

JANET PETERSEN  
STATE SENATOR

*Eighteenth District*

Statehouse: (515) 281-3371

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HOME ADDRESS

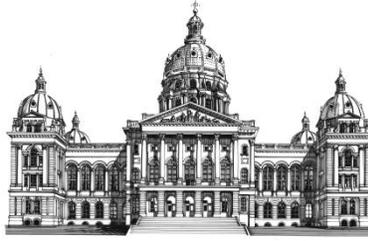
4300 Beaver Hills Dr

Des Moines, IA 50310

C: (515) 442-0120

janet.petersen@legis.iowa.gov

www.janet4iowa.com



## The Senate

State of Iowa

*Eighty-sixth General Assembly*

STATEHOUSE

Des Moines, IA 50319

## COMMITTEES

Commerce, *Chair*

Judiciary

Natural Resources and Environment

State Government

Ways and Means

Transportation, Infrastructure, and Capitals

Appropriations Subcommittee

September 5, 2015

Andrew Slavitt, Acting Administrator  
Centers for Medicare and Medicaid Services

7500 Security Boulevard

Baltimore, MD 21244

Dear Mr. Slavitt,

I am writing to urge you to use your authority to halt Governor Terry Branstad's unilateral decision to privatize Iowa's Medicaid program.

No other state in the union has moved this quickly to convert its entire Medicaid population to managed care. We have seen the disastrous outcomes of moving too fast and too big in other states. Iowa must learn from their mistakes instead of risking the health of our Medicaid population and the loss of qualified Medicaid providers willing to participate in the program.

Governor Branstad did not work with the Legislature in making this decision or in any of the steps to implement the plan. At more than \$4 billion, this is the largest procurement initiative in our state's history. This decision impacts more than 560,000 Iowans who will be thrust into managed care all at once, with less than four months to implement a new system following the selection of managed care organizations. This would be like putting Iowa's entire public school system out for private bid and expecting school districts to implement it in less than four months. It is a disaster waiting to happen.

Reports from Iowa media indicate multiple legal concerns regarding the RFP and selection process. An ex-DHS consultant is accused of helping a company win state Medicaid job by providing inside information. In addition, the RFP included Iowa's Hawk-i program without the legal authority to do so. Hawk-i is Iowa's successful children's health program, which was created by the Iowa Legislature with strong legal oversight authority under [state law](#). Iowa Code defines the Hawk-i board as "the entity which adopts rules and establishes policy for, and directs the department regarding, the Hawk-i program." Iowa law requires the Hawk-i Board to approve any contracts to implement the program. I am a legislative member of the Board of Directors for Hawk-i. The Hawk-i Board has not approved or been consulted for input regarding this major change to managed care organizations, and therefore should not be included in Governor Branstad's privatization program.

The Governor keeps touting a “patient-centered” program that will save \$51 million in the program’s first six months. This initiative is anything but patient-centered. Iowa will save money by providing less health care to Iowans who need it; by having fewer qualified providers willing to serve our Medicaid population; and by giving away millions of dollars that should be spent on health care to reward out-of-state companies for keeping costs down.

I implore you to examine these issues as you review Iowa’s waiver application. The health and well being of 560,000 Iowans are at risk if the Centers for Medicare and Medicaid Services approves Governor Branstad’s plan.

Sincerely,

A handwritten signature in black ink that reads "Janet Petersen". The signature is written in a cursive style with a large, stylized initial "J".

Senator Janet Petersen  
Chair, Senate Commerce Committee

cc: Victoria Wachino, Deputy Administrator and Director, Medicaid and CHIP Services  
Eliot Fishman, Director, State Demonstrations  
James Golden, Director, Division of Managed Care Plans  
Alissa Deboy, Acting Director, Disabled and Elderly Health Programs Group  
Debbie Dombrowski, Division of Managed Care Plans  
Jennifer Snow, HHS Office of Intergovernmental and External Affairs