

**NOTICE OF IOWA DEPARTMENT OF HUMAN SERVICES  
PUBLIC COMMENT PERIOD FOR CHANGES TO MEDICAID WAIVERS**

Notice is hereby given that the Iowa Department of Human Services (DHS) will hold public hearings on the following waivers that will be submitted to the Centers for Medicare and Medicaid Services (CMS) to implement the Iowa High Quality Healthcare Initiative, as part of IA Health Link, the State’s Medicaid Managed Care program. Through this initiative, the State will contract with private health organizations for delivery of high quality health care services for the majority of current populations and services in the Iowa Medicaid program.

- §1915(b) High Quality Healthcare Initiative Waiver (New Waiver)
- §1915(c) HCBS Intellectual Disabilities Waiver (Amendment)
- §1915(c) HCBS Children’s Mental Health Waiver (Amendment)
- §1915(c) HCBS Elderly Waiver (Amendment)
- §1115 Iowa Wellness Plan Demonstration Waiver (Amendment)
- §1115 Family Planning Demonstration Waiver (Amendment)

Hearings offer an opportunity for the public to provide written or verbal comments about the above-mentioned waivers. All comments will be summarized and taken into consideration prior to submission to CMS. Hearings will be held at the following dates, times, and locations:

**July 27, 2015**

Scott Community College  
Room 1501 or 2300  
500 Belmont Rd.  
Bettendorf, IA 52722  
10:30 a.m. – 12:00 p.m.

**August 3, 2015**

Kirkwood Hotel  
Room A  
7725 Kirkwood Blvd  
Cedar Rapids, IA 52404  
2:30 p.m. – 4:00 p.m.

**July 31, 2015**

Wallace Building  
Auditorium  
502 E 9<sup>th</sup> St  
Des Moines, IA 50319  
1:30 p.m. – 3:00 p.m.

**August 5, 2015**

Western Iowa Tech Community College  
Cargill Auditorium, Room D103  
4647 Stone Ave  
Sioux City, IA 51102  
12:00 p.m. – 1:30 p.m.

For those wishing to attend a hearing by telephone, toll free conference call capabilities will be made available for the August 3 and 5 dates. Callers will need to dial 1-866-685-1580, and enter 515-725-1031# when prompted for a conference code.

This notice provides details about the DHS waiver submissions and serves to open the 35-day public comment period. The comment period closes Monday, August 24, 2015.

**PROPOSAL & HISTORY**

DHS has continually sought to improve Medicaid and the Children’s Health Insurance Program (CHIP) and beneficiary choice, accountability, quality of care, and health outcomes. DHS has

also encouraged the provision of community-based services over institutional care where appropriate. The State seeks to build on its experience and improve the coordination of care, which is often available at different points throughout the Medicaid eligibility cycle and patient experience, through implementation of the Iowa High Quality Healthcare Initiative (Initiative). In recent months, this Initiative has also been referred to publicly as the Governor’s “Medicaid Modernization Initiative.”

The Initiative is intended to integrate care and gain efficiencies across the health care delivery system. In turn, the initiative intends to decrease costs through the reduction of unnecessary and duplicative services. Under the Initiative, the majority of Iowa Medicaid beneficiaries will be enrolled in a managed care organization (MCO). MCOs are private health organizations that provide and pay for health care services through an organized network of providers. MCOs use established guidelines to assure member services are appropriate and delivered at the right time, in the right way, and in the right setting. By contracting with MCOs for delivery of high quality health care services, beneficiaries’ care will be better coordinated, resulting in improved access, quality, and health outcomes.

On February 16, 2015, DHS released a preliminary Request for Proposals (RFP) for the Initiative. This release was followed by the development of a dedicated web page, and a series of public meetings. Stakeholders and members of the public were invited to attend meetings held in Cedar Rapids, Des Moines, Davenport, Iowa City, Council Bluffs, Mason City, and Sioux City. In total, close to 1,000 people attended and provided DHS with valuable comments and questions. This public engagement strategy was intended to solicit stakeholder feedback on key program design elements and MCO contract requirements. Several amendments to the RFP have been released incorporating changes based on stakeholder feedback. Additional opportunity to comment on the Initiative is provided through this notice.

## **GOALS & OBJECTIVES**

DHS currently enrolls a portion of the Medicaid and Iowa Wellness Plan populations in managed care arrangements. Depending on a beneficiary’s geographic location and the service provided, these arrangements may include a primary care case manager, a managed care organization (MCO), a prepaid ambulatory health plan, a prepaid inpatient health plan, a separate commercial plan, or a fee-for-service model. The operation of these multiple programs and different care management approaches for each population contributes to a fragmented model of care. Where managed care arrangements are currently employed, services such as behavioral health, medical services and transportation are provided by separate entities, which limits the coordination of care among providers as well as the ability to financially incentivize active management of patients’ health care. In addition, by excluding Medicaid members from managed care when they become eligible for Home and Community-Based Services (HCBS) waivers or long-term facility care, there ceases to be a financial incentive to prevent institutionalization. Similarly, for persons enrolled in the Iowa Medicaid primary care case management option, there is no single entity responsible for overall care management, nor financial incentives to encourage integration or discourage duplication of services.

The Initiative seeks to address the shortcomings of the current model by uniting health care delivery under one system and allowing all Medicaid enrolled family members to receive coverage from the same MCO. Specifically, the Initiative goals include:

1. Creation of a single system of care that delivers efficient, coordinated, health care and promotes accountability in health care coordination;
2. Improvement in the quality of care and health outcomes for members;
3. Integration of care across the health care delivery system;
4. Emphasis of member choice and increased access to care;
5. Increased program efficiencies and budget accountability;
6. Continued rebalancing efforts to provide community-based rather than institutional care, when appropriate;
7. Holding MCOs responsible for outcomes.

To integrate care across the delivery system, the Initiative has been designed to include a comprehensive and integrated service package. Dental benefits, school-based services, and Iowa Veterans Home services will continue to be delivered as they are today, and are not part of the MCO benefit package. Inclusion of all non-dental covered benefits will provide incentives for coordination of care, oversight of care delivery across all available settings, and reduced duplication of services. The inclusion will also promote integration and efficiency, and prevent fragmentation of services. Further, by holding MCOs accountable for all Medicaid covered benefits, there will be incentives for continuing to rebalance the system toward community-based versus institutional care when needs can be safely met in the community. This change will not prevent eligible individuals from having access to the full Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit.

## **ELIGIBILITY**

The majority of Iowa Medicaid members will be eligible for the Initiative, including:

1. Children;
2. Iowa Health and Wellness Plan members (i.e., Iowa Wellness Plan and Iowa Marketplace Choice Plan);
3. Long term care residents; and
4. HCBS Waiver enrollees.

A few populations, however, will be excluded from coverage under the MCOs. Excluded populations are:

1. Medically needy;
2. Medicaid beneficiaries for the period of retroactive eligibility;
3. Persons eligible for the Program of All-Inclusive Care for the Elderly (PACE) who voluntarily elect PACE coverage;
4. Programs where Medicaid already pays premiums (e.g., Health Insurance Premium Payment Program (HIPP), eligible for Medicare Savings Program only); and

5. Undocumented immigrants receiving time-limited coverage of certain emergency medical conditions;

American Indian and Alaskan Native (AI/AN) populations will have the option of enrolling with an MCO.

## **ENROLLMENT & FISCAL PROJECTIONS**

The Initiative is projected to include approximately 600,000 individuals. The Initiative is expected to save \$51.3M in the first six months of State Fiscal Year 2016. Savings are attributed to the improved management of the health care needs of enrollees, and include factors such as prevention of unnecessary hospitalizations, providing preventive care and reducing duplication of services. Projected savings are not based on a reduction in medically necessary services.

## **BENEFITS**

Under the Initiative, MCOs will be responsible for delivering all Medicaid covered benefits, with the exception of dental benefits. MCOs will deliver physical health, behavioral health, and long-term services and supports in a highly coordinated manner. The system is intended to integrate care and improve quality outcomes and efficiencies, while at the same time reducing unnecessary and duplicative services. Excluded populations will continue to receive services through the fee-for-service delivery system outlined in the Medicaid State Plan.

## **FEDERAL AUTHORITIES**

DHS is working with CMS to obtain the necessary federal authority to implement the Initiative. This will require the submission of a variety of waivers as outlined in this section. DHS is seeking a January 1, 2016, effective date for all waivers.

### *§1915(b) High Quality Healthcare Initiative Waiver (New Waiver)*

DHS is submitting for CMS approval a new, five-year, §1915(b) Waiver. This authority will permit the State to establish a statewide managed care delivery system. The State will contract with managed care organizations for delivery of high quality health care services for the majority of current populations and services in the Iowa Medicaid program. Enrollees will have the choice of at least two MCOs.

MCOs will be required to maintain a network sufficient to offer members a choice of providers to the extent possible and appropriate. If a member enrolls with the MCO and is already established with a provider who is not a part of the network, the MCO must make every effort to arrange for the member to continue with the same provider if the member so desires. The MCO must also extend contract offers to all Medicaid providers during initial transition, as designated in the request for proposals. This allows for continuity of care and stability in the provider network through the transition. The State will provide continuous oversight and monitoring of network adequacy through performance indicators. The indicators will focus on specific time and distance measures and the provider number, mix, and geographic distribution, including

general access standards. MCOs must provide the State written notice at least ninety calendar days in advance of their inability to maintain a sufficient network in any county in Iowa.

The State will ensure enrollee continuity of care by requiring that MCOs honor existing authorizations for covered benefits for a minimum of ninety calendar days, without regard to whether such services are being provided by contract or non-contract providers. In addition, MCOs are required to coordinate the exchange of enrollee health care information if an enrollee chooses to switch from one MCO to another. This will be done to ensure that the member's services and care coordination are seamless and without disruption.

MCOs will be required to develop Quality Management/Quality Improvement (QM/QI) programs with ongoing comprehensive quality assessment and performance improvement activities aimed at improving the delivery of health care services to members. As a key component of these QM/QI programs, MCOs will be responsible for developing incentive programs for both providers and members, with the ultimate goal of improving member health outcomes. MCOs will also be required to develop critical incident reporting and management in accordance with State requirements, as well as convene a Stakeholder Advisory Board to engage consumers, their representatives, and providers. Results of MCO QM/QI activities will be used to improve the quality of physical health, behavioral health, and long-term care service delivery with appropriate input from providers and members. Finally, the State will implement a comprehensive quality management and oversight strategy including, but not limited to:

- Monitoring and reporting on MCO finances
- Member and provider helpline performance
- Claims payment
- Prior authorization
- Care plan development
- Grievances and appeals
- Health risk screenings
- Network composition
- Geo-access ratios

#### *§1915(c) HCBS Waivers (Amendments)*

The State currently operates seven HCBS waivers. These programs provide services and supports to Medicaid beneficiaries in their home or community who would otherwise require care in an institution. Targeted groups include children with serious emotional disturbances, elderly persons, individuals with physical or intellectual disabilities, and individuals with HIV/AIDS or brain injuries. Member eligibility requirements vary based on the specific program, and services must be cost effective. Each program is subject to a program-specific, maximum number of enrollees.

To address the enrollment of individuals on HCBS waivers into managed care, DHS will be submitting for CMS approval, amendments to all seven State HCBS waiver programs. However, all of the State's current HCBS waivers, with the exception of the Intellectual Disability, Children's Mental Health, and Elderly Waivers made available pursuant to this notice, are

currently under review by CMS. The four waivers currently under review are unrelated to the Initiative and were submitted for renewal and/or approval of settings transition plans in the fall of 2014. As such, DHS is only publishing amendments to its Intellectual Disability, Children's Mental Health, and Elderly Waivers at this time. These amendments will establish a managed care delivery system for all three waivers under concurrent authority with the §1915(b) High Quality Healthcare Initiative Waiver.

When CMS finalizes its pending review of the State's other four HCBS waivers, DHS will modify them to incorporate the managed care components included in the Intellectual Disability, Children's Mental Health, and Elderly Waivers, and make all four available for public comment. The managed care descriptions, such as MCO roles and responsibilities, included in the published waivers will be the same across all of the State's HCBS waivers.

#### *§1115 Iowa Wellness Plan Demonstration Waiver (Amendment)*

DHS is submitting for CMS approval, an amendment to the §1115 Iowa Wellness Plan Demonstration Waiver that seeks to:

1. Modify eligibility to include those persons at or below 133% FPL that were previously eligible for the §1115 Marketplace Choice Demonstration; and
2. Establish a managed care delivery system for §1115 Iowa Wellness Plan Demonstration Waiver under concurrent authority with the 1915(b) High Quality Healthcare Initiative Waiver.

Regarding modified eligibility, the §1115 Iowa Marketplace Choice Demonstration Waiver covers monthly premium costs for adults age 19 to 64, with incomes from 101-133% of the Federal Poverty Level. Historically, members could elect to receive coverage through one of two qualified health plans—CoOpportunity Health and Coventry Health Care of Iowa. CoOpportunity withdrew from the Demonstration in November 2014. The State was also informed earlier this year that Coventry will not be accepting any new members in 2015 and does not intend to continue providing Marketplace coverage to Medicaid members after Iowa moves to a managed care delivery system. By modifying the §1115 Iowa Wellness Plan Demonstration Waiver eligibility, the State will ensure that this population continues to receive services. The §1115 Iowa Marketplace Choice Demonstration Waiver will not be amended or terminated as a result of this proposed amendment to the §1115 Iowa Wellness Plan Demonstration Waiver. However, individuals eligible for the §1115 Iowa Marketplace Choice Demonstration Waiver will now be able to access services through the §1115 Iowa Wellness Plan Demonstration Waiver.

Regarding delivery system, the §1115 Iowa Wellness Plan Demonstration Waiver currently provides health care coverage through use of primary care provider (PCP) coordination, Accountable Care Organizations (ACOs), and managed care models. Models vary by geographic region and are dependent on ACO and/or managed care delivery system availability. However, the majority of Demonstration participants have access to a PCP that provides referrals and care coordination, and focuses on quality outcomes. The proposed amendment will establish

a managed care delivery system for the §1115 Iowa Wellness Plan Demonstration Waiver under concurrent authority with the §1915(b) High Quality Healthcare Initiative Waiver.

There are no proposed changes to the §1115 Iowa Wellness Plan Demonstration Waiver enrollment, benefits, enrollee rights, cost sharing, evaluation design, sources of nonfederal share of funding, budget neutrality, or other comparable program elements.

#### *§1115 Family Planning Demonstration Waiver (Amendment)*

The §1115 Iowa Family Planning Network Demonstration Waiver is a limited-benefit Medicaid program that provides high-quality and confidential family planning services to both men and women age 12 to 54, with incomes at or below 300% of FPL. Currently, these waiver services are provided through a fee-for-service delivery system. This Waiver will be amended to establish a managed care delivery system for §1115 Family Planning Network Demonstration Waiver under concurrent authority with the 1915(b) High Quality Healthcare Initiative Waiver. There are no proposed changes to the §1115 Iowa Family Planning Network Demonstration enrollment, benefits, enrollee rights, cost sharing, evaluation design, sources of nonfederal share of funding, budget neutrality, or other comparable program elements.

## **IMPLEMENTATION**

Statewide MCO enrollment in the Initiative will be effective January 1, 2016. The State will begin accepting MCO selections from current Medicaid members beginning in fall 2015. Participants and providers will be notified in advance of the transition through letters and general public announcements. Information provided will include relevant changes in service delivery, MCO assignment and contact information, procedures for electing a different MCO, and member rights. To facilitate the MCO selection process, members will receive enrollment notices that include a tentative MCO assignment based on an algorithm designed to:

1. Distribute the population evenly among the MCOs; and
2. Assign all members of a particular family to the same MCO.

As all MCOs are required to extend contract offers to all current Iowa Medicaid enrolled providers, existing provider-member relationships should be available as the program is implemented. The notice will also include information regarding all available MCO options and will provide the opportunity for enrollees to make an alternative selection prior to the tentative assignment becoming effective. The timeline for sending these notices will be staggered based on Medicaid eligibility groups. To allow additional time and assistance for members receiving long-term services and supports, these notices will first be sent to individuals in an institution, individuals enrolled in a §1915(c) waiver, and individuals receiving §1915(i) habilitation services under the Iowa Medicaid State Plan. The Enrollment Broker will take MCO selections and provide choice counseling to assist members in selecting an MCO. Members will be fully enrolled based on their tentative assignment if alternative choice is not made by the required response date listed in the notice. Once fully enrolled, members will have the opportunity to change MCOs in the first ninety days of enrollment without cause.

## **WAIVER & EXPENDITURE AUTHORITIES**

While existing waiver and expenditure authorities will not be modified, the following will be added pursuant to the new §1915(b) High Quality Healthcare Initiative Waiver.

1902(a)(10)(B) Comparability of Services – This section of the Act requires all services for categorically needy individuals to be equal in amount, duration, and scope.

1902(a)(23) Freedom of Choice – This Section of the Act requires Medicaid State plans to permit all individuals eligible for Medicaid to obtain medical assistance from any qualified provider in the State.

## **REVIEW OF DOCUMENTS & SUBMISSION OF COMMENTS**

This notice, waiver documents, and information about the Iowa High Quality Healthcare Initiative are available at: <http://dhs.iowa.gov/ime/about/initiatives/MedicaidModernization>. To reach all stakeholders, non-electronic copies of all of the aforementioned items will be made available for review at a DHS Field Office. A complete listing of DHS Filed Offices is provided as an Attachment to this notice. Written comments may be addressed to Rick Riley, Department of Human Services, Iowa Medicaid Enterprise, 100 Army Post Road, Des Moines, IA 50315. Comments may also be sent via electronic mail to the attention of: DHS, High Quality Healthcare Initiative at [ModernizationWaiverComment@dhs.state.ia.us](mailto:ModernizationWaiverComment@dhs.state.ia.us). All comments must be received by Monday, August 24, 2015. After the comment period has ended, a summary of comments received will be made available at: <http://dhs.iowa.gov/ime/about/initiatives/MedicaidModernization>.

Submitted by:  
Mikki Stier, Medicaid Director  
Iowa Medicaid Enterprise  
Iowa Department of Human Services

**Attachment: DHS Field Office Locations**

<b>County</b>	<b>Building Name</b>	<b>Building Address</b>	<b>City</b>	<b>Zip</b>
Benton	Benton County DHS	114 E 4th Street	Vinton	52349
Black Hawk	Black Hawk County DHS	1407 Independence Ave.	Waterloo	50704
Buchanan	Buchanan County DHS	1415 1st Street West	Independence	50644
Buena Vista	Buena Vista County DHS	311 E. 5th Street	Storm Lake	50588
Butler	Butler County DHS	713 Elm Street	Allison	50602
Carroll	Carroll County DHS	608 N Court Street, Ste. C	Carroll	51401
Cass	Cass County DHS	601 Walnut Street	Atlantic	50022
Cerro Gordo	Cerro Gordo County DHS	Mohawk Square, 22 N Georgia Ave, Ste. 1	Mason City	50401
Clarke	Clarke County DHS	109 S Main	Osceola	50213
Clay	Clay County DHS	1900 North Grand Ave. Ste. E-8	Spencer	51301
Clinton	Clinton County DHS	121 Sixth Ave S.	Clinton	52733
Dallas	Dallas County DHS	210 N 10th Street	Adel	50003
Des Moines	Des Moines County DHS	560 Division Street, Suite 200	Burlington	52601
Dickinson	Dickinson County DHS	Dickinson County Courthouse 1802 Hill Ave, Suite 2401	Spirit Lake	51360
Dubuque	Dubuque County DHS	410 Nesler Center, 799 Main Street	Dubuque	52004
Emmet	Emmet County DHS	220 S 1st Street	Estherville	51334
Fayette	Fayette County DHS	129 A North Vine	West Union	52175
Floyd	Floyd County DHS	1206 S Main Street	Charles City	50616
Hamilton	Hamilton County DHS	2300 Superior Street	Webster City	50595
Harrison	Harrison County DHS	204 E 6th St	Logan	51546
Henry	Henry County DHS	205 W Madison Street	Mt. Pleasant	52641
Jasper	Jasper County DHS	115 N 2nd Ave E. Suite H	Newton	50208
Jefferson	Jefferson County DHS	304 South Maple	Fairfield	52556
Johnson	Johnson County DHS	855 S. Dubuque Street	Iowa City	52240
Lee	Lee County DHS	933 Avenue H	Ft. Madison	52627
Lee	Lee County DHS	307 Bank Street	Keokuk	52632
Linn	Linn County DHS	411 3rd Street SE, Suite 600	Cedar Rapids	52401
Linn	Linn County DHS, Harambee House	404 17th Street Southeast	Cedar Rapids	52403
Mahaska	Mahaska County DHS	410 S 11th Street	Oskaloosa	52577
Marshall	Marshall County DHS	206 W State Street	Marshalltown	50158
Montgomery	Montgomery County DHS	1109 Highland Ave	Red Oak	51566
Muscatine	Muscatine County DHS	3210 Harmony Lane	Muscatine	52653

O'Brien	O'Brien County DHS	160 Second Street Se	Primghar	51245
Polk	Polk County DHS	Polk County River Place, 2309 Euclid Ave	Des Moines	50310
Polk	Polk County DHS- Carpenter Office	1900-1914 Carpenter	Des Moines	50314
Polk	Centralized Service Intake Unit	401 SW 7th St, Suite G	Des Moines	50309
Pottawattamie	Pottawattamie County DHS	417 E Kanesville Blvd.	Council Bluffs	51503
Pottawattamie	Income Maintenance Customer Call Center	300 W Broadway, Suite 110	Council Bluffs	51503
Scott	Scott County DHS	600 W. 4th St. 2nd & 3rd Floors	Davenport	52801
Sioux	Sioux County DHS	215 Central Ave. Se	Orange City	50141
Story	Story County DHS	126 S Kellogg Ave, Suite 101	Ames	50010
Union	Union County DHS (SVC)	304 N Pine St	Creston	50801
Union	Union County DHS	300 N Pine St	Creston	50801
Wapello	Wapello County DHS	120 E Main St	Ottumwa	52501
Warren	Warren County DHS	1005 South Jefferson Way	Indianola	50125
Webster	Webster County DHS	330 1st Ave. N	Fort Dodge	50501
Winneshiek	Winneshiek County DHS	2307 US Highway 52 South	Decorah	52101
Woodbury	Woodbury County DHS	Trosper-Hoyt Co Svc Bld., 822 Douglas St	Sioux City	51101