

## IRHA Position Statement – Medicaid Modernization

The Iowa Rural Health Association (IRHA) views access to health care services in rural Iowa as a critical need.

IRHA is committed to partnering with the state, other stakeholders and provider groups to work toward successful implementation of Medicaid Modernization. We urge policy makers to address the concerns described below in order to meet our shared goal of high quality health care for all Iowans.

1) Access - Access to health care is already strained for Iowans in rural settings. The state has, to date, not adequately assured stakeholders they will have a comprehensive statewide network of contracted providers to care for Medicaid patients to ensure network adequacy, particularly in rural and underserved areas where access continues to be a challenge. Transportation and travel are significant barriers for rural Medicaid recipients and those barriers could be exacerbated under the proposed transition to managed care if sufficient network adequacy is not achieved.

2) Timing - The pace of the proposed transition to managed care, with an imminent implementation deadline of January 1, 2016 for nearly all of the state's 550,000 Medicaid beneficiaries, may lead to confusion regarding choice of plans, provider networks and other details. If the date is not delayed flexibility will be important to allow beneficiary options into plans that include their providers and provisions assuring access to out-of-network providers will be critical. A more measured implementation timeline and explanation of the fiscal impact, concerns about the care of patients of rural Iowa could resolve the problems.

3) Cost - The state expects savings as a result of efficiencies implemented by private managed care firms, including \$51 million during the current budget cycle. However, since the specific actions to achieve savings are to be determined by the MCOs, we are concerned about effects on rural providers if strategies include lower reimbursement per service, claims denial, and aggressive utilization management or directing patients to narrow networks regardless of transportation burdens. Providers caring for Iowans in rural areas are mission driven and will continue to provide the care regardless which could pose a risk to their financial viability if the system is left underfunded. State oversight of MCO activities will be critical if we are to be sure the savings are derived from improved quality of care that lowers overall expenditures.