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ACA Healthcare Reform Impact Study – Summary October 2014

IDPH’s mission is “Promoting and Protecting the Health of Iowans”. In addition to its role in population health promotion, preparedness, surveillance and response, IDPH supports a broad array of health-related services for Iowans through a varied network of local community-based “safety-net” provider contractors. These health-related services have historically included facilitative services like transportation and care coordination as well as direct healthcare services like immunization and vision screening. Many of the Iowans who receive IDPH-funded direct healthcare services have been those who are uninsured or under-insured. *As uninsured Iowans become enrolled in new health plan options available through the Iowa Health and Wellness Plan (IHAWP) and the Marketplace, IDPH anticipates that many of the direct healthcare services the Department has historically funded will become covered benefits under new plans, changing the demand for IDPH-funded services.*

While the transition to new health plans includes multiple complex considerations, in reviewing new IHAWP and Marketplace health plan options available as of January 1, 2014, IDPH projected that:

- Some individuals in the current IDPH **covered population** would be eligible for enrollment in a health plan option available through the IHAWP/Marketplace.
- Some local contractors in IDPH’s current **provider network** would be eligible to contract with an IHAWP/Marketplace health plan to provide covered benefits to plan members.
- Some healthcare services currently funded by IDPH would become **covered benefits** available through IHAWP/Marketplace health plans because of Essential Health Benefits requirements.
- Many current IDPH-funded healthcare services did not appear likely to fall under any IHAWP/Marketplace health plan option.

IDPH contracted with the Milliman actuarial firm to better understand the impact of state level healthcare reform on certain IDPH programs and the healthcare services they have historically funded. IDPH provided Milliman with background information on these public health services, including eligibility, covered benefits, and historical utilization, as well as available related data. In conducting its analysis, Milliman modeled future enrollment in IHAWP and Marketplace plans, reviewed the level of coverage currently provided by IDPH, and projected changes in coverage provided to individuals historically eligible for IDPH programs as they enroll in new health plans. Milliman also reviewed the potential impact of IHAWP/Marketplace plan implementation on local contractors in IDPH’s current provider network. *While the exact impacts of the ACA remain complex and not completely known, this study illustrates the potential landscape of the insurance market in 2014 after ACA implementation and in 2017 as implementation progresses.*

At IDPH’s request, Milliman conducted a comprehensive analysis to understand the potential impact of the Iowa Health and Wellness Plan and Marketplace health plans on demand for four specific IDPH programs:

- Substance Abuse Treatment
- Home Care Aide and Nursing
- Tobacco Quitline
- Cervical Cancer Screening

The projected program-specific impacts of Iowans enrolling in new IHAWP and Marketplace health plans include:

- **Substance Abuse Treatment** – IDPH funds a range of outpatient and residential substance abuse treatment services to more than 20,000 patients each year. In general, as Iowans enroll in new health plans:
 1. The overall number of Iowans who rely on IDPH funding for the full range of treatment services will decrease.
 - a. Demand for IDPH-funded *outpatient treatment* will decrease. Because of service limitations in new health plans, IDPH will become a secondary payer for approximately 19% of the outpatient services.
 - b. Demand for IDPH-funded *residential treatment* will not change. Because residential is not a standard covered benefit under new health plans, IDPH will remain the primary payer for residential treatment.
 2. The overall total cost for IDPH-funded substance abuse treatment services will increase slightly in 2014, drop in 2015, and then increase slightly in subsequent years, primarily driven by growth in the eligible population, demand for residential treatment, and outpatient benefit limits in available health plans.
 3. If local treatment programs in IDPH’s historical provider network are not eligible to participate in new health plans or if reimbursement rates are very low, providers may not be able to continue to operate, reducing substance abuse treatment capacity statewide for all patients and payors.
- **Home Care Aide and Nursing** – IDPH funds a range of home care aide and nursing services to clients across the state each year. In general, as Iowans enroll in new health plans:
 1. Demand for IDPH-funded home care aide and nursing services will not change.
 - a. The majority of persons served (77%) are over age 65 and are not affected by the IHAWP or Marketplace. This population continues to grow in Iowa.
 - b. Some home care aide and nursing services are not covered benefits under the new health plans.
 2. The overall total cost for IDPH-funded home care aide and nursing services is projected to increase.
 - a. 34.5% of Iowa counties surveyed have waiting lists of persons who need services.
 - b. 71.3% of Iowa counties surveyed have limited their services to current clients due to budgetary reasons.
 3. Local public health agencies have been asked to assist Iowans to enroll in the IHAWP, complete Health Risk Assessments, and identify and coordinate medical, environmental, and other public health services.
- **Tobacco Quitline** – IDPH funds tobacco cessation services, such as Quitline coaching for more than 14,000 Iowans each year. In general, as Iowans enroll in new health plans:
 1. The overall number of Iowans seeking IDPH-funded *Quitline Iowa* services is projected to increase as the state’s population increases.
 2. Demand for IDPH-funded *nicotine replacement therapy* will not change.
 3. The overall total cost of tobacco cessation services is projected to increase slightly.
 4. While tobacco cessation services may be available as new health plans evolve, IDPH-funded services are anticipated to be more readily accessible to individual Iowans.
- **Cervical Cancer Screening** – IDPH funds cervical cancer screening and other preventative services. Because the State appropriation for the cervical cancer project became available in July 2012, the project has been operational for less than two years.
 1. The overall number of Iowans seeking IDPH-funded cervical cancer screening and preventative services is projected to decrease as historically eligible women become enrolled in new health plans.
 2. Demand for IDPH-funded screening and diagnostic services has been slow and is not projected to increase, possibly related to the availability of similar services through the Medicaid Family Planning Waiver.
 3. The overall total cost for cervical cancer screening and preventative services is projected to shift from screening and prevention to outreach and education. Targeted outreach projects have been implemented in 15 counties.

IDPH Conclusions and Next Steps

This ACA Impact Study represents an initial step in understanding the multiple complex considerations IDPH has identified related to the direct healthcare services the Department has historically funded. This initial understanding will help IDPH quantify likely changes in the demand for its services as well as related program and funding implications. For example, as demonstrated in the analysis of the cervical cancer screening program, consistent with its responsibility for general health promotion and overall population health, IDPH will transition the program focus from direct services to outreach and education. IDPH is considering a similar next step impact analysis of four more direct service programs: Chlamydia/Gonorrhea/HIV Testing, Oral Health Sealant Dental Services, Title V Home Visiting, and Title X Family Planning.