Iowa Medicaid Enterprise "Endeavors Update"

A Communications Effort to Strengthen Partnerships

Iowa Department of Human Services

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:

January 2012

- CHIPRA Bonus
- PASRR Update
- IowaCare Update
- Director Palmer on Budget
- Projected Medicaid Data
- Federal Poverty Level
- RFP for Eligibility System

Inside this issue:

Iowa Medicaid Director's Column

Welcome to the January edition of the Iowa Medicaid Newsletter. January always marks the start of the legislative session and that means we are busy talking to policy makers and other stakeholders about the Medicaid program and the financial commitment it takes to provide health care coverage to vulnerable Iowans in fiscal year 2013. Iowa Medicaid is the second largest health care payer in Iowa, following Wellmark. Medicaid expenditures pay for medical services provided by over 38,000 health care providers statewide. I look forward to the opportunity to testify before legislative committees and continue to strengthen the partnerships we have with policy makers and stakeholders. We have included some charts to show you who we expect to serve in fiscal year 2013 and where expenditures are expected to be spent. As always, thank you for reading.

Iowa is Awarded CHIPRA Bonus

In late December, the Centers for Medicare and Medicaid Services (CMS) announced Children's Health Insurance Program (CHIPRA) Performance Bonuses for FY 2011. Iowa received a bonus for the second year in a row and was one of twenty-three states receiving bonuses for FY 2011. The bonuses support the enrollment and retention of eligible children in Medicaid and CHIP. The bonuses benefit states that have taken specific steps to simplify enrollment and renewal procedures and have increased enrollment of children above a baseline level. Iowa was one of five states that now have six of the possible eight program features in place. The Iowa bonus amount was $9,575,525. Please refer to the chart in the link below to see the summary of states receiving bonuses for SFY 2011.

http://www.insurekidsnow.gov/professionals/eligibility/pb-2011-chart.pdf

Update on HIPAA 5010 NCPDP Project Readiness

Iowa Medicaid pays over 20 million claims annually and claims are paid within a week of receipt.

January 1, 2012, marked the transition to HIPAA 5010 and NCPDP D.O Projects. These transitions impact the way that healthcare transactions are standardized. The November Iowa Medicaid Newsletter http://www.ime.state.ia.us/docs/Newsletter_2011-11.pdf provided a description of these very large projects. We are pleased to report that the IME was able to complete the readiness on time. Claims are being accepted, adjudicated and paid. The IME is currently processing claims in parallel (old version and new version) for Pharmacy and Medicaid Management Information System (MMIS). Approximately 85% of the electronic claims coming in are in the new formats. There are still about 28% of providers who submit claims electronically who have not tested and not been approved to submit 5010 claims. Extra support has been provided to assist providers with the transitions.

Iowa Leads on CHIP Dental Coverage (New NASHP Study)

In December the National Academy for State Health Policy (NASHP) released a report on children's oral health care coverage for low-income children. Iowa is one of nine states with Centers for Medicare and Medicaid Services (CMS) approved State Plan Amendments (SPAs) that include changes to their dental programs. The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) required that all states provide a base level of dental coverage in their benefit package to children in the Children's Health Insurance Program (known as ***hawk-i*** in Iowa). While not all states previously included dental coverage in their CHIP benefit package, Iowa's ***hawk-i*** program included dental benefits before the 2009 mandate and subsequently expanded benefits to comply with the mandate to include "medically necessary" orthodontic coverage.

Additionally, CHIPRA provided states with an option to implement a dental only program to provide dental coverage to children who need dental coverage but do not qualify for the state's CHIP program because they have health insurance. Iowa implemented the ***hawk-i*** Dental Only Program in March 2010 and to-date, is the only state to pick up this option.

"Iowa is the only state that offers supplemental coverage and as of September 2011 had over 3,000 children enrolled in the dental-only program."

NASHP Report

Children in both the regular and dental only ***hawk-i*** programs receive dental coverage provided through a contract with Delta Dental of Iowa. There are maximum benefit limits, prior authorizations and sliding scale premium payments up to $15 per month for one child and up to $20 per month per family. The NASHP report states that "oral health remains a serious concern for the health and well being of children, and especially those who are low-income". NASHP further maintains that "states struggle with low utilization of dental services by children enrolled in public programs".

You can read the NASHP report at the link below:

http://www.nashp.org/publication/chip-dental-coverage-examination-state-oral-health-benefit-changes-result-chipra

PASRR Update

Preadmission Screening and Resident Review (PASRR) is a federal regulation that applies to all individuals who apply to Medicaid-certified nursing facilities, regardless of whether they are Medicaid members or private payers. The purpose of PASSR is to evaluate all people entering a nursing facility for evidence of mental illness and or intellectual disability and related conditions in order to ensure that they are placed in the appropriate setting (community or nursing facility) and that they receive the specialized services they need. The underlying policy of PASRR is that people with mental illnesses and intellectual disabilities should not be segregated in nursing facilities if they can be served in the community. Iowa Medicaid contracted with Ascend Management Innovations, a national leader in PASRR, to implement the Iowa PASRR program. Changes were implemented in September 2011 which resulted in increased volume. Currently volume has leveled off, but continues to run about 70 percent higher than it was prior to the September changes. The Iowa Medicaid Enterprise convened a workgroup of hospital and nursing facility provider representatives who meet regularly to discuss and resolve issues with the goal of making the PASRR process efficient for providers and members. The newest development in PASRR implementation is the launch this month of a web-based Level I screening. This should provide for 24/7 availability for providers.

Iowa Care Phase II: Regional Medical Home Model

On January 1 the IowaCare program moved to statewide assignment to medical homes. All IowaCare members, in all counties, now have assignments to a medical home within one of five geographic regions. IowaCare is a limited health care program that covers adults ages 19-64 who would otherwise not be covered by Medicaid. IowaCare covers people with incomes up to 200 percent of the federal poverty level ($29,420 for a 2 person household). The program is a limited benefit program that has been in operation since 2005. The program was initially intended to cover 14,000 adults but grew rapidly to over 32,000 members by 2009. Current year-to-date figures show over 65,000 individuals enrolled in the program. The goals of the regional medical home model are to improve access and quality of medical services in addition to encouraging individuals to stay healthy and seek preventative care through care coordination in the medical home. In addition, IowaCare continues to provide financial stability for safety net hospitals with high amounts of uncompensated care. What does the future hold for the IowaCare program? The IowaCare waiver is set to expire on December 31, 2013. The Affordable Care Act Medicaid Expansion (up to 133% FPL) coverage will be implemented effective January 1, 2014. At that time, nearly all current IowaCare members will transition to the Medicaid expansion (95% of IowaCare members are under 150% FPL). Those above the income level for Medicaid Expansion, in January 2014, will move to subsidized coverage in the Health Benefit Exchange.

Click on the link below to see maps of the December 2011 and January 2012 transitions.

http://www.ime.state.ia.us/docs/IowaCare_MedicalHomeExpansionMaps.pdf

MITA Explained

"Iowa Medicaid has been an early adopter and MITA principles and policies have guided the Medicaid Management Information System (MMIS) and eligibility system procurements."

Medicaid Director Jennifer Vermeer

What is MITA? MITA stands for Medicaid Information Technology Architecture and is an initiative of the Centers for Medicare & Medicaid Services (CMS) to establish national guidelines for technologies and processes that support the administration of state Medicaid Enterprises. CMS defines Medicaid Enterprises as "communities with an interest in seeing that the mission and goals of the Medicaid Program are met." MITA will help ensure that technology decisions align with Medicaid business needs and goals. MITA has the following goals:

- Develop seamless and integrated systems that effectively communicate
- Achieve common Medicaid goals through interoperability and shared standards
- Promote an environment that supports flexibility, adaptability, and rapid response to changes in programs and technology
- Promote an enterprise view that supports enabling technologies aligned with Medicaid business processes and technologies
- Provide data that is timely, accurate, usable, and easily accessible to support analysis and decision making for healthcare management and program administration
- Provide performance measurement for accountability and planning
- Coordinate with public health and other partners to integrate health outcomes within the Medicaid community.

The Iowa Medicaid Enterprise submitted comments to CMS in December on draft documents for MITA version 3.0. This version updates version 2.0 published in 2006 and takes into account the availability of new technologies and new legislative requirements such as the Health Information Technology for Economic and Clinical Health Act (HITECH) and the Affordable Care Act (ACA).

Medical Director's Minute: Caregivers Should Care for Themselves Too

In the January 2012 edition of the Medical Director's Minute Dr. Kessler urges caregivers to take care of themselves in order to be able to continue to care for others. His tips include exercise, friends and faith.

Read the Medical Director's Minute at:

http://www.ime.state.ia.us/docs/MDM_2012-01.pdf

From DHS Director Palmer's Desk: "Budget Off to a Good Start"

"There is a long way to go before the fiscal year 2013 budget is hammered out, but I wanted you to know that Gov. Branstad's recommended budget has gotten the DHS off to a good start. In short, the level of funding he recommends will enable us to meet our obligations to Iowa's most needy and vulnerable citizens.

This is the second year of a two-year budgeting process, and our budget is essentially a status-quo document. It enables us to maintain current caseloads in field operations and child support, and it preserves staffing and capacity in other service delivery areas and at our nine facilities. There will obviously be budget challenges but we are not anticipating the need for layoffs in the coming fiscal year.

Because of enrollment growth in several benefit programs, and because of reduced federal funding, there is a need for additional dollars in order to maintain current services. The governor's budget proposes increases for selected programs to preserve current service level.

I'll be a frequent visitor to the Statehouse again this year and I'll be advocating for you and the services you provide. I'll also be advocating for one of my top priorities – redesign of the mental health and disability services system."

–Iowa Department of Human Services Director Charles Palmer

Director Palmer has posted budget documents from the Public Hearing in December on the DHS Webpage:

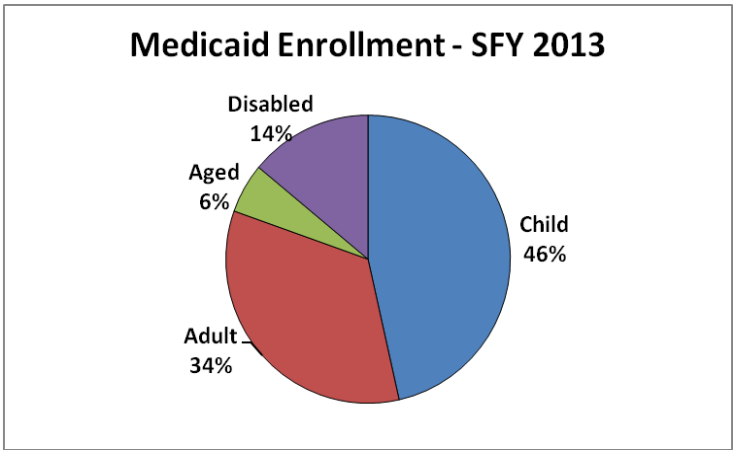
http://www.dhs.state.ia.us/docs/DHS_Budget_Summary_December2011.pdf

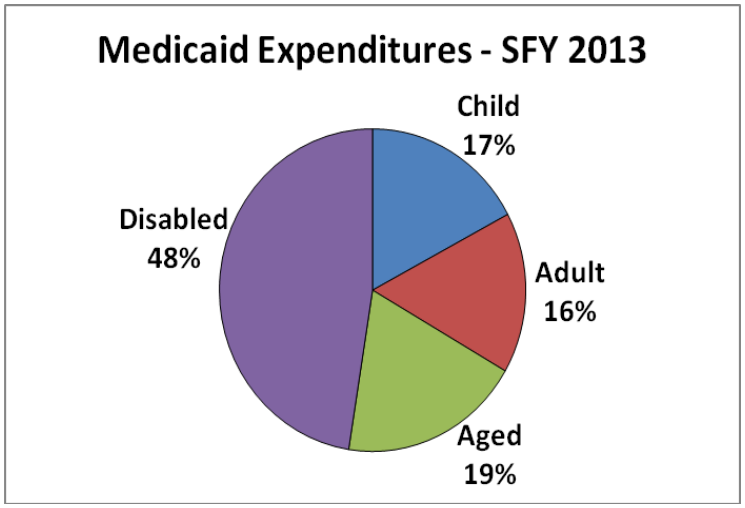
Key Projected Medicaid Data (SFY 2013)

As with the private health care system, Medicaid program expenditures increase each year due to enrollment growth and increasing health care costs. Medicaid expenditures are impacted during recessions or economic downturns when more people become eligible for and access the program.

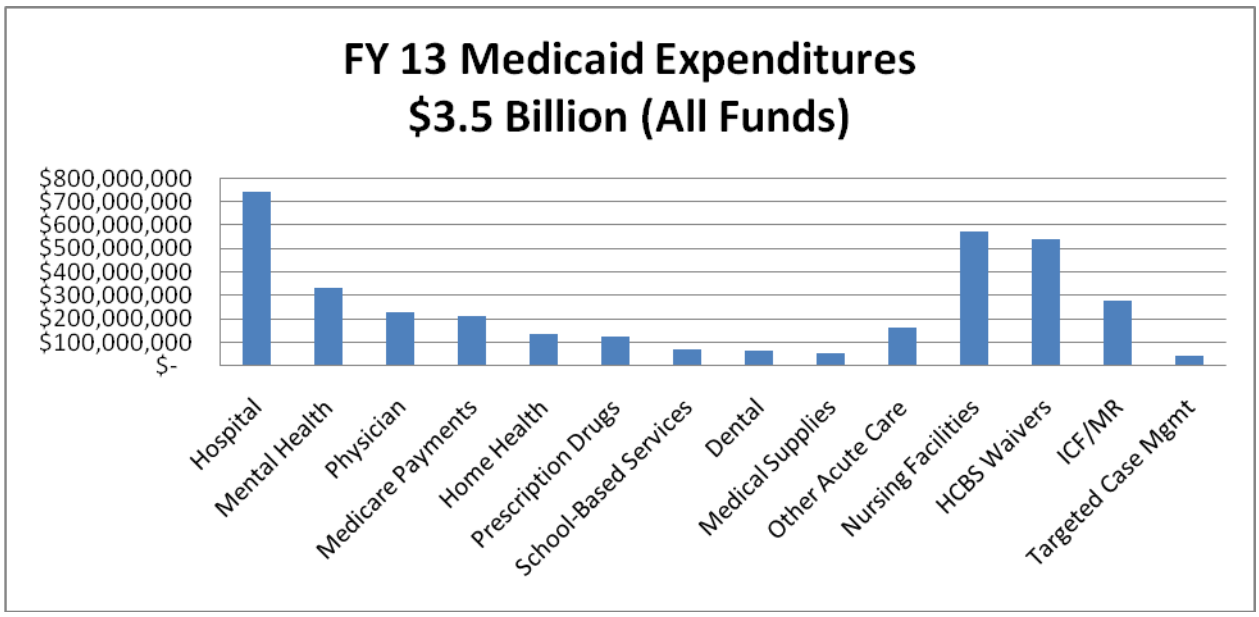
The Medicaid population consists of four general categories and is **projected** to serve the following in state fiscal year 2013:

- 324,581 children
- 236,998 low-income parents and adults
- 97,809 persons with disabilities
- 38,972 elderly persons





Nearly half of the Medicaid budget is dedicated to institutional and community-based services for elderly and disabled populations who need help with activities of daily living.



This table reflects Medicaid provider payments across major service areas projected for state fiscal year 2013.

The Iowa Department of Human Services budget documents are available on the DHS website for your review.

You can link here to read more:

http://www.dhs.state.ia.us/Partners/Reports/BudgetReports/Budgets.html

Regular Feature: Highlight Informational Letters (IL's)

The Iowa Medicaid Enterprise publishes provider bulletins, also known as informational letters, to clarify existing policy details or explain new policy. Bulletins are posted on a website. The IME Newsletter will highlight informational letters released the preceding month. Topics of December informational letters include:

- Revised PACE Enrollment and Ongoing Review/Change Processes (IL# 1084)
- New Targeted Medical Care (Waiver) Claim Form (IL#1083)
- Iowa Medicaid Pharmacy Program Changes and Pharmacy NCPDP D.Ø Implementation (IL# 1082, 1081 & 1080)
- Date Span Billing for Durable Medical Equipment Rental and Medical Supplies (IL# 1079)
- Important 5010 HIPAA Transition Information (IL# 1078)
- Use of the "GD" Modifier (IL# 1077)

View the complete list of Informational Letters by year at:

http://www.ime.state.ia.us/Providers/Bulletins/Bulletins2011.html

Now Available: Annual Report to the Governor from *hawk-i* Board

The ***hawk-i*** program provides health care and dental coverage for uninsured children of working Iowans. No family pays more than $40 per month for their premium. Each year the ***hawk-i*** Board provides an annual report to the Governor and legislature describing key activities and milestones of the program. In the state fiscal year 2011 report, the Board reports that 54,116 children were served by the program. This is up from 44,843 children served in federal fiscal year 2010. In state fiscal year 2011, DHS took a closer look at why children are disenrolled from the program. Some of the reasons include: moving out of state, obtaining other health coverage, aging out, failure to renew, failure to pay the premium or attaining regular Medicaid eligibility. DHS implemented several initiatives focused on reducing the number of disenrollments for failing to pay the monthly premiums. These successful initiatives included;

- Establishing a monthly premium billing process to replace 12 monthly coupons
- Establishing a 30-day grace period for monthly premiums
- Implementing on-line premium payments as an option

Research shows the efforts to support payment of the premiums have been successful. In state fiscal year 2011, the number of children disenrolled for failure to pay premiums was 1,429 fewer than in state fiscal year 2010.

You can find the report on the DHS website under the Report tab:

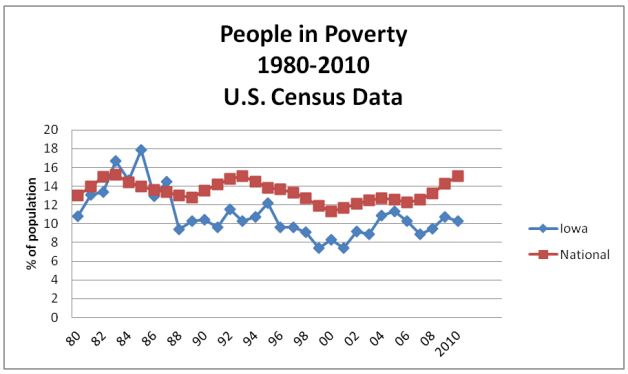
http://www.dhs.state.ia.us/docs/hawki_2011AnnualReport.pdf

Thank You to the Department of Education:

100% of Iowa's public schools participated in an outreach effort to provide ***hawk-i*** information with households that receive free and reduced priced meals through the school. Thank you to the Department of Education for their work to promote ***hawk-i*** outreach. Learn more about other outreach efforts and about Iowans helped by outreach efforts in the annual report (pages 14 & 15).

The Board took time during the meeting on December 19th to thank Shellie Goldman for her years of service to the ***hawk-i*** program. Shellie retired in late December. Here is Board Member Joe Hutter, from Davenport, thanking Shellie and wishing her the best in her retirement.

Federal Poverty Level Explained



Did you know there is a difference between the federal poverty "threshold" and federal poverty "level"? According to the US Department of Health and Human Services (HHS) poverty thresholds are used to calculate official poverty population statistics and are updated by the Census Department every year. Each September the Census Bureau releases updated information. In the summary released on September 13, 2011, the Census Bureau reported since last year median household income declined, the poverty rate increased and the percentage without health insurance coverage was not statistically different from the previous year. The nation's official poverty rate in 2010 was 15.1 percent, up from 14.3 percent in 2009.

Click here for an overview of the most recent report.

http://www.census.gov/newsroom/releases/archives/income_wealth/cb11-157.html

Federal poverty guidelines are the rates established by the US Department of Health and Human Services each year to measure poverty and these levels are used for administrative purposes, in other words to determine eligibility for many public assistance programs. The guidelines are based on income and family size. The forty-eight continental states use the same guidelines while Alaska and Hawaii have higher separate guidelines. Federal poverty levels are published in late January in the Federal Register annually. Historical rates can be found on the Health and Human Services website below. In 2011 the federal poverty level for a family of four was $22,350 annually.

http://aspe.hhs.gov/poverty/figures-fed-reg.shtml

According to recent research by Iowa State University researcher David Peters, the number of children living in poverty is rising faster in Iowa than the nation. His research contends that "one of the big trends is that child poverty is growing faster in Iowa than it is nationally. So even though we have lower rates than nationally, we are catching up to the national average."

You can read the copyrighted research at:
http://www.news.iastate.edu/news/2011/jun/peterschild

Medicaid Infrastructure Grant (MIG) Project Extended

Iowa has been a Medicaid Infrastructure Grant (MIG) State since the first MIG grants were awarded in calendar year 2000. The Medicaid Infrastructure Grant was to sunset on December 31, 2011; however CMS notified the IME that Iowa would be granted a no cost extension to allow MIG funds to continue to be used throughout 2012 for grant activities designed to sustain the employment efforts beyond the grant. In addition, Iowa received a MIG supplemental award of $250,000.

The Ticket to Work and Work Incentives Improvement Act of 1999, Title II, Section 203, directed the U.S. Secretary to the Department of Health and Human Services (DHHS) to establish a grant program to support state efforts to enhance their Medicaid programs to better serve people with disabilities who are employed. The Health Care Financing Administration (HCFA) (now CMS) was the designated DHHS agency with administrative responsibility for this grant program called the Medicaid Infrastructure Grant (MIG). The purpose of (MIG) is to assist states in developing infrastructures/systems needed to support the competitive employment of people with disabilities by facilitating targeted improvements to the states' Medicaid programs.

For the final year of the Medicaid Infrastructure Grant, the IME will continue to contract with the University of Iowa's Center for Disability and Development (CDD) to manage the MIG project and continue the momentum that has been built during the duration of the grant. This year funds will be used to embed employment supportive policies into Iowa's implementation of two key Affordable Care Act provisions: Money Follows the Person and 1915(i).

"Iowa's goal with the Infrastructure Grant is for people with disabilities and advocates working together with state government to enhance opportunities for Iowans with disabilities to work and live in the community of their choice."

LeAnn Moskowitz
Project Director

Department of Human Services Issues Request (RFP) for New Eligibility system

Currently, DHS operates a thirty-year-old legacy eligibility system, referred to as the Iowa Automated Benefit Calculation (IABC) system to administer the following programs: Medicaid, Food Assistance Program, and Family Investment Program (FIP). The ***hawk-i*** Program, is currently administered by a contractor in a separate system on behalf of the State. In late December, DHS issued an RFP for a new eligibility system that will provide a single point of entry for all programs. According to Ann Wiebers, Bureau Chief for Financial, Health and Work Supports, the new system means better service to clients and improved efficiency of field staff. Ann said that "the ability for DHS to make system improvements more quickly will benefit clients by providing continued up-to-date technology and will prove the efficiency and customer service of DHS field staff."

The Centers for Medicare and Medicaid Services (CMS) has identified the following core functions of a new eligibility system; accept applications, conduct verifications of applicant information, determine eligibility for enrollment in a Qualified Health Plan (QHP) and for the Insurance Affordability programs, connect Medicaid and CHIP eligible applicants to Medicaid and CHIP and conduct redeterminations and appeals.

The new eligibility system must have "Interoperability" with the Health Benefit Exchange currently in development. The CMS has identified five core functions of a Health Benefit exchange as follows: consumer assistance, plan management, eligibility, enrollment, and financial management.

You can find the documents at:

http://bidopportunities.iowa.gov/index.php?pgname=viewrfp&rfp_id=6987

"There will be a benefit to the public who are eligible for services because there will be a seamless, real time ability to access services more efficiently and more quickly."

Jennifer Steenblock
Affordable Care Act Project Manager

Iowa Department of Human Services

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/

Comments, Questions or Unsubscribe
Please email:
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 billion. The $4 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 698,000 Iowans, or 23%, of the population in State Fiscal Year 2013.

Iowa Medicaid Upcoming Events:

February 1	Drug Utilization and Review Committee (DUR) http:/www.iadur.org/meetings
Feb 20	***hawk-i*** Board meeting http://www.hawk-i.org/en_US/board.html