

HEALTHY AND WELL KIDS IN IOWA (*hawk-i*)
BOARD MEETING
MINUTES
April 15, 2002

BOARD MEMBERS:

Eldon Huston, Chair
Susan Voss (for Terri Vaughan)
Charlotte Burt (for Ted Stilwill)
Stephen Gleason (absent)
Susie Poulton
Diane Briest
Barry Cleaveland

LEGISLATIVE BOARD MEMBERS:

Senator Johnie Hammond (absent)
Senator Kenneth Veenstra (absent)
Representative Jane Greimann (absent)
Representative Brad Hansen (absent)

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle

ATTORNEY GENERAL'S OFFICE:

Marne Woods

GUESTS:

Wendy DeWitt
Tim Gibson
Kristine Klauer
Cathy Anderson
Sam Leto
Lisa Huff
Alice Benge
Diane Ellis
Denise M. Hill
Valandra German
Sonni Vierling
Rhonda Boltz
Heather Olson
Chris McCarthy
Karen Brown
Deb Bingaman
Jim Donoghue
Barbara Fox-Goldizen
Sara Schneider
Mary O'Brien
Jerry Karbeling
Ed Conlow

AFFILIATION

Iowa Health Solutions
John Deere Health
John Deere Health
Department of Human Services
Legislative Fiscal Bureau
Health Care Coverage for Kids
SIEDA Outreach Coordinator
Covering Kids - Marion County
Iowa Medical Society
Iowa Department of Public Health - Covering Kids
Iowa Department of Public Health - Covering Kids
Lee County Health Department
Iowa Hospital Association
Iowa Health System
Health Care Coverage for Kids, Des Moines Schools
Department of Human Services
Broadlawns Hospital
MAXIMUS
Department of Human Services
Visiting Nurse Services
Iowa Pharmacy Association
House Democratic Staff

MEETING CALLED TO ORDER:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, April 15, 2002, in the Oak Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Eldon Huston, Chair, called the meeting to order at 12:30 p.m.

WELCOME, INTRODUCTIONS, AND ROLL CALL:

Ms. Smith took the roll call, a quorum was present. Audience members introduced themselves.

Mr. Huston informed the guests that there would be an opportunity for public comment later in the agenda. In order to give audience members an opportunity to comment on Wellmark's generic prescription drug plan proposal, the public comment portion of the agenda will occur after Wellmark's presentation. Anyone wishing to address the Board, should notify Mr. Huston.

RECOGNITION OF DEPARTING BOARD MEMBERS:

Certificates of Appreciation signed by DHS Director Jessie Rasmussen were presented to outgoing Board members Diane Briest, Barry Cleaveland, and Susie Poulton.

Mr. Huston thanked all three Board members for their contributions to the Board, saying that they have been a great addition to the *hawk-i* Board and he hates to see them depart.

Susie Poulton said that serving on the *hawk-i* Board was a great opportunity for her and the experience was very rewarding. Ms. Poulton said she wanted to commend both the DHS and MAXIMUS staffs for their tireless efforts and hoped their great work can continue. Barry Cleaveland said he wished to echo Ms. Poulton's remarks. Mr. Cleaveland said that the MAXIMUS and DHS staffs have been really great to work with.

APPROVAL OF THE MARCH 18, 2002, MEETING MINUTES:

Barry Cleaveland made a motion to approve the March 18, 2002, meeting minutes as written. Susan Voss seconded the motion. Unanimous approval was made by Charlotte Burt, Barry Cleaveland, Susie Poulton, Diane Briest, Susan Voss, and Eldon Huston.

REVIEW OF CORRESPONDENCE, REPORTS, & OTHER STATE NEWS:

Ms. Smith reviewed the correspondence:

- April 1, 2002, letter to Dr. Rhys Jones acknowledging that his concerns regarding dental coverage had been shared with the Board at the March meeting. The Board asked that Dr. Jones' concerns be an agenda item for the next Clinical Advisory Committee meeting.
- Kaiser Report, April 9, 2002. The State of Tennessee has issued an RFP for a dental carve out for their program. Since this issue has been previously discussed by the Board, the Department has requested a copy of the RFP for staff to review.

- USA Today article dated March 31, 2002. "Cuts Threaten Kids' Medical Care". The article discusses what other states are doing in regard to budget problems in their CHIP programs. The article specifically talks about Idaho, Rhode Island, New Mexico, Utah, and Illinois.
- Christian Science Monitor, April 3, 2002 - "Healthcare Crises Grows for Middle Class". The article discussed the fact that many employers are dropping coverage. Experts predict that more employers will continue to cut back on providing health insurance benefits if not eliminate the benefit all together. Two million people have lost their insurance in the past year, the biggest drop of employer insurance since 1992. This highlights the growing need of programs like *hawk-i*.

ADMINISTRATOR'S REPORT:

Legislative Update:

Ms. Smith provided Board members with the language in LSB 7171H, which staggers the terms of the Board members. Ms. Smith said that she has been unable to learn the current status, it may have been included in the Department's appropriations bill. Ms. Smith will keep the Board informed.

Ms. Smith also provided the Board with several handouts to update them on what has been happening with the *hawk-i* budget the last several weeks.

Ms. Smith explained the process used when building the *hawk-i* budget request for SFY 03, beginning with projected enrollment.

As of February 28, 2002, over 21,000 kids were enrolled in SCHIP (both *hawk-i* and the Medicaid expansion). Projections for enrollment as of June 30, 2002, are 23,099. The new report that MAXIMUS is generating updates each month's enrollment figures to include those kids enrolled between the date the capitation report is generated (25th of the month) and the end of the month. These enrollments were not being captured in other reports. When including those kids for the month of February, actual enrollment increased from 13,068 to 13,282. This new report will provide a more accurate enrollment count for doing future projections.

Ms. Smith said that the *hawk-i* expenditure report for February was used by the Legislature as a basis for determining the amount FY 03 funding. As of February 28th, \$5.9 million had been expended. This amount was divided by the eight months it represented and was then prorated for 12 months to establish annual expenditures. This was the base used to determine what the Department needed for SFY 03. Ms. Smith said the Department does not agree with that methodology. To illustrate, Ms. Smith took the expenditure reports from each quarter in SFY 01 and made annual projections using the above methodology. The result was a difference of \$3.3 million dollars when comparing the last quarter to the first quarter expenditures. Ms. Smith said that the Department responded to the Legislature about DHS' concerns with the rationale. Some of the issues raised included that the expenditures as of February, 2002 represent only claims that have been submitted to date and do not represent all

costs for the time period and the amount does not include the SFY administrative costs for FTEs. The February report also does not account for increased claims activity, projected capitation rate increases, or increased Medicaid costs. Even though there have not been provider rate increases, utilization has increased resulting in higher costs. The February report also does not account for any enrollment increases nor does it anticipate decreased interest earned on the *hawk-i* trust fund given the lower than anticipated carryover balance.

Ms. Smith said that the current proposed budget for *hawk-i* and Medicaid expansion is:

\$ 9,958,412	GOP Budget
1,500,000	Amendment (4-11-02)
200,000	Tobacco Settlement
<u>1,200,000</u>	Trust Fund Carryover
\$12,858,412	Total

Ms. Smith said assuming *hawk-i* enrollment at the end of SFY 02 reaches the 15,154 that is projected and that no additional children are added in SFY '03, the *hawk-i* budget is short \$580,000. This means a waiting list will need to be implemented immediately and 1,423 children disenrolled effective July 1, 2002. Compared to the Governor's budget request, the budget is short \$1.8 million.

Ms. Smith said that earlier this year CMS surveyed states because they were concerned about how states were addressing shortfalls in their CHIP programs. At that time Iowa responded that the Governor's budget proposal fully funded *hawk-i* and no cuts were anticipated. Iowa needs to amend the CHIP state plan if a waiting list is implemented. Ms. Smith said that she has not been able to find any state that has had to disenroll people from an existing program. States have instituted waiting lists, not accepted new applications, or have completely done away with programs, but none have had to make decisions about who is going to be disenrolled. Ms. Smith said that assuming nothing changes, a methodology will have to be developed for deciding which kids coverage will end.

Ms. Smith said that an "Omaha World Herald" article quotes House Speaker Brent Siegrist as saying, "there is a disagreement on figures that will get solved, but as a matter of policy no children would lose health insurance." In another paragraph the article quotes Siegrist, saying "HAWK-I costs \$9.5 million this year to fund 13,069 children. Siegrist said the program next year would spend \$12.7 million to cover the same number of children." Ms. Smith said that the budget does not just cover *hawk-i* and it appears legislators are forgetting to include the Medicaid expansion kids. The CHIP budget funds both *hawk-i* and the Medicaid expansion.

Ms. Smith told the Board that staff would be working hard the next several weeks on the state plan amendment and drafting emergency administrative rules to address disenrollment criteria. These will be brought to the Board for action at their May 20th meeting. Staff has been meeting with MAXIMUS to develop the business rules for the waiting list. Another issue is that before a child can be placed on a waiting list, a full

Medicaid eligibility determination must be made. This will require considerably more resources for the income maintenance staff co-located at MAXIMUS.

Mr. Huston asked if it would be helpful if the Board took some action to encourage the Governor and both parties to look at this issue. Mr. Huston suggested drafting a letter quoting both parties as to their commitment to *hawk-i* and that kids would not be disenrolled. Ms. Voss agreed that it was a good idea and that the Legislature may not realize how complicated the process is and all it entails.

Susie Poulton made a motion that a letter expressing the Board's concerns be sent to the Governor and Legislative Leadership. Barry Cleaveland seconded the motion. Unanimous approval was made by Charlotte Burt, Barry Cleaveland, Susie Poulton, Diane Briest, Susan Voss, and Eldon Huston.

Ms. Burt asked what the current status is, are children continuing to be enrolled? Ms. Smith responded that yes, it is business as usual and no action will be taken to do anything different until the budget situation is known for sure.

Ms. Smith told the Board that since the new income guidelines became effective April 1st MAXIMUS has sent letters to 634 families who were previously denied for being over income and encouraged them to reapply.

Budget:

To date, claims have been paid totaling \$6.4 million. Interest earned on the *hawk-i* trust fund is \$120,697.

Employee Temporary Layoffs:

Ms. Smith announced that because of the budget, employees are being temporarily laid off and DHS offices will be closed on Friday, May 10 all day; Friday, May 17 from 12:30 p.m. to 4:30 p.m.; and on Friday, May 24 all day.

MAXIMUS will be open those days. The DHS income maintenance workers co-located with them will not be there, but it will be business as usual for MAXIMUS.

Enrollment and Statistics:

There were 13,230 kids enrolled in *hawk-i* for the month of March and 11,821 enrolled in Medicaid expansion. This brings the total CHIP enrollment for March, 2002 to 25,051. This is an increase from February's enrollment of 24,686.

COVERING KIDS UPDATE:

Sonni Vierling told the Board that the National Advisory Committee recommended funding Iowa's Covering Kids & Families proposal for the next four years. However, the amount is less than originally requested, a decrease of \$244,252. Ms. Vierling said they would be removing from their original proposal a demonstration project at Siouxland

Community Health Center for \$160,000 and \$84,252 from the South Central regional coalition. They have identified some line items and some promotional and educational materials that could be funded by other sources. Ms. Vierling said the budget changes are due April 19, and she anticipates hearing from the national office shortly thereafter. Anticipated start date is still July 1st.

Ms. Vierling also told the Board that the statewide Covering Kids Coalition met on March 21 and the featured topic was electronic applications. The group went online to view several electronic applications and had demonstrations. They discussed the positives as well as concerns. Coalition members stated they believed that electronic applications would be an effective tool in enrolling children in *hawk-i* and thought there were five key components that would help.

1. Increased efficiency because all the information would be stored electronically in a file. The third party administrator receives applications immediately and eligibility workers can update the application status via the Internet at any time.
2. Decreased errors since all the information would be entered once and it appears on all forms. The electronic applications would prompt the outreach worker for the required information.
3. Improved data collection since data is collected and stored on the server for retrieval and collection and the application status can be viewed by the outreach worker at any time.
4. Eliminate paper storage problems as files could be converted to CD's and it would simplify the application process.
5. Applications can be submitted anytime since it is via universal web-based access.

Ms. Smith provided the Coalition with an overview using Georgia's Peachcare application as a model. Confidentiality issues are addressed because their third party administrator's system is swept every 3 to 5 seconds to move information from the Internet to their server. Studies show that a significant number of families do have computer access. Georgia feels that an electronic application can be developed for less than \$100,000. Since federal funds pay for 75%, the state's cost would be around \$25,000. Coalition members discussed the possibility of a grant and looking at local resources, federal resources, and gathering community feedback on how they could develop the electronic application.

WELLMARK'S PROPOSED GENERIC PRESCRIPTION DRUG PLAN:

At the March meeting Wellmark gave a presentation as to why they were requesting a 25.9% rate increase. The Board asked DHS staff to work with Wellmark to look at ways to reduce costs without changing the benefit package dramatically, without increasing cost sharing for participants, and find a way to keep within the rate increase built into the SFY 03 budget.

Peter Roberts, Group Vice President of Provider Relations and Health Management, and Dr. Lee Ding, Director of Wellmark's Pharmacy Program, were introduced. Mr. Roberts gave the Board an overview of their experience in serving 6,000 *hawk-i* enrollees through their Classic Blue Indemnity Program. Experience included:

- an operating deficit of approximately \$633,492
- increased total health care costs of 24.9% over the last 12-month period

Increases were across-the-board, with no particular category where the increases are concentrated in terms of utilization.

Wellmark's actuarial staff concluded that a rate adjustment of almost 26% would be necessary to cover the medical, dental, and administrative costs. Mr. Roberts said that Wellmark had met with Ms. Smith and her staff to find options for improving the use and costs involved in the *hawk-i* program. They tried to find a solution that would be within the Department's budget, that will cover the cost of the program, and allow Wellmark to continue serving enrollees beyond the end of this fiscal year. Mr. Roberts said they have a program that he thinks will meet all of those needs and that is with an all-generic pharmacy plan proposal. Mr. Roberts said that he and Dr. Ding have been in touch with a number of pharmacists and primary care physicians and believe they have support from those individuals to join an ad hoc advisory committee to help further define and implement the program. Mr. Roberts said that Wellmark has spent considerable time thinking about how the plan would work, and while it is a new program for them, they believe they have the people and systems in place to make this program work and still provide very high quality pharmaceutical care.

Dr. Ding discussed the current utilization under the *hawk-i* program and the feasibility of the proposal. Dr. Ding said the success of the generic program will rely on the target of 90% generic use. Currently the *hawk-i* program has 52-53% generic utilization.

Dr. Ding said that generic drugs have proven safety and efficacy records, especially for pediatrics. There are multiple generic alternatives for almost all therapeutic/disease categories for pediatrics. As a safeguard, there will be a medical exception to the policy. Some drugs do not have generic drugs available, so a safety net must be in place to make sure those kids get that brand name drug and are treated. Wellmark will use extensive education/communication tools so the member's family knows about the program and that there is communication at the point of service, the physicians and pharmacies.

Dr. Ding explained the difference between generic equivalents and therapeutic equivalents and said that the focus would be on therapeutic equivalents. These are drugs within the same therapeutic/disease category. Dr. Ding gave the example of treating a child with attention deficit disorder, or hyperactive disorder. Adderall is a drug used to treat the condition. So is Ritalin, but they are two different drugs used for the same thing. These are called therapeutic equivalents and the physician has to agree to substituting a generic drug.

2001 *hawk-i* pharmacy utilization data shows the top six therapeutic classes and consisted of 67% of all pharmacy utilization. These are based on number of prescriptions, not cost.

1. Antibiotics 34.8% of the total utilization.

2. Antihistamines, allergy 8.4%.
3. Central nervous system stimulants, hyperactivity or attention deficit disorder 8%.
4. Sympathomimetics, drugs for asthma treatment 5.5%.
5. Antidepressants 5.4%.
6. Antitussive (cough and cold 4.7%.

Dr. Ding then described the percent of generic usage among the above categories by **hawk-i** members in 2001 and some of the generic alternatives.

Current generic utilization for

- Antibiotics 60%
- Antihistamines 30%
- CNS Stimulants 28%
- Sympathomimetics 79%
- Antidepressants 28%
- Antitussive 94%

Certain drugs with what is termed a "narrow therapeutic window" will be exempted. Examples of these include:

- Lanoxin - heart
- Dilantin - seizure
- Tegretol - seizure
- Coumadin - blood thinner

For these drugs, Wellmark wants the kids to use the brand drugs and will not force the use of the generic drug. Switching back and forth from brand name to generic would alter the drug levels. Dr. Ding said that Wellmark currently has a clinical group in place for medical exceptions, their Pharmacy and Therapeutics Committee. Wellmark is establishing an ad hoc advisory committee to assist in developing and enforcing medical exception criteria for the **hawk-i** generic drug plan. Mr. Roberts said that he has had discussions with both Dr. Carlyle, a member of the **hawk-i** Clinical Advisory Committee, and Dr. Mark Barnhill, a Des Moines pediatrician. Both believe the program is worth a try and have agreed to serve on the ad hoc committee. Dr. Ding said that he has talked to several of his pharmacy colleagues, Jerry Karbeling, a pharmacist in Polk City, and Greg Vogel, Director of Mercy Hospital's Pharmacy Practice Residency Program in Des Moines, and also a member of the **hawk-i** Clinical Advisory Committee. Mr. Huston noted that the Board had received a letter supporting the proposal from Mr. Vogel.

Dr. Ding described the process that Wellmark will use when a non-generic prescription presented.

Mr. Cleaveland asked if Wellmark anticipates that a lot of physicians will insist on specific brands. Dr. Ding said initially yes, and that is the reason the criteria set by the ad hoc committee is so important. It will take awhile to educate the prescribers.

Mr. Roberts told the Board they are open to recommendations from the Board or Clinical Advisory Committee for individuals who would like to participate on the ad hoc committee. Mr. Huston suggested Wellmark contact the Iowa Pharmacy Association, Iowa Medical Society, Iowa Osteopathic Association and related groups to ask for their suggestions.

Mr. Roberts said they would be announcing the program through their physician and pharmacy newsletters. They will also ask the Iowa Pharmacy Association, Iowa Medical Association, and Iowa Osteopathic Association to utilize their regular newsletters so they will be working simultaneously to get the word out in advance of the program implementation.

Mr. Huston suggested the information also be provided to the Family Practice Organization and the Iowa Pediatric Association for their newsletters. Ms. Poulton asked them to include nurse practitioners.

Mr. Roberts said that new identification cards would be issued to members in advance of the July 1 effective date. The cards will include a generic message on the front so the message will be seen when the card is presented at the physician's office and the pharmacy. The cards will be accompanied by specific educational material for each member. Mr. Roberts said he will work with Wellmark's customer and provider service units to make sure the information going out in response to questions will be consistent and of high quality. Additionally, Wellmark will provide quarterly reports to the Board detailing how the program is going, what the generic rates are, how many exceptions have been processed, why the exceptions were processed, customer concerns, and physician or other provider concerns.

Ms. Smith said that in preparation for this meeting the Department contacted some individuals they thought would be interested in the proposal and might want to provide input. Anna Ruggle told the Board that she spoke to the members of the Clinical Advisory Committee. In addition to the response from Greg Vogel, she spoke to Dr. Julie Thomas, a pediatrician in Cedar Rapids. Dr. Thomas felt this would cause the doctors to plead their cases for a brand name and would cause additional work for the doctors and would increase costs. Dr. Thomas gave an example where a brand name often preferred for young children is Xopenex instead of albuterol. Xopenex causes less irritability and hyperactivity than albuterol. Ms. Ruggle said when she spoke with Dr. Carlyle he wanted to make it clear that this is really generic use and therapeutic substitution and not just generic use. He hopes that Wellmark plans on using family physicians on the committee. Dr. Carlyle said that he thought it was a necessary evil to avoid a waiting list. He said he would work with the program and he would make it work.

Ms. Smith said she feels it is also important that a letter to member's families be issued through MAXIMUS informing the families of the change, that way they will be hearing about the change from several sources.

PUBLIC COMMENT:

Jerry Karbeling, Iowa Pharmacy Association, told the Board his response was more as his role as a pharmacy clinician than as a representative of the Association. Mr. Karbeling said an effort such as this, trying to maintain access to a program, is one that most pharmacists will be willing to work with because the option would be disenrollment or limiting access. They want to try to do things that will be creative but still insure quality care and still allow patients to be involved in the program. Mr. Karbeling said it is very clear there needs to be a significant amount of focus on provider education. The chart Wellmark showed of the acceptance/rejection process really should never occur because if the program has a criteria of being a generic based program, then hopefully the prescribers will know that when they write the prescriptions. On the other hand, if there is a situation where a medication is being used that is not on the program, Mr. Karbeling feels it would be extremely important that the process start from the prescriber, not having to go to the pharmacy and get a rejection, and eliminate those things as much as possible. Mr. Karbeling said he also has some concerns about the 48 hours medical exception criteria. If there is a problem, particularly if it is for one antibiotics, acute care issues, then waiting 48 hours is not appropriate. There needs to be a mechanism, especially in those odd hours, to make sure the patient has access to care. A lot of that would be driven by understanding of the program on the front side. Mr. Karbeling said that the Pharmacy Association could identify a lot of pharmacists that can help facilitate the education and implementation process and also try to assure quality care. In some instances there are some therapies in use where a brand name product is being selected which is probably not the optimal therapy. It's just one that is promoted more and sometimes it may not be highly optimal but it is highly priced. Mr. Karbeling said that it is important to try to create practice criteria that will drive appropriate use of medications and help to bring down the cost of pharmaceuticals.

Denise Hill, Iowa Medical Society, told the Board that she would want to make sure something was in place so a patient would not have to wait 48 hours to get relief.

Jim Donohue, Broadlawns Hospital in Des Moines said that it is really hard for public hospitals to do any discount buying and they have really been hammered on pharmacy products. It is a huge problem for them and has been enhanced by direct advertising, by the amount of access pharmacy representatives have to physicians, and the direct financial support many physicians seem to be receiving from pharmacy representatives. Mr. Donohue said he was supportive to Wellmark's generic drug proposal because it is a big issue in health care, for *hawk-i* and other programs. He said the proposal is not that different from Broadlawn's own employee health plan.

Sam Leto, Legislative Fiscal Bureau, asked if going to generics have any implications for Title 19, are there Title 21 provisions relative to that choice. Ms. Smith responded that the only requirement for Title 21 is that the health plan has to be actuarially equivalent. There are no requirements about offering certain drugs. Mr. Leto wanted to know how close the generic proposal would get the Department to its budgeted 15% rate increase. Ms. Smith said that with the overall budget for a 15% increase, they could offer Wellmark 18.1%, which would allow a rate increase of 12% to the managed

care plans. Ms. Smith said the Department has talked to all the health plans and believes everyone is agreeable.

WELLMARK'S PROPOSED GENERIC PRESCRIPTION DRUG PLAN (continued):

Ms. Poulton asked if anyone in child psychiatry had been consulted and that the area of behavioral health was her biggest concern. Many of these drugs are tested for adults so often times psychiatric medications and antidepressants are prescribed for children by trial and error. Ms. Poulton said her other question was what criteria will be used to determine an exception, physician recommendation, side effects? Mr. Roberts said that is why Wellmark is putting together an ad hoc advisory committee. The one thing the exception cannot be is "convenience". It is important to understand that there will be some inconvenience, whether it's the physician, pharmacist, or the member. Mr. Roberts said it is not possible to save money and meet everyone's convenience needs but they are more than willing to bring together all the groups that have been mentioned in order to find sound medical or clinical criteria for an exception.

Ms. Voss stated that she has recently reviewed a lot of rates with their actuaries and rates are going through the ceiling. Ms. Voss said she believes it is the Board's job to make sure this is an effective program. It is not going to be a Cadillac plan and there will be inconvenience. Ms. Voss said that when she looks at what is happening with the rates in private insurance right now, if there is something the Board can do and still provide effective care for Iowa's most vulnerable population, then she thinks they need to do it. In the private sector, employers are dropping health insurance because rates are going too high and they can no longer afford the benefit. Ms. Voss said that the generic proposal is a good first step and she thinks the Board should endorse it.

Mr. Cleaveland said that his company went to a similar plan last fall and it seems to be working just fine. Mr. Cleaveland said he was concerned about the generic statement on the insurance card and wants to make sure it is sensitive to the population *hawk-i* serves. Mr. Cleaveland said that he, too, was concerned about the 48-hour turn around time on the medical exception and hopes that can be improved. Mr. Cleaveland said he would endorse the generic drug proposal.

Mr. Huston noted that this plan would be unique and different from the other plans, Iowa Health Solutions and John Deere. There has been feedback over the years that the plans are too different, that they need to be the same. That is not necessarily the way the Board feels, they have gone with differences trying to reflect the market where there are differences. Mr. Huston said that there may be public pressure or pressure for the other plans to duplicate this.

Ms. Smith said the quarterly reports Wellmark will provide to the Board will also be critical. The reports will let the Board know how the program is going and whether there needs to be any modifications. The quarterly reporting will allow any problems to be addressed timely rather than waiting until the end of the year.

Susan Voss moved that the Board allow Wellmark to go forward on a generic prescription drug plan and report back to the Board in May on their progress as to their

ad hoc committee. Barry Cleaveland seconded the motion. Unanimous approval was made by Charlotte Burt, Barry Cleaveland, Susie Poulton, Diane Briest, Susan Voss, and Eldon Huston.

SFY '03 HEALTH PLAN CAPITATION RATES:

Mr. Huston asked the Board members if further discussion was needed on the SFY 03 health plan capitation rates. Susie Poulton moved that Wellmark indemnity receive an 18.1% increase and the two managed care plans (John Deere and Iowa Health Solutions) receive a 12% increase. Barry Cleaveland seconded the motion. Unanimous approval was made by Charlotte Burt, Barry Cleaveland, Susie Poulton, Diane Briest, Susan Voss, and Eldon Huston.

NEW BUSINESS:

Mr. Huston said he would like to thank once again the three outgoing Board members for their service.

There was no new business to present before the Board.

The Board's next meeting is Monday, May 20, 2002, at 12:30 in the Oak Room at the Des Moines Botanical Center.

The meeting was adjourned at 2:45 p.m.