Medical Assistance

Medicaid - Title XIX

Purpose

Medical Assistance (Medicaid—Title XIX) provides medically necessary health care coverage for financially needy adults, children, parents with children, people with disabilities, elderly people, and pregnant women. The goal is for members to live healthy, stable, and self-sufficient lives.

Medicaid Modernization is a major initiative in which the Iowa Department of Human Services (DHS) will enroll the majority of the Medicaid members in managed care organizations (MCOs) (Children's Health Insurance Plan (CHIP), Healthy and Well Kids in Iowa (*hawk-i*) and Iowa Health and Wellness Plan members will also be enrolled in MCOs). DHS will contract with MCOs to provide comprehensive health care services including physical health, behavioral health and long term supports and services. This initiative creates a single system of care to promote the delivery of efficient, coordinated and high quality health care and establishes accountability in health care coordination.

IA Health Link is the name and brand for the new managed care program. The IA Health Link name and logo represents the connection between physical health, behavioral health, and long term care. It previously represented the Iowa Health and Wellness Plan and was designed for subsequent Medicaid transitions. Using the IA Health Link branding to represent the managed care program will support the state's efforts to ensure a successful transition.

Who Is Helped

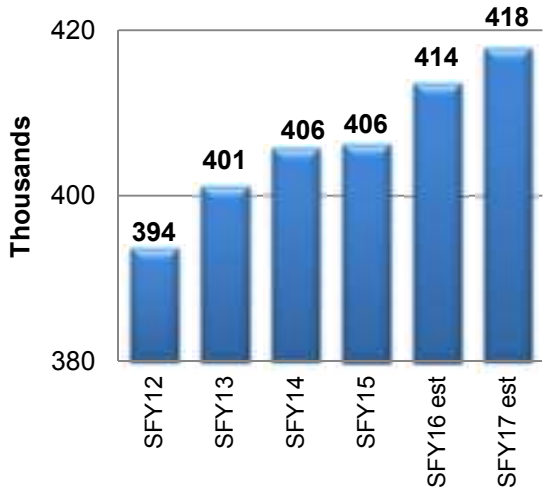
Medicaid is projected to serve nearly 725,000 Iowans (unduplicated) or 23.3 percent of Iowa's population in SFY15 and over 760,000 (unduplicated) or 24.5 percent of Iowa's population by SFY17.

- Medicaid is Iowa's second largest health care payer, processing nearly 40 million claims in SFY15 (14.2 percent decrease from SFY14).

Traditional Medicaid eligibility is based on a combination of income and other criteria that must be met.

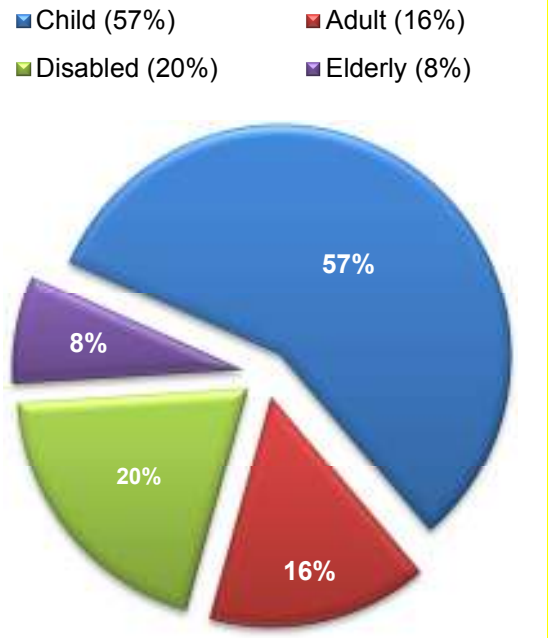
- Members must meet certain income criteria based on multiple eligibility standards and be a U.S. citizen or a legal qualified non-citizen. Citizenship status is verified through the Social Security Administration and legal non-citizens must provide original documentation to verify their status.
- Generally, Medicaid covers low-income members who are aged (over age 65), blind, disabled, pregnant women, children (under 21 years of age), or members of a family with children.

Average Regular Medicaid Enrollment

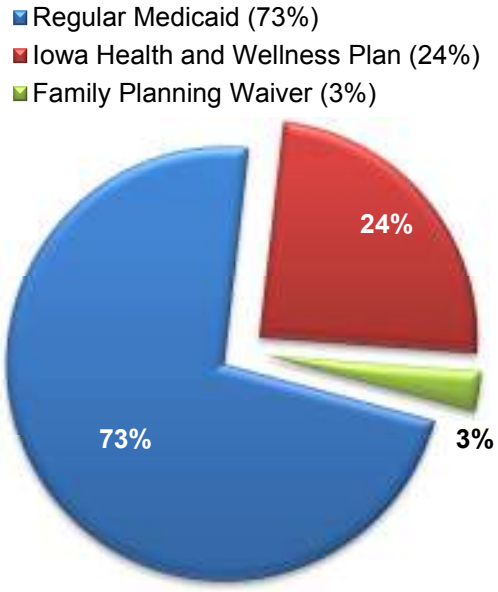


- Medicaid is not available to individuals considered to be inmates of public, non-medical institutions except for inpatient hospital care provided off the grounds of the jail/prison under certain circumstances. Persons who are on probation or are paroled are not considered inmates. Persons who are on work release are considered to be inmates.
- The most common Medicaid member is, on average, a 9-year old child who is very healthy and uses very few health care services apart from well-child care, immunizations, and treatment for common childhood illnesses, such as ear infections. Medicaid covers thousands of such children for very minimal cost.
- Additional populations served include:
  - Individuals with income over 133 percent of the Federal Poverty Level (FPL) through the Family Planning Waiver. This program provides very limited covered services.
  - Medicare populations, where Medicaid covers the cost of Medicare premiums, deductibles, and co-payments (Qualified Medicare Beneficiaries).
- The Iowa Health and Wellness Plan was enacted through bi-partisan legislation to provide comprehensive health coverage to low income adults. The plan offers coverage to adults age 19-64 with an income up to 133 percent of the FPL ($15,654 per year in 2015). The plan began on January 1, 2014, and currently serves more than 135,000 Iowans.
  - Iowa Wellness Plan: The Iowa Wellness Plan is an Iowa Medicaid program that covers adults ages 19 to 64. Eligible member income is at or below 100 percent of the FPL ($11,770 for individuals or $15,930 for a family of two in 2015). For the first half of SFY16, Members can choose a provider from the statewide Medicaid provider network and are able to get care from local providers.

Average Regular Medicaid Enrollment SFY15: 406,155



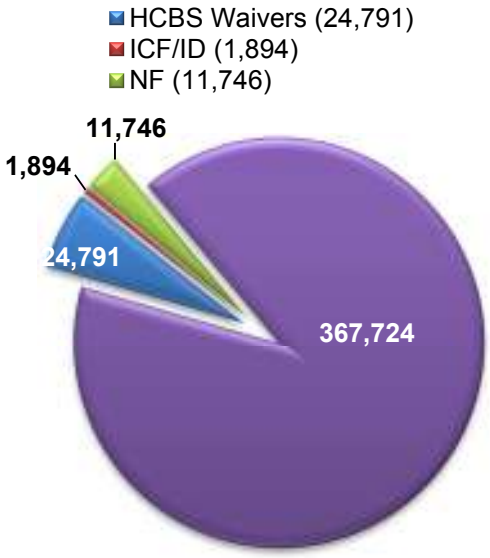
Ending Medicaid Enrollment SFY15



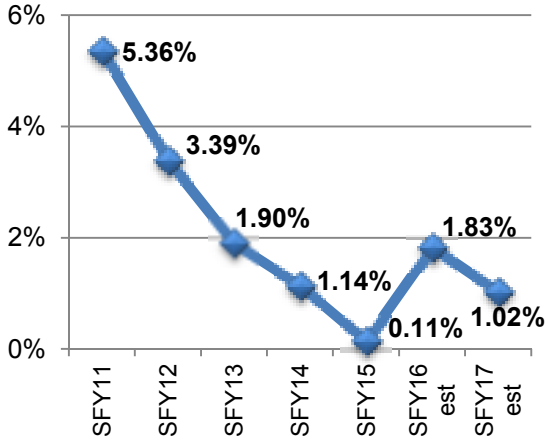
- Iowa Marketplace Choice Plan: The Iowa Marketplace Choice Plan covers adults ages 19 to 64 with income from 101 percent through 133 percent of the FPL ($15,654 for individuals or $21,187 for a family of two in 2015).

- **Enrollment growth is slowing.** There were 406,155 members enrolled in regular Medicaid in SFY15, a growth of 0.1 percent from SFY14. Growth has decreased from 1.14 percent in SFY14 and 1.9 percent in SFY13. Excluding the Iowa Health and Wellness Plan, enrollment growth is projected to increase by 1.83 percent in SFY16 and 1.02 percent in SFY17.
- Of those newly enrolled, the largest growth in recent years has been with children, but this growth has steadily declined. In SFY11 growth was 6.47 percent, in SFY12 growth fell to 3.72 percent, in SFY13 growth fell to 2.43 percent, in SFY14, growth fell to 0.91 percent, and in SFY15, enrollment declined 0.48 percent. Growth for SFY16-17 is projected to be 2.65 percent in SFY16 and 1.32 percent in SFY17.
- Medicaid plays a key role in the state's child welfare system by funding health care for children in state care. Medicaid provides coverage to children in subsidized adoptive homes, thereby making permanent placement more accessible for children who cannot return to their birth families.

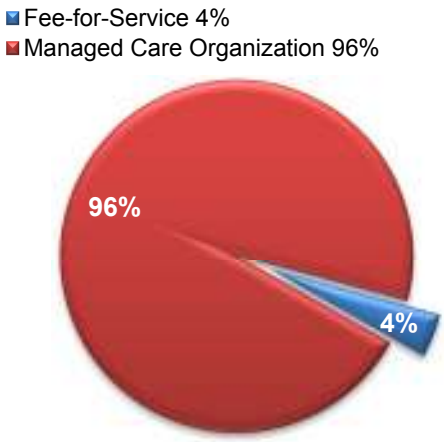
Recipients by Setting SFY15



Medicaid Enrollment Change



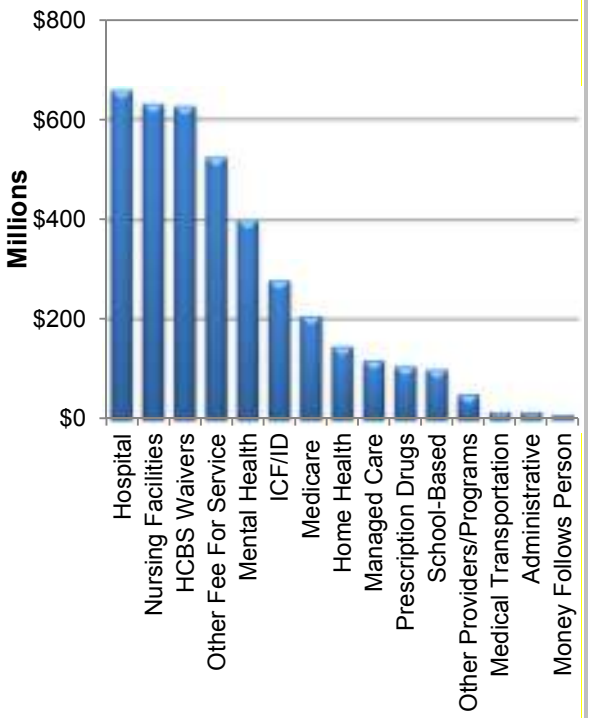
Estimated Enrollment
Fee-for-Service v Managed Care*



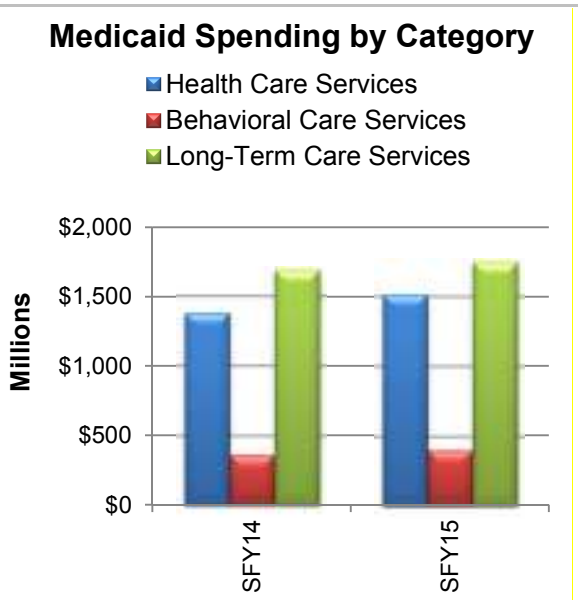
*Regular Medicaid

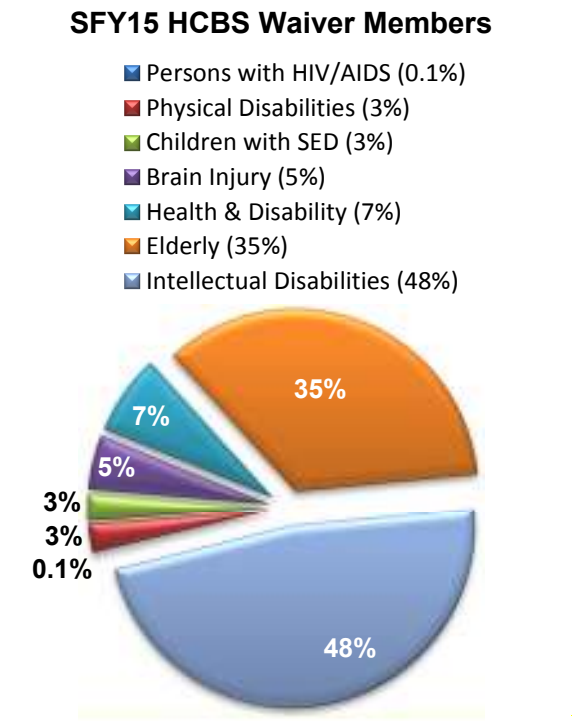
	✓ *Since SFY10, children have accounted for 62 percent of Medicaid growth.* ✓ *Medicaid serves adults with serious and persistent mental illness (such as schizophrenia or bipolar disorder) and children with Serious Emotional Disturbance. Studies show that adults with serious mental illness live 25 years less than adults without this condition.* ✓ *Medicaid serves elderly persons who are low-income and very frail. The typical long term care member for older Iowans (65 and older) is a 72 year-old female who needs assistance with at least one activity of daily living, such as personal care.* ✓ *Medicaid serves individuals with both physical and/or intellectual disabilities. The typical member with a disability accessing long term care services is a 28 year-old male with an intellectual disability and needs supports with life skills.* ✓ *As of October 1, 2015, Medicaid members will have access to the Program for All-Inclusive Care for the Elderly (PACE) in three service areas, covering 16 counties across the State.*
Services	Medicaid covers a comprehensive range of health care services for Iowans who meet the program's eligibility criteria Beginning January 1, 2016, the majority of members will have their services coordinated through a managed care entity, with the exceptions of the HIPP, Medically Needy, PACE enrollees, as well as American Indian, Alaskan natives or that participate in the Medicare Savings Program. • **Physical Health Care Services** include physician care, hospital services, labs, prescription drugs, home health care, rural health clinic (RHC) services, Federally Qualified Health Centers (FQHCs) services, chiropractic care, physical therapy, and dental care. • **Behavioral Care Services** include community mental health services, hospital services, physician care, psychiatric medical institution care, outpatient treatment and therapy, rehabilitative mental health services (known as Behavioral Health Intervention Services), as well as non-traditional services such as peer support and Assertive Community Treatment, and substance abuse treatment. • **Long-Term Care Services** include nursing home care, Intermediate Care Facilities for Persons with Intellectual Disabilities (ICF/ID), and home and community based services that allows individuals to remain in their homes.

SFY15 Medicaid Expenditures by Provider Type $3.9 Billion



- **Home and Community Based Services (HCBS)** are for people with disabilities and older Iowans who need services to allow them to stay in their home and community with services. The program names are HCBS Waivers (there are seven), Habilitation Services, Program of All-Inclusive Care for the Elderly (PACE), Home Health, Hospice, Targeted Case management (TCM), and Money Follows the person (MFP). These programs include services such as employment, residential, home health, assistance with personal care, homemaking and respite care that are intended to assist members with remaining in their homes and communities.
- Members will continue to have access to the same menu of services under managed care as they do during the first half of SFY16.
- **HCBS Services** are delivered through seven 1915(c) waivers that are targeted to specific populations including persons who:
    - Are Elderly
    - Have an Intellectual Disability
    - Have a Disability (two waivers)
        - Physical
        - Other Disabilities
    - Are Children with Serious Emotional Disturbance
    - Are Living with HIV/AIDS
    - Have a Brain Injury





- ✓ *The average cost of a member in a nursing facility is $49,873 per year, versus $11,322 for a person served through an HCBS waiver.*
- ✓ *The average cost of a member in an Intermediate Care Facility for the Intellectually Disabled is $147,338, versus an average cost of $40,277 for a person served through the HCBS ID waiver.*
- ✓ *Medicaid generates 10-20 percent of most hospitals' revenues, but is on average, about 50 percent of nursing facilities' revenue. In the area of services for people with disabilities, Medicaid is often the primary or only revenue source.*

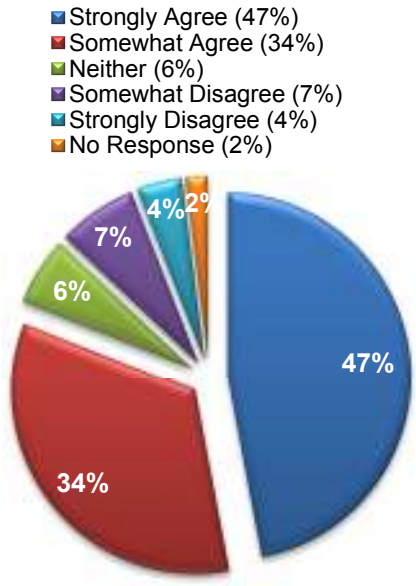
Goals & Strategies

Under IA Health Link, DHS will enroll the majority of the Medicaid members in managed care organizations (MCOs). This initiative is designed to create a single system of care to address health care needs of the whole person. This includes physical health, behavioral health, and long term care services and supports. Primary goals of the initiative include:

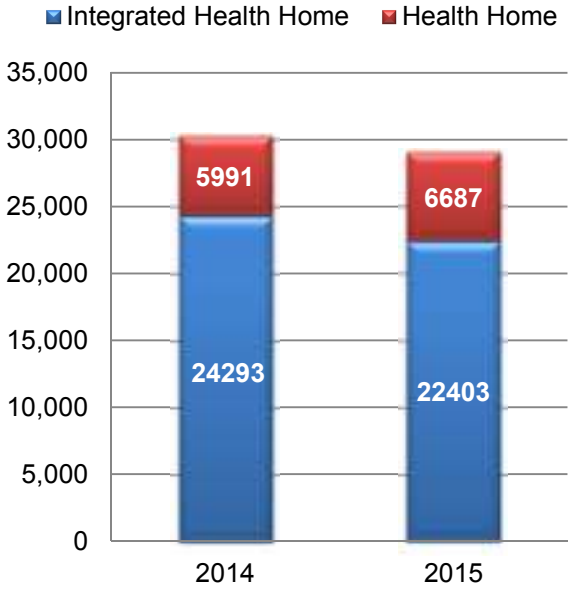
- Improved quality and access
- Greater accountability for outcomes
- Greater stability and predictability in the Medicaid budget

On December 16, 2014, the U.S. Department of Health and Human Services announced that Iowa was one of eleven State Innovation Model (SIM) grantees to test if value-oriented healthcare reforms could produce superior results when implemented in the context of a state-sponsored Plan. The grant of $43 million was wrapped into Iowa's managed care approach via specific requirements for Value Based Purchasing (VBP) and a common quality measurement tool, called the Value Index Score (VIS) used across the delivery system and the MCOs. Because the VIS measures quality at a population health level, it ensures savings is linked to whole-system improvement supporting all members, not just managing isolated pockets of opportunity within the Medicaid population. This initiative is a multi-payor strategy that aligns Medicaid with Wellmark Blue Cross and Blue Shield (specifically) and Medicare (more generally) bringing the scale necessary to influence real delivery system reform across the state.

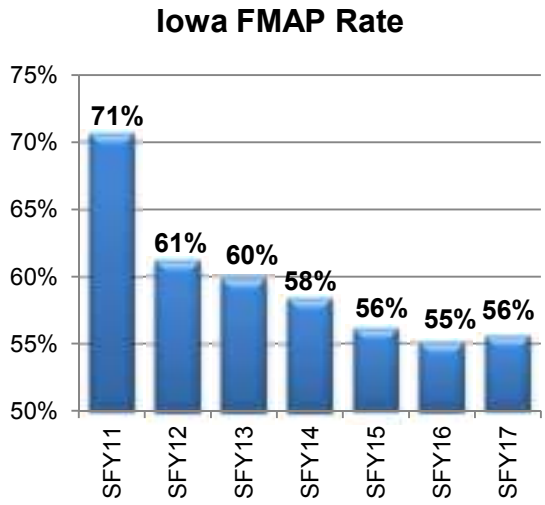
SFY15 Member Agreement that Getting a Visit with a Provider is Easy



Health Home and Integrated Health Home Recipient Enrollment



- Integrated Health Home care Coordination contributed to a 19 percent reduction in emergency room visits and a 17 percent reduction in inpatient admissions.

	✓ *Medicaid collected over $272 million in revenue through cost avoidance and recovery when other insurance is present in SFY15.* ✓ *Medicaid achieved savings and cost avoidance of $46.8 million (state and federal) through the identification of overpayments, coding errors, and fraud and abuse in SFY15.* ✓ *Medicaid Modernization is projected to generate a cost savings of $51.3 million during the second six months of SFY16.*
	The FMAP rate (federal share) has decreased with the expiration of American Recovery and Reinvestment Act of 2009 (ARRA). Iowa's FMAP rate has also declined as Iowa's economy improves relative to other states. • SFY11: 70.64 percent • SFY12: 61.19 percent • SFY13: 59.87 percent • SFY14: 58.35 percent • SFY15: 56.14 percent • SFY16: 55.07 percent • SFY17: 55.58 percent 
Legal Basis	**Federal:** • Title XIX of the Social Security Act • 42 CFR 440. 42 CFR 440.210 and 42 CFR 440.220 **State:** • The Iowa Code Chapter 249A further defines the services and eligibility categories the Iowa Medicaid Program is required to cover. This offer maintains statutorily required services and populations.