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IowaCare

Impact of the ACA and Health System Change on the Iowa Safety Net

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Introduction

This is a report that inventories all the information we have collected on the funding, patients, providers, and services of the IowaCare program. This information was collected as part of a study funded by The Commonwealth Fund to study the implications of the Affordable Care Act (ACA) on safety net health care providers.

The IowaCare program is a limited-benefit, public health insurance program for adults in Iowa up to 200 percent of the federal poverty level (“FPL”). It was authorized by Iowa House File 841 under a Medicaid expansion program and approved on July 1, 2005. This program covers some inpatient and outpatient services, physician, and advanced registered nurse practitioner services, limited dental services, routine yearly physicals, smoking cessation, and limited prescription drug benefits.¹

The program was modified by the Iowa legislature so that on October 1, 2010, an IowaCare Medical Home pilot was started to, in part, prepare for the influx of new Medicaid enrollees in 2014 resulting from the health insurance expansion component of the Patient Protection and Affordable Care Act (“ACA”). At that time, all Iowa residents up to 133 percent of the FPL will be eligible for the Medicaid program.¹ In 2010, the Iowa Legislature passed Senate File 2356 that authorized the expansion of the provider network to include a regional primary care provider network, beginning with an approach to phase-in Federally Qualified Health Centers (FQHCs).

The bill mandated that the selected FQHCs provide primary health care services to the IowaCare population and to comply with certification requirements of a medical home. The first step was the establishment of 3-4 medical home sites consisting of UIHC in Iowa City, Broadlawns in Des Moines, and two FQHCs effective October 1, 2010. Siouxland Community Health Center in Sioux City was chosen to serve IowaCare members in twelve counties and Peoples Community Health Clinic, Inc. (PCHC) in Waterloo was chosen to serve members in fourteen counties.²

On July 1, 2011, three more FQHCs were added as medical home sites to provide services to the IowaCare members being transitioned from PCHC in Waterloo:

- Community Health Center of Fort Dodge (CHCFD) – Began providing services to members in five counties: Cerro Gordo, Floyd, Franklin, Mitchell, and Worth.
- Crescent Community Health Center in Dubuque (CCHC) – Began providing services to members in four counties: Chickasaw, Fayette, Howard, and Winneshiek Counties.
- Primary Health Care Inc. in Marshalltown (PHC) – Began providing services to members in Grundy County.²

While a plan was being developed to address the capacity issues at PCHC in Waterloo, at the same time Broadlawns in Des Moines and UIHC in Iowa City proposed a new Regional Model. The Regional Model, which was ultimately adopted beginning October 1, 2011, divided the state into five geographic areas that would be served by six FQHCs, Broadlawns, and UIHC. The plan expanded Broadlawns’ role to become a medical home site for IowaCare members in Region 5 and a regional primary care hospital for members in Regions 3, 4, and 5. The plan also expanded UIHC’s role to serve as a medical home site and

regional hospital in Regions 1 and 2 and to provide specialty care to IowaCare members statewide. UIHC also opened satellite offices in Belle Plain, Lowden, Riverside, Muscatine, and Wapello to IowaCare members. All Care Health Center in Council Bluffs (ACHC) was added as a medical home site for the southwestern region of the state on November 1, 2011.²

All IowaCare members that had not yet been assigned to a medical home site as of January 1, 2012 were assigned to one of the above sites based on their county of residence. The medical home sites are expected to provide routine care, preventive services, and disease management, while referring members needing specialty or hospital care to UIHC in Iowa City or Broadlawns in Des Moines.²

The IowaCare 1115 waiver will expire on December 31, 2013. As of June 2013, the Iowa Legislature passed the Iowa Health and Wellness Plan that will provide coverage to existing IowaCare members through a combination of an expansion of Medicaid with a slightly different benefit package, based on that of Iowa State Employees, and the purchase of subsidized insurance on the forthcoming Health Insurance Exchanges.²

IowaCare's eligibility includes:

- Persons 19 through 64 years old with a net income equal to, or below, 200 percent of the FPL who are not otherwise eligible for Medicaid;
- Pregnant women (regardless of age) and women with newborn children, if the woman's net income is less than 300 percent of the FPL after medical bill deductions that reduce the family income to 200 percent, or less, of the FPL.¹

Individuals enrolled in another group health insurance are not eligible for IowaCare. However, an individual is not considered to have access if coverage under another group health plan is unaffordable, excludes certain pre-existing medical conditions, or does not cover needed services. Therefore, limited situations exist when an individual may be enrolled in both IowaCare and another group health.

Eligibility in IowaCare extends for a 12-month period. IowaCare members with income equal to, or below, 100 percent of the FPL do not pay a monthly premium. IowaCare members with income less than 150 percent of the FPL pay a monthly premium based on a sliding fee scale, which is calculated based on 3.5 percent of the lowest applicable income level. Monthly premiums for IowaCare members range from \$50 to \$85.¹

Financing

IowaCare Account: All State appropriations needed to fund medical services provided by IowaCare are included in the IowaCare Account appropriations in House File 841. All payments for medical services to providers flow through the IowaCare Account. The administrative costs and appropriations to design and implement future phases of the Act are funded from the Health Care Transformation Account.

State and Federal Match sources: The IowaCare Program is supported from a mix of funding sources including state general funds, Polk County tax revenues, certified public expenditures (CPE) at the University of Iowa, premiums paid by members, other state funds (Health Care Transformation Account), and federal matching funds through the Federal Medical Assistance Percentage (FMAP). The total budget for SFY13 was \$160 million:

- \$8.7 million (5.4%) is state general fund
- \$95.29 million (59.6%) is federal funding
- \$55.79 million (34.9%) is other funding:
 - \$42 million is from Polk County tax revenue and
 - Approximately \$13 million is from the University of Iowa CPE.³

Health Care Transformation Account: The Health Care Transformation Account is funded with the federal share of payments obtained under State Plan Amendments (SPA's) 03-017 and 04-007 and with revenue generated through payment of premiums by expansion population members. The premium information is addressed in more detail in the premium section of these documents. SPA 03-017 provides for supplemental payments for physician services at publicly owned acute care teaching hospitals for the time period of July 1, 2003 through June 30, 2005. SPA 04-007 provides for high cost adjustment payments for state owned hospitals with over 500 beds for the time period of July 1, 2004 through June 30, 2005. The amount of funding anticipated to be leveraged from these SPA's is approximately \$38.5 million.

Provider Network

The network includes²:

- Broadlawns Medical Center (Broadlawns) in Des Moines, Iowa
- The University of Iowa Hospitals and Clinics (UIHC) in Iowa City, Iowa
- Siouxland Community Health Center in Sioux City, Iowa
- Peoples Community Health Clinic in Waterloo, Iowa
- Community Health Center of Fort Dodge (CHCFD) in Fort Dodge, Iowa
- Crescent Community Health Center in Dubuque, Iowa
- All Care Health Center in Council Bluffs, Iowa
- Primary Health Care (PHC) in Marshalltown, Iowa

A map of the counties participating in the medical home demonstration is shown in Figure 1.

IowaCare Provider Network: January 1, 2013

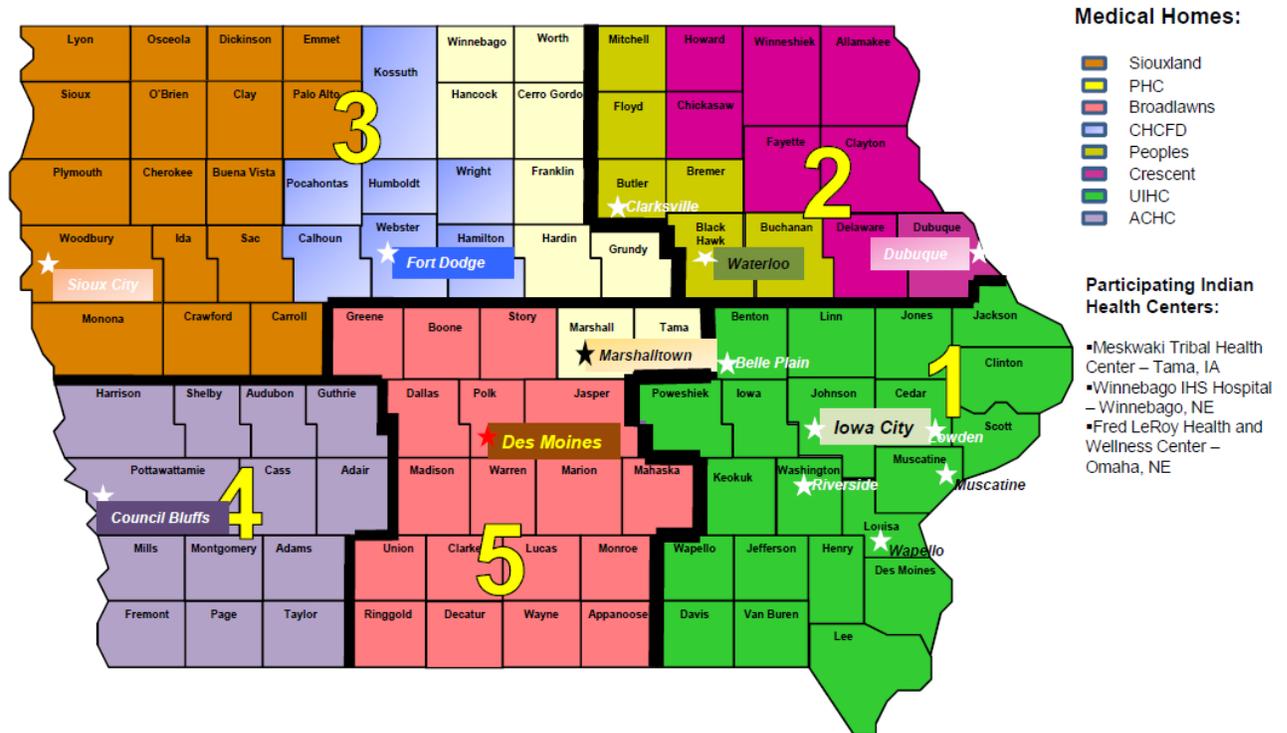


Figure 1. IowaCare Medical Home Designations

Services Covered

IowaCare provides coverage for most inpatient and outpatient services. Some limited coverage is also available for other services such as²:

Preventive visits: A preventive health visit assesses overall health and health behaviors that promote an individual's wellbeing. The primary focus is on the prevention and early detection of disease. Preventive health visits are now covered under IowaCare. An annual physical examination must be provided by the member's assigned medical home. If additional services or follow-up care is indicated as a result of the annual physical, an approved IowaCare provider must perform these services.²

Durable medical equipment: IowaCare provides a very limited Durable Medical Equipment benefit. UIHC provides some additional durable medical equipment to IowaCare enrollees on a case-by-case basis.²

Dental: IowaCare covers only limited dental services, including extractions at IowaCare providers. More comprehensive dental care is available at BMC in Des Moines for residents of Polk County.²

Transportation: IowaCare does not cover transportation services. However, a transportation service was provided by UIHC in Iowa City to help IowaCare members travel from their homes to UIHC and back. This

transportation service was available by appointment only and members called to schedule transportation. IowaCare did not cover lodging and meal costs that resulted from overnight stays at UIHC. UIHC ended this transportation service to IowaCare patients on December 31, 2012.

During the 4th quarter of SFY12, the Department of Transportation (DOT) secured a grant of \$50,000 to assist IowaCare members with transportation for medical care and pharmacy visits. The funds became available for access on April 1, 2012. However, DOT notified the state that funds were expected to run out as early as September 2012; therefore, they would have to terminate the program on October 1, 2012. The program was replaced with a similar system, but the new funding limits coverage to 80 percent of transportation costs per trip, and the number of participating transit agencies decreased from 16 to 8.²

Prescriptions: Although IowaCare does not have a prescription drug benefit, there are some prescription drugs provided by both UIHC and Broadlawns. For example, patients in the UIHC medical home may receive up to a 60-day supply of some generic prescription medicine for a \$4 copayment with multiple refills. And, they provide a 10-day supply of any prescriptions associated with an inpatient or outpatient DRG. Some medication administered in the hospital outpatient clinic is also provided. Broadlawns provides some limited medications through its community care program. There is also a volunteer drug program from which some members can receive prescription medications.

The 2011 Iowa General Assembly passed House File 649 to establish a \$4 million pool for IowaCare members receiving outpatient prescription drugs, podiatry and optometry services at Broadlawns Medical Center (region 5 members only). This pool was approved by CMS for utilization on November 1, 2011. The 2012 Iowa General Assembly reauthorized utilization of this pool for SFY 2013.

IowaCare members are eligible for the same tobacco cessation benefit as Medicaid members where they can access cessation counseling through Quitline Iowa and receive pharmacotherapy prescribed by their primary care provider.

All of the IowaCare providers also work to assist members with their prescription needs by making 340B drug prices available (reduced costs are based on a sliding fee schedule), helping to them enroll in Prescription or Medication Assistance Programs offered by pharmaceutical manufacturers, and connecting them with the various pharmaceutical access programs administered by the Iowa Prescription Drug Corporation Program.²

Emergency Services: In SFY 2010, Senate File 2356 authorized an additional \$2 million in funds to be accessible for non-IowaCare hospitals to pay for emergency services that result in an inpatient stay. These funds were made available beginning October 1, 2010. However, hospitals reported that the administrative requirements presented a barrier to accessing the funds. As a result, the Iowa Medicaid Enterprise (IME) proposed a statutory change to ease these restrictions. The Iowa legislature supported the bill, Administrative Rules were adopted, and these went into effect on September 1, 2011, during the first quarter of SFY 2012. The 2012 Iowa General Assembly reauthorized this pool for SFY 2013.²

Newer Services: The 2011 Iowa General Assembly also passed Senate File 313 that authorized additional expansion items. CMS approved these expansion items for utilization under the IowaCare Safety Net Care Pool (I-SCNP). The following I-SCNP funds were effective November 1, 2011:

- Laboratory & Radiology Services – I-SCNP funds provide up to \$500,000 to help defray the cost of laboratory and radiology services for FQHCs that do not have on-site capability to provide these services to IowaCare members.

Care Coordination Services – I-SCNP funds provide up to \$1.5 million to help defray the cost of non-covered services necessary to provide continuation of care following an inpatient stay at UIHC in Iowa City or BMC in Des Moines. Funding is limited to durable medical equipment, home health care, and rehabilitation and therapy services.²

Population Served

Enrollment in the IowaCare program has grown rapidly, especially in the last five years as shown below in Figure 2²:

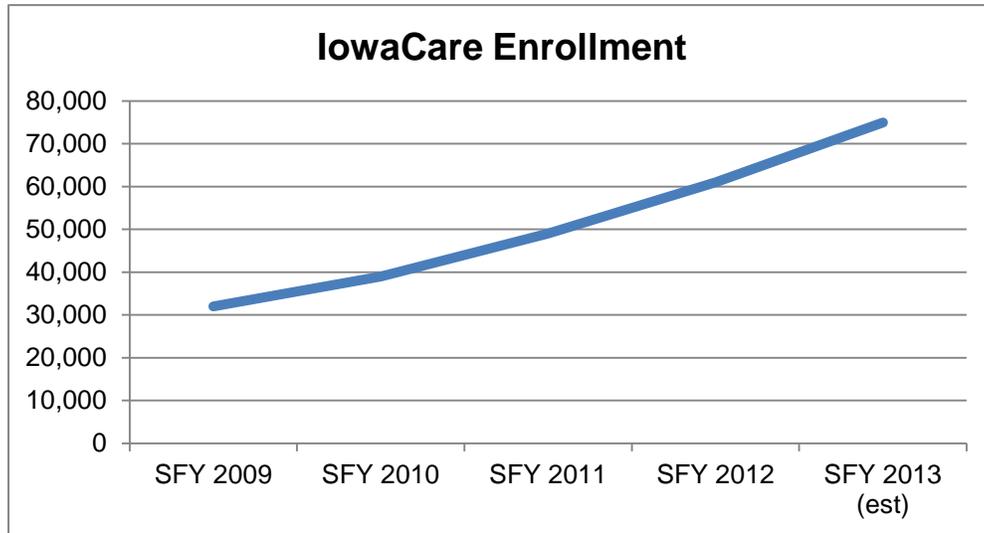


Figure 2. IowaCare enrollment SFY09-SFY13 (Data courtesy of the Iowa Department of Human Services)

Race/ethnicity of the IowaCare enrollees is shown in Figure 3:

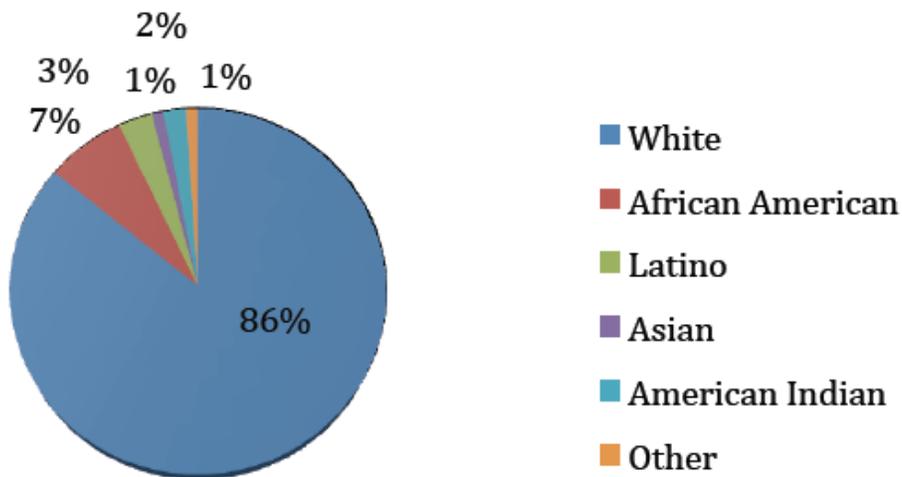


Figure 3. Race/ethnicity of IowaCare enrollees

When compared to the adult Medicaid and general Iowa population, they were more likely to be non-white than the general Iowa population but very similar to the adult Medicaid population. Eighty-six percent of IowaCare enrollees reported their race/ethnicity to be white compared to 89% of the general Iowa population and 82% in the most recent survey of Medicaid enrollees².

IowaCare enrollees were significantly more likely to be male than adults in the Medicaid program (45% vs. 18%)².

Regarding educational attainment, 45% of IowaCare enrollees had some college education, with 1 in 9 being 4-year college graduates or higher. Overall, IowaCare enrollees had similar education levels as the adult Medicaid population, with 48% having attended some college².

References

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