

# Legislative Update

## The 2018 Iowa Legislative Session

Week of January 29, 2018

### Last week in the Iowa Legislature

The fourth week of the session was much like the third, aside from a handful of developments. Subcommittees once again met at a quick pace and committees moved bills out of committee to meet well in advance of the first funnel deadline. And, once again, few controversial bills advanced through committee as legislators look to end session in early April. It appears committee chairs have generally been instructed to toss aside controversial bills in an effort to end session in time. As we detail below, it appears the state's tight budget is creating divisions among the House, Senate and governor's office.

### Budget

Two weeks ago, Senate Republicans passed a bill late that would cut current-year spending by \$52 million. But on Monday Governor Reynolds didn't exactly endorse the Senate approach, saying her more modest proposal "balances the needs of Iowans and our state agencies with as little disruption as possible." House leaders signaled they wouldn't go along either, as the House Appropriations Committee chair said the Senate bill would undergo significant changes in the House if the Senate passed it over.

What appeared to be a relatively quick resolution of the mid-year budget crisis last week has devolved into an intraparty feud that may take some time to resolve. The Senate's bill, [SF 2117](#), never went to the Senate floor. As of Wednesday, the House Republicans hadn't even talked about the Senate's deappropriations bill. And while the House GOP may want to cut less than their Senate counterparts, they also don't appear to agree with Governor Reynold's proposal to cut Medicaid spending and rely on an infusion of new money to the state's general fund as a result of the federal tax reform bill.

Legislators did manage to look ahead to the next fiscal year, though, as both the Senate and House Education Committee passed school aid bills (SF 2164 and HSB 586). They agreed to a 1% growth rate increase which will translate into about \$32 million more in school aid funding. Senate Republicans felt that the level is sustainable, considering the current state budget, while Senate Democrats felt the aid rate was inadequate given the needs of schools, some expressing disagreement with what they feel were poor budget choices by Republicans.

Perhaps to mitigate the small increase in funding, House Republicans unveiled a plan last week that is designed to help schools build new infrastructure and reduce transportation costs. The plan would provide a \$10 million fund for schools with high per-pupil transportation costs to use

in an effort to equalize school's out-of-pocket transportation expenses. It would also extend the state's SAVE sales tax, which is set for expiration in 2029 and would provide billions in revenue for school infrastructure projects until 2049.

## **Medicaid**

Throughout the week, Mike Randol, the new Director of the Iowa Medicaid Enterprise, provided many updates on Medicaid Managed Care to different legislative committees. Randol said that he will be convening a Process Improvement Working Group, which will bring together provider groups and managed care organizations (MCOs) to identify and work through issues with Medicaid staff. Everyone in the group will write down their issues and subgroups will be created to work on them until they are resolved.

Randol shared that March 5<sup>th</sup> is the deadline to respond to the RFP to find a new MCO. He reported that a third or fourth MCO will be chosen and that they will plan for a July 2019 implementation. He said that the implementation is so far in the future in order to adjust for all of the processes that will need to be transitioned. The DHS also announced last week that they will not renew their contract with Milliman, the Department's actuarial firm, after the cost estimates for Medicaid were inconsistent and complicated. A new firm, Optimus, was hired to set rates starting for the next fiscal year.

On Friday, Amerigroup made an announcement that they are ready to start taking on more Medicaid members. When AmeriHealth exited the system, 10,000 members who tried to switch to Amerigroup were temporarily directed to the state's fee-for-service system; DHS stated that those members would be shifted to Amerigroup on March 1<sup>st</sup>. Starting on May 1<sup>st</sup>, new Medicaid members will have the choice of either Amerigroup or UnitedHealthcare at this time.

During discussions on the Integrated Health Homes, Randol said that the Department is reviewing the entire health home system to look at the data as a whole – what the outcomes are, what programs are included, what is being paid for, etc. Legislators also asked about the poor communication and denial of services; Randol responded that he plans to look at every aspect of the program and will work on a better communication plan and hopes to resolve other issues through the newly developed Process Improvement Working Group. Randol consistently stated that he is a strong proponent of managed care and reassured legislators that the primary focus of his job is on the 600,000 members. Randol confidently stated that he does not see a need for legislation to be passed this session in order to fix problems in Medicaid.

## **Looking Ahead**

Expect a similar week of heavy subcommittees and, perhaps, more closed-door budget discussions next week. Education spending may get ironed out between the two chambers before the de-appropriation bill as they have a self-imposed deadline of Feb. 8 to set the school aid increase.

Another notable difference, however, will be in this week's schedule as the House and Senate will skip session Monday to enable far-flung members to attend their precinct caucuses back home on Monday evening. We encourage you to attend your caucus, but you MUST be in line

to sign in at 7 p.m. to be admitted. You can find your caucus location by going to the Iowa Secretary of State website. <https://sos.iowa.gov/elections/voterinformation/index.html>

## Key Initiatives

A Senate subcommittee considered and advanced SF 2073 (Protected Status for Dispatchers) last week. The bill advanced despite some opposition from the Sheriffs and Deputies Association lobbyist and an admonition from an IPERS representative that protected status decisions should go through the Benefits Advisory Committee first. We will meet with Sen. Dawson this week to address a concern about the bill's wording, which may exclude many dispatchers from protected status if it were to become law. Eric Dau and Tracy Bearden were at the subcommittee representing APCO-NENA. Meanwhile, Rep. Kirsten Running-Marquardt's bill that would include dispatchers in the protection occupation category was introduced. That bill has been assigned to a subcommittee and we will meet with those members this week.

HSB 552 (911 Matters) passed the House Public Safety Committee last week with a unanimous vote. The Senate bill advanced unanimously through a subcommittee last week, too. It appears unlikely to undergo any amendments. The bills will likely have to go their chamber's respective Appropriations Committees before being eligible for floor debate.

The AS team held a conference call with APCO-NENA leadership Friday to provide a legislative update and clarify some communication practices during session. APCO-NENA leaders will be sending our report out to the broader membership so everyone can stay informed.

## Bills of Interest

Like sessions past, Advocacy Strategies will be tracking all bills pertaining to you. Along with this document, please find an attached excel spreadsheet with the bills you have registered for or we are waiting for a declaration. Please review this and confirm your declarations are correct. Please let us know if there are any changes that need to be made.

## Housekeeping

Our ability to best represent you is based on quick and open communication. Once the legislative session progresses further, our requests for bill declarations will increase substantially. **We would ask that you let us know your organization's position on each bill within 24 hours of our notification to you so we can respond accordingly.** Each bill we send your organization automatically generates a registration of "undecided" on that bill. This allows us to lobby on the bill or to attend a subcommittee on your behalf. But whatever your organization's stance may be, please communicate it to us (even if the stance is "undecided") so we can register properly and most effectively represent your interests.

## Dates to Note

- February 5: No session, Caucuses
- February 16: First funnel deadline (6<sup>th</sup> week)
- March 16: Second funnel deadline (10<sup>th</sup> week)
- April 17<sup>th</sup>: 100<sup>th</sup> calendar day of the session; legislators' per diem expires.

**Please feel free to contact the Advocacy Strategies Team with any questions, comments, or concerns. We are pleased to be representing your interests during the 2018 legislative session and throughout the year. Contact information for your lobbying team follows. We look forward to a successful session and working with you in the days ahead.**

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