

ACCOUNTABILITY & OVERSIGHT FOR IOWA'S MEDICAID MANAGED CARE SYSTEM



The state of Iowa must implement stronger oversight and accountability for Medicaid Managed Care Organizations (MCOs). Since Iowa transitioned to a privatized Medicaid system in 2016, Iowa children and families have suffered due to unacceptable gaps in coverage. The transition has also placed undue hardship on many nonprofit service providers.

LSI assists more than 3,000 children and families every year who depend on Medicaid for care. All Iowans — especially the most vulnerable — deserve access to a high-quality continuum of care.

Administrative complexities create barriers to quality, timely care, including delays in services for the most vulnerable children, and families.

Barriers include authorization denials for children in need of residential treatment, decreased lengths of stay for children with severe psychiatric needs, and lower levels of care for people with disabilities who rely on services to be as independent as possible.

Coverage decisions by MCOs often exclude the voices of the patient's family or even the expertise of their doctors. We must ensure a family's voice is heard and valued if the state of Iowa is to ensure quality, individualized health care. LSI is committed to continued partnership with the Iowa Department of Human Services, as we seek solutions with the best health outcomes for vulnerable Iowans.

MCO BILLING COMPLEXITIES HAVE RESULTED IN UNNECESSARY BURDENS AND HUNDREDS OF THOUSANDS OF DOLLARS OF UNPAID CLAIMS FOR PROVIDERS LIKE LSI.

The balance of LSI claims submitted but not paid has increased by **\$875,000** since the MCO transition in 2016.

Prior to the transition, the percentage of LSI's unpaid claims after 90 days was under 5 percent. As of December 2017, that percentage is **28%.**



LSI staff continues to deliver the same high level of care our clients expect and deserve. But we cannot risk the persistent financial strain on many of our services if Medicaid instability continues.



When Michelle learned she would need a wheelchair, she couldn't motivate herself to get out of bed in the mornings. She didn't want to leave her home, and she felt disconnected. Through LSI's Services for People with Disabilities, Michelle found her independence, became employed, and was thriving in her community. But due to documentation errors in the new MCO system, Michelle's access to service was cut. Her mental health spiraled out of control and she ended up in a psychiatric unit. Not only did the error drastically impact Michelle's lifestyle, but her stay in the psychiatric unit cost Iowa taxpayers \$1,000 each day, as opposed to \$50 each day as an LSI client.