

## **EDITORIALLY SPEAKING**

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### *MEDICAID UPDATE/ROTUNDA REPORT*

During the 2005 Legislative Session, I will use this column to combine the ongoing update on Medicaid as well as legislative activities relative to home health care. The Medical Assistance Crisis Intervention Team (MACIT) report as well as DHS initiatives have been presented to the legislature for their consideration.

#### **Iowa Medicaid Enterprise (IME)**

You should have received information from DHS regarding the start of the conversion from ACS to IME, effective July 1, 2005. The physical move of all the contractors and department personnel to a single location on Army Post Road, Des Moines, should be accomplished this month. It is my understanding all of the ACS computer systems, previously housed in Pittsburgh, PA, have been transferred to the state's system in Des Moines. One of the very next steps will be a phase in of new computer software to transfer from ACS to IME. As previously advised, members should pay very close attention to this transition as it has the potential to be very disruptive, business-wise.

#### **Medicaid Prospective Payment System**

As of this writing, the IAHC office has received no information from DHS regarding conversion of the home health Medicaid payment system from retrospective to prospective. The department is significantly behind their original time schedule but anything is possible. As soon as the IAHC office receives any information regarding this matter, members will be so advised.

## **Medicaid Funding**

It has now been determined that the state Medicaid program will be short \$65 million for the current fiscal year. Governor Vilsak has presented a supplemental appropriations bill to cover the shortfall, which will be made up from tax revenues exceeding state estimates. The legislature understands this, will provide the funding, thereby avoiding any reduced reimbursement for this fiscal year. For fiscal year 2006, beginning July 1, 2005, DHS estimates they will need an additional \$185 million just to maintain the program. By maintaining, they mean the 3% reimbursement cut imposed 3 years ago will be extended for a fourth year. Based on current revenue estimates and previously agreed to salary increases for state employees, the state does not have the money to fund the \$185 million. Thus the task the legislature will be to either cut the Medicaid program or find additional revenue.

To address this, the legislature has established a bi-partisan group of senators and representatives just to address Medicaid. In my years of watching the legislature, this is a first. They will look at Medicaid, not just from a funding perspective, but from a services perspective to determine if current spending is the most appropriate. While they will have no legislative authority, the make up of the committee is key players in the Medicaid program. It is anticipated the legislature will look to this group to give them guidance on Medicaid funding and services in the next fiscal year and beyond.

## **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)

**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)