

HEALTHY AND WELL KIDS IN IOWA (*hawk-i*)  
BOARD MEETING  
MINUTES

April 7, 2008

**BOARD MEMBERS:**

Susan Salter, Chair  
John Baker, Vice Chair  
Julie McMahon (for Thomas Newton)  
Angela Burke Boston (for Susan Voss)  
Dann Stevens (for Judy Jeffrey)  
Dr. Selden Spencer

**LEGISLATIVE BOARD MEMBERS:**

Senator Amanda Ragan (absent)  
Senator Dave Mulder (absent)  
Representative Polly Granzow (absent)  
Representative Mary Mascher (absent)

**DEPARTMENT OF HUMAN SERVICES:**

Anita Smith  
Anna Ruggle  
Mike Baldwin

**DEPARTMENT OF JUSTICE:**

Brad Horn

**GUESTS:**

Lynn Tague  
Jeff Harman  
Nancy Lind  
Dave Weieneth  
Gina Livingston  
Diane Schroeder  
Pam Moore  
Jenny Hodges  
John Davis  
Lindsay Miller

**AFFILIATION:**

Wellmark Blue Cross Blue Shield of Iowa  
NAS  
AmeriChoice  
MAXIMUS  
AmeriChoice  
Delta Dental of Iowa  
HMS  
Iowa Department of Public Health  
HMS  
Iowa Department of Public Health

**MEETING CALLED TO ORDER AND ROLL CALL:**

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, April 7, 2008, in the Levitt Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:30 p.m. A quorum was present.

**WELCOME, INTRODUCTIONS:**

Ms. Salter asked the audience members to introduce themselves. Ms. Salter informed the guests that there would be an opportunity for public comment later in the agenda.

**RECOGNITION OF OUTGOING BOARD MEMBER:**

The Board recognized outgoing Board member John Baker whose term expires April 30, 2008. On behalf of the entire Board, Susan Salter thanked Mr. Baker for his service. Anita Smith presented Mr. Baker with a certificate of appreciation signed by Human Services Director Kevin Concannon.

Mr. Baker said it has been his pleasure serving on the Board.

**ELECTION OF VICE-CHAIR:**

Because Mr. Baker currently serves as the Board's Vice-chair, the Board needs someone to serve as Vice-chair until August when the Board will elect officers for SFY '09. Ms. Salter said she would like to nominate Julie McMahon because she has served as Vice-chair in the past, and has also chaired the nomination committee. Selden Spencer seconded the motion. Unanimous approval was made by Julie McMahon, John Baker, Angela Burke Boston, Selden Spencer, and Susan Salter.

**APPROVAL OF FEBRUARY 18, 2008, MINUTES:**

John Baker made a motion to approve the February 18, 2008, minutes as written. Julie McMahon seconded the motion. Unanimous approval was made by Julie McMahon, John Baker, Angela Burke Boston, Selden Spencer, and Susan Salter.

**CORRESPONDENCE, REPORTS & OTHER STATE NEWS:**

Florida – Governor Crist and the insurance industry have agreed to allow children to be covered as dependents up to the age of 25 or 30, even if they are no longer in school.

Illinois- Governor Blagojevich is coming under fire for enacting a plan to expand the Illinois Family Care program even though lawmakers never approved it. Members of a legislative panel say there is no legal authority for the program, and no appropriation to fund it.

Kansas – The state is indefinitely postponing a program that would help low-income parents buy health insurance in lieu of increasing the income limits for children to 225 percent of federal poverty level (FPL) in 2009, and 250 percent of FPL in 2010.

Louisiana – Has received approval from CMS to cover kids up to 250 percent of FPL. They are projecting they will be able to cover about 6,500 more kids.

Maryland –A bill is under consideration that would require their Department of Revenue to mail SCHIP applications to every family with children who report income of less than

300 percent of FPL. They will add a box to the state income tax form for 2008 where the parents would designate whether their children are insured. This would allow more targeted outreach in subsequent years.

Mississippi – Governor Barbour and Georgia Governor Sonny Perdue were two of the Governors who testified before a congressional panel requesting more SCHIP funding. Part of the discussion had to do with income limits. Governor Perdue maintains that rich states are expanding income limits beyond where they should be, thereby exhausting funding other states need. Georgia's income limit is currently 235 percent of FPL.

Montana – Governor Schweitzer has stated that he will not support a bill to increase SCHIP from 175 to 250 percent of FPL due to costs. Montana currently has the country's lowest income level for SCHIP eligibility at 175 percent.

Texas – Since Texas increased their renewal period from 6 months to 12 they are gradually increasing enrollment in their SCHIP program. They are still experiencing significant problems in processing applications timely due to lack of state workers and some applications are taking several months to get approved. The state plans a 5 percent salary increase in order to reduce staff turnover.

Washington – Governor Gregoire focused her comments to Congress on the August 17, 2007, CMS directive. Washington is currently at 250 percent of FPL, but is planning to expand to 300 percent on January 1, 2009.

#### Reports:

A Congressional Research Service Report for Congress entitled "State Children's Health Insurance Program (SCHIP): A Brief Overview" was released in March. It includes enrollment and eligibility information for each state and some states have indicated their enrollment numbers are wrong. Iowa's enrollment numbers are correct, but when enrollment numbers are compared to previous years it appears as if enrollment is decreasing, which is not the case.

The discrepancy is a result of how the numbers are reported. There are two groups of children in Medicaid that are called "SCHIP kids". In one situation they are funded through Title 21, and the others have health insurance and coverage is funded through Title 19. Depending on how the question is asked, the kids funded through Title 19 may be included as well. Iowa is no longer reporting this way.

This report shows the unduplicated, ever enrolled number for Iowa in 2007 as 50,238 with 32,312 being SCHIP and 17,926 in Medicaid expansion. In June 2005 Medicaid expansion was 16,453, SCHIP 30,109, for a total of 46,562. In June 2006 Medicaid expansion was 17,756, SCHIP 31,819, for a total of 49,575. While the growth did slow between 2006 and 2007, there was still an enrollment increase.

**ADMINISTRATOR'S REPORT:*****Enrollment and Statistics:***

Because the Board meeting is early this month, the March enrollment numbers are not available. For February, SCHIP enrollment was 37,689; 21,220 of those were enrolled in *hawk-i* and 16,469 were enrolled in Medicaid expansion.

***SFY '08 Budget Update:***

Total expenditures are on track with projections: Medicaid expansion expenditures are 46 percent of what was projected; *hawk-i* premiums 56 percent; outreach 7 percent; and administration 45 percent. Interest earned on the *hawk-i* trust fund totals \$247,267.

***Dann Stevens arrived at the meeting at this time.***

**FEDERAL UPDATE:**

Ms. Smith reported that not a lot has been going on at the federal level. Congress held some hearings, and states are still pushing back on the August CMS directive.

**LEGISLATIVE UPDATE:**

Ms. Smith told the Board that the Governor recommended the Department's request for the SFY '09 SCHIP appropriation. However, the General Assembly removed outreach funds from the bill. The Medicaid appropriation bill includes funds with language that indicates funds can be transferred to SCHIP for the purposes of outreach. The Department is trying to get outreach funding back into the SCHIP appropriation, particularly the \$134,000 that funds the outreach contract with the Department of Public Health, pays for printing all of the brochures, and yellow page advertising. Ms. Smith said that the Department would continue doing outreach; it is just not clear where the money will be in the budget.

The appropriations bill was amended to add language the Department is concerned about. The amendment states that "a participating insurer shall not require participation by a provider in other health insurance products of the participating insurer as a condition of participation in the qualified child health plan". Ms. Smith said the Department believes this language is trying to address contract issues that some providers are having with the health plans, in particular Gunderson Clinic. The Clinic is not happy that they have not contracted with Wellmark or AmeriChoice and as a result, they are not participating providers and *hawk-i*-eligible kids cannot be seen in their clinics. The Department has asked that this language be struck from the bill and has been in contact with Wellmark and AmeriChoice. Ms. Smith asked if representatives from those health plans would like to talk about the issue.

Lynn Tague from Wellmark stated that Wellmark has been paying a lot of attention to this bill during the last week. Wellmark feels there is a lot of unintended consequences

that could result if the legislation is passed. Specifically the legislation is not clear on HMO versus indemnity coverage. Wellmark's interpretation is that it would require Wellmark to go out and re-contract under a **hawk-i** network, which was not the intent of the original legislation establishing the **hawk-i** program. It was intended that the coverage of networks mirror the public sector as much as possible.

Nancy Lind from AmeriChoice echoed Ms. Tague's comments.

Ms. Smith said there has been a lot of activity this session with health care reform. Senator Jack Hatch has been spearheading a lot of the efforts. As the bill (HF 2539) stands it will:

- direct the Department to implement continuous eligibility for children in Medicaid. That means when a child is determined eligible they will remain eligible for one year without regard to changes in family income and household composition.
- expand Medicaid to cover infants in families up to 300% of FPL effective July 1, 2009.
- expand the **hawk-i** program to children up to 300% of FPL effective July 1, 2009. There will be a different premium for the higher income families of \$40 per child per month, or \$40 per family for those between 200% and 300% of FPL.
- eliminates language that would not allow the Department to have an earned income disregard.
- require other state agencies to work with the Department such as the Department of Revenue for outreach purposes.
- direct the Department to develop options and recommendations for a premium assistance program for children eligible for **hawk-i** and file a report with the Governor and General Assembly by January 1, 2009.
- directs the Department to work collaboratively with other state agencies, the **hawk-i** board, and Covering Kids and Families to develop a plan to maximize enrollment of children in Medicaid and **hawk-i** through various strategies (streamlined enrollment, conditional eligibility, expedited renewal, and retroactive **hawk-i** coverage). This study of recommendations is due to the Governor and General Assembly by January 1, 2009.

#### **Media Outreach Update:**

Ms. Smith shared a report of **hawk-i** applications and telephone calls received since the commencement of the media campaign on January 25, 2008, and how the number compares to those received one year ago. In January 2008, only 11 more applications were received than in January 2007. However, the telephone calls were significantly higher. In February 331 more applications were received than in 2007 and 1,000 more telephone calls. In March, 462 more applications were received than in 2007 and 2,000 more telephone calls. Ms. Smith said it appears the media campaign is working. Ms. Smith said that it is still early to see any enrollment increase because if a family applied in February, the first month they would be eligible would be in March.

## **HEALTH PLAN CAPITATION RATES:**

Anna Ruggle discussed the health plan capitation rates for SFY '09. Milliman, Inc. is the actuarial service for the Department. Milliman's analysis of *hawk-i* encounter data and national trends identified appropriate rate increases per member, per month (pm/pm) as follows:

Milliman (Actuaries) proposed increases	Indemnity with dental	Managed care with dental	Managed care without dental	Dental only*
	+8.4%	+2.9%	+3.2%	+26.8%

\* Milliman shows dental rate for SFY 08 to be \$ 20.64 pm/pm and SFY 09 to be \$20.62 for managed care dental, which is 0.1% decrease

The current rate per health plan, and their requested increase is:

	Wellmark CB#	WHPI#	AmeriChoice original proposed rate	Delta Dental	AmeriChoice counter-proposed rate
SFY 08 Current rate	\$ 189.80	\$ 183.29	\$ 163.94	\$ 18.98	\$ 163.94
Proposed increase	2%	2%	4.0%	8%	3.70%
Potential new rate	\$ 193.56	\$ 186.95	\$ 170.50	\$ 20.50	\$ 170.01

# Wellmark CB and WHPI includes dental coverage

Ms. Ruggle explained that AmeriChoice originally requested a 4 percent increase; the Department asked if they would accept a 3 percent increase, and AmeriChoice countered with a 3.70 percent increase request.

### ***Wellmark:***

John Baker made a motion to approve Wellmark's 2 percent rate increase for each of their plans, Wellmark Classic Blue (indemnity) and Wellmark Health Plan of Iowa (HMO). Angela Burke Boston seconded the motion. Unanimous approval was made by Julie McMahan, John Baker, Angela Burke Boston, Selden Spencer, Dann Stevens, and Susan Salter.

### ***Delta Dental:***

John Baker made a motion to approve Delta Dental's 8 percent increase. Angela Burke Boston seconded the motion.

Dr. Spencer asked why Delta Dental requested such a large increase (8%). Diane Schroeder of Delta Dental explained the rate increase was based on a loss ratio and the loss of enrollees they experienced when Wellmark's HMO expanded into counties previously covered only by AmeriChoice.

Unanimous approval was made by Julie McMahan, John Baker, Angela Burke Boston, Selden Spencer, Dann Stevens, and Susan Salter.

**AmeriChoice:**

John Baker made a motion to approve AmeriChoice's 3.70 percent increase. Dann Stevens seconded the motion. Unanimous approval was made by Julie McMahon, John Baker, Angela Burke Boston, Selden Spencer, Dann Stevens, and Susan Salter.

**ADMINISTRATIVE RULE AMENDMENTS:**

Mike Baldwin presented two administrative rule documents to the Board.

The first is a Notice of Intended Action. The rule is amended to:

- exempt federal and state earned income tax credit payments from consideration as income in determining *hawk-i* eligibility. This exemption is consistent with Department policy for other assistance programs.
- exempt earnings from temporary employment with the U.S. Bureau of Census from consideration as income. This policy is authorized and encouraged by CMS.
- clarify that the effective date of coverage for a child denied Medicaid eligibility is the first day of the month after the month when the Department received the Medicaid application, unless the child has health insurance on that date. If that is the case, coverage will be effective the first day of the month after the child loses that coverage.
- define the first day of the ten days allowed for an enrollee to report changes that may affect eligibility as the first working day after the change takes place instead of the date the change occurred.
- clarify the effective date of a positive or negative change in eligibility or benefits resulting from a change in family circumstances, depending on whether the change is reported timely.
- make other technical changes to make the rules more precise and easier to understand.

Angela Burke Boston made a motion to approve the Notice of Intended Action. Selden Spencer seconded the motion. Unanimous approval was made by Julie McMahon, John Baker, Angela Burke Boston, Selden Spencer, Dann Stevens, and Susan Salter.

The other rule adopts and files as emergency subrule 86.2(2)"b"(44). If approved by the Board, this amendment will become effective April 8, 2008. This subrule exempts both federal and state earned income tax credit payments as income. This rule is adopted and filed emergency because going through the Notice process would delay the effective date of the rule until after the current tax period, which would be contrary to the intent of the amendment.

Selden Spencer made a motion to approve the emergency adopted rule. Angela Burke Boston seconded the motion. Unanimous approval was made by Julie McMahon, John Baker, Angela Burke Boston, Selden Spencer, Dann Stevens, and Susan Salter.

**PUBLIC COMMENT:**

There were no public comments.

**THIRD PARTY ADMINISTRATOR REQUEST FOR PROPOSAL:**

Brad Horn, Assistant Attorney General, discussed the process used for the issuance of the Request for Proposal (RFP) for the Third Party Administrator for the *hawk-i* Program (RFP FHWS-08-17) and presented the RFP Evaluation Committee's recommendation to the Board.

Angela Burke Boston made a motion to accept the recommendation of the committee and award the contract to Policy Studies, Inc. Dann Stevens seconded the motion. A roll call vote was taken. Susan Salter, aye; John Baker, aye; Dann Stevens, aye; Angela Burke Boston, aye; Julie McMahan, aye; Selden Spencer, aye. Unanimous approval.

Ms. Smith introduced Kelly Peiper of Policy Studies, Inc. Ms. Peiper will be working with *hawk-i* staff on implementing the contract.

**NEW BUSINESS:**

Mr. Baker raised a question about the report received from MAXIMUS showing the schools that have supplied the free and reduced meal program information to them as a result of the new mandate. A number of schools have not reported and Mr. Baker wanted to know when the deadline is for filing those reports with MAXIMUS. Ms. Smith will have Shellie Goldman work with the Department of Education on this issue.

Dr. Spencer asked about having a discussion of the role of the *hawk-i* Board. Ms. Smith responded that since two new Board members will begin their terms at the next meeting, she has asked Diane Stahle to attend the June meeting for this discussion.

There was no other new business.

The next regular *hawk-i* Board meeting is scheduled for Monday, June 16, 2008, at 12:30 p.m. at the Des Moines Botanical Center, Levitt Room, 909 Robert D. Ray Drive, Des Moines, Iowa.