

Iowa Studies ACA's Effects on Public Health Programs to Drive Resource Reallocation

Following implementation of the Affordable Care Act's (ACA) reforms that expand access to healthcare, staff at the Iowa Department of Public Health (IDPH) began to contemplate the department's role as a healthcare purchaser and in facilitating Iowa's safety net. To ensure that IDPH programs continued to target at-need populations and use scarce resources effectively, staff recognized that they needed to quantify the federal- and state-level healthcare reforms' impacts on the demand for their services.

IDPH contracted with an actuarial firm to perform a comprehensive analysis of how Iowa's Medicaid expansion program, the Iowa Health and Wellness Plan, and federally-authorized marketplace health plans were impacting demand for four IDPH programs. The Iowa ACA Impact Study's purpose was to model the potential insurance market landscape post-ACA implementation and project changes as implementation progresses.¹

Steps Taken

- In early 2014, IDPH identified a need to quantify the impact federal- and state-level healthcare reform had on demand for services within its programs. IDPH decided to start by evaluating four programs: substance abuse treatment, home care aid and nursing, the state tobacco quitline, and cervical cancer screening. These specific programs were selected because they had state appropriations and the services they provided were potentially covered services under new health plans and delivery systems.
- To leverage pre-existing knowledge, IDPH partnered with Iowa Medicaid's actuary, Milliman, a contractor with operational knowledge at the federal level and understanding of recent Iowa reforms.
- IDPH's Office of Health System Transformation (HST) served as the point of contact between IDPH and Milliman, acting as a communication facilitator. HST helped develop and finalize the impact report by specifying the scope of the review and analysis and the required deliverables, assigning knowledgeable and dedicated staff to lead the project, meeting with Milliman on an ongoing basis, providing program profiles and data, and coordinating contacts with local service contractors. Finally, once the report was drafted, HST reviewed and approved the final report and ensured it was consumable by a legislative audience.
- To pay for the actuarial analysis, IDPH asked each program involved in the evaluation to contribute funding to cover the costs (e.g., Iowa general fund dollars).
- In addition to a financial review and demand analysis, IDPH established two additional questions for evaluation based upon their evaluation of the current landscape and questions IDPH received about specific services and healthcare service delivery.
 - Were health reforms changing the demand for IDPH services?
 - How would reforms drive changes in future demand for services?

- The Iowa ACA Impact Study enabled IDPH to quantify the impact health reforms had on demand for program services.
- Based on report findings, IDPH reallocated \$200,000 to better serve population needs.

- IDPH contracted with an actuary to ensure they had the necessary data to drive the analysis and to consider the data and the services it represented from three perspectives: IDPH, IDPH as a sister agency to the state Medicaid agency, and in the larger context of national data and trends. IDPH recognized that the study would be most helpful if it drew from data not readily available or standardized, so it provided Milliman with aggregated data on eligibility, covered benefits, historical utilization, and other areas.
- To carry out the analysis, Milliman interviewed IDPH staff and IDPH-funded healthcare providers. In addition to the information and data that IDPH provided, Milliman used data from the U.S. Census Bureau, Medicaid enrollment data from CMS, and marketplace enrollment data from HHS.
- Milliman analyzed the effects that the Iowa Health and Wellness Plan and new marketplace plans have already had, and will eventually have through 2017, on the four IDPH programs being evaluated. It included contractors in IDPH's current provider network, as well as Iowa's uninsured and underinsured residents whom IDPH has traditionally served.
- The [report](#) was released in October 2014, and it includes a model breakdown of eligible demographics, enrollment estimates, and projected changes in coverage provided to individuals historically eligible for IDPH programs as they enroll in new health plans.

Results

- The challenge to quantify how ACA health reforms have impacted demand for program services became a strategic opportunity for IDPH to fill in data gaps in its programs, consider its role as a health services purchaser, and gather evidence that it could use to engage policymakers.
- Based on the report, IDPH estimated that it could reallocate \$200,000 from the breast/cervical cancer screening program and still provide quality breast/cervical cancer screening services that met their clients' needs. IDPH then requested and received approval from the governor and legislature to reallocate the \$200,000 to the emergency medical services program, where demand for services was higher.
- There were no major objections to this reallocation because IDPH staff were committed to allowing data to drive the decisionmaking and saw the Milliman impact report as a credible assessment of need.
- Due to the project's success, IDPH included reallocation planning in its latest budget request as part of its regular spending pattern.
- The framework established by this study facilitated a second impact analysis in 2015, in which four other direct service programs were analyzed: Chlamydia/gonorrhea/HIV testing, oral health sealant dental services, Title V home visiting, and Title X family planning.² A third impact study is planned for 2016.

Lessons Learned

- Actuarial analysis facilitates data-driven resource allocation that is responsive to population needs. State Medicaid expansion and healthcare system reforms provide a greater impetus for public health agencies to forecast and stay in tune with the changing health needs of the populations they serve and allocate resources accordingly.

- Health reform impact studies can help to overcome stakeholders' misunderstandings about health reform and educate policymakers about where healthcare service delivery gaps exist and how public health fills those gaps.
- In order to allocate scarce resources to the highest need, public health agencies must be willing to change. By taking the risk of third-party evaluation and opening itself to losing funds, IDPH demonstrated credibility and became empowered to identify demand fluxes, project savings, and reallocate resources to higher priorities.
- In a politically charged environment, data empowers public health to be a constructive critic. As chief health strategists, state health departments can steer budget and policy conversations toward evidence and away from ideology and assumptions.
- Actuarial analyses are an important evaluation tool for improving organizational stewardship of public health programs. IDPH's example reaffirms the need for public health agencies to focus on data, bring in missing expertise, and empower that expertise to give insight.

For more information:

Kristen Rego
Director, Health Transformation
Association of State and Territorial Health Officials
Email: kreg@astho.org

Gerd W. Clabaugh, MPA
Director
Iowa Department of Public Health
Email: gerd.clabaugh@idph.iowa.gov

¹ Milliman. "Iowa Department of Public Health Affordable Care Act Impact Study." 2014. Available at https://www.idph.iowa.gov/Portals/1/Files/DO/idph_aca_impact_study.pdf. Accessed 1-05-2016.

² Iowa Department of Public Health. "ACA Healthcare Reform Impact Study – Summary." 2014. Available at http://www.iowanpsociety.org/Resources/Documents/IDPH_ACA_Impact_Study_Summary.pdf. Accessed 1-05-2016.