased administrative costs associated with developing regions and partnerships needed for a functioning system in 2014?

Jack Willey commented on Julie Jetter's helpfulness to the Jackson County Board of Supervisors this month, helping to clarify where the county stands and where they need to be in the future to comply with redesign. Jack encouraged other counties to request a consultation with DHS staff. Director Palmer commented the environment is financially volatile with many unknowns, but transition funds and new rules may help provide stability during the transition period.

David Hudson commented on the recent article in the Des Moines Register on redesign, which seemed to suggest that the general response has been mediocre. He asked Commissioners and DHS to share what they have been hearing. Director Palmer quipped that the entire Hoover Building is ecstatic. Jack Willey opened the floor for comments.

Laurel Phipps thinks people are uncertain about what the changes will mean for them while providers and counties are waiting for the other shoe to drop. It seems that everyone is anticipating cuts due to budget. Gano Whetstone commented consumers are worried the Passageway program will not survive because of cash flow problems pending the first levy payment. Patrick Schmitz commented "the shoes are already dropping." Counties already can't pay providers, and they are dropping services while counties start waiting lists. He hears this is happening across the state. He believes redesign policies are great, but that the Legislature failed in terms of FT 2013 funding. Laurel Phipps agreed cuts are happening statewide and he wonders how many services will be available next.

Jim Rixner stated that Woodbury County did use DHS consultation services, and that helped the county clarify the funding options. Woodbury's County does not know the impact on providers yet because many contract with multiple counties. His agency is receiving letters from counties announcing decisions to institute waiting lists. Providers feel transition money will not help them maintain vital programs such as medication supports, social skill development services, mental health supports. These programs have been essential for helping many individuals remain in their communities. Jim stressed the impact of waiting lists on a person with mental illness. When a CMHC sees

a new person and, after the initial assessment, the individual receives a letter notifying them they have placed on a waiting list, that person often will not come back. No shows and cancellations have always been the number one issue in mental health services.

Deb Schildroth asked how many counties have already used TA from DHS. Robyn Wilson reported that about fifty have, including counties within the CSS region. Deb commented that Story County supervisors are worried about creating waiting lists but decided they needed to be fiscally conservative until they saw the rules for the transition funds. Waiting lists will be started in July, though not for consumers needing out-patient mental health services, so as to avoid generating the need for higher level of care.

Jill Davisson commented on problems with scheduling the TA visits. Julie and Robyn showed up in Scott County and the Board of Supervisors did not know they were coming, so were unable to allow sufficient time to discuss options with them. The agenda was already full due to contested election results. Robyn assured Jill that TA visits are not a one-time option and they will work on scheduling another visit.

Deb Schildroth also reported directors from residential care facilities (RCFs) are very concerned. Several report they have already received letters from counties requesting that people be moved to settings with a different level of care. There are over 2,000 people in these facilities statewide. Story County has three eight-bed RCFs. She is concerned about what will happen to individuals who are ineligible for Medicaid. Many in Story County report they can't afford the rent to live in an apartment. These individuals may become homeless while they wait for eligibility for county services. Deb also reported, however, that most meetings among counties about regionalization seem to be going well. Story County has a meeting coming up with 11 other counties to explore options. Some counties worry that joining with too many counties will result in a region that is too large.

Laurel Phipps expressed his concern that veterans with PTSD have no place to go. The VA system does not have enough staff trained to provide specialized services. It takes years for a psychologist to develop a specialty in PTSD, and the number of vets experiencing PTSD is simply too high. Iowa slips further behind daily because of the number of vets returning with these issues. Jack Willey pointed out family members are also dealing with stress when a vet has PTSD, and there are limited services to help them as well. Laurel wondered if a specialized facility should be set up to address this issue for returning vets, and vets from previous wars who continue to need support.

Suzanne Watson commented the redesign bill was sold to people based on the belief there would be more services, but the reality is that there will be fewer services and more waiting lists due to funding issues. Providers did not get a cost of living increase this Session, and now they are being asked to do more, for less money, during this transition period. Providers and counties believe it will take two years before funding issues are addressed. Deb Schildroth agreed funding and policy are very interrelated. She asked how redesign can move forward with cuts and growing waiting lists.

Teresa Bomhoff agrees with all the concerns previously expressed. Redesign proposals promised to improve people's lives and during the transition time this may not happen. She asked if the Commission and DHS should propose using the transition funds in a different way. Instead of thinking about them as one time service funds, should the dollars be used to keep people in services during the policy and region development process? She encouraged the Commission workgroup and DHS to not be miserly and propose the funds pay only for new administrative costs. Keep services and sustain the ability for regions to build on these in the future.

Richard Heitmann said the cuts and service changes have not yet affected him or his peers. His CPC is working hard to assure services continue, and consumers are not experiencing high anxiety about the changes. He also conveyed his dislike of the idea of a specialized single facility to serve veterans with PTSD as that model does not promote community access or provide services where people live.

Jack Willey reported he has heard there is some displeasure over the law's provision allowing counties to request a waiver from joining a region. He has also heard concerns that core plus services will result in continuing disparities in service levels across Iowa.

Susan Koch-Seehase commented Blackhawk County has been in Bob Lincoln's five-county region for six years. That region has had 11 more counties approach them to discuss regionalization. Susan reports many participants are uncertain what a region's size should be. She has also heard the concerns expressed by RCF providers, that counties want them to move their clients to lower levels of care.

Patrick Schmitz said transition rules need to be developed quickly so counties can begin planning. At this time counties are not even considering the prospect of future funding, and will not risk spending that could preclude a balanced budget by June 30<sup>th</sup>, 2013.

Director Palmer responded that we need to honor the legislative intent for transition funding. Should county growth be factored in, or should it be used to address the impact of waiting lists, or developing core services? The Commission has rule-making authority regarding county waivers from the regionalization requirement. The intent of the legislation was to develop regions, and DHS staff believes the number of waiver requests will be small. Most counties will not be able meet the service requirements as a stand-alone county. Bob Lincoln's region is a model with 16 years of experience, and they are not facing as many transition issues as other counties. He reminded everyone that new regions can ask to hear the lessons Bob Lincoln learned over those years.

Dave Heaton commented the technical assistance from DHS does help counties identify alternative funding sources. One county was using all its money to support people receiving RCF services when those individuals were eligible for Title XIX. Representative Heaton expressed his concern that counties needed to draw more Medicaid funds. RCFs currently operating 24 beds must now adjust to the Medicaid rule limiting facilities to 16 beds if they want to bill for Title XIX. Finding the right supports, services and setting for people in RCF's can be difficult and challenging.

David Hudson commented he has not heard anyone express a belief that the new redesign process is a good thing. Jack Willey commented the transition period may be rough but once it is fully implemented he believes the redesigned system will be good. Geoff Lauer commented the BI Association believes redesign is positive and people with multi-occurring conditions will receive better assistance. Individuals with BI are not yet seeing the benefits, but will be better served when fiscal issues are solved but funding is a universal concern. Nobody likes uncertainty.

Representative Heaton acknowledged the Legislature made a big mistake two years ago when they did not fund Allowable Growth and used one-time federal ARRA dollars to fill the funding gap. That action simply moved the funding deficit to another year. He also expressed concern that some counties have mingled Medicaid funds with other funds, and this needs to be sorted out.

Deb Schildroth replied that most counties feel they have used Medicaid dollars correctly. The county funds for non-Federal share of Medicaid have been considered Medicaid. Chuck Palmer commented that recent articles in newspapers stating counties have been misusing Medicaid funds were incorrect. Deb pointed out that auditors never found inappropriate usage of Medicaid funds. Director Palmer agreed there has been confusion because of the variety of sources used to pay the non-federal share of Medicaid, and the reporters did not interpret information correctly.

Rick Shults thinks redesign will help clarify where the money is being spent and identify the unmet needs across the state. This will help determine the actual dollars needed to support both Medicaid-eligible and non-Medicaid eligible lowans. Some counties have allowed Medicaid eligible people to utilize non-Medicaid services. Sometimes this has been referred to a co-mingling. Both Deb Schildroth and Jill Davisson said this wrongly implies counties are not being fiscally responsible.

#### MHDS UPDATE ON REDESIGN LEGISLATION AND APPROPRIATIONS

Rick Shults reported the most important process happening right now is the exchange of information and on-going communication with all stakeholders. DHS is continuing ongoing meetings with CPCs, advocacy groups, provider organizations, and representatives from county Boards of Supervisors. DHS believes transparent and open communication will be critically important as rules and regulations are developed. He reviewed information about the Transition Fund in the redesign and a document with proposed timelines for work that must be done by the Department and the Commission. He plans to put these documents on the MHDS website for everyone to review.

Creating the Finance Workgroup and drafting the rules for use of the transition funds is the next step. The workgroup include Legislators, CPCs from both urban and rural counties, county supervisors from both urban and rural counties, and the Commission Chair. The full Commission will be asked to adopt the final version of rules developed by this workgroup. It is important for Commission members to review the drafts and

assure the rules appropriately define how the transition funds will help address the issues we are hearing about.

SF 2315 does not officially recognize the need for a continuum of care committee. However, DHS feels one should be developed to look at how *Olmstead* principles are being addressed in the rule-making process and in the creation of the service continuum. Page nine of the handout (available on the DHS share drive) lists all workgroups to be formed. Appointees are in the process of being identified with the intention to have workgroups ready to begin by the end of July. Rick reminded Commissioners the Children's and Judicial Workgroups are continuing their work, started in FY 2011; the Data and IT Workgroup has already met once. Organizing the Outcomes and Transition Workgroups are high priorities. IDPH will be developing the Workforce Workgroup, with DHS submitting recommendations for membership. The Interim Legislative Committee is still being formed. The workgroups will follow the same process as last summer's groups. Minutes from each workgroup will be publicized and time for public comment will be included at every meeting. Open communication remains a high priority for DHS along with rule promulgation and workgroup formation.

DHS is working hard to assure they are ready on July 1<sup>st</sup> to transition the non-Federal share of Medicaid responsibility from the counties to the state. He stressed the most important message for everyone to share is: "People receiving services will continue to receive them and providers billing Medicaid will continue to be paid." DHS anticipates services will continue during this transition phase. People need to be assured redesign is going to be phased in and fully functional before July 1, 2014. DHS encourages counties to move forward as soon as possible to begin regional discussions, identify ways to implement all the requirements, and test how their new system works.

Director Palmer commented his biggest worry is the counties reporting an inability to join a regional consortium because of past relationships, difficulties between administrators, funding, philosophy, culture or historical differences in the way they have operated. He has begun working with ISAC on sample job descriptions and requirements for regional administrators. Counties may ask for technical assistance for such things as a list of essentials in 28 E agreements, or the incremental steps to move from virtual pooling of funds to actual pooling within the region. DHS anticipates each region will have significant differences. Dave Hudson asked if the counties will have to apply for funds to get a consultant. Rick Shults replied the county should identify the issue and a potential consultant they would be comfortable working with. DHS will then directly contract with the consultants.

Gano Whetstone asked how much a person make and still be under the Federal Poverty Level. Rick Shults replied that would be \$15,000 per year for a single person.

Deb Schildroth asked for an update on Iowa's Balancing Incentive Payment Program (BIPP) application. Rick reported the BIPP application was approved and expects Iowa will begin receiving the enhanced FMAP on July 1<sup>st</sup>. The BIPP requires states to increase the dollars spent on home and community based services until it is at least

50% of all long term care expenditures. Total expenditures for long term care includes facility based funding for multiple populations (nursing homes, RCFs, hospitals and ICF/MRs). Iowa is currently spending around 45% in HCBS services for aging, mental health and developmental disability services. DHS will spend the next six months working with stakeholders and the Department on Aging to develop the work plan. Workgroups guiding the redesign process will also be asked to provide input into the BIPP work plan. Iowa does have an aging population; many counties report half their residents are 55 and older.

DHS wants to assure older people who have been living in facility based care for many years that they will not be forced to experience transfer trauma from moving into HCBS services just because a lower level of care would save money. BIPP will bring Iowa around \$15 million a year from the enhanced FMAP. The Affordable Care Act funded BIPP and if the Supreme Court overrules ACA it could impact this program. DHS has also received other funding under the ACA, including a grant to improve its information system. The ACA could also result in about 100,000 people currently served by the counties becoming eligible for Medicaid in 2014. State and county finances can be severely affected by the future ruling.

Dave Heaton asked how the BIPP money will be distributed in Iowa—for example, whether providers would receive a higher rate. Director Palmer stated the planning committee will have to define how the funds will be used. For example, the committee could decide to use strategies similar to the Money Follows Person initiative to help people move into HCBS settings, or they might use a RFP process. The committee must also decide which populations and settings need to be prioritized. The BIPP has additional federal mandates; each state must design processes to improve access to HCBS and reduce the possibility of institutionalization. The BIPP supports *Olmstead* principles and our redesign process.

Jack Willey reported Director Palmer has received a list of commissioners interested in serving on redesign workgroups. Director Palmer confirmed he did receive the list along with names of many other interested people. He appreciates everyone's interest and encourages commission members not placed on a workgroup to still attend meetings. His goal is to assure as broad an engagement as possible.

## COMMITTEE DISCUSSIONS AND PHONE CONFERENCES

Jack Willey and Susan Seehase have already met with Rick Shults and Theresa Armstrong to define the roles and functions of various committees within the Commission. Please share times and days you are available for committee conference calls with Susan and Jack. They will be scheduling these calls at times the majority of committee members can participate.

Funding Issues Committee:

Susan Koch-Seehase, Chair  
Richard Crouch  
Chris Hoffman  
Richard Heitmann  
Patrick Schmitz

Zvia McCormick  
Deb Schildroth  
Dale Todd  
Lynn Grobe

Regional Issues Committee:

Jack Willey, Chair	David Hudson
Neil Broderick	Gary Lippe
Jill Davisson	Laurel Phipps
Lynn Crannell	Suzanne Watson

Jack stated that timelines are very important for an orderly transition. Commission members might have to meet more often or longer in order to draft, review and approve necessary rules. Richard Crouch commented his county has already has several meetings with different counties to discuss regional formation. In those meetings most county representative begin by talking about “my money and my decisions”. When they are assured they will continue to decide who is funded and how their funds are used they become more open to discussing the issues of regionalization.

Lynn Grobe reported the Northwest Consortium is interested in hearing more about shared funding from Bob Lincoln’s region. As many as 10 counties have expressed interest in establishing a formal region with the Consortium and he agreed with Director Palmer that counties should not wait to begin having these discussions. Jack Willey commented it has been helpful having Director Palmer and Rick Shults meet with ISAC and its state group for County Boards of Supervisors.

**PUBLIC COMMENT**

None was expressed at this time.

David Hudson commented last month the Commission minutes identified issues that need to be addressed for lowans with BI. He wanted to know long will it take for data to be provided to the Commission members on these issues statewide. Jack Wiley suggested presentations on BI issues be addressed at Commission meetings in early fall due to the full agendas for July and August focused on redesign administrative rules.

The commission broke for lunch and reconvened at 1:00 pm.

**BUILDING HEALTH HOMES FOR IOWA MEDICAID MEMBERS**

Jennifer Vermeer, State Medicaid Director, presented a power point (full document on DHS share drive) on Iowa’s health home initiative that will begin implementation on July

1<sup>st</sup> 2012. Although people often use the terms “health home” and “medical home” interchangeably, health homes are specific to Title XIX, and in the ACA Congress specifically mentions coordination with mental health services: health homes integrate primary care, mental health services and other supports for people with at least two chronic health conditions such as diabetes, asthma and serious mental illness, or who have one chronic condition and are at risk of a second. People with chronic disease constitute about 5% of Medicaid members but account for 48% of acute care costs. Care coordination is a key component. The care coordinator can be co-located with a primary care office, but can also be with another service provider such as a community mental health center. Health Homes are patient-centered, offering coordinated care at all stages of life and transitions across settings

Iowa will receive 90% federal Medicaid match for the first two years for health home services as defined in the Medicaid State Plan. Iowa’s health home initiative seeks to improve care for dual eligibles (Medicaid/Medicare) as one target population.

Although an increase in costs can be expected early on due to more frequent office visits and use of prescription drugs, significant savings from health homes have been documented. People present less frequently in ER settings, and there is decreased hospitalization and use of inpatient services. Individuals get help in navigating health systems, and learn self-management skills and how to get needed services. Care coordination improves communication with patients and among referring providers. The State gains savings from prevention activities and better utilization of appropriate services. Iowa anticipates around \$7 million in savings. The increased FMAP will help offset startup costs and allow Iowa the opportunity to document the return on investment from implementing this model.

Health Home providers must have a separate contract with Medicaid. A Health Home primary care setting must have dedicated care coordinators, dedicated practitioners, health coaches and clinic support staff. The provider must also become accredited as a health/medical home within 12 months of providing these services. All health home providers must agree to use Iowa’s developing health information technology network. Providers will receive a performance payment in addition to the typical per member per month reimbursement. Providers must offer individual and family support services, health promotion activities, and comprehensive care coordination.

IME recognizes the need for a “specialized” health home for adults and children with serious and persistent serious mental illness. This will be accomplished through a separate State Plan amendment (SPA), and will be administered through the Iowa Plan. A Federally Qualified Health Center (FQHC) could work with the local Community Mental Health Center (CMHC) to provide the care coordination and address the individual’s physical health issues. The children’s specialized health home model will operate in the system of care framework. Jennifer Vermeer, Rick Shults, Wendy Rickman and Magellan staff have begun initial work on the SPA, which will entail specialized provider requirements. The existing four tier rate reimbursement system will have to be adjusted for this group because of its high need. IME anticipates that

Primary Care Health Homes will serve the majority of children with mental health issues, while those with Serious Emotional Disturbance and multi-system involvement will be served by the Specialized Health Home model.

Medicaid spends over a billion dollars on 70,000 individuals that are dually eligible for Medicaid and Medicare. Half of these individuals are over age 65 and many have serious mental illness.

Marni Bussell at IME is the Medicaid project Health Home Coordinator. She may be reached at [mbussel@dhs.state.ia.us](mailto:mbussel@dhs.state.ia.us).

Jennifer stated that the model depends on the relationships health providers have in their community. Medicaid has not yet looked at the number of members per county to see if the number of eligible Medicaid members warrants development of a health home coordinator position. Representative Heaton asked how a health home coordinator would assist an individual if they already have a targeted case manager. Jennifer replied that CMS prohibits payment for duplicate coordination services and will not allow payments to both a TCM and a health home coordinator. Currently the model has a health coordinator replacing TCM coordination. The development of the specialized health home model may find better ways to address this issue.

Representative Heaton was concerned about the plan to provide Federally Qualified Health Centers a higher rate of reimbursement because it may offer them an unintended advantage over a primary health care provider. Jennifer Vermeer answered that primary care providers have very few unreimbursed services while FQHCs serve many people not accepted by primary providers and have many unreimbursed services.

Rick Shults stated that health homes are about more than saving money. People with mental illness die on average 25 years earlier than the general population. States have achieved better outcomes through preventative care, and Iowa hopes for the same.

## DEVELOPMENT OF ADMINISTRATIVE RULES – TRANSITION FUND

Rick opened the discussion with the thought that while administrative rules must meet the letter of law, we may decide to do more, or to give the general assembly more information on what is needed. Section 23.1 of the legislation creating the fund designates unused CHIP funds for the transition year. The funds can be used for anything except to match other Federal funds. Section 2.b states in order to be eligible for funds the county must have levied the maximum amount allowable, have approval from the board of supervisors to apply for the funds, and must define what their independent verification process has been including details on all department services. The county must disclose how they are providing services to non-Medicaid eligible populations. The December 1<sup>st</sup> date in the law is too late for DHS to finalize recommendations to the Governor's plan, which is why DHS is encouraging counties to be proactive and submit applications for transition funds as early as possible.

Representative Heaton commented counties need to look at the funding gap in relation to their potential new region. Should the gap be defined as what a county needs in order to bring their core services up to other counties in their region? Is the focus to be only on preventing cuts of core services in the transition year? Counties need clarification. The purpose of redesign was to assure core services are available in the region. Deb Schildroth commented that counties services now that are going to be defined as core services under redesign. Representative Heaton expressed concern about filling in cuts in a county's core services, while the county next door has not even been providing those services. If one time transition funds are used to support those services, how will they be sustained the following year? Counties would have to address that in their application for transition dollars.

Rick Shults stated that while the Commission will be developing the rules, the General Assembly will decide how much money to release. The intent is to maintain the core services that counties have been providing but are now forced to cut.

Deb commented when the regions form and all counties do not have local services the region will have to provide transportation to services or use a 28E agreement to purchase the service closest to them. The closest services might be in the county next door.

Teresa Bomhoff commented she believes the legislative intent was to use transition funds only to sustain core services, not to provide all services in the "domains" or to offer "core plus" services. It will be different starting in FY 2014. But if a county currently has a mobile response team (which will be a core plus service) but can't continue it this year, and the county has a sustainability plan for these services, then they should be able to submit a request to sustain these services during the transition. Jill Davisson agreed but said some counties will have to implement cuts beginning July 1<sup>st</sup> until transition funds are secured, because there are too many unknowns and counties cannot risk having an unbalanced budget in June 2013.

Rick Shults stated the October 15<sup>th</sup> report will show the new per capita appropriations and this should give legislators and administrators the true amount of the total actual funding shortfall. These figures will be certified by the counties and DHS. The rule making process for transition funds is done as emergency rule making. DHS will have input from the legislative transition committee, the Commission Finance Committee and an administrative rule review process before they are final. DHS will then run the draft rules by the Administrative Rules Committee. The process must be transparent. Open meetings will be held and the public is encouraged to share their input. It is important to get the rules in place as soon as possible.

Dave Hudson asked when the Department would provide recommendations on the rules and how much time the Commission will have to approve them. He was concerned about delays in the process if DHS recommends something the Commission does not agree with. Rick Shults stated he feels the likelihood of a disagreement in recommendations should be minimal if the department and the Commission's Finance

Committee work collaboratively. He was more concerned that the MHDS Division may ask for more information than the Commission believes can be collected in the timeframe required. Dave commented on how critical it will be for the Commission to review and adopt those rules in a timely manner. Jack Willey said he does not anticipate DHS wanting to fight over minor details. Emergency rule making generally does not allow for as much input from the general public. However, this process will have many opportunities for public and Commissioners' input during the development phase. We can expect a lot of attendance by stakeholders at meetings. Rick Shults agreed a process is needed that leaves people comfortable with the result. Representative Heaton commented that timelines are short and the Commission only meets monthly. Dave expressed concern about how the vetting process can slow things down.

After the transition fund rules are developed the next rule to be developed should be the standards the counties will be held to if they are granted exemption from being part of a region. When these rules are in place the Commission will also have to approve these waiver requests. Jill Davisson asked again for the purpose of allowing waivers. Jack Willey agreed many did not like the waiver option but it is in the law.

Jack suggested that the next step is a conference call with the Finance Committee. Please email your availability (dates and times). Connie Fanselow will send an email confirming the chosen time and provide the call in number. The committee can use webinars to review the draft as it develops. Several members asked the call not be scheduled for Mondays or Tuesdays due to conflicts.

Patrick Schmitz asked how core services are defined. Rick Shults asked the Commission to answer that question--services that are in place or those under the new system? Deb Schildroth reported Story County is cutting services that they consider value added but are not on the list of core services in the law. Could the county apply for transition funds if they were to stop loss of present services? Suzanne Watson defines core service as what her county has offered. When counties look at gaps across their region, it is important that greater gaps not become the norm. Rick Shults suggested definitions could be the predominant content of these emergency rules.

Teresa Bomhoff suggested DHS create an application template for counties to use for requesting transition funds. The template should be fairly prescriptive and fill in the blank format in order to assure consistent information is in each application.

Representative Heaton commented when counties received the enhanced FMAP from ARRA they increased services and programs that are now not sustainable without the increased FMAP. There will be tough decisions needed to eliminate some services and create a sustainable system with core supports. Richard Heitmann commented he believes people will simply move to counties where services are available. Representative Heaton shared he is also concerned about potential Federal changes. For example if Medicaid were to move to a block grant fund the system could become even more restricted.

Richard Crouch asked whether a county getting a waiver from joining a region would be given a waiver from the designated tax levy. No one knew the answer to that question.

Jack Willey informed the Commission due the length of the he would table the agenda item to discuss the upcoming July meeting. Connie Fanselow will send out the information to all Commissioners before the next meeting.

#### PUBLIC COMMENT

Teresa Bomhoff asked whether DHS has a map of Iowa using counties' present tax levies and whether the funding shortfalls been tied to census data. Urban counties with populations that are increasing will have fewer problems. The counties that will run into the most problems will be the most rural counties with populations that are decreasing. Most metro counties are over the new mandated levy. Dallas County is currently at \$21 per capita and they will have to go up to \$47.28. Jack Willey commented once the legislators see what actually happens they may need to make adjustments in how the new levy is applied using mechanisms to allow for the levy to be adjusted.

The next meeting will be held on July 19<sup>th</sup> at the United Way Conference Center.

The meeting was adjourned at 3:05 p.m.

Minutes respectfully submitted by the CDD Team.