

COUNCIL ON HUMAN SERVICES

MINUTES

June 13, 2018

COUNCIL

Mark Anderson (via phone)
Phyllis Hansell
Alexa Heffernan
Kimberly Kudej
Kim Spading
Sam Wallace

EX-OFFICIO LEGISLATIVE MEMBERS

Representative Joel Fry (absent)
Representative Lisa Heddens (absent)
Senator Mark Segebart (present)
Senator Amanda Ragan (present)

STAFF

Jerry Foxhoven
Sandy Knudsen
Nancy Freudenberg
Merea Bentrott
Janee Harvey

Mikki Stier
Michael Randol
Matt Highland
Jean Slaybaugh

GUESTS

Sandi Hurtado-Peters, Iowa Department of Management
Paige Petitt, UnitedHealthCare
Flora A. Schmidt, IBHA
Erin Cubit, Iowa Hospital Association
Kris Bell, Senate Democrat Caucus
Tony Leys, Des Moines Register
Pam Jochum, State Senator
Jon Murphy, Orchard Place
Linda Brundies, Ombudsman's Office
Barb Van Allen
Sheila Hansen, CFPC
Jess Benson, Legislative Services Agency
Patty Funaro, Legislative Services Agency
Bridget Reidburn, CCI
Maddie Miller, Advocacy Strategies
Kate Walton, Eide & Heisinger

CALL TO ORDER

Alexa Heffernan, Vice-Chairperson, called the Council meeting to order at 10:00 a.m.

ROLL CALL

All Council members were present . Ex-officio legislative members Senators Ragan and Segebart were present. Ex-officio legislative members Representatives Fry and Heddens were absent.

RULES

Nancy Freudenberg, Bureau of Policy Coordination, presented the following rules to Council:

R-1. Amendments to Chapter 7, Appeals and Hearings. Implements the use of form 470-5526, "Authorized Representative for Managed Care Appeals," to obtain member's consent. Also allows child abuse and dependent adult abuse appeals to be withdrawn on the record before an administrative law judge or in writing and signed by the appellant or the appellant's legal counsel.

Motion was made by Wallace to approve and seconded by Kudej. MOTION CARRIED UNANIMOUSLY.

R-2. Amendments to Chapter 36, Medicaid. Amends the assessment level for nursing facilities effective July 1, 2015. The assessment level was changed at the rebase of nursing facility costs at July 1, 2015. Providers were notified of the assessment level with information letter 1610 dated February 3, 2016. Providers have been remitting the correct amounts since that time. This rule package ensures that rules reflect current practice.

Motion was made by Hansell to approve and seconded by Wallace. MOTION CARRIED UNANIMOUSLY.

R-3. Amendments to Chapter 75, Medicaid. Adjusts the federal poverty level increments used to assess premiums for applicants and recipients under the Medicaid for Employed People with Disabilities (MEPD) program with income over 150% of the federal poverty level (FPL).

Motion was made by Hansell to approve and seconded by Kudej. MOTION CARRIED UNANIMOUSLY.

R-4. Amendments to Chapter 75, Medicaid. Increases the statewide average cost of nursing facility services to a private-pay person. Adjust the average charges for nursing facilities and psychiatric medical institutions for children and

updates the maximum Medicaid rate for intermediate care facilities for persons with intellectual disabilities which are used to determine the disposition of the income of a medical assistance income trust (MAIT).

Motion was made by Wallace to approve and seconded by Hansell. MOTION CARRIED UNANIMOUSLY.

R-5. Amendments to Chapter 75, Medicaid. Adjusts the average charge for care in Mental Health Institutes, which are used to determine the disposition of the income of a medical assistance income trust (MAIT).

Motion was made by Hansell to approve and seconded by Kudej. MOTION CARRIED UNANIMOUSLY.

R-6. Amendments to Chapters 77, 78, and 83. Medicaid. Implements Centers for Medicare and Medicaid Services regulations that define the residential and non-residential settings in which it is permissible for states to provide and pay for Medicaid Home- and Community-Based Services (HCBS)

Motion was made by Wallace to approve and seconded by Kudej. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF MINUTES

Motion was made by Wallace to approve the minutes of April 11, 2018 and seconded by Spading. MOTION CARRIED UNANIMOUSLY.

Motion was made by Hansell to approve the minutes of May 9, 2018 and seconded by Kudej. MOTION CARRIED UNANIMOUSLY.

OVERSIGHT OF MANAGED CARE UPDATE

Mike Randol, Director, Iowa Medicaid Enterprise, addressed the Council.

- Randol provided a cost projections and cost savings analysis. Costs of the Medicaid program overall was reviewed, with and without managed care.
- SFY15 was reviewed as the base expenditure period, since it was the last complete year under the previous Medicaid system (fee-for-service). The SFY15 base period expenditures were trended to SFY18 using a 5% annual trend rate. That trend rate is based on actual Medicaid program trends from SFY11 through SFY15. The Iowa Health and Wellness plan expenditures were excluded from that trend calculation.

- In response to a question from Senator Ragan, Randol noted that the FMAP (Federal Medical Assistance Percentage) changes were included, as it is important to look at total Medicaid expenditures prior to managed care and total expenditures after managed care. Randol noted that it is best to have an appropriate comparison and not compare “Fee for Service” to managed care.
- The base expenditures represent December 2017 estimate of total SFY18 Medicaid program spending. The state savings were calculated by multiplying total savings on the average state match rate for the applicable years. Projected savings for SFY18 are estimated at \$140.9 million.
- To achieve a sustainable Medicaid program in the future, the state needs to be able to manage the care and appropriate cost within the program.
- In response to a question from Spading on what were the actual SFY15 expenditures and the 5% trend rate calculation, Randol reported that without the managed care organizations in SFY15, the total spend was \$4.9 billion.
- In response to a question from Senator Ragan, on how the data represents provider claims that are yet to be paid, Randol noted that the Department has been working closely with all providers who bring payment issues to the Department’s attention. The SFY18 projection is from SFY17 data, as the State moves forward in SFY19 and when the Department has actuals from SFY18, whatever amount is paid for those providers would be incorporated into the SFY18 actual amount.
- In response to a comment by Spading, Randol offered to find out what the FMAP was in SFY15. Spading noted that the numbers are complicated, but it’s important to know if the savings are large enough for lowans to feel like they are not getting poorer care as a result. Spading noted that managed care is a huge investment for the State and lowans deserve to have all the information so they can make an informed choice. Randol agreed and noted that the Department has been transparent and that it is important to know what sustainability means. He also noted that the majority of Medicaid expenditures are for the most vulnerable populations in the state - long term care represents almost 50% of the residents paid for by Medicaid.
- In response to questions by Kudej, Randol reported that the rates of the cohorts are based on acuity and population. The MCOs are paid per member per month.
- In response to questions by Senator Ragan regarding how MCO’s are saving the State money, Randol reported that effective care coordination reduces costs.
- The Department is still in discussions with the MCO’s regarding contracts.
- Spading noted that there are exorbitant costs associated with change-overs to new MCOs, i.e. the cost of physicians and hospital staff in terms of time dealing with three different MCOs.

FAMILY FIRST PREVENTION SERVICES ACT

Janee Harvey, Chief, Bureau of Child Welfare and Community Services, presented an analysis of new federal legislation "Family First Prevention Services Act" and its implications for Iowa.

The Family First Prevention Services Act (FFPSA) will restructure how the federal government spends money on child welfare to improve outcomes for children:

- Prevent the need for removal through evidence-based family preservation services
- If removal is necessary, placement in this order: 1) Relative or fictive kin; 2) Licensed Foster Family; 3) Congregate care (for treatment only)
- All possible strategies for keeping children with their families, or in family settings, must be explored.

Harvey reviewed other highlights of the legislation:

- Structure of the FFPSA
- Prevention Activities Under Title IV-E
- Additional Requirements
- Ensuring the Necessity of a Placement that is not in a Foster Family Home
- Definition of and Eligibility for the QRTP (Qualified Residential Treatment Program)
- Continuing Support for Child and Family Services
- Ensuring States Reinvest Savings Resulting from Increase in Adoption Savings

DIRECTOR'S UPDATE

Foxhoven reported on the following:

Child Protection

- although there has been a reduction in field staff over the last 7 years there has been an effort to not reduce child protection workers (but caseloads are increasing).
- DHS is trying to give workers more tools in which to do their jobs (the department is changing their email system and a number of social workers have been issued cell phones)
- Foxhoven continues to meet with social workers on a regular basis

Child Welfare

- today the State has more children placed with a relative than with a non-relative.
- regarding child placement in the native community, DHS created a native unit to recruit more native foster homes - today 68% of native children that are in placement (in Sioux City) are placed with a native family.

Dependent Adult Abuse

- DHS is exploring dedicating staff (in larger urban communities) to focus on dependent adult abuse cases so they can gain some expertise and to perhaps approach the issues differently.
- Historically the department has not been represented by the Attorney General's Office in appeals on dependent adult abuse cases and DHS will try to change that.
- Foxhoven recommends that The Council on Dependent Adult Abuse be reformed to be more effective.

Institutions

- At Eldora, OSHA reviewed the facility due to the injuries reported last month and the department is awaiting their report. The ACA (American Correctional Association) accredited Eldora "with flying colors."
- Legislature approved funding to open another wing (approximately 20 beds) at the Civil Commitment Unit for Sexual Offenders located on the Cherokee MHI campus.

Medicaid

- Medicaid fraud issues have been in the news of late. The department has been addressing some of these issues via a 'collections' contract with the State's Department of Revenue. Also, the State Auditor's staff will assist the department with risk assessments.
- Due to a legislative request, the State Auditor will be reviewing savings projections regarding managed care. The Department welcomes this independent review.

COUNCIL UPDATE

- Anderson reported that in May, he accompanied Foxhoven to a meeting in Waverly that proved to be very constructive. The meeting was with local health care providers and focused on access to mental health care in rural Iowa.
- Hansell reported that she attended the last meeting of the Children's Mental Health Task Force and the final report has been submitted to Director's Foxhoven and Wise (Department of Education). She hopes to see the suggestions implemented.
- Wallace commended Janee Harvey on her presentation to the Council he also noted that with the uncertainty at the federal government and state government levels, the department continues to go forward in the right direction.
- Kudej reported that she attended a meeting of the Older Iowa Legislature (OIL) in which Foxhoven was the featured guest and commended Foxhoven on his presentation.
- Spading reported that the University of Iowa Clinics, at any given night, has approximately 15 people waiting for beds. She also noted there are three gene therapies due to be in use by the end of the year that will be extremely expensive - "something to keep on our radar."

ADJOURN

The Council adjourned at 1:00 p.m.

*Submitted by:
Sandy Knudsen, Recording Secretary*