

EDITORIALLY SPEAKING

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MEDICAID UPDATE

Iowa Medicaid Enterprise (IME)

The IME June 30/July 1, 2005 implementation date has arrived, but not without some glitches. Regarding home health care, the most significant, of which members were advised by email on June 27, 2005 from this office, is that the ACS computer is not talking to the Noridian computer relative to transmitting Medicare cost report information for Medicaid. The IAHC office was advised of this issue in late May/early June and DHS/IME has tried diligently to correct the problem. Members are advised to make the corrections noted in the previously referred to email or as an alternative, submit paper claims. As information becomes available regarding this issue, members will be so advised. It is entirely possible that additional issues will arise during IME implementation so members are advised to monitor emails from the IAHC office regarding IME.

Legislature

The Iowa Legislature adjourned May 20, 2005, some 14 days longer than intended. The governor has 30 days from adjournment to act on all passed bills. A major piece of legislation we were watching was HF 825, the DHS Appropriations Bill. I am pleased to report the Governor signed the bill and left the 3 key provisions in related to home health care, i.e. the removal of the 3% provider cut which has been in existence for 3 years; eliminating the waiting list for all HCBS waiver services; and authorized the establishment of a Prospective Payment System for home health agencies under the Medicaid program to become effective July 1, 2006. As relates to the removal of the 3% cut, IAHC has been advised that DHS will use the Medicare cost reports on file as of June 30, 2005.

Another piece of enacted Legislation that may have a delayed impact is HF 841, the Iowa Care Act, that reformats the Iowa Medicaid long-term care delivery system by maintaining the current medical eligibility criteria for the 6 HCBS waivers but changes the nursing home Medicaid medical eligibility criteria to 3 of 5 activities of daily living (ADLs) or the person needing a secure environment or if the person has established independency requiring residents in an institution. Once HF 841 was passed, it had to be submitted to CMS for their approval. The IAHC office has been advised that approval was received; therefore, this admission trigger differential became effective July 1, 2005. It is doubtful this will be effective immediately as this will require significant DHS rule changes as well as getting the word out/training the IFMC case managers that will handle 5 of the waivers and all of the 13 AAA that will handle the Elderly Waiver.

In a related development, discussions are underway of transferring the Elderly Waiver system from the AAAs to IFMC effective no later than July 1, 2006. This is consistent with IAHC's position that was communicated to DHS in November, 2004. This transfer is not to suggest the AAAs have not provided a valuable service in implementing the Elderly Waiver in Iowa. In fact, the case could be made that without the service of the AAAs in the '90s same would not have been accomplished as quickly. However, the delivery system has changed in terms of availability of services and complexities of care and it is IAHC's position that IFMC today is better equipped to handle the Elderly Waiver than are the AAAs.

With this change, in medical admission triggers to nursing homes and the HCBS waivers, the issue arises of consistent ADL determination on the part of case managers/reviewers to ensure that all clients are treated as universally the same as possible in determining their ADL impairment. At its June 7, 2005 meeting, the IAHC Board of Directors voted to recommend to DHS that they implement the state of Maine's Universal Assessment System which was distributed at the IAHC

Spring District Meetings. Feedback from the members who have reviewed these documents has been very positive. Maine has an 11-year track record of utilizing this system. This would replace the OASIS waiver system.

As relates to the home health agency Prospective Payment System to be developed and implemented on July 1, 2006, the IAHC Board of Directors has recommended that DHS utilize the state of Indiana's Medicaid home health agency cost reporting system that was also distributed at the IAHC Spring District Meetings.

In 1991, Medicaid paid home health agencies \$9.6 million to care for 7,260 recipients. That same year, Medicaid paid home health agencies \$949.12 to care for 3 recipients under the Elderly Waiver program. In 2005, it is estimated that home health agencies will receive \$85 million for taking care of approximately 23,000 recipients and payment for the 6 HCBS waiver services will total \$250 million with services delivered to 20,100 clients. Considering that: 1) Medicaid medical eligibility determination for the waivers has changed and 2) the Medicaid payment system for home health care will change effective July 1, 2006, the next few months should be a very eventful time for home health care in Iowa. Bottom line, home health care is now the future of long-term care in Iowa.