

HEALTHY AND WELL KIDS IN IOWA (*hawk-i*)
BOARD MEETING
MINUTES
August 12, 2002

BOARD MEMBERS:

Eldon Huston, Chair
Angela Burke Boston (for Terri Vaughan)
Charlotte Burt (for Ted Stilwill)
Julie McMahon (for Stephen Gleason)
Susan Salter
Wanda Wyatt-Hardwick
Jim Yeast

LEGISLATIVE BOARD MEMBERS:

Senator Kenneth Veenstra (absent)
Senator Amanda Ragan
Representative Brad Hansen (absent)
Representative Jane Greimann

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Shellie Goldman

ATTORNEY GENERAL'S OFFICE:

Marne Woods

GUESTS:

Barbara Fox-Goldizen
Trisha Peckosh
Pat Hildebrand
Sara Schneider
Sonni Vierling
Lisa Kincaid
Laura Arensdorf
Sam Leto
Jim Donoghue
Dee Bradley
Rhonda Boltz
Diane Ellis
Teresa Brace
Jane Borst
Deb Kazmerzak
Karen Brown
Lisa Huff
Ron Askland
Alice Bengé
Natasha Renee
Tea Manson
Nancy Palm
Ed Conlow
Liz Renner

AFFILIATION

MAXIMUS
HOST Program - Dallas County
Mid-Iowa Community Action
DHS - *hawk-i*
Dept. of Public Health - Covering Kids & Families
John Deere Health
John Deere Health
Legislative Fiscal Bureau
Broadlawns
hawk-i Outreach
Lee County Health
Covering Kids & Families
Visiting Nurse Services
Department of Public Health
State Public Policy Group/Outlooks
Healthcare Coverage 4 Kids
Healthcare Coverage 4 Kids
Mercy Hospital, Des Moines
SIEDA *hawk-i* Outreach Coordinator
Walkers & Talkers
Walkers & Talkers
Healthy Linn Care Network
House Democratic Caucus Staff
Intern for Representative Jane Greimann

MEETING CALLED TO ORDER:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, August 12, 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.

Mr. Huston introduced new Board member Senator Amanda Ragan. Senator Ragan replaces Senator Johnnie Hammond on the Board.

Audience members introduced themselves. Mr. Huston informed the guests that there would be an opportunity for public comment later in the agenda. Anyone wishing to address the Board should notify Mr. Huston.

APPROVAL OF THE JUNE 17, 2002, MEETING MINUTES:

There were no changes to the June 17, 2002, meeting minutes. The Board approved the minutes as written.

REVIEW OF CORRESPONDENCE, REPORTS, OTHER STATE NEWS:

Ms. Smith reviewed the correspondence:

- "Notice of Appointment" from House Minority Leader Richard Myers indicating that Representative Greimann has been reappointed to the *hawk-i* Board. The two-year term expires on April 30, 2004.
- August 1, 2002, letter from Ms. Smith to Mr. Bob Wilcox, Iowa Health Solutions. Iowa Health Solutions expressed interest in expanding into Cedar, Dallas, Madison, and Wayne Counties. Ms. Smith notified Mr. Wilcox that since the Iowa Insurance Division was be issuing a license to them for those counties based on the review by the Iowa Foundation for Medical Care (IFMC), that their contract areas could not be expended for *hawk-i*.
- Kaiser Network Reports -- Louisiana is expanding CHIP coverage to pregnant woman while at the same time Connecticut is looking at removing CHIP coverage for pregnant women due to budget concerns. North Carolina is considering restructuring their program to control costs and Alabama will be disenrolling kids due to budget problems.
- Kaiser Report dated June 18, 2002, indicates that U.S. Senator Edward Kennedy plans to introduce a health care plan designed to bring health care costs down. Part of this plan would expand the CHIP program to cover disabled children. Ms. Smith said she doesn't have the details as to whether this would be optional or mandatory for states.

- The Robert Wood Johnson Foundation is partnering with Univision and Telemundo television networks to air paid advertising designed to reach Latino and African-American families with children who may qualify for Medicaid and CHIP. Univision is available in the Cedar Rapids, Davenport, Des Moines, Ames, and Quincy-Keokuk markets and Telemundo broadcasts in Sioux City.
- The Department of Health & Human Services recently released a new Spanish-language Guide to Medicaid and CHIP programs specifically to target Spanish-speaking parents of children who may be eligible for CHIP or Medicaid. Ms. Smith said that once she receives a copy of the new guide, she will share it with the Board.
- On Wednesday, August 7, 2002, the General Accounting Office released reports raising legal and policy concerns about the federal approval of a number of Medicaid and CHIP waivers during the past 12 months. As a result of a Washington Post article, Ms. Smith said that she was contacted by the Des Moines Register asking for her response to the report. Senator Grassley was identified as the top Republican responsible for the GAO report that was highly critical of the Bush administration, in particular Tommy Thompson, for allowing states to use unspent CHIP dollars to cover childless adults and other populations not intended under the original legislation.
- CDC's annual national health interview survey reported that the number of children without health insurance decreased more than 20% between 1997 and 2001. SCHIP is being credited with the reduction.
- "SCHIP Program Enrollment: December 2001 Update, from the Kaiser Commission on Medicaid and the Uninsured" indicates that between December 2000 and December 2001, SCHIP enrollment increased 29% nationally. However, that percentage is lower than in previous years. Texas and California accounted for 57% of the total growth. The decrease was attributed to economic downturns, budget problems, and decreased outreach and enrollment efforts by states. While the national percentage increase averaged 29%, Iowa's increase was 36%. Iowa's neighboring states also experienced increases: Kansas 26%, Nebraska 39%, and Missouri 10%. Several states had decreases in enrollment: Delaware 8%, District of Columbia 20%, Kentucky 4%, Tennessee 52%, and North Carolina 10%. According to the report, states with combination programs had much better increases than states with stand-alone programs or Medicaid expansion programs. Medicaid expansion programs in combination states increased by 29% while Medicaid-only states actually had a decrease.
- "History of Participation Children in Medicaid & *hawk-i*". Ms. Smith said that as of today, almost 62,000 additional children currently have health care coverage that were not eligible before coverage since CHIP was passed in Iowa. Almost 36,000 have been added to regular Medicaid; 12,222 have attained eligibility through Medicaid expansion; and 13,788 are covered under *hawk-i*.

- Urban Institute enrollment report released August 1, 2002, indicating there are still 5 million kids eligible nationally that are not enrolled in Medicaid or CHIP programs. Ms. Smith reported that states are generally upset with the report because it significantly under-reported enrollment. Iowa's enrollment was under-reported by 32,000 kids (Medicaid and CHIP). A letter responding to the report is being sent to the Urban Institute on behalf of the states by the National Academy of State Health Policy. The primary concern was that the numbers were released without the states having the opportunity to review or respond to them.
- The July 24, 2002, Des Moines Register included an article and an insert "2002 Community Growth Chart" grading Polk County on the welfare of children. The *hawk-i* program was given a D+ on the report indicating "slight improvement" Ms. Smith said she isn't sure where the numbers came from that were used, but believes they came from the 67,000 estimate that was prorated out over the 99 counties to measure *hawk-i*'s success.

Ms. Smith said she also included several studies on passive enrollment, retention and enrollment, and continuous eligibility in the Board packets. Ms. Smith said that the Iowa-specific retention study is available and she will review that report with the Board at their September meeting.

UPDATE ON WELLMARK'S GENERIC DRUG PLAN:

Dr. Lee Ding, Wellmark's Pharmacy Director, updated the Board on the progress of implementing the new therapeutic and generic interchange prescription drug program. Dr. Ding provided a recap of what has been happening for the last several months.

Dr. Ding told the Board that there is approximately eight weeks of lag time on claims status, so he will not be able to provide a financial status report for awhile, but he does have a report on the interaction with the *hawk-i* family members. Thus far Wellmark's customer services department has received 50 phone calls from *hawk-i* families and only 5 complaints. Dr. Ding said the first 4 weeks of implementation are the most critical period. Dr. Ding said he was very pleased with the limited number of complaints because Wellmark initially thought it might be higher. DHS staff received two phone calls from family members, which is consistent with what Wellmark received. A total of 9 medical exceptions were reviewed and 6 of those were approved and 3 denied.

Mr. Huston asked about calls from pharmacists. Dr. Ding indicated that Wellmark does not track those calls, however, only one pharmacy phone call escalated to his level. That was a simple case of frustration that they did not have the preferred drug list for *hawk-i* so it was immediately faxed to them.

Ms. Smith asked Dr. Ding if he could tell the Board when financial impact data would be available to indicate if the generic plan has actually reduced costs for Wellmark. Dr. Ding responded that the lag time for pharmacy claims is approximately 4 weeks so he should have that information by the September Board meeting. Medical claims data (emergency room visits, hospital, physician office visits, etc.) will not be available for another 3 or 4 months.

COVERING KIDS UPDATE:

Sonni Vierling, Covering Kids & Families, Iowa Department of Public Health, thanked the Board for all of their support of the Covering Kids initiative over the past three years, and for the letter of support for their application for the continuation grant, Covering Kids and Families.

Ms. Vierling reported that the back-to-school health and safety fair took place on August 3rd in Des Moines. A press conference was held with Governor and Mrs. Vilsack and Director of Public Health Dr. Gleason. A **hawk-i** family was at the press conference to represent what it was like before having **hawk-i** and then after. A variety of entertainers were at the event as well as outdoor activities to encourage physical activities for children. Backpacks, school supplies, t-shirts, and bike helmets were given away. Ms. Vierling said that translators were available in five languages, although not many families used the service.

Ms. Vierling provided the Board with copies of several new promotional materials and reported that **hawk-i** information is also being added to several Department of Public Health brochures dealing with children's health.

Covering Kids & Families is expected to release national research that specifically addresses some of the financial impact for continuous eligibility and presumptive eligibility. Covering Kids & Families will also soon have a regional coordinator. The coordinator will monitor grantee performance and provide technical assistance. The coordinator will issue a report of each state in the region outlining accomplishments over the past three years, including descriptions of methods used to achieve their accomplishments. There will also be a description of current issues being addressed by state coalitions. Ms. Vierling said that if the Board has any requests they would like to make on a regional basis to let her know.

Covering Kids and Families continues to work on collaborations with the Department of Education. More information on these collaborations will be shared at the September Board meeting.

PROPOSED GRASSROOTS OUTREACH PLAN:

Jane Borst, Bureau Chief of Family Health and project director for Covering Kids & Families, Iowa Department of Public Health, was introduced. Ms. Borst told the Board that she was present to address the possibilities of a partnership between the **hawk-i** program and IDPH as it relates to **hawk-i** outreach.

IDPH'S Community Health Division is the largest of their five divisions. That division manages the majority of contracts and public health programs within communities. If the Board adopts the proposal, the Family Health Bureau would be assigned responsibility for administering grassroots outreach. This bureau manages the maternal and health services for the state under Title 5 of the Social Security Act. Title 5 has many responsibilities for women, children, and families, but the most significant charge

for child health is to promote access to health care. Multiple strategies are used to accomplish this, but the core strategy for service delivery at the community level is IDPH's contracts with 26 community-based child health agencies that assure health-related services for children in all 99 counties. The selection of who provides child health services to a locality is done through a competitive bid process.

Cooperative agreements between IDPH and DHS currently exist and are updated annually. These agreements provide assurances to the federal Department of Health and Human Services that the two departments will work together in delivering services to individual beneficiaries. There is a second agreement for preventive health services to Medicaid-eligible children and the local service delivery occurs through the 26 community-based agencies. Additionally, the Covering Kids initiative helps to further define IDPH'S working relationship with *hawk-i*. The Board and staff of the *hawk-i* program have been an integral part of the Covering Kids project over the past 3 years and have demonstrated a commitment of remaining engaged over the next 4 years of the project. The primary mechanism for coordinating outreach and enrollment efforts is the statewide Covering Kids Coalition. In addition to the coalition, the Covering Kids Now Task Force addresses policy issues. Ms. Borst indicated another linkage with *hawk-i* and Covering Kids is the opportunity to receive national level technical assistance. For example, when the very first statewide outreach conference was held, Covering Kids was able to sponsor the keynote speaker for the conference. Ms. Borst stated that Covering Kids is also a critical piece and can provide technical assistance to bring resources together in order to provide market-tested commercials and advertisements. Neither project would have been able to do this independently.

IDPH'S plan for outreach and enrollment identifies five key components:

- Structure
- Methods
- Accountability
- Funding
- Collaboration

Structure. One fulltime professional employee would serve as the outreach coordinator. The activities would be separate but coordinated within the Family Health Bureau and linked to Covering Kids and Families activities. Supervision of the outreach coordinator would come from Ms. Borst. The second key component involves contract amendments with the existing 26 community-based Title 5 child health agencies. This approach assures coverage for all 99 counties from agencies that have specific expertise in population-based child health services. Each agency would be required to designate an outreach coordinator and a structured communications system would be put in place to assure the coordination and communication between the state and community. Community-based child health agencies would also have the opportunity to enter into subcontracts with their local entities. The subcontract would need to address specific strategies and avoid duplication of efforts.

Methods. The child health agency applications for funding would begin with a community needs assessment that specifically identifies three things: (1) what entities

are already engaged in outreach, (2) what are the existing linkages, and (3) what are the linkages that need to be further developed. The community assessment would also include the plans for seeking cooperation between and among the community stakeholders and would include approaches for improving how community outreach is conducted. The second key component is the central outreach task force. Each child health agency would submit a community-based outreach action plan. The **hawk-i** program administrator would recommend the criteria for the plan and once the criteria is established IDPH would approve the plan. The outreach coordinator will direct the application and review process. Each plan would be required to include school-based strategies, health care professional strategies, and faith-based strategies. Additional strategies that reflect the assessment, such as business outreach or child care, must also be addressed in the plan.

Accountability. The outreach coordinator would direct quarterly reporting and monitoring activities in order to assure accountability. Monitoring would include progress on the action steps in the approved plan, linkages with community partners, and participation in the centralized outreach task force. The plan establishes a baseline to conduct outreach activities that would serve at least 90% of the state's 99 counties

Funding. IDPH's proposed plan proposes a formula-funded distribution based on allocation per county. The indicators to be applied to the formula would be approved by the **hawk-i** program administrator. Ms. Borst said there have been preliminary discussions of what indicators might be selected and those are centered on the number of children in a county and the number of children in poverty in a county. The agencies would be allocated the aggregate amount for the counties in their service area.

Collaboration. At the state level IDPH would look to the Covering Kids and Families Coalition for ongoing collaboration. The Coalition meets 6 times a year and fosters broad participation from stakeholders. At the local level the child health agency would be responsible for ongoing collaboration. Baseline needs assessments will identify the community needs and the resources. The linkages would be based on strategies and the action plan.

Ms. Borst concluded by saying that participating in a coordinated plan that increases **hawk-i** outreach is a natural partnership for IDPH. The plan outline is consistent with and contributes to the Family Health Bureau's mission of promoting the health and well being of families.

Ms. Smith told the Board that Lisa Davis Cook, Co-Director of Iowa Citizen Action Network, spoke to the Human Services Council last month relative to the Department of Public Health providing **hawk-i** outreach services. Ms. Davis expressed concern about DHS's recommendation that the **hawk-i** Board consider entering into an agreement with IDPH to conduct outreach activities for the **hawk-i** program. Ms. Davis was particularly concerned about how the recommendation came about and the process that led to the decision. Ms. Cook indicated there was concern it was not done in a public manner or public forum. Ms. Smith said she contacted Sharon Baker, a member of the Human Needs Advocates, to talk to her about the concerns of the committee. Ms. Smith explained that DHS felt IDPH is in the best position to take this on primarily because of

past, current, and future collaborative efforts with Covering Kids projects and as well as other contractual agreements between the agencies. Ms. Smith said that Ms. Baker indicated to her that there was not consensus among her group as to how this should be handled or whether this was a good or bad idea. There was a lot of misunderstanding about the proposal. Ms. Smith said that she extended an invitation to anyone representing this group to come to the Board meeting and address the Board during public comment period.

Mr. Huston asked about funding for the contract. Ms. Smith responded that funding would be from a transfer of funds from DHS's budget for internal grassroots efforts to IDPH. The amount budgeted is the same as in previous years. IDPH would submit quarterly expenditure reports and then the transfer of funds would take place based on actual expenditures. Ms. Borst added that IDPH would be meeting all the criteria required by CMS, the State Auditor, and DHS.

Mr. Huston also wanted to know how IDPH would take advantage of the experience already attained by those organizations that have previously contracted to do *hawk-i* outreach for DHS. Mr. Huston said that he was concerned because there are individuals who have worked on *hawk-i* outreach for some time and he does not want to lose their expertise and the contacts they have. Ms. Borst responded that IDPH is expecting the community needs assessment to identify what works in a certain community and how the organization would build those successes into their work plan. The child health agencies can subcontract, so when they find someone who already has expertise in a particular part of the plan, for example working with schools, it might be in everyone's best interest to enter into an agreement with their sponsoring agency to pay for that prescribed activity. IDPH will allow that decision to be made at the local level and would expect a justification of why they elected not to.

Representative Greimann stated that it was her understanding that DHS did not have an outreach coordinator because of funding, but now she is hearing the funding is there. Representative Greimann asked why IDPH could fund an outreach coordinator but DHS could not. Ms. Smith explained that out of a total outreach budget of \$500,000, \$300,000 was used to fund grassroots outreach. When DHS had an outreach coordinator it was a contract position and funding came out of that \$200,000 balance. During reorganization of the Department the contract positions were eliminated and the Department was not able to establish an FTE for a fulltime person on their table of organization. The amount being made available to IDPH is \$350,000. Ms. Borst said that IDPH has changed dramatically in its composition over the past year, and is redesignating some positions. It is her hope that one of the positions that would be approved would be a community health consultant for this program.

Ms. Salter asked what would happen if any of the agencies already contracted with IDPH choose not to apply to do *hawk-i* outreach. Ms. Borst responded that while that has not been the case in the past when additional activities within the scope of the RFP are added, but a contingency plan is in place. The contiguous agencies would add the new responsibility to their contract if there was total agreement amongst the surrounding counties. If there was not total agreement, then a request for proposal would be exercised.

Ms. Salter asked if there are requirements that these agencies actually reach beyond where they are reaching now with the additional funds as opposed to using them to make up in some areas where they are struggling. Ms. Smith responded that the contract between DHS and IDPH will contain language of how the funds will be used and it is her understanding that the IDPH contract amendment with Title 5 agencies will also state it is for new activities not currently covered under their Title 5 grant. Ms. Smith said that several of these agencies on the Title 5 map are agencies that DHS was contracting with so many of them will just be picking up functions they were doing already.

Ms. Wyatt-Hardwick asked if the contract between DHS and IDPH was being proposed because DHS cannot get an outreach coordinator position, or if there were other reasons behind the decision. Ms. Smith responded that beyond the outreach coordinator position, the Department has been restructured. When the grassroots outreach structure was originally developed, DHS had 38 clusters of counties and a human services area administrator to oversee each cluster. It was that administrator's responsibility to see that outreach activities were occurring at the local level. When DHS reorganized, each of those administrative positions was eliminated. Thus the entire infrastructure that *hawk-i*'s outreach plan was built upon is gone. Ms. Smith said this, coupled with not having an outreach coordinator to oversee outreach activities throughout the state, to coordinate efforts, identify best practices, monitor the contracts and make sure money was being spent appropriately fell to the remaining *hawk-i* staff. Ms. Smith said that is when she began looking at how to make the process more efficient, how to make sure outreach activities were occurring, and who was in the best position to take this activity on. Ms. Smith said it was because of past, current, and future activities with Covering Kids she felt IDPH would be in the best position to provide the outreach efforts.

Ms. Wyatt-Hardwick inquired as to whether the human needs advocates would still be used under this proposal? Ms. Borst responded that there would be every opportunity for them to continue to be involved. They would not necessarily be the decision-makers, depending on how their agency was structured at the local level.

The Board directed the departments to continue the process and bring them the finalized contract at the September 16, 2002, meeting.

PUBLIC COMMENT:

Alice Bengé with SEIDA Community Action Agency told the Board that she has been doing *hawk-i* outreach since 1999. In her area, America Home Finding Association is the Title 5 agency. Ms. Bengé said that approximately four full-time positions for America Home Finding Association have been cutback to part-time. Ms. Bengé said she was concerned that she would have to lobby hard for a position within that agency in order to continue with *hawk-i* outreach, but is concerned that they would use the additional task of *hawk-i* outreach to return a part-time staffer to full-time. Ms. Bengé said that currently she is funded through her local empowerment board, but did not know how long she could get funding through them.

Ms. Borst responded that a community needs assessment will be required. This assessment should reflect that SEIDA has had an active role, has had a number of accomplishments and a high level of expertise. Ms. Borst told Ms. Bengtson that when the assessment is being finalized she and her administrator should develop a proposal for a subcontract for SIEDA. Ms. Borst said that they are not looking for anyone to hire new people unless there has been an obvious gap based on the needs assessment.

Ms. Smith indicated that DHS plans to send a letter to all former outreach contractors letting them know of the new process and whom they should contact for more information.

Pat Hildebrand, Health Services Director for Mid-Iowa Community Action in central Iowa told the Board the proposal of working with the child health agencies makes a lot of sense. These agencies see children up to 200% of poverty, so they have a lot of contact with the targeted population. They work with families so that they know about *hawk-i* and how to use their insurance and what to expect. They also help find providers to make sure families have a medical and dental home. Ms. Hildebrand said that this would also be an opportunity to expand outreach working with other agencies; public health nurses, physicians, and dentists. The third value would be with the communities. Ms. Hildebrand said they have done an extensive needs assessment and worked with all the people who work with health care in the community. That would bring in people who are currently doing *hawk-i* outreach and it has always been their goal to make sure that children have the best care possible.

Diane Ellis, Covering Kids & Families, said that as members of the Coalition the maternal child and health agencies and the cap agencies have all been pulled together and they are doing the same thing. Ms. Ellis said she thinks that what this outreach proposal will do is clearly define who is doing what because after all, they all want the same thing.

ADMINISTRATOR'S REPORT:

Budget:

Ms. Smith reported that expenditures for the Medicaid expansion continue to be less than budgeted. As of June 30, just over \$4 million of the \$5.5 million budgeted had been spent. About \$200,000 more in claims have come through since June 30. Ms. Smith said that while enrollment projections have been on target, the Medicaid expansion claims ended up costing less than what was budgeted because of the "Waxman kids" rolling off and going onto Title 19. *hawk-i* premiums were over the budgeted amount by almost \$249,000. This was because of the rate increase that was paid in June. The remainder of the year-to-date expenditures are on target with projections. \$175,000 in interest was earned during the fiscal year. That will draw down almost \$800,000 in federal funding.

Ms. Smith said that there is approximately \$1.5 million more unspent than what was originally thought. Ms. Smith said it had been assumed there would be a \$1.2 million

carryover into FY 03. Now it appears the projected carryover will be in the neighborhood of \$2.6 million.

Ms. Smith reviewed the status of Iowa's federal SCHIP allotment and gave a history of the expenditures to date.

Iowa is currently spending the FFY 00 allotment. To date, \$21.1 million of the \$37.1 million has been spent, leaving approximately \$16 million. Ms. Smith said CMS has yet to determine what the FFY 03 allotment will be, but it will be based on the 2000 census. There is concern among the states that the allotments could be significantly altered.

Ms. Smith said that Iowa still has FFY 01 and 02 funding to spend, but anticipates there will be less FFY 03 money at the same time enrollment continues to increase. It could be that the larger states will be most affected and Iowa and the smaller states will see minimal impact. Ms. Smith said that there are several proposals in Congress that would change the funding, one being that the funding stays with the programs. It is too soon to determine what the impact would be.

Enrollment & Statistics:

- Ms. Smith discussed the "Reinstatements *hawk-i* Enrollment Count by Month" report. This report reflects the original enrollment number by month and then adds kids that are reinstated or applications approved and the children added retroactively. Generally the original number reported increases by around 300. So while current numbers may reflect a slight downturn in enrollments, it will actually increase as these kids are added. Since the change in reporting in January 2000s, 1,571 kids are included in the enrollment count that would not have been reported under the previous methodology. Current CHIP enrollment is 25, 639.
- Ms. Smith told the Board that a problem was discovered this month for the numbers of Medicaid and Medicaid expansion kids in some of the counties. When some of the DHS offices went to less than fulltime staff those files were shifted and the enrollments counted in the counties where the office is located rather than the child's county of residence. The Department is in the process of rectifying the reports, and the August enrollment should be accurate. The counties affected were Adair, Adams, Cedar, Muscatine, Sioux, and Union.
- Ms. Smith said that there is a bill in Congress that would define children without dental insurance as uninsured for the purpose of qualifying for CHIP coverage. Ms. Smith said it is her understanding that this would allow states the option of offering a dental-only package.
- Another bill that has been introduced would provide grants to states to assist in developing web-based applications. \$50 million over 5 years would be committed. The purpose of this legislation is to provide for more decision-based electronic applications where people could type in their income information for a preliminary decision as to whether they would qualify.

- Effective October 1st a change in Medicaid rules will consider a signed application that is faxed to the Department a valid application. Currently an original signature is required. This change will affect **hawk-i** because many applications are referred to Medicaid.
- Ms. Smith said that T J Maxx companies contacted her again this year asking for **hawk-i** information to be provided to their Iowa stores.
- Both the Insurance Division and the Department of Public Health are handing out **hawk-i** information at their state fair booths this year.
- Supplies of the new **hawk-i** bookmarks are being mailed to every public library in the state, along with an order form for other materials.

SFY 04 Budget Development:

Ms. Smith told the Board that the Department's SFY 04 budget request would keep the **hawk-i** program at status quo. However, the Board had three recommendations last year and Ms. Smith wanted to know whether the Department should pursue them in the Department's budget or through a separate bill. The recommendations were:

1. Benefit enhancement recommendations by the Clinical Advisory Committee.
2. Development of an electronic application.
3. Ongoing media campaign for radio.

Mr. Huston asked that last year's recommendation be shared with the new Board members before the September 16th meeting so they would have a better understanding of the recommendations.

ADMINISTRATIVE RULES FOR NOTICE:

Ms. Smith said the proposed rule amends the definition of uninsured children as a result of federal SCHIP regulations that require the state to define an uninsured child as a child who may have coverage, but does not have geographic access to that coverage. The federal regulations provide no further detail as to how to define geographic access, but **hawk-i** will examine on a case-by-case basis. Ms. Smith said that she believes the intent of the regulation is to address those situations where an absent parent residing in a different state has health insurance coverage for the child, but the child cannot access that coverage. Ms. Smith said that Iowa would use the standard 30 minute/30 mile geographic access criteria to define adequate access.

Jim Yeast made a motion to approve the rule amendments. Susan Salter seconded the motion. Unanimous approval was made by Julie McMahan, Angela Burke Boston, Susan Salter, Wanda Wyatt-Hardwick, Charlotte Burt, Jim Yeast, and Eldon Huston.

QUALITY REVIEW COMMITTEE UPDATE:

Shellie Goldman reported on the discussion of the Quality Review Committee meeting on June 20th. Discussion focused on the annual on-site external quality reviews of *hawk-i* contracted health plans by the Iowa Foundation for Medical Care (IFMC). Currently the Department contracts with IFMC to perform reviews of Iowa Health Solutions and John Deere at a cost of \$12,000 per on-site visit. The tool that IFMC utilizes for their review is a compilation of accreditation guidelines used by the National Committee for Quality Assurance (NCQA), Joint Commission in Accreditation of Healthcare Organizations (JCAHO), Utilization Review Accreditation Commission (URAC) and Quality Improvement System for Managed Care (QISMIC).

Both Iowa Health Solutions and John Deere have been reviewed by IFMC annually since the inception of the program. To date, an external quality review tool has not been developed for Wellmark indemnity. At its March meeting, the Quality Committee requested that the Department request a cost proposal from IFMC to develop an external quality review tool and perform an annual on-site review of Wellmark indemnity. IFMC's cost proposal for the development of a tool is \$5,000. The on-site visit would cost an additional \$12,000 per year.

Ms. Goldman reported that there was a lot of discussion about the development and implementation of an indemnity review tool, which is not budgeted for SFY 03. Wellmark's current contract does not require an external quality review. Federal CHIP regulations do not require external quality reviews by a peer review organization. Currently John Deere is NCQA accredited, Wellmark indemnity is URAC accredited, and Iowa Health Solutions has been reviewed by JCAHO and is awaiting notification of accreditation. IFMC uses all these accreditation components to form their tool for their review. In order for health plans to become accredited, they must undergo an evaluation of clinical and administrative systems. The accrediting body evaluates how well a health plan provides its members with access to needed care, delivers the care, and administers the coverage program. Committee discussion focused on whether this is a duplicate effort by IFMC if a health plan is accredited and whether IFMC reviews should be discontinued.

The Committee proposes to the Board that the IFMC contract be pared down so it is non-duplicative of existing health plan accreditation. It was proposed that IFMC continue to provide the clinical chart review component and the onsite review be discontinued. In the event that a *hawk-i* health plan is not accredited, a full external quality review on-site visit be performed by IFMC. The Committee also proposed that the 2003 topical research by the University of Iowa Public Policy Center analyze ADHD and that IFMC perform the clinical chart review component of the analysis.

Mr. Huston asked what the actual cost savings would be. Ms. Goldman said that IFMC had not been asked for a cost proposal for just the chart review portion. Mr. Huston then asked what, if any, kind of quality review is done by the Insurance Division. Ms. Goldman said that they also contract with IMFC and an external quality review is conducted every other year.

Ms. Smith said this process was a result of a recommendation from the Clinical Advisory Committee before the Quality Review Committee was established.

Susan Salter made a motion to accept the Quality Committee's recommendations. Wanda Wyatt-Hardwick seconded the motion. Unanimous approval was made by Julie McMahon, Angela Burke Boston, Susan Salter, Wanda Wyatt-Hardwick, Charlotte Burt, Jim Yeast, and Eldon Huston.

PROPOSED FRAUD & ABUSE PLAN:

Ms. Goldman reviewed the federal CHIP regulations that require states to establish procedures for ensuring program integrity and detect fraud or abuse activities. The procedures must include:

- Methods and criteria for identifying suspected fraud and abuse cases.
- Method for investigating fraud and abuse cases that do not infringe on legal rights of persons involved.
- Due process of law.

There are four different areas of how fraud or abuse can be identified:

1. DIA has a fraud awareness hotline. It was recommended that this 800 number be placed on the new *hawk-i* brochure. All calls received reporting *hawk-i* fraud will be referred to the *hawk-i* program for issuance of a referral for investigation notice submitted to DIA.
2. DHS's Quality Control Unit is responsible for conducting external review of MAXIMUS' application and eligibility process. If during the review an application is suspected of being falsified, the Department will instruct MAXIMUS to issue a referral for investigation notice.
3. MAXIMUS Customer Service Line. All calls received reporting potential fraud will be referred for investigation.
4. All calls received by DHS staff reporting potential fraud will be referred for investigation.

The Department recommends the Board approve implementation of the following:

1. Contract with DIA's Investigations, Overpayment Recovery Unit to investigate and collect overpayment of cap payments as a result of falsification of information.
2. Establish recoupment and fraud referral criteria. When overpayment is under \$1,000 a referral is made to DIA Overpayment Recovery Unit for recoupment. DIA feels that it is not cost effective to pursue a criminal case less than 1,000.
3. When payment errors exceeding \$1,001 occur, a referral is made to DIA Economic Assistance Fraud Bureau for investigation.

Ms. Huston said he assumes the health plans already have fraud and abuse procedures in place and asked if this proposal was just for fraud and abuse on the *hawk-i* application and the resulting cap payments made to the health plan. Mr. Huston wanted

to know if the Department has had any indication there is a problem. Ms. Goldman said that as part of the contract with the Department the health plans are required to have fraud and abuse plans in place. Ms. Smith said this proposed process is exactly what is done for Medicaid and other public assistance programs, but a formal contract with DIA must be made before they can do this for *hawk-i*.

Mr. Huston and Ms. Burt inquired about the cost of such a contract. Ms. Goldman said that DIA has proposed \$49.00 per hour for investigation. A report indicating the amount of time spent would be submitted with the bill from DIA.

Jim Yeast made a motion to accept the Department's recommendations. Julie McMahon seconded the motion. Unanimous approval was made by Julie McMahon, Angela Burke Boston, Susan Salter, Wanda Wyatt-Hardwick, Charlotte Burt, Jim Yeast, and Eldon Huston.

NEW UNINSURED PROJECTIONS:

Ms. Smith said that because the 67,000 qualified uninsured kids estimate by CMS had been questioned so many times over the past three years, she asked Walt Hoshaw of the Department's Division of Results Based Accountability, and Ms. Goldman to look at the new 2000 census data and arrive at what they believe is a more realistic projection for Iowa.

Mr. Hoshaw gave a presentation to the Board describing the methodology and resources used to arrive at the new projections which will be used for budgeting purposes. Reference information was used from the U.S. Census Bureau, Iowa State County Extension Service, University of Minnesota-SHADAC, and Creighton University Department of Economics. The 2000 Census indicated 245,000 Iowa children at or below 200% of FPL. This was used as a baseline. As of December 2000 coverage breaks down as follows:

- 112,200 Medicaid
- 9,300 Medicaid expansion
- 8,600 *hawk-i*
- 43,500 uninsured
- 71,400 private insurance

This data was then updated for the current year, taking into consideration the economic downturn. This methodology assumes an increase in the number of children falling into the 200% FPL and a decrease in the number of children with private insurance. Enrollment has increased in Medicaid (139,800), Medicaid expansion (11,900), and *hawk-i* (13,600) for total enrollment of 165,300 kids. Iowa's population growth is about 200,000 per year and job loss/unemployment is up nearly 25%. Also taken into consideration was the fact that Iowa's uninsured estimate is very low, 3.3%. Using this data, adjustments were made to the 2000 estimates and the current estimate is that there are 257,200 Iowa children at or below 200% FPL.

The 257,200 estimate was then projected among the coverage areas shown above. 59,200 were estimated to be privately insured, making the estimate of uninsured children 32,500. This is the pool of children that would be new recruits to Medicaid, Medicaid expansion, and *hawk-i*. Historically, 36% would fall into Medicaid (11,700), 21% Medicaid expansion (6,800), and 43% *hawk-i* (14,000). This means there is a potential of 14,000 reachable children for *hawk-i* enrollment.

Mr. Hoshaw said that from January 2000 to the present time, the growth rate, although not stable, averaged 330 per month, or 2.7%. Using the growth rate of 330 new *hawk-i* enrollments per month projections are 18,000 enrolled as of June 30, 2003 (2.1% growth). For June 30, 2004, 22,000 (1.6% growth). Mr. Hoshaw said he then used just the previous year's data rather than the three-year average, and that data trended the same.

Ms. Smith told the Board that these new projections will be used to arrive at new enrollment goals for each of the 99 counties.

NEW BUSINESS:

There was no new business to present before the Board.

The Board's next meeting is Monday, September 16, 2002, at 12:30 in the Oak Room at the Des Moines Botanical Center.

The meeting was adjourned at 4:00 p.m.