

# IPA Capitol Report #1

January 20, 2018

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## Some general information about this first two weeks:

- Friday was the last day for individual bill draft requests (although committee chairs can still request bills).
- The first deadline is four weeks away - bills need to be out of their committee of origin by Feb. 16. (or they are permanently inactive for the year, unless they involve money or taxes).
- Lots of bills are coming out no managed care, Medicaid, and integrated health homes, and more are in the works. Watch the bill tracker for daily additions (<http://www.ialobby.com/billtracker/IPA/>)
- The bill that eliminates the Department of Public Health (HF 2017) isn't going to go anywhere. We're registered opposed.
- Three groups are seeking licensure this year - genetic counselors ([SSB 3005](#)), behavior analysts ([SF 192](#)), clinical art therapists ([SF 2023](#)). Last year's "eliminate all state licensure" bills are dead; that issue is put to rest.
- Licensed mental health counselors could enter into professional corporations with psychologists and others under new legislation ([SSB 3043](#)).
- Something will be done with opioids, psychiatric bed tracking, and complex needs this year - they are emerging as bipartisan legislative talking points, and were addressed by the Governor.
- A bill has been introduced to require all providers to publicly list the prices charged for their 25 most common services, with hospitals reporting their 75 most common services ([HF 2026](#)).

## Governor's policy priorities:

- Water Quality – Governor Reynolds said a water quality bill is the first bill that she wants to sign as Governor.
- Broadband – Provide more broadband access to rural Iowa.
- Tax Reform – She said she'll pursue personal income tax reform for the middle class and remove federal deductibility (along with corresponding rate cuts so taxpayers don't see an increase in their taxes). The Governor also plans to establish a tax force to review corporate tax credits and income taxes with a goal of proposing changes next year.
- Medicaid Managed Care – The Governor still supports the move to Medicaid managed care and believes the new directors of the Department of Human Services and Medicaid can fix some of the mistakes that were made during implementation. But she acknowledge mistakes had been made, and vowed "we will make this right."
- Mental Health – She supports (and recommends funding) the Des Moines University and the National Alliance on Mental Illness (NAMI) program to train physicians to better identify and treat mental illness. She also recognized the need to strengthen resources for more mental health treatment services, and emphasized the need for regional "access centers" as recommended by the Complex Needs Work Group.
- Opioid Abuse Prevention – The Governor supports efforts to strengthen initiatives to prevent opioid abuse, including increasing the broader use of the Prescription Monitoring Program by providers.
- Education – The Governor proposed expanding 529 plans to apply to K-12 private education. She also promotes the Future Ready Iowa Initiative, which better links high-school kids to career opportunities in the skilled-trades.

## Governor's budget recommendations:

- Governor proposed \$30 million in deappropriations from this fiscal year, including:
  - \$10 million from Medicaid (no details - DHS has only said it is due to lower projections on need).
  - \$463,000 million from Public Health (including \$181,487 from substance use prevention and \$235,414 from local departments of public health).
  - No impact to community capacity programs, where our Psychologist Post-Doc Internship Program resides.
- Governor is proposing some increases in a mainly status-quo FY 2019 budget:
  - \$55 million increase for Medicaid (but this is \$10 million below the projected need).
  - \$2 million to begin accepting applications for the Medical Residency Grant Program (suspended last year).
  - \$250,000 for the DMU/NAMI for psychiatric training of graduating students in first year (second year will be all DMU students, and third year will begin to offer CEUs).
  - 1% across the board cuts to community based corrections could impact drug courts.
  - \$350,000 new infrastructure (non-general fund) funding for the Medicaid Cannabidiol Registry (which was not funded last year when the expanded cannabidiol bill passed).
- Legislative leaders are coming up with their own plan which may include more cuts (they don't want to have more than one round of deappropriations).
- No Medicaid cost containments are noted in the budget documents, but I am guessing there will be several discussed. The DHS Council recommended several ([you can read them here](#)).

- You can see the Governor’s budget explanations from the nonpartisan LSA at: <https://www.legis.iowa.gov/docs/publications/SCGR/917104.pdf>.

### Post-Doc Medicaid Reimbursement:

- Dr. Paul Ascheman, IPA’s state policy chair, and I met with the new Medicaid director last week to discuss the ongoing department dialogue on post-doc reimbursement.
- Mike Randol, the new Medicaid director, promised to look into it, but didn’t think it should be a problem.
- We will continue to follow-up on this, but at this time, we do not think legislation is needed.
- Should legislation be needed, we have options later in session, but at this point it appears to be more administrative than legislative.
- *When you talk to your legislators about this, I would suggest saying that we are working with DHS to address, we might need legislation later in session, but we need to address these types of administrative barriers to accessing mental health services.*

### Complex Needs Work Group Report Recommendations:

- Recommendations to expand and improve Iowa’s mental health and substance use disorder services array to fill gaps for individuals with the most complex service needs. The full report is available here: [www.legis.iowa.gov/docs/publications/DF/865801.pdf](http://www.legis.iowa.gov/docs/publications/DF/865801.pdf).
- Legislators will be drafting bills that implement these recommendations, but acknowledge it’ll be expensive and they won’t be able to tackle it all at once. That’s why the Governor recommended Access Centers as the starting point. Changes that will be requested include:
  - Require mental health and disability services (MHDS) regions to establish, implement, and maintain the following services as *required core services* in partnership with managed care organizations (MCOs) in strategic locations throughout Iowa: access centers, Assertive Community Treatment, comprehensive crisis and subacute services, and intensive residential service homes.
  - Direct DHS to establish a single set of provider qualifications and access standards that are used for mental health service provider accreditation (chapter 24), Medicaid enrollment, MHDS region standards, and MCO utilization review standards.
  - Direct DHS to establish access standards that allow and encourage multiple MH/DS regions to strategically locate and share intensive, specialized services among and between MHDS regions to best serve Iowans in the most efficient manner possible.
  - Eliminate the Iowa Code provision that limits the number of subacute care facility beds.
  - Encourage the 2018 Legislative Interim Committee on MHDS funding fiscal viability should consider this report in its deliberations.
  - Work with the courts to amend Iowa Code chapters 125 and 229 to make the best use of these changes and include pre-commitment screening.
- The Governor plans to use this as a blueprint for her MH/DS/SUD plans - starting with the access centers. Watch for legislation on this.

### Opioid Interim Committee Recommendations:

- According to Iowa’s Office of Drug Control Policy, three out of every four habitual heroin users initiate their heroin addiction by abusing prescription opioid medication. A two-day committee held meetings, listed to testimony this summer and developed a set of recommendations to view as a launching point to address the opioid epidemic. The final report can be found at: [www.legis.iowa.gov/docs/publications/IP/864914.pdf](http://www.legis.iowa.gov/docs/publications/IP/864914.pdf). Recommendations include improvements to the Prescription Monitoring Program (PMP), expanded training for medication assisted treatment (MAT), reimbursement for medications, treatment, and non-pharmacological pain management, and Good Samaritan/Overdose Immunity laws.
- Several bills have been introduced so far on this, but the House and Senate Judiciary Committee leaders are working together to develop a package that can be adopted this year. It’s clear this may be one of those rare bipartisan efforts that everyone will agree on (I probably just jinxed it). Look for legislation on real-time updates to the PMP, incentives for MAT training, and perhaps an insurance mandate or two.

### Integrated Health Homes:

- This has been one of the most frustrating issues to try to address and its next to impossible to tell you all the ups and downs (and complete reversals) that have occurred.
- United MCO announced it would pull all low-intensity SPMI individuals from their current IHH assignments, leaving IHHs only with the most expensive and difficult members.

- United planned to serve these “low intensity” people through ACO arrangements, because they believe the IHH and ACO are duplicative.
- United told people retroactively this change was being made - then later had to agree to a “pause” until Feb. 1.
- That pause is now further paused, as they have said they will no longer most of those individuals, but nothing has been issued in writing.
- This change has caused a HUGE amount of legislative outrage, particularly among the Senate (both Republicans and Democrats).
- A team of lobbyists representing clients with IHHs (including yours truly) are working together on legislation that would pull IHH services out of managed care, and have DHS administer the program.
- More on this in coming weeks, but you’ll see some of the interaction in the discussion below.

#### **Jerry Foxhoven presented to the Senate HR Committee. Relevant highlights:**

- “Managed care is the future.”
- Payment issues are getting resolved; new billings are going through okay now, but they need to resolve old appeals, which is their next priority.
- DHS is trying to minimize damage done with United/IHH decision (will keep the ones doing well, work with those that aren’t, and if they have no other alternative, will take them over). “We heard about IHHs from a provider, not from the MCO.”
- Reviewing appeals processes now (there are two types in review - internal MCO, and state Medicaid appeals).
- Sen. Chelgren (R) said “contracts with providers need to be fair” and that the MCO failure to do well in provider contracting “is making the department look bad.”
- Sen. Garrett (R) asked how much it would cost for the state to manage Medicaid again (i.e. end the MCO contracts). Foxhoven didn’t know but will get back to the committee. “But we do not have the infrastructure to do that.”
- Foxhoven said that the new Medicaid director (Mike Randol) will be bringing all provider groups together with MCOs to identify problems and get to work fixing them, perhaps through work groups.
- “We have fewer appeals now than we did under fee for service.” Foxhoven could not provide detail when asked to provide data on that.
- Sen. Bolckom (D) said it felt like the department had abdicated responsibility for Medicaid, “It feels like the department is on the sidelines.”
- Sen. David Johnson (I) expressed concern with the administration calling the shots without legislative oversight, “This is no way to run a government.”
- Sen. Mathis (D) said she was not optimistic that changes will make a difference, “It keeps going around in a circle. We keep dealing with the same issues....Are we making their lives more livable because of this?”
- Sen. Craig Johnson (R) said he hears three things repeatedly from parents, members, providers: 1) expectations were never defined; 2) funding is late; and 3) path to appeal is difficult. “My big concern is that we will lose providers.”
- You can see the testimony at: <https://www.youtube.com/watch?v=umtR3kMP6KM&t=198s>.

#### **IPA Bill Tracker - [www.ialobby.com/billtracker/IPA](http://www.ialobby.com/billtracker/IPA):**

- All bills on the “Active” list were either introduced in 2018, or are hold-overs from 2017 that are moving.
- All bills on the “Inactive” list are hold-overs from 2017, but have not moved. We will move things from inactive to active if they start to move.
- You can download the active and inactive lists separately into an Excel file and use for your own offices, board meetings, fun evening reading, etc.
- Updates are 1-2x day by our administrative staff Tori Squires, so the status will always be current.
- Note on registration - “undecided” actually means we’re monitoring a bill and may have an interest in it; “tracking” means we are watching it but not registered on it.