

Medicaid Reform in Iowa

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Iowa Medicaid Expansion

The Iowa Health and Wellness Plan

- Began January 1, 2014
- Covers Iowans age 19-64 with incomes to 138% of the Federal Poverty Level (FPL)
- Two Income-Based Options
 - **Iowa Wellness Plan**
 - Income between 0-100% of FPL
 - Out of pocket costs = \$8 co-pay for non-emergent use of ER
 - Monthly contribution for failure to meet “healthy behaviors”
 - **Marketplace Choice Plan**
 - Income between 101-138% of FPL
 - No out-of-pocket costs

Program Basics

- Why was this approach selected?
 - The plan seeks to strike a balance between providing needed access to health care coverage while adding accountability to both patients and providers.
 - Sets in motion a series of future reforms
- Goals of the program:



Wellness Plan Innovations

- Healthy Behaviors
 - Requires patients to complete a Health Risk Assessment, annual physical and other preventive care.
 - Failure to do so results in a monthly financial contribution from the patient
- Care Coordination Incentive Payments
 - Patients under Wellness Plan assigned to a local Primary Care Provider in charge of coordinating care and is eligible to earn various incentive payments.
 - Examples:
 - % of assigned patients complete Health Risk Assessment (\$4 PMPM incentive)
 - % of assigned patients meet or exceed quality outcome metrics (\$10 PMPY incentive)

Wellness Plan Managed Care

White

- Medicaid Fee-For-Service using existing Medicaid Provider Network (no incentives)

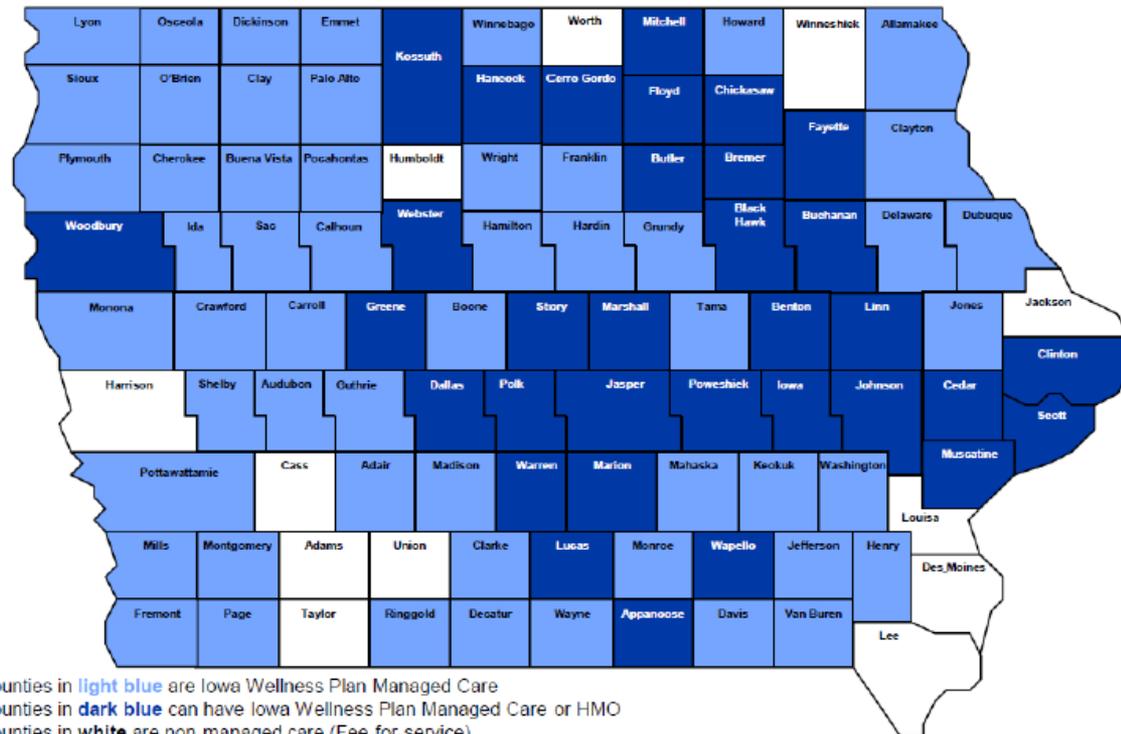
Light Blue

- Managed Care (provider incentives)

Dark Blue

- Managed Care or option of existing managed care plan through Meridian (provider incentives)

Iowa Wellness Plan Managed Care Map:
As of May 2014



- Counties in **light blue** are Iowa Wellness Plan Managed Care
- Counties in **dark blue** can have Iowa Wellness Plan Managed Care or HMO
- Counties in **white** are non-managed care (Fee-for-service)

A Good First Step

- IHWP folds in to ongoing Medicaid reform efforts including a State Innovation Model Grant
 - Seeks to develop regional Accountable Care Organizations (ACO) in the Medicaid program.
- The Wellness Plan incorporates managed care and the physician incentive payment model which will eventually lead to ACOs in Medicaid.
- Model allows for another level of incentive payments paid to ACOs already in existence and available to new ACOs.

Next Steps: Iowa's SIM Proposal

- **Goal:** Reduce the rate of growth in health care costs for the state as a whole to the Consumer Price Index within 3 years. The goals for the ACO organizations will be more aggressive, to reduce costs by 5-8% within 3 years.

bending the curve
bending the curve
bending the curve

Stakeholder Process

Steering Committee

Behavioral
Health/Substance
Abuse Design
Workgroup

Long Term Care
Integration
Design
Workgroup

Member Health
Engagement
Workgroup

Metrics &
Contracting
Workgroup

Iowa's SIM Proposal

Vision: Transform Iowa's health care economy so that it is affordable and accessible for families, employers, and the state, and achieves higher quality and better outcomes for patients.

- **Economically Sustainable:** Implement integrated care models that lower cost and improve outcomes and patient satisfaction.
- **Accountability:** Develop appropriate incentives to move from volume-based to value-based purchasing, and reward achievement of cost, quality, and patient satisfaction outcomes.
- **Aligned Payment and Quality Strategies:** Align payment methods and quality strategies between Iowa's key health care payers to ensure a unified set of outcomes.
- **Patient-focused:** Improve Iowan's health and wellbeing and allow them to take ownership over their health decisions.
- **Workforce:** Assure the adequacy of Iowa's health care workforce.

Innovation Strategies

- Multipayer Alignment

- Iowa's largest insurer, Wellmark, and provider systems have worked together to create an Accountable Care Organization methodology
- Medicaid would adopt that methodology
- Wellmark and Medicaid together cover 70% of Iowans

ACO Operating Model



Innovation Strategies

- Expand on ACO methodology to integrate long-term care and community based services that are high costs for Medicaid
 - LTC is over 50% of Medicaid spending
 - High cost high risk Medicaid patients often
 - have multiple co-occurring conditions
- Engage members in their own health
 - Governor's Healthiest State Initiative
 - Blue Zones
 - Patient incentives for healthy behaviors

5 Year Accountability Timeline

Accountability increases as additional systems are brought into the Total Cost of Care budget

Step 1:
Implement Health and Wellness Plan

Step 2:
Expand ACO model for full Medicaid population

Step 3: Add Behavioral Health Services

Step 4: Add Long Term Care (Institutional and HCBS)

Timing of steps determined by readiness exercise between the State and ACO

10/30/13

13

Next Steps...

- Iowa awaiting CMS' decision on Round 2/Implementation Phase SIM grant funding.

Ongoing IHA/Provider Concerns

- Regional approach and contracting requirements
- Reimbursement/Risk
- Building new provider relationships
- Accountability and alignment with other payers
- Increased transparency and data collection/sharing requirements