

# Iowa Medicaid Enterprise "Endeavors Update"



*A Communications Effort to Strengthen Partnerships*

**Terry E. Branstad, Governor**  
**Kim Reynolds, Lt. Governor**

*Iowa Department of Human Services*  
*Charles M. Palmer, Director*  
*Jennifer Vermeer, Medicaid Director*

## Special points of interest:

- MAAC Needs You
- IME Submits Grant Application
- New Projects Series
- Understanding HCBS Waivers Series
- 1.75 tons of mail per month

## Iowa Medicaid Director's Column

On February 3, U.S. Health and Human Services Secretary Sebelius sent a letter to all fifty Governors to assure them that she has "heard the urgency of (their) state budget concerns". In the letter she discussed Medicaid management strategies that can be implemented as potential cost savings. In Iowa, we are already working on several of her suggestions including medical homes to help improve care and reduce emergency room visits, program integrity to

fight fraud and errors, better management of prescription drugs and better strategies for "dual eligibles", those people who are eligible for both Medicaid and Medicare. See page two of this edition to learn more about a grant application we have just submitted on this topic. The Sebelius letter is informative and underscores the challenge of serving our nation's most vulnerable citizens within tight resources. Today Medicaid covers one out of four children in our

country. In 2010 Medicaid covered nearly 53 million people nationwide. To learn more, you can read the letter at the link below.



<http://www.hhs.gov/news/press/2011pres/01/20110203a.html>

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## Medical Assistance Advisory Council Needs Your Input : Next Meeting April 6th

Iowa Medicaid Director Jennifer Vermeer would like to encourage more participation in the quarterly MAAC meetings. The Council's purpose is to "advise the Director about health and medical care services under the medical assistance program".

The Council provides recommendations on budget, policy and administration of Medicaid. The Council is established by Iowa Code Chapter 249A.4B. The next quarterly meeting is scheduled for Wednesday, April 6<sup>th</sup> in Des Moines. Details

about location will be in the March Newsletter. If you are able to join us, please rsvp to the Director's Administrative Assistant, Stephanie Clark at:

[sclark2@dhs.state.ia.us](mailto:sclark2@dhs.state.ia.us)

Learn more about the MAAC at:

<http://www.ime.state.ia.us/MAAC/#search='MAAC'>

*"When Mike started with the Department, the only way families could get Medicaid was to be on AFDC. He came to central office shortly after the push to create medical only programs began. His prints are on many of the Medicaid programs that serve Iowa's families today and will continue to serve them in the future. He has a lot to be proud about in his career."*

Anita Smith  
Bureau Chief

*"This is part of our larger medical home strategy and is targeted to persons with chronic illness. Current policy does not effectively address the needs of dual eligibles and can result in duplicative care and misaligned incentives. The award of this grant would support Iowa in researching innovative solutions."*

Jennifer Vermeer  
Medicaid Director

## Mike Baldwin Retires After 33 Years with DHS

Mike Baldwin is retiring from DHS after a 33 year career that spanned service as an income maintenance worker, food stamp outreach coordinator, income maintenance supervisor, central office expert on ADC-related Medicaid, "X-PERT" computer project, Medicaid State Plan Coordinator and finally with the **hawk-i** program. Mike has remained a believer in the idea that DHS can make a positive difference in the lives of vulnerable Iowans. He tells a story, from the early 80's, when he was handing food stamps across a counter to an elderly woman in Des Moines. She was eligible for the minimum benefit at that

time, \$10 a month. Mike remembers that she cried because she was so grateful for the assistance. Technology changes have been a major part of Mike's tenure at the Department. Mike has experienced working in an eligibility system BEFORE computers. He recalled that before computers there were home visits for all AFDC applications. Case workers could manage a caseload of about 30 applications per month. Today's figures are 3-4 times that amount largely because of technology. In his current job with **hawk-i** he is most proud of the effort to implement automatic referrals from Medicaid to **hawk-i**

which now results in 500-1000 referrals per month. In his retirement, Mike is going to do volunteer activities, spend time with his family and travel.



## Iowa Submits Grant Application on Integrated Care for Dual Eligibles

The Centers for Medicare and Medicaid Services (CMS) defines dual eligibles as "individuals who are entitled to Medicare Part A and/or Part B and are eligible for some form of Medicaid benefit." Recently CMS announced that it would award 15 contracts for up to \$1 million each to design how to structure, implement, and evaluate a model aimed at improving the quality, coordi-

nation and cost-effectiveness of care for dual eligible individuals. CMS is looking for a person-centered model that integrates the full range of acute, behavioral health and long-term supports and services to ultimately improve patient outcomes and reduce expenditures for dual eligible individuals. A part of this effort includes research to analyze Medicare and

Medicaid linked claims. The Iowa Medicaid program applied for the demonstration grant acknowledging that the dual eligible population represents the most chronically ill and costly segments of both Medicare and Medicaid populations for Iowa. Award announcements are expected by early April 2011. Learn more at the CMS webpage on dual eligibles at the link below.

[http://www.cms.gov/dualeligible/O1\\_overview.asp?](http://www.cms.gov/dualeligible/O1_overview.asp?)

## Medicaid Projections: FY 12 Gap Revised Downward

The Medicaid Forecasting Group met on January 28, 2011 and made only minor adjustments to the Medicaid projection from the previous meeting. The SFY 2011 year-end

surplus remained at \$10 million and the SFY 2012 budget gap was revised downward by \$6 million from \$571 million to \$565 million. Medicaid enrollment continues to

grow, although at a slower rate than previously anticipated. You can view the latest Legislative Service Agency Medicaid report at the link below.

<http://www.legis.iowa.gov/LSAReports/medicaid.aspx>

*“The reduction in the gap for FY 2012 is encouraging news but does not eliminate the need to implement Medicaid management strategies and cost containment options we have laid out for consideration.”*

*Jennifer Vermeer  
Medicaid Director*

## New Federal Poverty Levels Set

The Federal Poverty Level (FPL) Guidelines have been updated and the 2011 figures are now available at the link below. The poverty guide-

lines are very significant to the work of the Department of Human Services and the programs that it administers. The guidelines help to determine

eligibility for certain programs. The 2011 FPL states that a family of four with an annual income of \$22,350 is at the federal poverty level.

<http://aspe.hhs.gov/poverty/11poverty.shtml>

## 2010 CHIPRA Report Released: Iowa Recognized for Efforts

The US Department of Health and Human Services has released their 2010 Annual Report on CHIPRA, the Children's Health Insurance Program Reauthorization Act. The report is entitled, "Connecting Kids to Coverage: Continuing the Progress" and features a story about Iowa's efforts to

adopt presumptive eligibility. The story talks about the joint effort between the Iowa Departments of Public Health, Education and Human Services to train and qualify school nurses to make presumptive eligibility determinations. You can read the full report, which reviews progress achieved in

2010 and highlights efforts "to bring the nation closer to the widely shared goal of ensuring that all children in America have quality, affordable health coverage."

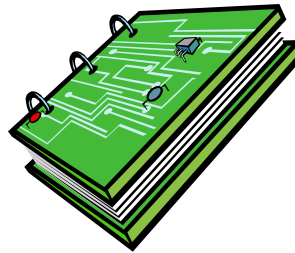
You can view the full report at the link below.

[http://www.insurekidsnow.gov/professionals/reports/chipra/2010\\_annual.pdf](http://www.insurekidsnow.gov/professionals/reports/chipra/2010_annual.pdf)

## Understanding New Projects at the IME

Iowa Medicaid has an unusually large number of new projects in the works in addition to the more highly publicized Affordable Care Act implementation. This series, called Understanding New

Projects at the IME, will provide an overview of six of these complex projects. This month we will explore the National Correct Coding Initiative.



## National Correct Coding Initiative (Fourth in a Series)

According to the Centers for Medicare and Medicaid Services (CMS), the purpose of the National Correct Coding Initiative (NCCI) is to “promote national correct coding methodologies and to control improper coding leading to inappropriate payment.” This initiative is important because in the world of health care claims “accurate coding and reporting of services are critical aspects of proper billing.” Proper billing and prompt payments are the preferred alternatives to billing errors and denial of claims based on errors. The Affordable Care Act required that the Correct Coding Initiative be implemented on October 1, 2010. Iowa Medicaid began planning for this implemen-

tation almost two years ago. According to Dennis Janssen, Clinical Director and NCCI project manager, “Iowa was ahead of the curve nationally on planning, testing and implementation of this important cost savings measure.” On July 1, 2010 Iowa Medicaid launched the project with outpatient practitioner service claims then added facility (hospital) claims in October 2010. An example of coding that would alert Medicaid staff would be if a provider billed more than one service for the same patient on the same day. Another example would be a code for “mutually exclusive edits” for services that could not reasonably be performed at the same time. NCCI

does allow for “modifiers” by practitioners to explain, allow and pay for claims that legitimately need an exception to the codes. At this time, the initiative is over six months old and is working well. Iowa Medicaid contracts with a company called “Bloodhound Technologies” to provide the tools to fight fraud and ensure proper billing and payments. Bloodhound services include claims editing, fraud analytics, audit services, provider transparency tools and program integrity solutions.

*“Correct Coding is a great strategy because it avoids incorrect payments prior to payment being made. When incorrect payments are made, they must be identified, investigated, and recouped (pay and chase), which is very time consuming both for us and for providers.”*

*Jennifer Vermeer  
Medicaid Director*

CMS web link:

<http://www.cms.gov/NationalCorrectCodInitEd/>

Bloodhound Technologies link:

[http://www.bloodhoundinc.com/about\\_us/index.php](http://www.bloodhoundinc.com/about_us/index.php)

## Better Understanding of HCBS Waivers: Intellectual Disability Waiver (Fourth in a Series)

This month's series on "Better Understanding Home and Community-based Waivers" will focus on the Intellectual Disability (ID) Waiver. According to Iowa Medicaid Program Manager Brian Wines, "A core value of this waiver is integration into the community". Wines further noted that "more individual responsibility is a result of the increased independence." The ID Waiver underwent a name change in 2009. It was previously called the Mental Retardation (MR) waiver. Today the ID waiver is the largest waiver in terms of funding (with a total of \$323.9 million in SFY 10 from federal, state and county funds) and number of people served. Unlike the other waiver programs, there is no age limit for individuals. Like the other waivers, the services

provided under the ID waiver are meant to give support to individuals to enable them to stay in their own homes or communities rather than receive care in an institution. In order to be eligible for services an individual must have a diagnosis of Intellectual Disability and meet a certain level of care criteria. Another core value of ID Waiver is that services are individualized to meet the needs of each member. These services can evolve as an individual's needs change throughout their lifetime due to age, skills and other factors. Targeted Case Managers work with individuals to develop and achieve their goals. The current ID Waiver caseload for targeted case managers is capped at 45. The list of services available under this waiver include adult day

care, consumer directed attendant care, day habilitation, home and vehicle modifications, home health aide, interim medical monitoring and treatment, nursing, personal emergency response systems, prevocational or job readiness skills, respite for usual caregivers, supported community living, supported employment, transportation and the Consumer Choices Option. There are monthly limits for services. According to the most recent Monthly HCBS Waiting List Data there were 10,992 children and adults being served under the waiver. There were an estimated 314 individuals (children, state cases and adults) on the waiting list. An effort to change the way the waiting list is managed is currently underway.

*"Work is in progress to change the way the waiting list is implemented. We are working towards a change to one statewide waiting list to assure equal access to all persons for an ID waiver funding slot. Criteria are being developed to establish a priority system to replace the first-come, first-serve system currently in place. We believe the new system will be more responsive to the needs of individuals with intellectual disabilities."*

Brian Wines

Program Manager

You can view the informational packet about the Intellectual Disability Waiver at:

<http://www.ime.state.ia.us/docs/IDPacket.pdf>

You can view the current HCBS Waiting List Data at :

[http://www.ime.state.ia.us/docs/HCBS\\_MonthlySlotandWaitingList.pdf](http://www.ime.state.ia.us/docs/HCBS_MonthlySlotandWaitingList.pdf)

### Did You Know?

The HCBS Waiver Informational Packets are available in Spanish.





### ***Children in the Vanguard: New Project with NASHP***

*"This is a great honor for Iowa and we look forward to the opportunity to share our success stories and learn from others about increasing children's health care coverage."*

*Jennifer Vermeer  
Medicaid Director*

Medicaid Director Jennifer Vermeer and Bureau Chief Anita Smith have been invited to represent Iowa in a new project to create a collaborative learning network to continue progress on children's health care coverage. The National Academy for State Health Policy, NASHP, is a non-partisan, non-profit organization

"dedicated to helping states achieve excellence in health policy and practice". The learning network in this new project is initially limited to ten states based on a number of factors including the potential to contribute and to gain from the collaboration. Vermeer and Smith will participate in collaborative

phone calls and webinars, assessments and strategies for enrollment and retention of children with coverage, a project-funded in person meeting in July and possible other gatherings.

### **IME Employee is Named South Des Moines Chamber "Citizen of the Year"**



Congratulations to Richard Chamberlin who was named by the South Des Moines Chamber "Citizen of the Year" for his volunteer and civic activities.

Richard works for the IME with Noridian Administrative Services. Richard was recognized for his volunteerism with his church, the food bank and Cub

Scouts. He was recognized at the East and South Chamber dinner and awards ceremony on February 5th.

### **Did You Know? Name Change for Remedial Services**

As we informed you in the January Newsletter, Remedial Services is transitioning to the Iowa Plan and will now be called "Behavioral Health Intervention" or BHI. This change is in-

tended to allow for greater integration and coordination of care across clinical behavioral health and behavioral intervention services. Administrative Rules are being noticed

to support the transition. The move will take effect on July 1, 2011. You can still read the full report at the link below.

[http://www.dhs.state.ia.us/docs/Legis\\_RemedialDec2010.pdf](http://www.dhs.state.ia.us/docs/Legis_RemedialDec2010.pdf)

## IME Mailroom Processes 1.75 Tons Each Month

*"This is where it starts and this is where it ends."*

*Krista Schultz  
Operations Team Leader in  
Mailroom*



*"The mailroom is the glue that holds the building together."*

*Cathy Fosselman  
Operations Manager*



A typical day in the Iowa Medicaid mailroom begins with a 7:00 a.m. mail pick up at the post office by the mail courier. The mailroom at Iowa Medicaid is in a secure room where access is limited and dual custody (two people working together) is established in order to maintain security for the checks and the confidential health care information that pass through the doors each day. **1.75 tons of mail** is delivered each month to the mailroom where it is manually opened by the staff and an additional 21,000 envelopes are sliced open by the Agissar machine and prepped for scanning by removing staples, paper clips or any other im-

pediments. The mail is then bundled with a cover sheet and sent to the scanning machines where **6000 pages per hour** are scanned into the system. This scanning process provides a proof of receipt. The mail system includes classification of claims, verification and



quality assurance. There are 204,000 documents or **487,000 pages of materials** scanned each month. Krista Schultz is the mailroom Operations Team Leader for the contractor, Noridian Adminis-

trative Services, who provides services for the mailroom. Schultz says that they are constantly improving systems and processes in order to comply with the 24 hour turnaround requirement between receipt and scanning of mail. They always try to stay ahead of schedule in order to respond to regular holidays or unexpected situations like blizzards. There is also an outgoing mail process and individuals from Mainstream Living in Des Moines staff this part of the process. They are a group of about eight each day (14 in total) that fold and stuff mail and generally add a great deal to the fabric of the workplace.





***Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.***

We're on the web!

<http://www.ime.state.ia.us/>

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[IMENewsletter@dhs.state.ia.us](mailto:IMENewsletter@dhs.state.ia.us)

*The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.*

*The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4.2 billion. The \$4.2 billion funds payments for medical claims to over 38,000 health care providers statewide.*

*Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 656,000 Iowans, or 21% of the population in State Fiscal Year 2012.*



*Ted Boesen, Executive Director of the Iowa Nebraska Primary Care Association presented Medicaid Director Jennifer Vermeer with the "2011 Underserved Champion of the Year Award" at a reception on February 15, 2011.*

*Vermeer thanked Boesen and said that she was honored and humbled by the award.*

#### Reminder

Link to the IME Medical Director's Minute Column at:

<http://www.ime.state.ia.us/Providers/Newsletters.html>

*This update is provided in the spirit of information and education.*

*The Department shall not be liable for any damages that may result from errors or omissions in information distributed in this update.*