

Iowa HFMA Summer Meeting

July 16, 2021

Susan Horras, V.P., Finance Policy Kimberly Murphy, V.P., Gov't Relations

Iowa Hospital Association:

Perspective on the 2021 Legislative Session



COVID-19 Pandemic Restricted Legislative Access Vaccines Visitation Fiscal Relief



Legislative Priorities 2021

Telehealth: Payment parity for providers regardless of patient location.

Emergency Medical Services: Counties can declare EMS an essential service without a special election and end the 5-year sunset.

Fiscal Relief: Policies that assist hospitals in sustaining access to care.

Tort Reform: Place a hard cap on noneconomic damages in medical malpractice liability cases.

Behavioral Health: Identify and appropriate sustainable funding for behavioral health services for adults and children.

Workforce: Support and expand programs that assist to recruit and retain health care professionals.

Hospital Trustee Elections: Restore the filing deadline for hospital trustees to not less than 69 days prior to the general election.



Telehealth Payment Parity

- Position: Providers should be reimbursed for services provided by telehealth at the same rate as services provided in person.
- Legislative Environment
 - House several bills introduced
 - HF 294 telehealth for behavioral health passed 95-1
 - Included in House HHS budget
 - Included in bed tracking bill
 - Included in tax bill
 - Senate refusal to advance parity bills
 - Wellmark Reimbursement and metrics proposal



Telehealth Payment Parity

Senate File 619 – Governor's Compromise Tax Bill

- Passed by the Senate on May 17, 2021
- Agreed to by House
- Signed by Governor

Significant Achievement – many said could not be done

Thank you, Advocates!



2021 Position - EMS

- Position: Allow counties to declare EMS an essential service without a special election and end the 5-year sunset on such declaration.
- HF562 Passed House unanimously Avoids petition process; still requires public vote; ends the 5-year sunset.
- Senate refusal to take up the bill



EMS

- Amendment to Standings Bill (SF615)
- No petition process.
- Must be approved by the voters.
- Establishes a district advisory council to help implement and assess EMS service operations.
- Sunsets in 15 years for all but the 11 most populous counties.
- For the 11 most populous counties sunset is for 10 years.
- Gives Iowa hospitals and medical-care ambulance or nontransport service to provide certification for EMS care providers.



2021 Legislation

House File 562

- Senate File 615 Standings Bill
 - Similar to HF 562 with some changes
 - Negotiated compromise last day of session!
 - EMS provision will take effect upon being signed by Gov. Reynolds



Process for EMS Districts

- City council or the trustees of the district approve the preliminary plat
- Election within 60 days
- Vote can be held during a:
 - Regular city election
 - Special election
 - General election



Process for Counties

- Resolution needs to be considered an approved at 2 meetings of the county board of supervisors followed by a final meeting to make official approval
- Election held
- Vote can be held during a:
 - Regular city election
 - Special election
 - General election



Tax Levies - EMS Districts

• \$1 per \$1000 of assessed value on all taxable property within the district.

Additional vote to levy additional taxes if initial tax is insufficient



Tax Levies - Counties

- Can levy through a:
 - Local option income surtax,
 - Ad valorem property tax not more than \$.75 per \$1000 on taxable property, or
 - A combination of the two



Discontinuation of Levy

EMS District

- Discontinuation through a petition and election
- Petition needs 25% of eligible voters
- Would take effect beginning the fiscal year after the election



Discontinuation of Levy

County

- Discontinuation through a petition and election
- Petition needs 25% of votes cast in the last preceding general election for President of the United States or governor OR 5,000 – whichever is less
- Would take effect beginning the fiscal year after the election



Declaration Sunset

County

- For a county that is not one of the 11 most populous counties in the state, any taxes imposed will be in place for a maximum of 15 years.
- For a county that is one of the 11 most populous counties in the state, any taxes imposed will be in place for a maximum of 10 years.



District Advisory Council

Following the adoption of a resolution, the EMS district or county is required to coordinate efforts with local EMS agencies to establish a district advisory council.

Council is responsible for:

- Researching and assessing service needs
- Guiding implementation of services
- Developing annual report



Differences from Current Process

- No lengthy petition process to initiate the resolution
- Ability for EMS districts to levy additional funds if needed
- Definition on amount of property taxes levied by counties
- Ability for voters to discontinue tax levy through a petition and vote
- Changes in sunset
- Establishment of an EMS advisory council



Training Expansion

Originally, only lowa colleges approved by the higher learning commission could provide emergency medical care services training and certification.

Adds Iowa hospitals approved by IDPH and medical care ambulance services or nontransport services.



Tort Reform – HF 592/SF 557

- \$1 million cap on noneconomic damages against a health care provider for personal injury or death
- Replaces the soft cap currently in place
- Passed Senate Committee
- Passed House Committee
- Ready for debate in both chambers but has not been brought up



2021 Position - Behavioral Health

Position: The Legislature should identify and appropriate sustainable funding for behavioral health services for adults and children in lowa.





Senate File 619

- Gov.'s Compromise tax bill, signed into law June 16
- Contained
 - Telehealth payment parity for MH
 - Shifted MH funding from counties to the state
- MH funding shift meant to stabilize and provide equal funding for MH services statewide
- IHA believes the change will result in a net increase in funding to MHDS regions



Senate File 619 – The Basics

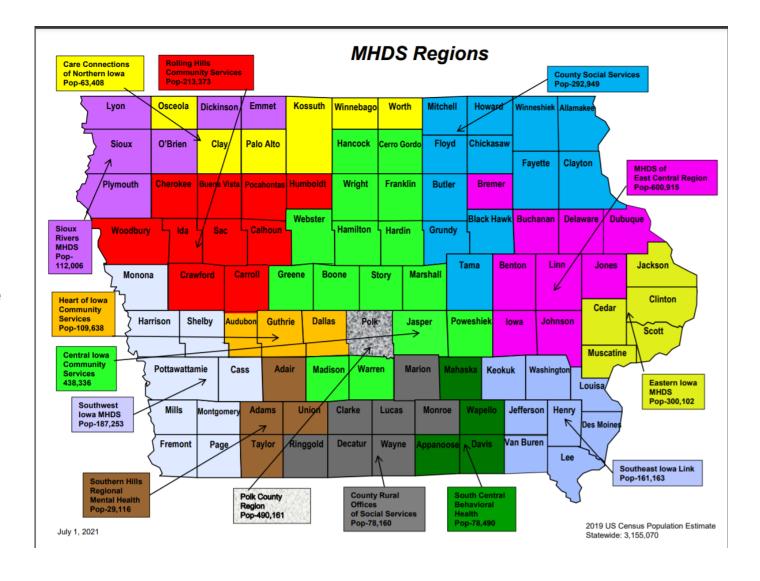
- Shifts funding from property tax levy to state appropriation
- Separate fund created in the Office of the Treasurer
- Establishes performance-based contracts between each MHDS region and DHS
 - Requires access to all core services
 - Use available governmental funding before using state appropriation
 - Formula for distribution



Iowa's MHDS Regions

14 total Regions

Counties move between regions; this is the most up-to-date version of the map.





MHDS Core Services

Too many to outline in slides

Also includes children's core services

Full report can be found here:

https://dhs.iowa.gov/sites/default/files/SFY202 0-MHDS-Regions-Statewide-Dashboard_SFY2021Q2_1.pdf?062920211151

Chabrer of Faul of CDV2024 Overston 2 (December 24, 2020)										
Status as of End of SFY2021 Quarter 2 (December 31, 2020)										
	CRISIS: Twenty Four Hour Crisis Response		SUPPORT FOR COMMUNITY LIVING	SUPPORT FOR EMPLOYMENT	RECOVERY SERVICES: Family Support	RECOVERY SERVICES: Peer Support	Case Mana	ORDINATION: agement and h Home		
	Timeliness	Timeliness	Timeliness	Timeliness	Proximity	Proximity	Timeliness: Routine	Proximity		
Region	Immediate access to crisis response services by means of telephone, electronic, or face-to-face communication 24 hours. A day/ 365 days a year.	Crisis evaluation within 24 hours	The first appointment shall occur within four weeks of the individual's request of support for community living	The initial referral shall take place within 60 days of the individual's request of support for employment	An individual receiving recovery services shall not have to travel more than 30 miles if residing in an urban area or 45 miles if residing in a rural area to receive services	An individual receiving recovery services shall not have to travel more than 30 miles if residing in an urban area or 45 miles if residing in a rural area to receive services	An individual shall receive service coordination within 10 days of the initial request for such service or being discharged from an inpatient facility	An individual receiving service coordination shall not have to travel more than 30 miles if residing in an urban area or 45 miles if residing in a rural area to receive services.		
Central Iowa Community Services	Met	Met	Met	Met	Met	Met	Met	Met		
County Rural Offices of Social Services	Met	Met	Met	Met	Met	Met	Met	Met		
County Social Services	Met	Met	Unmet	Met	Unmet	Met	Met	Met		
Eastern Iowa MHDS Region	Met	Met	Unmet	Met	Unmet	Met	Met	Met		
Heart of Iowa Region	Met	Met	Met	Met	Met	Met	Met	Met		
MHDS of East Central Region	Met	Met	Met	Met	Unmet	Met	Met	Met		
Northwest Iowa Care Connections	Met	Met	Met	Met	Met	Met	Met	Met		
Polk MHDS Region	Met	Met	Met	Met	Met	Met	Met	Met		
Rolling Hills Community Services Region	Met	Met	Met	Met	Met	Met	Met	Met		
Sioux Rivers MHDS	Met	Met	Met	Met	Met	Met	Met	Met		
South Central Behavioral Health Region	Met	Met	Met	Met	Met	Met	Met	Met		
Southeast Iowa Link	Met	Met	Met	Unmet	Met	Met	Met	Met		
Southern Hills Regional Mental Health	Met	Met	Met	Met	Unmet	Unmet	Met	Met		
Southwest Iowa MHDS Region	Met	Met	Met	Met	Met	Met	Met	Met		



Senate File 619 – Incentive Fund

- Creates an incentive fund starts with an appropriation of \$3 million
 - Regions must meet standards of performance-based contracts to access incentive funds
 - Incentive fund will continue to grow as it collects carry forward balances
 - Limitation of 40% / 20% / 5% of actual expenditures of prior fiscal year
 - anything beyond will revert to incentive fund



Senate File 619 – The Future

- Administrative Rules will be developed to implement several portions of the legislation
- DHS required to complete an interim study to evaluate the current MHDS structure and operations in light of the changes in this legislation.
- Also, must evaluate the uniformity of services between Regions.



Common Questions

- Does the new funding eliminate the MHDS regions?
- How will funding MH services through a state approp.
 compare to funding through the county tax levy?
- Will MH be funded at the same amount or more?
- Who will oversee the funding?
- Will admin. rules be created to explain the funding and set performance standards and application process for approps. from the regional incentive fund?



Changes in Mental Health Funding



Funding structures	County-funded	State-funded
Background	The current system is financed with county property taxes.	Shifts from county property taxes to a 100% state-funded system.
Current funding	County property taxes are used to fund MHDS. In 2021, the taxes levied are \$98.7 million.	No state funding.
Future funding	Eliminates the county property tax levy by FY2023.	Establishes a general fund standing appropriation to DHS for distribution to the MHDS regions. State funding is phased in as county property taxes are eliminated. The state funding is: • \$15.86 per capita for FY22 (plus \$21.14 tax levy for total \$37) • \$38 per capita for FY23 • \$40 per capita for FY24 • \$42 per capita for FY25 • 1.5% growth factor for 2026 and beyond

Final Mental Health Funding Proposal

			FY 2022 State		FY 2023 State	FY 2024 State	FY 2025 State	FY 2026 State	FY 2027 State
Regions	2019	FY 2022 Levy	Appropriation	Total FY 2022	Appropriation	Appropriation	Appropriation	Appropriation	Appropriation
Central Iowa	336,790	\$ 7,119,741	\$ 5,341,489	\$ 12,461,230	\$ 12,836,096	\$ 13,536,920	\$ 14,240,394	\$ 14,480,985	\$ 14,725,546
CROSS	78,160	1,652,302	1,239,618	2,891,920	2,971,980	3,127,320	3,282,510	3,330,469	3,379,171
CSS	419,880	8,876,263	6,659,297	15,535,560	15,862,074	16,606,480	17,341,716	17,505,413	17,670,075
Eastern	300,102	6,344,156	4,759,618	11,103,774	11,402,964	12,002,800	12,602,604	12,791,302	12,982,825
Heart of Iowa	109,638	2,317,747	1,738,859	4,056,606	4,279,332	4,628,280	4,989,558	5,196,256	5,407,989
MHDS East Central	600,915	12,703,343	9,530,512	22,233,855	23,000,032	24,347,720	25,709,250	26,241,067	26,783,141
North West	63,408	1,340,445	1,005,651	2,346,096	2,394,418	2,504,280	2,612,526	2,634,491	2,656,528
Polk	490,161	10,362,004	7,773,953	18,135,957	18,878,134	20,100,800	21,346,374	21,910,712	22,487,176
Rolling Hills	197,196	4,168,723	3,127,529	7,296,252	7,467,380	7,843,880	8,218,686	8,324,403	8,431,355
Sioux River	102,798	2,173,150	1,630,376	3,803,526	3,906,438	4,114,280	4,322,304	4,389,526	4,457,792
South Central	78,490	1,659,279	1,244,851	2,904,130	2,970,156	3,119,560	3,268,272	3,310,006	3,352,171
Southeast	161,163	3,406,986	2,556,045	5,963,031	6,105,954	6,405,600	6,703,032	6,780,387	6,858,511
Southern Hills	29,116	615,512	461,780	1,077,292	1,101,088	1,155,040	1,208,550	1,222,330	1,236,295
Southwest	187,253	3,958,528	2,969,833	6,928,361	7,099,806	7,455,160	7,808,682	7,906,330	8,005,108
	3,155,070	\$ 66,698,180	\$ 50,039,410	\$ 116,737,590	\$ 120,275,852	\$ 126,948,120	\$ 133,654,458	\$ 136,023,676	\$ 138,433,682

Incentive Fund Approp. \$ 3,000,000

Per capita \$ 21.14 \$ 15.86 \$ 37.00 \$ 38.00 \$ 40.00 \$ 42.00 \$ 42.63 \$ 43.27

Assumptions:

Population trend from 2015 through 2019 with State growth of 0.32% in 2020 and 0.27% in 2021 through 2024. Growth of 1.5% assumed for FY 2026 per capita amount.

There will likely be substantial incentive funds carried forward from FY 2022 to FY 2023 and funds available and carried forward in subsequent fiscal years, but it is not possible to make an estimate of those funds in the outyears.

MHDS FUNDING

	SFY 2021					Actual Levy
	Population	,	Actual Levy	Total 2022	2021	/2022 Variance
Central Iowa Community Service	336,790	\$	8,805,576	\$ 12,461,230	\$	3,655,654
County Rural Offices Social Services (CROSS)	78,160	\$	3,072,645	\$ 2,891,920	\$	(180,725)
County Social Services (CSS)	419,880	\$	12,678,494	\$ 15,535,560	\$	2,857,066
Eastern Iowa MHDS Region	300,102	\$	9,258,286	\$ 11,103,774	\$	1,845,488
Heart of Iowa Region	109,638	\$	2,749,531	\$ 4,056,606	\$	1,307,075
MHDS of East Central Region	600,915	\$	18,907,715	\$ 22,233,855	\$	3,326,140
NW IA Care Connections	63,408	\$	1,913,462	\$ 2,346,096	\$	432,634
Polk County	490,161	\$	15,039,987	\$ 18,135,957	\$	3,095,970
Rolling Hills	197,196	\$	7,162,134	\$ 7,296,252	\$	134,118
Sioux River	102,798	\$	3,129,800	\$ 3,803,526	\$	673,726
South Central	78,490	\$	3,718,997	\$ 2,904,130	\$	(814,867)
Southeast IA Link	161,163	\$	6,638,084	\$ 5,963,031	\$	(675,053)
Southern Hills	29,116	\$	985,657	\$ 1,077,292	\$	91,635
Southwest IA	187,253	\$	4,704,050	\$ 6,928,361	\$	2,224,311
Tot	al 3,155,070	\$	98,764,418	\$116,737,590	\$	17,973,172

MHDS Region's FY20 Annual Report Summary

Region	FY20 Beginning Fund Balance	FY2020 Actual Levy	FY20 Other Revenues	FY20 Total Funds Available	FY20 Budgeted Expenditures	FY20 Actual Expenditures	FY20 Ending Fund Balance		FY2021 Actual Levy	FY2021 Max Levy
Central Iowa Community Services	13,815,768	7,486,241	191,934	21,493,943	15,000,000	11,040,583	10,453,360	95%	8,805,576	12,017,034
County Rural Offices of Social Services (CROSS)	4,107,789	3,064,584	140,099	7,312,472	4,820,217	2,789,513	4,522,959	162%	3,072,645	3,072,645
County Social Services (CSS)	10,459,686	16,233,641	1,080,603	27,773,930	18,625,322	15,253,319	12,520,611	82%	12,678,494	18,445,573
Eastern Iowa MHDS Region	3,825,500	8,655,906	778,776	13,260,182	12,385,769	10,608,837	2,651,345	25%	9,258,286	9,258,286
Heart of Iowa Region	1,171,403	2,392,880	57,846	3,622,129	3,004,382	2,659,419	962,710	36%	2,749,531	2,749,531
MHDS of the East Central Region	26,470,752	7,076,406	564,787	34,111,945	25,479,614	20,006,734	14,105,211	71%	18,907,715	21,897,420
Northwest Iowa Care Connections	3,005,040	934,890	56,645	3,996,575	2,681,913	1,291,309	2,705,266	209%	1,913,462	2,377,589
Polk County Health Services	3,484,129	14,874,092	5,876,032	24,234,253	27,880,386	20,583,933	3,650,320	18%	15,039,987	15,039,987
Rolling Hills Community Services Region	3,564,662	5,136,446	343,108	9,044,216	7,445,836	6,354,337	2,689,880	42%	7,162,134	8,442,681
Sioux River MHDS	2,158,424	1,516,154	29,995	3,704,573	2,356,205	1,587,423	2,117,150	133%	3,129,800	3,134,616
South Central Behavioral Health Region	4,134,975	2,685,656	(485)	6,820,146	5,442,258	4,170,149	2,649,997	64%	3,718,997	3,718,997
Southeast Iowa Link (SEIL)	5,024,472	2,676,081	141,359	7,841,912	6,898,641	5,372,218	2,469,693	46%	6,638,084	6,909,550
Southern Hills Regional Mental Health	491,823	1,056,959	132,628	1,681,410	1,246,266	1,142,387	539,023	47%	985,657	1,200,456
Southwest Iowa MHDS Region	12,393,257	4,609,726	557,605	17,560,588	9,077,537	7,099,025	10,461,562	147%	4,704,050	8,563,253
Total	94,107,680	78,399,662	9,950,932	182,458,273	142,344,346	109,959,186	72,499,087		98,764,418	116,827,618

Notes:

^{*} FY20 revenues and expenditures are from Region's 2020 Annual Service and Budget Plans

^{*}FY 20 preliminary summary is unaudited and change generally occurs after audits

^{*}FY20 Budgeted Expenditures includes an CROSS amendment filed in November 2019

House HHS Budget - HF 891

- Maintains Cost Adjustment Factor for CAHs; no increase
- Extends the hospital assessment for two years; status quo funding
- Funds Governor's Centers of Excellence at \$425,000
- Increase of \$44.2 million for the Medicaid program
 - \$19,080,860 for nursing facility reimbursement rates
 - \$11,002,240 for HCBS provider rates
 - \$7,134,214 for home-based habilitation provider rates
 - \$3,900,000 for Psychiatric Medical Institutions for Children (PMIC) provider rates
 - \$2,000,000 for Home Health provider rates
- Increase of \$200,000 for rural psychiatric residency program
- Increase of \$100,000 for medical residency matching program



Medicaid Policy

<u>House File 736</u> – **FAILED** – Prohibits the state or a Medicaid managed care organization from seeking repayment of an overpayment to a health care provider if the overpayment occurred more than 24 months before.

<u>Senate Study Bill 1164</u> and <u>House Study Bill 169</u> – **FAILED** – Creates more rigorous requirements for managed care organizations, including more stringent timelines to pay or deny claims and the development of a claim tracking system. Would also require the Department of Human Services to issue a request for proposal for a single credentialling verification organization.

<u>Senate File 462</u> – **FAILED** – Would require a study by the Department of Human Services to determine the feasibility of providing Medicaid reimbursement to hospitals for administrative days. Even though this legislation did not pass, IHA will be working with IME in the interim to determine whether reimbursement is possible and what an appropriate rate should be.



Public Hospital Trustees

Senate File 568 – Signed by Governor

Permanently return the filing deadline for public hospital trustees to 69 days prior to the election

In 2019 the deadline was moved to the spring





2021 Workforce Bills

- Rural Primary Care Loan Repayment Program SF 129 Signed by Gov.
 - Adds OB-GYN as eligible for loan repayment, distance requirements
 - \$1.7 million in appropriations for next fiscal year
- Health Care Professional Recruitment Program HF 196
 - Expands to those beyond graduates of DMU
 - Adds athletic trainer and occupational therapist to the list that currently includes physicians, PAs, podiatrist, physical therapists



Federal Regulatory Update



"No Surprises Act" Interim Final Rule - Part 1



No Surprises Act

- Consolidated Appropriations Act (CCA) of 2021
 - Division BB of the Act Private Health Insurance & Public Health Provisions
 - Title I "No Surprises Act"
 - Federal consumer protections against surprise medical bills
- Departments issuing regulations and guidance
 - O HHS
 - Treasury
 - Labor
- Most sections effective January 1, 2022



No Surprises Act – Key Provisions

- Protects patients from receiving surprise medical bills resulting from gaps in coverage for emergency services and certain covered services provided by Outof-Network (OON) providers at in-network facilities
- <u>Holds patients harmless</u> from surprise medical bills, including air ambulance, by limiting patient's financial responsibility to <u>the in-network cost-sharing amounts</u> in both emergency and certain non-emergency situations
- Creates a framework for providers/insurers to resolve payment disputes without involving the patient (Independent Dispute Resolution-IDR)
- Requires both providers and health plans to assist patients in accessing health care cost information (Advanced EOB and Good Faith Estimate)



No Surprises Act - Requirements Related to Surprise Billing; Part I

- Released 7/1/21 (Federal Register expected publication date 7/13/21)
- Interim Final Rule (with comment period)
- Addresses several provisions in the law:
 - Ban on balance billing for out-of-network services
 - Notice & Consent process
 - Patient cost-sharing calculation (Qualifying Payment Amount)
 - Complaint process for violations of the provisions of the law



Requirements Related to Surprise Billing; Part I

Does not address other key provisions (future regulations):

- Independent Dispute Resolution (IDR) process
- Good Faith Estimates (GFE)
- Advanced Explanation of Benefits
- Provider Directories
- Continuity of Care



Resources

- HHS Announcement
 - https://www.hhs.gov/about/news/2021/07/01/hhs-announces-rule-to-protectconsumers-from-surprise-medical-bills.html

Fact Sheets

- https://www.cms.gov/newsroom/fact-sheets/what-you-need-know-about-biden-harris-administrations-actions-prevent-surprise-billing
- https://www.cms.gov/newsroom/fact-sheets/requirements-related-surprise-billing-part-i-interim-final-rule-comment-period
- Interim Final Rule
 - https://www.federalregister.gov/public-inspection/2021-14382/requirements-related-to-surprise-billing-part-i



Regulatory/Guidance Calendar

Section	Future Regulations and Guidance	Agency(ies)	Due Date
102	Establish the qualifying amount	HHS, in consultation	July 1, 2021
		with Labor and Treasury	
	Establish process to audit health plans for	HHS, in consultation	Oct. 1, 2021
	compliance	with Labor and Treasury	
103	IDR process	HHS, Labor, and	Dec. 27, 2021
		Treasury	
104	Notice and consent	HHS	July 1, 2021
	Consumer complaint process	HHS, Labor	Jan. 1, 2022
105	Air ambulance IDR process	HHS, Labor	Dec. 27, 2021
106	Air ambulance provider reporting	HHS, Transportation	Dec. 27, 2021
	requirements implementing rules		
	Air Ambulance Advisory Committee	HHS, Transportation	Feb. 27, 2021
107	Transparency requirements for plans on out	HHS	Undefined
	of network cost-sharing		(applies to health
			plan year Jan. 1,
			2022)
108	Protections against provider discrimination	HHS, Labor, Treasury	By Jan. 1, 2022
	regulation		
109	Report on consolidation, health care costs,	HHS, FTC, Justice	By Jan. 1, 2023,
	access		and annually for
			each of the
			following 4 years
	Report on implications of the law	GAO	Jan. 1, 2025
	Report on provider network adequacy	GAO	Jan. 1, 2023
	Report on IDR process	GAO	Dec. 1, 2023
111	Advanced EOB timing requirements for	HHS	At Secretary's
	items and services that have low utilization		discretion
	or significant variations in cost		
112	Patient-provider dispute resolution process	HHS	Jan. 1, 2022
113	Ensuring Continuity of Care	HHS	Undefined
115	APCD state grant process	HHS	Undefined
	APCD standardized reporting format for	HHS	Dec. 27, 2021
	ERISA claims		
116	Provider directory requirements	HHS	Undefined
			(applies to health
			plan year Jan. 1,
			2022)
117	Ground Ambulance Advisory Committee	HHS, Labor, Treasury	March 27, 2021



Thank You!

Susan Horras: Horrass@ihaonline.org

Kim Murphy: Murphyk@ihaonline.org

