

EDITORIALLY SPEAKING

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MEDICAID UPDATE/ROTUNDA REPORT

Iowa Medicaid Enterprise (IME)

Next stage in the DHS implementation of the IME fiscal intermediary conversion is provider education. With over 43,000 Medicaid providers, this is a significant undertaking. The IAHC office has been advised that training sessions will begin in May and continue probably for several months. IAHC members are advised to watch their mail carefully and to make plans to participate in these educational offerings. It is our understanding some will be over the ICN, some will be seminars and some may be available over the internet. As we have stated before, it is not possible to be too “over educated” on this IME conversion. The IAHC office will continue to provide information on the IME project by email upon our receipt of same from DHS.

Medicaid Funding/Home Health Agency Prospective Payment System

Appropriation bill HF825, providing funding for the Department of Human Services, Elder Affairs, Public Health, Veterans Affairs, and Inspection of Appeals has been released. As related to Medicaid funding for home health care, there are 3 very significant provisions which are as follows:

1. The bill provides that beginning July 1, 2005 reimbursement rates for home health agencies shall be increased by 3% over the rates in effect on June 30, 2005. This is really not a rate increase, but merely eliminating the 3% cut that agencies experienced 3 years ago due to the downturn in the economy. The legislation also provides 3% increases for hospitals, nursing homes, and other select providers. The cost of these provider increases is 16.5 million dollars.

2. The legislature directs DHS to establish a “fixed fee reimbursement schedule for home health agencies under the Medical Assistance Program beginning July 1, 2006”. The legislature agreed with IAHC and DHS that there was simply insufficient cost information to comply with last year’s request of a prospective payment system by July 1, 2005. This gives the department an additional year to work with Meyers & Stauffer to develop such a system.

3. The legislature has directed DHS to eliminate all waiting lists for HCBS waiver services. This is apparently in response to the Olmstead’s Supreme Court decision. The cost of this is 6 million dollars.

It is important to note that this legislation is starting in the House which is controlled by the Republicans 51-49 and is based on the premise that the state economy is recovering sufficiently to afford these Medicaid funding increases with no increase in the tobacco tax. The Governor and the Democrats are still of the opinion that it will require an increase in the tobacco tax to pay for this additional funding, but with Republicans controlling the House majority, this bill will probably pass as is. The test will be when it goes to the Senate. The Senate is split 25-25 and requires 26 votes to pass a bill. This will bring the tobacco tax front and center. This should make for interesting political drama.

Regarding the DPH Elderly Wellness appropriation, the legislature maintained level funding at 9.2 million dollars.

Legislation

Following is introduced legislation that IAHC is monitoring:

House Files

HF 12

A bill for an act relating to the reimbursement for services provided under a medical assistance home and community-based services waiver for the elderly. (Human Resources)

HF 22

A bill for an act relating to establishing standardized requirements for long-term care insurance policies. (Commerce)

HF 120 GUARDIANS AND CONSERVATORS (Smith)

Creates the state Office of Substitute Decision Maker within the Department of Elder Affairs with local office by July 1, 2015. Specifies the duties of the office, the decision maker, and local offices. Has other related provisions. (Human Resources)

HF 140 SENIOR LIVING TRUST (Hauser & Swaim)

Strikes the end of the limitation period (June 30, 2005) for the DHS to use the money appropriated for the conversion of nursing facilities to long term care alternatives. Requires that money in the Senior Living Trust fund be used only for the purposes specified in the Code until the fund has more than \$200 million. See SF 29 (Human Resources)

HF 617 ASSISTED LIVING WAIVERS (Human Resources; Successor to HSB 154)

Directs the DHS to request waivers from Medicare-Medicaid to add assisted living services to the Medical Assistance Program for elderly home and community based services waiver. *FM*: Carroll

Senate Files

SF 16 ELDERLY CARE REIMBURSEMENT RATE (Kreiman)

Requires an annual July 1 recalculation of the reimbursement rate for Medicaid providers under home and community-based services waiver for the elderly. (Human Resources); Companion to HF 12

SF 19 LONG TERM CARE INSURANCE (Kreiman)

Directs the Insurance Commissioner to set standards related to terms and benefits for long-term care insurance policies. (Commerce) Companion to HF 22

SF 29 LONG TERM CARE ALTERNATIVES (Krieman)

Strikes the end of the limitation period (June 30, 2005) for the DHS to use the money appropriated for the conversion of nursing facilities to long term care alternatives. Requires that money in the Senior Living Trust fund be used only for the purposes specified in the Code until the fund has more than \$200 million. (Appropriations)

SF 341 LONG TERM LIVING SYSTEM (Human Resources; Successor to SSB1272)

Creates a long-term living system in order to give Iowans a comprehensive guide to cost-effective long-term living options. Requires the DHS, the DEA and DPH to work together to give people access to this information. Requires a report to the Governor and the Legislature by October 2005. *FM: Seymour*