

COUNCIL ON HUMAN SERVICES

MINUTES

June 14, 2017

COUNCIL

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

EX-OFFICIO LEGISLATIVE MEMBERS

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

STAFF

Chuck Palmer
Sandy Knudsen
Nancy Freudenberg
Sally Titus
Liz Matney

Amy McCoy
Vern Armstrong
Wendy Rickman
Mikki Stier
Merea Bentrott

GUESTS

Tony Leys, Des Moines Register
Rob Borchart, Cedar Rapids Gazette
Jodi Tomlonovic, Family Planning Council of Iowa
Angel Bush-Adams, Legislative Services Agency
Molly Driscoll, Brown Winick
Natalie Koerber, Amerigroup
Sandi Hurtado-Peters, Department of Management
Kris Bell, Senate Democratic Caucus
Sharon Hansen, CFPC

CALL TO ORDER

Mark Anderson, Chair, called the Council meeting to order at 10:00 a.m.

ROLL CALL

All Council members were present with the exception of Hansell. Ex-officio legislative members Fry and Ragan were present, Heddens and Segebart were absent.

Director Palmer reported that the Governor has appointed Jerry R. Foxhoven as the new Director of the Department of Human Services. Palmer retires June 16, 2017. The Governor's Press Release regarding Foxhoven's appointment was distributed. Palmer noted that he is pleased with the selection and will strive to make the transition as smooth as possible. Council thanked Palmer for his years of service and presented him with a certificate of appreciation.

RULES

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

R-1. Amendments to Chapter 75, Medicaid. Updates the maximum Medicaid rate for ICF/IDs which are used to determine the disposition of income of a Medical Assistance Income Trust (MAIT).

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

R-2. Amendments to Chapter 75, Medicaid. Decreases the statewide average cost of nursing facility services to a private-pay person. Updates the average charges for nursing facilities, Psychiatric Medical Institutions for Children, and Mental Health Institutions which are used to determine the disposition of the income of a Medical Assistance Income Trust (MAIT).

A motion was made by Wallace and seconded by Spading to approve. MOTION CARRIED UNANIMOUSLY.

R-3. Amendments to Chapters 77, 78, and 83, Medicaid. Implements changes related to MCO implementation and provides technical clarification. Updates multiple references to comprehensive functional assessment tool under waiver programs. Updates references to service worker assessment under waivers. Adds definitions for integrated health home care coordinator to the CMH waiver.

A motion was made by Heffernan and seconded by Wallace to approve. MOTION CARRIED UNANIMOUSLY.

R-4. Amendments to Chapters 108, 112, 113, 114, 116, 117, 156, and 202. Revises outdated terminology and regulations. Aligns rules with child care regulations and provides needed revisions for contractor requirements for pre-

service training for the recruitment, retention, training and support contracts effective July 1, 2017.

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

Following discussion, Council requested that Wendy Rickman address the Council at their August meeting and provide an overview specifically on child care regulations and draft proposals for Council consideration to share with Legislators.

R-5. Amendments to Chapter 142, Interstate Compact for the Placement of Children. Implements the National Electronic Interstate Compact Enterprise (NEICE) system.

A motion was made by Spading and seconded by Kudej to approve. MOTION CARRIED UNANIMOUSLY.

R-6. Amendments to Chapter 79, Medicaid. Implements cost containment strategy to eliminate Primary Care Physician rate increases. This amendment is being filed double emergency and is associated with the Notice of Intended Action **N-2** found below.

A motion was made by Wallace and seconded by Kudej to approve. MOTION CARRIED with Spading and Kudej opposed.

Council had discussions regarding the cost containment rules and concerns regarding their ramifications and the appearance of cost shifting and not savings.

R-7. Amendments to Chapter 79, Medicaid. Implements the cost containment strategy to adjust the inpatient diagnostic related group (DRG) cost outlier threshold formula to be the greater of two times the statewide average DRG payment for that case, or the hospital's individual DRG payment for that case plus \$75,000. The current formula is the greater of two times the statewide average DRG payment for the case, or the hospital's individual DRG payment for the case plus \$16,000. This amendment is being filed double emergency and is associated with the Notice of Intended Action **N-3** found below.

A motion was made by Heffernan and seconded by Wallace to approve. MOTION CARRIED with Spading and Kudej opposed.

R-8. Amendments to Chapter 79, Medicaid. Re-implements the cost containment strategy to adjust Medicaid reimbursement rates for physician services rendered in facility settings (e.g., hospitals), by applying a "site of service" differential to reflect the difference between the cost of physician services when provided in a health facility setting and the cost of physician

services when provided in a physician's office. Note that the strategy in this amendment was originally legislatively mandated in 2011 as a directed/mandated cost-containment strategy at that time. However, the Legislature "nullified" the original mandate in 2012, based on provider complaints about reduced payments in facility settings. This amendment is being filed double emergency and is associated with the Notice of Intended Action **N-4** found below.

A motion was made by Heffernan and seconded by Wallace to approve. MOTION CARRIED with Spading and Kudej opposed.

R-9. Amendments to Chapter 79, Medicaid. Implements the cost containment strategy to adjust the Iowa Medicaid anesthesia conversion factor to be equal to the calendar year 2017 Medicare anesthesia conversion factor, as adjusted for the state, and converted to a per minute amount. Each January 1, thereafter, the Department shall apply the applicable Medicare anesthesia conversion factor adjusted for the state, and converted to a per-minute amount. This amendment is being filed double emergency and is associated with the Notice of Intended Action **N-5** found below.

A motion was made by Wallace and seconded by Kudej to approve. MOTION CARRIED with Spading and Kudej opposed.

R-10. Amendments to Chapters 79 and 80, Medicaid. Implements the cost containment strategy to ensure that total reimbursement for Medicare Part A and B crossover claims is limited to the Medicaid reimbursement rate. This amendment is being filed double emergency and is associated with the Notice of Intended Action **N-6** found below.

A motion was made by Heffernan and seconded by Wallace to approve. MOTION CARRIED with Spading and Kudej opposed.

A motion was made by Kudej and seconded by Wallace that staff draft a letter for the Council's review to legislative budget chairs indicating their concerns regarding the above 'cost containment rules.'

R-11. Amendments to Chapters 7 and 87, Family Planning. Implements a new state family planning program. Amends appeals rules to remove references to the old state-funded family planning program. This amendment is being filed double emergency and is associated with the Notice of Intended Action **N-7** found below.

A motion was made by Wallace and seconded by Heffernan to approve.

Discussion: Wendy Rickman addressed the Council explaining that providers of family planning services that provide abortions can no longer participate as a FPP (Family Planning Program) provider and that the State will no longer receive

Federal Financial Participation funding. Legislation directed the Department to replicate the federal program using state funding. The Department in consultation with CMS are conducting a transition from the federal waiver, which will end June 30, 2017, with new services beginning July 1, 2017. The fundamental change is that three of the primary entities (Unity Point Health, University of Iowa, and Planned Parenthood) that were providing the services will no longer be engaged.

Council expressed concerns about access to health care and the level of adequate health care provided as well as coverage for non-citizens.

MOTION FAILED with Spading, Kudej, Heffernan, and Anderson opposed.

The following amendments to rules are presented as Notices of Intended Action for review by the Council:

N-1. Amendments to Chapter 83, Medicaid. Allows HCBS waiver members who are inpatient in a hospital or medical institution for 31 to 120 days to resume waiver services upon discharge without having to reapply and going back on the waiver list.

N-2. Amendments to Chapter 79, Medicaid. Implements cost containment strategy to eliminate Primary Care Physician rate increases. This amendment is being filed specifically for public comment on the double emergency rule **R-6** as shown above.

N-3. Amendments to Chapter 79, Medicaid. Implements the cost containment strategy to adjust the inpatient diagnostic related group (DRG) cost outlier threshold formula to be the greater of two times the statewide average DRG payment for that case, or the hospital's individual DRG payment for that case plus \$75,000. The current formula is the greater of two times the statewide average DRG payment for the case, or the hospital's individual DRG payment for the case plus \$16,000. This amendment is being filed specifically for public comment on the double emergency rule **R-7** as shown above.

N-4. Amendments to Chapter 79, Medicaid. Re-implements the cost containment strategy to adjust Medicaid reimbursement rates for physician services rendered in facility settings (e.g., hospitals), by applying a "site of service" differential to reflect the difference between the cost of physician services when provided in a health facility setting and the cost of physician services when provided in a physician's office. Note that the strategy in this amendment was originally legislatively mandated in 2011 as a directed/mandated cost-containment strategy at that time. However, the Legislature "nullified" the original mandate in 2012, based on provider complaints about reduced payments in facility settings. This amendment is being filed specifically for public comment on the double emergency rule **R-8** as shown above.

N-5. Amendments to Chapter 79, Medicaid. Implements the cost containment strategy to adjust the Iowa Medicaid anesthesia conversion factor to be equal to the calendar year 2017 Medicare anesthesia conversion factor, as adjusted for the state, and converted to a per minute amount. Each January 1, thereafter, the Department shall apply the applicable Medicare anesthesia conversion factor adjusted for the state, and converted to a per-minute amount. This amendment is being filed specifically for public comment on the double emergency rule **R-9** as shown above.

N-6. Amendments to Chapters 79 and 80, Medicaid. Implements the cost containment strategy to ensure that total reimbursement for Medicare Part A and B crossover claims is limited to the Medicaid reimbursement rate. This amendment is being filed specifically for public comment on the double emergency rule **R-10** as shown above.

N-7. Amendments to Chapters 7 and 87, Family Planning. Implements a new state family planning program. Amends appeals rules to remove references to the old state-funded family planning program. This amendment is being filed specifically for public comment on the double emergency rule **R-11** as shown above.

A motion was made by Heffernan and seconded by Kudej to approve the noticed rules. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF MINUTES

A motion was made by Wallace and seconded by Spading to approve the minutes of May 10, 2017. MOTION CARRIED UNANIMOUSLY.

UPDATE ON MANAGED CARE

Mikki Stier and Liz Matney, Iowa Medicaid Enterprise, provided the Council with highlights of the Managed Care Organization Report SFY 2017, Quarter 3 (January-March) Performance Data that is slated for release next week.

- Across the quarters, the data appears to be stabilizing allowing for better trending assumptions to be made.
- So far this year over 141,000 adults and 100,000 children have received an initial health assessment.
- Managed Care Organizations (MCOs) appear to all be meeting their benchmarks in the handling of appeals and grievances within the required timeframes, although more scrutiny is required to review whether some double counting may be occurring.
- Improvement is being made by all MCOs in the service plan and level of care reassessments (all are above the 85% threshold)

- MCOs are operating close to or above the benchmarks for claims payment timeliness (Amerigroup is behind on their benchmarks resulting in corrective actions in place for them. Amerigroup has a subcontractor working on this issue)
- All the MCOs are above 98% in either approving or denying prior authorizations within the established timeframes.
- In July DHS will be hosting mid-term review results and will make sure the Council is aware when that is posted for the public.
- An external quality review is required under the federal managed care regulations
- A team has been assembled (MCOs and State staff) to work on standardizing the provider manual.

In response to a question from Spading about her concerns regarding payment timeliness, Stier reported that DHS, the MCOs and providers, like the University of Iowa, have made great strides in addressing those issues. Stier offered to give the Council an update on this issue at a future meeting

Anderson asked Council members to review the report when it is made available and then to forward any comments or questions to Sandy Knudsen who will disseminate to staff to facilitate discussion at the August meeting.

CHILD WELFARE UPDATE

Wendy Rickman and Vern Armstrong shared with the Council:

As a result of two tragic cases occurring recently in Iowa, the Department will be conducting an internal review and will also be bringing in a third party to conduct a review of the child welfare system, as a whole, to assist in identifying areas where improvement can be made.

DHS has contracted with the Child Welfare Policy and Practice Group. Rickman noted that this group has experience in Iowa. The initial contract calls for six visits to Iowa. Once Iowa's current system is reviewed, the contractor will move to a more targeted approach in terms of what should be changed.

Currently the Department is engaged in answering a considerable amount of requests for information stemming from the legislative oversight committee meeting.

Anderson suggested blocking out an hour at the September Council meeting agenda, if possible, to hear what has been learned from the reviews.

COUNCIL UPDATES

Council thanked Director Palmer for his many years of service.

Anderson suggested that staff provide a link to corresponding legislation when posting rules to the DHS Website.

Anderson suggested the Council hold a two-day budget meeting instead of a one-day meeting in September (September 12 and 13, 2017).

APPROVAL OF CHILD ABUSE PREVENTION PROGRAM ADVISORY COMMITTEE CHARTER AGREEMENT - REVIEW OF REPORT FORMAT

Rickman reviewed the charter agreement and report format with the Council.

In response to concerns raised by Heffernan, Rickman noted that she would amend the report format to line up with the charter agreement.

A motion was made by Wallace and seconded by Spading to approve the Charter and report (as amended). MOTION CARRIED UNANIMOUSLY.

LEGISLATIVE UPDATE

Merea Bentrott, provided a legislative update:

- Department staff attended the legislative Oversight Committee meeting and answered questions posed by the legislators regarding child welfare issues.
- Staff will be coordinating several introductory meetings with various members of the legislature and new director, Jerry Foxhoven.

DIRECTOR'S UPDATE

Palmer reflected on his tenure as Director of the Iowa Department of Human Services and noted that DHS has many wonderful and deeply committed employees. Often DHS is not well-understood, much of what DHS does is “under the radar” and not appreciated enough for what they do.

Palmer noted that there is never a good time to retire as there is always unfinished business, but with a change in administration, the time was right to leave. Palmer reported that there are many challenges ahead for DHS and he has appreciated working with the Council, whose leadership he noted has been outstanding.

ADJOURNMENT

Council adjourned the meeting at 1:05 p.m.

*Submitted by Sandy Knudsen,
Recording Secretary*