

# Transforming Iowa's Medicaid Program

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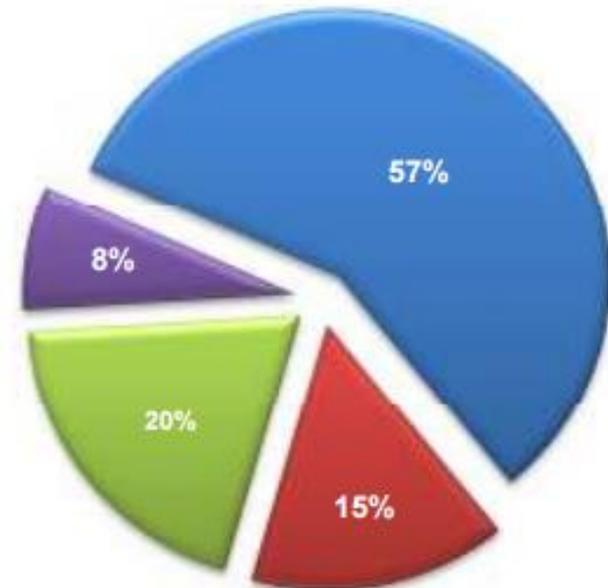


## Current State: Medicaid Today

- Serves nearly 600,000 Iowans annually, or close to 22% of the population
- State's second largest health care payer

**Average Regular Medicaid Enrollment SFY14: 405,704**

■ Child (57%)      ■ Adult (15%)  
■ Disabled (20%)      ■ Elderly (8%)





## Current State: Medicaid Today

- Iowa Medicaid currently provides health care assistance at a cost of approximately \$4.2 billion dollars annually
- A key budgetary challenge is the increasing costs to provide services and decreasing federal funds to do so
- The cost of delivering this program has grown by 73 percent since 2003
- And, Medicaid total expenditures are projected to grow by 21% in the next three years



## Current Iowa Medicaid Model

No single entity responsible for overall management of enrollee's health care

Many enrollees do not receive assistance in accessing or coordinating services

Provider payment not linked to outcomes or customer service

Provider payment is driven by volume of services versus outcomes

There is a lack of financial incentive to prevent duplication of services

Limits budget stability and predictability



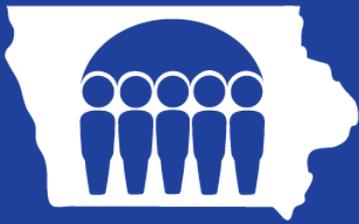
## Challenges with Today's Model

### Current HMO Model

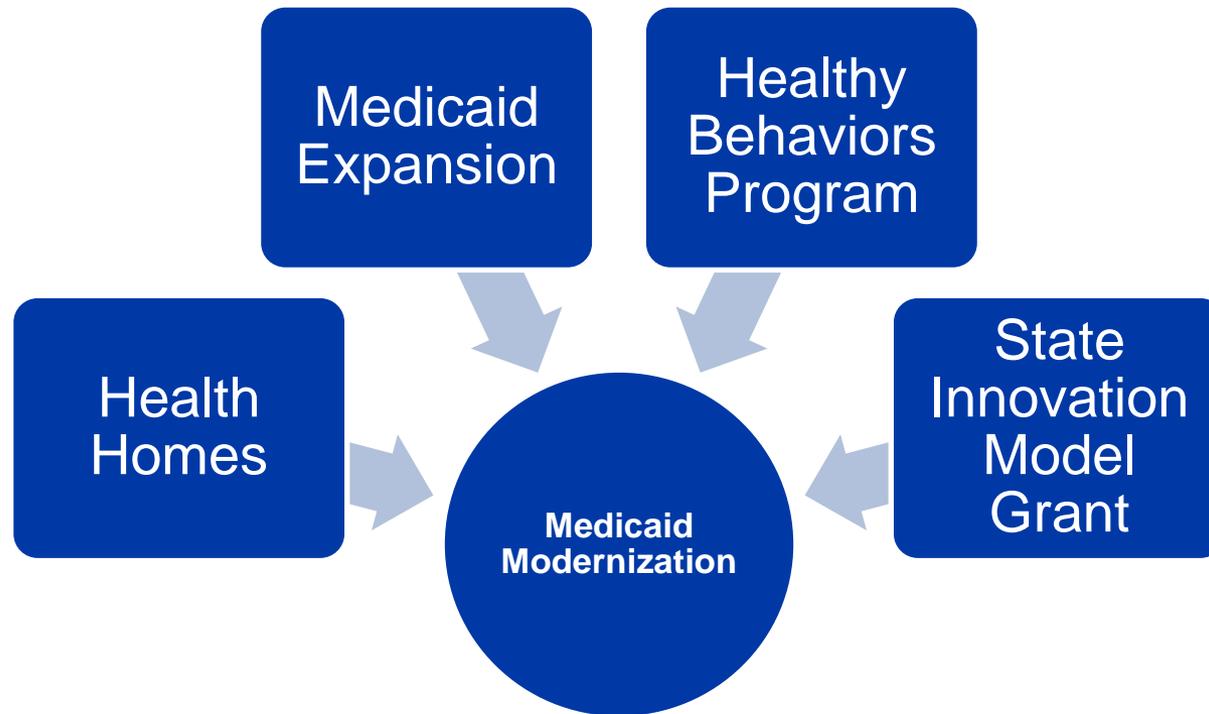
- Excludes services provided by separate entities
  - Lack of care coordination among providers
  - Limits financial incentives to actively manage a patient's health care
- Excludes Medicaid enrollees when they become eligible for HCBS waivers or long-term care
- No financial incentive to prevent institutionalization

### Current MediPASS Model

- Service delivery generally not tied to quality measures or clinical outcomes
- Lacks incentives for integration and care coordination
- No overarching entity responsible for outcomes across the delivery system



## Using Innovation to Address a Changing and Growing Program





## Iowa's Transition to Managed Care

- Medicaid agencies (Iowa Medicaid Enterprise) contract with managed care organizations (MCOs) to provide and pay for health care services
- DHS will contract with **two to four** managed care organizations
  - Required to provide statewide access
- Services set to begin January 1, 2016
- MCOs establish a network of providers and utilization guidelines



## Iowa's Goals

Goal

- Improved quality and access

Goal

- Greater accountability for outcomes

Goal

- More predictable and sustainable Medicaid budget



## Which Members Are Impacted?

### Included

- Majority of Medicaid members
- *hawk-i* members
- Iowa Health and Wellness Plan
- Long Term Care
- HCBS Waivers

### Excluded

- PACE (member can opt in)
- Programs where Medicaid already pays premiums: Health Insurance Premium Payment Program (HIPP), Medicare Savings Program only
- Medically Needy
- American Indians/Alaskan Natives (can opt in)
- Undocumented persons eligible for short-term emergency services only



## Member Benefits In Managed Care

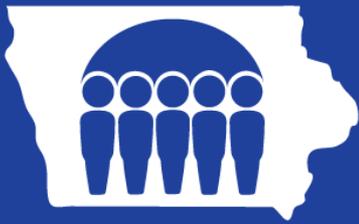
- Design **includes all Medicaid covered medical benefits**
  - No benefit changes, unless due to eligibility or level of care needs
- MCOs will integrate physical health, behavioral health and long term services under one program



## Improved Quality Outcomes

### Member Benefits

- Members receive health screening and services tailored to individual needs
- Individuals with special health care needs will have comprehensive health risk assessment
- Care coordination must be person-centered and address unique needs
- MCOs can provide enhanced services not available through a fee-for-service model



## Coordination with the State Innovation Model (SIM)

The SIM grant is designed to help the state plan, design, test, and evaluate new payment and service delivery

- There are two key features going forward with this initiative:
  - Value Index Score (VIS)
  - Value-based Purchasing



## Value-Base Purchasing Models

- Medicaid, using MCO oversight, will ensure value-based activities align in Iowa
  - Each MCO shall support the SIM grant activities
  - Each MCO shall use a value-based purchasing model for at least 40% of population by 2018
  - Each MCO shall use the Value Index Score (VIS)



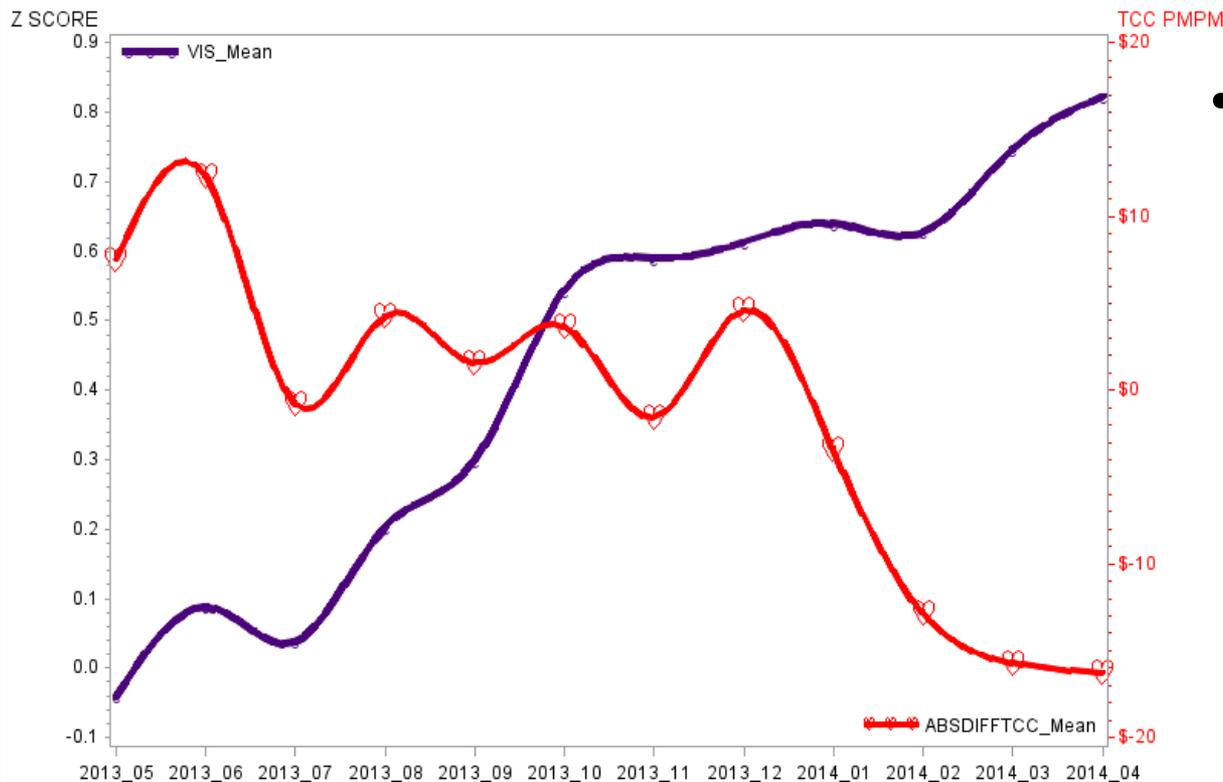
## Quality Measures and VIS

- Medicaid Implemented VIS in 2014 as a bonus program for primary care providers serving Iowa Wellness Plan members
- MCOs will use VIS in their value-based purchasing models
- MCOs will be evaluated on their overall VIS performance



## Iowa Medicaid VIS Results

VIS and Risk Adjusted TCC Performance over Time for  
PCPs who Improved



- PCPs that improved their VIS score over a 12 month period also lowered their total cost of care during that same period

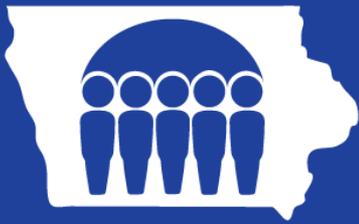
and own PCP visits to all PCP visit ratio was >.49



## Achieve Scale and Track Improvements

- By developing value-based purchasing arrangements like other payers, providers and community partners can focus on changes that impact not only the whole person, but all people they serve





## Medicaid Informational Resources

Medicaid Modernization:

<http://dhs.iowa.gov/ime/about/initiatives/MedicaidModernization>

State Innovation Model:

<http://dhs.iowa.gov/ime/about/state-innovation-models>