

Section 1115 Demonstration Amendment

**Iowa Family Planning Network
Project #11-W-00188/7**

**State of Iowa
Department of Human Services**

July 17, 2015

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Section I – Introduction

The Iowa Family Planning Network Demonstration (Project #11-W-00188/7), most recently extended by the Centers for Medicaid and Medicare Services on December 20, 2013, authorizes the State to provide a limited Medicaid benefit package of family planning services to populations not covered under the Iowa Medicaid State Plan. Services are free and confidential, and available to Iowa residents between the ages of 12 and 54, with family incomes at or below 300% of the Federal Poverty Level. Eligible participants must be U.S. citizens or qualified immigrants, and not otherwise enrolled in Medicaid. Family planning services are also available to women who are losing Medicaid pregnancy coverage at the conclusion of the sixty-day postpartum period. Iowa Medicaid currently administers the Demonstration through a fee-for-service delivery system.

The State has sought §1915(b) waiver authority to implement the High Quality Healthcare Initiative (“Initiative”) to ensure high quality, efficient, and coordinated care to Iowa’s Medicaid population. Under the Initiative, the State will contract for delivery of health care services for the majority of Iowa Medicaid beneficiaries. The proposed amendment seeks to include the family planning services for the Iowa Family Planning Network Demonstration within a managed care delivery system under concurrent §1915(b) authority. There are no other proposed changes to enrollment, benefits, enrollee rights, cost sharing, evaluation design, sources of nonfederal share of funding, budget neutrality, or other comparable program elements. The requested effective date of this amendment is January 1, 2016, and is conditioned upon approval of the State’s §1915(b) waiver to implement the Initiative, beginning January 1, 2016.

Section II – Public Process

Pursuant to the Iowa Family Planning Network Demonstration (11-W-00188/7) special terms and conditions (STCs), the following provides an explanation of the public process used by the State to reach a decision regarding the requested amendment.

Per STC 13, regarding public notice, tribal consultation, and consultation with interested parties, the State must comply with the State Notice Procedures set forth in 59 Fed. Reg. 49249 (September 27, 1994), the tribal consultation requirements set out at section 1902(a)(73) of the Act as added by section 5006(e) of the American Recovery and Reinvestment Act (P.L. 111-5), and the tribal consultation requirements as outlined in the State's approved state plan, when any program changes to the demonstration are proposed. In states with federally recognized Indian tribes, Indian health programs, and/or Urban Indian organizations, the state is required to submit evidence to CMS regarding the solicitation of advice from these entities prior to submission of any demonstration proposal, amendment, and/or renewal of this demonstration. The state must also comply with the Public Notice Procedures set forth in 42 CFR §447.205 for changes in statewide methods and standards for setting payment rates.

A. Public Notice

On February 16, 2015, DHS released a preliminary Request for Proposals (RFP) for the Initiative. This release was followed by the development of a dedicated web page, and a series of public meetings to discuss the Initiative. Stakeholders and members of the public were invited to attend meetings held in Cedar Rapids, Des Moines, Davenport, Iowa City, Council Bluffs, Mason City, and Sioux City. In total, close to 1,000 people attended and provided DHS with valuable comments and questions. This public engagement strategy was intended to solicit stakeholder feedback on key program design elements and managed care organization (MCO) contract requirements. Subsequent amended versions of the RFP were released on March 26, 2015, and April 22, 2015 which incorporated feedback received through this stakeholder engagement strategy.

With respect to the proposed amendment, the Iowa Medicaid Enterprise (IME) published a notice of the public comment period for changes to various Medicaid waivers related to the Initiative, including the Iowa Family Planning Network Demonstration, on July 17, 2015. The notice was published in a statewide newspaper, and included details of the amendment, as well as the physical and email addresses where interested parties could submit written comments. The period will run from July 17, 2015 to August 21, 2015. Further, the IME sent emails to stakeholder groups to inform them of the amendment and the public comment period. The public notice, waiver documents, and information about the Initiative are were made available at online at: <http://dhs.iowa.gov/ime/about/initiatives/MedicaidModernization>. To reach all stakeholders, non-electronic copies of all of the aforementioned items were also made available for review at DHS Field Offices.

B. Tribal Consultation

The IME also consulted with Iowa's federally recognized Indian tribes, Indian health programs, and urban Indian health organizations prior to submission of this amendment. Consultation was conducted in accordance with the process outlined in the State's approved Medicaid State Plan, and consisted of an electronic notice directed to Indian Health Service/Tribal/Urban Indian Health (I/T/U) Tribal Leaders and Tribal Medical Directors identified by the Iowa Indian Health Services Liaison. Per the Iowa Medicaid State Plan, this notice was provided at least thirty-five prior to submission (July 14, 2015) to CMS and included a copy of the proposed amendment, along with a description of how and where to submit comments or questions.

Section III – Data Analysis

Pursuant to the Iowa Family Planning Network Demonstration (11-W-00188/7) special terms and conditions (STCs), the following provides a data analysis identifying the specific impact of the proposed amendment on the current budget neutrality expenditure limit.

Pursuant to this amendment, effective January 1, 2016, current Demonstration enrollees will receive services through a managed care delivery system under concurrent §1915(b) authority. The current Demonstration budget neutrality limit assures that expenditures do not exceed the level of expenditures that would have occurred had there been no Demonstration. Inclusion of Demonstration enrollees in managed care does not impact the level of expenditures that would have occurred absent the Demonstration; therefore, this amendment does not change the current budget neutrality limit.

		CY 2014	CY 2015	CY 2016
	Trend	DY 9	DY 10	DY 11
Demonstration Enrollees	5.1%	\$35.91	\$37.75	\$39.67

Section IV – Description of Amendment

Pursuant to the Iowa Family Planning Network Demonstration (11-W-00188/7) special terms and conditions (STCs), the following provides a detailed description of the amendment, including impact on beneficiaries, with sufficient supporting documentation.

The Iowa Family Planning Network Demonstration provides a limited Medicaid benefit package of family planning services, currently through a fee-for-service delivery system, to populations not covered under the Iowa Medicaid State Plan. The State seeks to amend the Demonstration to establish a managed care delivery system for waiver enrollees under concurrent §1915(b) authority.

A. Delivery System

The State has recently submitted a §1915(b) waiver to establish a statewide managed care delivery system for the majority of Iowa Medicaid and waiver beneficiaries, including Demonstration participants. By requiring mandatory enrollment in managed care, the State will be positioned to improve care coordination among providers and incentivize active management of members' healthcare as a whole. Under the new delivery system, MCOs will be responsible for delivering all Demonstration covered benefits in a highly coordinated manner. The system is intended to integrate care and improve quality outcomes and efficiencies, while at the same time reducing unnecessary and duplicative services. Enrollment will be mandatory, with the exception of certain populations described in the §1915(b) waiver, and Alaskan Natives and American Indians who will be enrolled voluntarily. Excepted populations will continue to receive services through the fee-for-service delivery system.

B. Readiness Review

Prior to implementing the new delivery system, the State will assess plan readiness in accordance with the requirements of 42 CFR §438. Readiness reviews will include, but not be limited to, documentation and confirmation of adequate network capacity, access to care outside of the network, access to care for enrollees with special health care needs, and cultural considerations. The State will notify CMS of its intent to conduct a readiness review in advance.

C. Enrollment

Statewide MCO enrollment in the Initiative will be effective January 1, 2016. The State will begin notifying patients and providers in fall 2015, at which time the Enrollment Broker will begin taking MCO selections and providing choice counseling to assist enrollees. To facilitate the MCO selection process, enrollees will receive enrollment notices that include a tentative MCO assignment based on an algorithm designed to: (1) distribute the population evenly among the MCOs; and (2) assign all members of a particular family to the same MCO. As all MCOs are required to extend contract offers to all current Iowa Medicaid enrolled providers, existing provider-beneficiary relationships should be available as the program is implemented. The notice will also include information regarding all available MCO options and will provide the opportunity for enrollees to make an alternative selection prior to the tentative assignment

becoming effective. Enrollees will be fully enrolled based on their tentative assignment in the absence of an alternative choice made by the required response date listed in the notice. Once fully enrolled, members will have the opportunity to change MCOs in the first 90 days of enrollment without cause.

D. Network Adequacy

In accordance with federal requirements, the State assures enrollee's will have the freedom of choice of DHS enrolled family planning providers and MCOs will be prohibited from requiring the use of in-network family planning providers. MCOs are also contractually required to maintain a network sufficient to offer members a choice of providers to the extent possible and appropriate. Again, while use of an in-network provider is not mandatory, various provisions are in place to assure adequate availability of in-network providers. For example, if a member enrolls with the MCO and is already established with a provider who is not a part of the network, the MCO must make every effort to arrange for the member to continue with the same provider if the member so desires. In addition, for the first six months of an MCO's contract with the State, the MCO must extend contract offers to all currently enrolled Iowa Medicaid providers in good standing, at minimum, at current Medicaid fee-for-service rates. The State will provide continuous oversight and monitoring of network adequacy through performance indicators that focus on specific time and distance measures and the provider number, mix, and geographic distribution, including general access standards. MCOs must provide the State written notice at least ninety calendar days in advance of their inability to maintain a sufficient network in any county.

E. Continuity of Care

In accordance with federal requirements, MCOs will be prohibited from implementing prior authorization requirements for family planning services. The State will ensure continuity of care for transitioning Demonstration participants. Participants and providers will be notified in advance of the transition through letters and general public announcements. Information provided will include relevant changes in service delivery, MCO assignment and contact information, procedures for electing a different MCO, and member rights.

F. Quality Oversight

MCOs will also be required to develop critical incident reporting and management in accordance with State requirements, as well as convene a Stakeholder Advisory Board to engage consumers, their representatives, and providers. The State will ensure compliance with all managed care regulations set forth in 42 CFR §438, unless otherwise waived, and that capitation rates are developed and certified as actuarially sound, pursuant to 42 CFR §438.6. Finally, the State will implement a comprehensive quality management and oversight strategy including, but not limited to, monitoring and reporting on finances, member and provider helpline performance, claims payment, prior authorization, care plan development, hearings and appeals, health risk screenings, network composition, and geo-access ratios.

Section VI – Evaluation Design

Pursuant to the Iowa Family Planning Network Demonstration (11-W-00188/7) special terms and conditions (STCs), the following provides a description of how the evaluation design must be modified to incorporate the amendment provisions.

The current evaluation design, with its emphasis on global questions and hypotheses, is appropriate irrespective of delivery system. However, the State will continue to work closely with its evaluation vendor to assess the extent to which the delivery system changes might impact the evaluation design, and determine whether and how the evaluation design should be modified.