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Deappropriations Bill

Despite the Senate introducing their deappropriations bill last Thursday, progress has slowed in both chambers with the House yet to release their legislation. The chambers are hashing out the details of the deappropriations bill which is expected to range from somewhere between \$20M to \$50M. In the Senate bill released last week, the Senate deappropriated \$54M, while the Governor cut \$19 million from the current fiscal year. The Senate’s approach is to cut more now to put off another potential cut in March if the Revenue Estimating Committee releases a reduction of revenue forecast. Behind closed doors, leadership from both chambers are comparing their bills and negotiating towards an agreeable plan. We expect the release of a compromised bill will be after the House and Senate approve the education state supplemental aid. Once both these bills are signed, normal business will move through committees more rapidly as the first “funnel” deadline approaches—February 16th (this is the date where most bills must have passed at least one committee to be considered “alive”).

Education Committees Set FY19 School Aid

Both the Senate and House Education committees passed their State School Aid (SSA) number, which is required to be set within the first 30 days of session. The increase is 1%, or about \$32 million more in school aid, this is below the \$54 million proposed in Governor Reynold’s budget.

Governor signs Water Quality Bill

The Governor signed her first bill, [Senate File 512](#). The bill amends the wastewater treatment financial assistance program, creates a water quality infrastructure fund, establishes a water quality financing program, and many other water quality endeavors. Senate File 512 passed the Iowa House of Representatives 59-41 on January 23, 2018, and the Iowa Senate 31-19 on April 19, 2017.

The Governor said “I am proud that the first piece of legislation I signed as governor was a water quality bill. This law is a significant step in the right direction and should ignite a continuing conversation as we work to make a positive impact on water quality in Iowa.”

DHS Director Presents to HHS Subcommittee

Thursday of this week Medicaid Director Mike Randol presented to the Health and Human Services Budget Subcommittee in addition to the Senate Human Resources committee. Randol presented the state’s view of the overall status of managed care. He will be forming a Process Improvement workgroup in Iowa that will have key stakeholders as members of the group. The main workgroup will be tasked with identifying current problems in the system. The workgroup will then break up into

subgroups that will be tasked with finding solutions for each individual problem identified by the main workgroup. Invitations have not been sent out for this workgroup but will be sent out within the next couple weeks.

Director Randol showed the 2016 [EQRO review](#) of Iowa's managed care program had found deficiencies in the program. He reported that he believed significant improvement will be found in "not met" requirements identified by the review.

Randol discussed his reasons for switching actuarial firms as he wanted a complete, new review of the actuarial assumptions/rates. Milliman has been the state's actuary throughout the implementation of managed care, including the building of the RFP. Many believe that Milliman's actuarial assumptions of Iowa's Medicaid program were inaccurate, resulting in millions of dollars in loss to the managed care companies and providers. A member of the committee questioned the actual savings to the state for managed care (recent reports cited approximately \$50M, while initial reports at the implementation of managed care was \$100M+). Director Randol said the information is still being reviewed and he would have a better number at a "later date".

Randol also discussed the RFP for additional managed care companies to bid on the state's managed care program. The due date for the RFP is March 2018 and the awarded bidder will begin serving members on July 1, 2019. He also discussed Amerigroup's status on taking on more members and thought "choice would be restored". It was also disputed what the actual savings to the state is for managed care; legislators pressed the director for the new number, but he said it was still being reviewed and would be published at a later date.

Governor and Workforce Clearing House

Governor Reynolds signed her first Executive Order which establishes the Iowa Clearinghouse for Work-Based Learning. The Clearinghouse will help build distance-learning K-12 partnerships and establish other work-based learning opportunities for K-12 students and for community college students. The Governor included \$250,000 for the Clearinghouse in her budget and expects it to be in operation by July 2019. Reynolds said, "We have to think longer term about how to help all K-12 students connect what they learn in the classroom to future careers. Expanding work-based learning is an essential step in that direction. Reynolds said, "In partnership with employers, educators and students, I am confident the clearinghouse will transform career exploration and preparation for many more students around the state."

Pharmacy Bills Considered in the Senate

Several bills dealing with pharmacy operations and procedures moved through Senate subcommittees this week. Four of these bills were brought by the Board of Pharmacy and include:

- [SSB 3071](#): This bill alters the Iowa PMP by establishing an advisory committee, authorizing a surcharge, expanding information and reporting requirements. The surcharge would be approximately \$11.25/year per registrant and would upgrade the PMP system to include NarksCare in the PMP, which



greatly increases the functionality of the system. The bill passed out of subcommittee unanimously.

- [SSB 3072](#): Pharmacy technician added to the Board of Pharmacy. Moved to deregulate some requirements for wholesale distributors. Creates different category for non-human distributors. Passed out of subcommittee unanimously.
- [SSB 3073](#): General rescheduling bill that puts Iowa law in line with Federal law. Bill passed out.
- [SSB 3074](#): E-prescribing. The bill requires all prescriptions for prescription drugs to be transmitted to a pharmacy electronically, effective July 1, 2019. The subcommittee is going to consider an amendment that pushes back the date of enactment to ensure providers can meet the deadline. Additionally, some pharmacies want language that limits their role in enforcement (i.e. they can still take a written script and not have to report prescribers not electronically prescribing). The senators will hold another subcommittee on the bill.
- Another bill that was heard dealing with prescriptions was [SSB 3031](#) and comes from the Governor’s Office on drug Control Policy. The bill would require the Board of Pharmacy to send annual reports to prescribers on their prescription activity and how it compares to other providers. This is viewed as a tool to combat the opioid epidemic. The subcommittee unanimously signed off on the bill.

Legislators Announce their Resignation

As the elections of 2018 approach, several legislators have announced their decision not to run for the Legislature. These legislators include:

1. Rep. Rizer (R – Marion)
2. Rep. Helen Miller (D- Fort Dodge)
3. Rep. Baudler (R – Greenfield)
4. Rep. Heaton (R- Mt. Pleasant)
5. Senator Horn (D- Cedar Rapids)
6. Senator McCoy (D- Des Moines)
7. Senator Dvorsky (D – Coralville)

Note: Several more legislators are expected to announce their retirement over the next month.

Forums

Below are links to calendars containing information for legislative forums. As more forums are published, more links will be available.

House Democrat Legislative Forums
Senate Democrat Legislative Forums
Senate Republican Legislative Forums

In the News

1. [Immigration Bill Advances](#)
2. [House Republicans Unveil School Transportation Plan](#)
3. [Bill Legalizing Beer Across State Lines](#)
4. [Bill Requires High Schoolers to Pass Citizenship Test](#)
5. [Iowa’s Medicaid Actuarial Firm Being Replaced](#)