

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

August 16, 2004

BOARD MEMBERS:

Susan Voss (for Terri Vaughan), Chair
Charlotte Burt (for Judy Jeffrey)
Julie McMahon (for Mary Mincer Hansen)
Susan Salter
Jim Yeast
John Baker
Wanda Wyatt-Hardwick (absent)

LEGISLATIVE BOARD MEMBERS:

Senator Kenneth Veenstra (absent)
Senator Amanda Ragan (absent)
Representative Jane Greimann
Representative Gerald Jones (absent)

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Mike Baldwin
Shellie Goldman

ATTORNEY GENERAL'S OFFICE:

Marne Woods

GUESTS:

Barbara Fox-Goldizen
Kristine Klauer
Beth Jones
Angie Doyle Scar
Anne Campeau
Diane Ellis
Karen Brown
Sandy Smitherman
Erin Paugh
Dr. Ed Schooley
Mickey McDaniel
Kelly Wage

AFFILIATION:

MAXIMUS
John Deere Health
Iowa Dept. Public Health-Covering Kids & Families
Iowa Dept. Public Health-*hawk-i* Outreach
Iowa Health Solutions
Covering Kids & Families
Center for Healthy Communities
Delta Dental of Iowa
Visiting Nurse Services
Delta Dental of Iowa
Delta Dental of Iowa
Wellmark Blue Cross Blue Shield

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, August 16, 2004, in the Oak Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Susan Voss, Chair, called the meeting to order at 12:30 p.m. A quorum was present.

WELCOME, INTRODUCTIONS:

Ms. Voss asked the audience members to introduce themselves. Ms. Voss informed the guests that there would be an opportunity for public comment later in the agenda. Anyone wishing to address the Board should notify Ms. Voss.

ELECTION OF CHAIR AND VICE CHAIR:

Julie McMahon reported that the Nominating Committee recommended Susan Salter for Chair, and Julie McMahon for Vice-Chair.

Jim Yeast moved to elect the officers as recommended by the Nominating Committee. John Baker seconded the motion. Unanimous approval was made by Charlotte Burt, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

CHANGE IN BOARD MEETING TIMES & BYLAWS - DISCUSSION:

The Board reviewed their bylaws. Due to a legislative change in the number of times the Board is required to meet each year, bylaw III "C" should be updated to reflect that change. The bylaw currently reads that the Board shall meet at least ten times a year.

John Baker moved that bylaw III. C. be updated to indicate the Board shall meet at least six times per year. Susan Salter seconded the motion. Unanimous approval was made by Charlotte Burt, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss

At their June meeting the Board asked staff to research the potential of using the ICN for Board meetings and to report on the contract status with the Botanical Center. Anita Smith reported that the government rate for the Botanical Center is \$70.00 per 5-hour block. The cost of the ICN is \$14.75 per hour per site. Some sites charge extra for the cost of the room. If the Board reserved 4 hours it would cost a minimum of \$59.00 per site.

The consensus was to revisit the possibility of having meetings using the ICN at a later date.

APPROVAL OF MINUTES OF JUNE 21, 2004, MEETING:

Jim Yeast made a motion to approve the June 21, 2004, meeting minutes as written. Julie McMahon seconded the motion. Unanimous approval was made by Charlotte Burt, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss

REVIEW OF CORRESPONDENCE, REPORTS, & OTHER STATE NEWS:

Ms. Smith reviewed the correspondence.

News from Other States:

California – “HHS Okays County CHIP Expansion in California”. HHS has approved a plan by four counties in California to expand their SCHIP Program from 200% to 300% of the federal poverty level (FPL). It will be called C-CHIP. M-CHIP is the Medicaid expansion, S-CHIP is the state program, and C-CHIP will be a county program. Ms. Smith said she is not sure how the funding would be administered. California is expanding statewide to cover children up to the age of 2 whose mothers are participating in a program called “Access for Infants”. This program is also being expanded to 300% of FPL.

Idaho -- “Sign ups for New Kids’ Insurance Program Extended”. So few people signed up for Idaho’s SCHIP expansion program that the state extended the enrollment period. Currently their program only goes to 150% of FPL. One new program goes up to 185%, but fewer benefits are offered. A second program has been implemented and it pays up to \$100 per month per child, for a family maximum of \$300, to pay health insurance premiums rather than enrolling kids in their program. Enrollment has been minimal in this program as well.

Oregon – “Kulongoski Plans to Insure More State Kids”. Oregon is one of the few states that still has an asset test for children. They are raising the asset test from \$5,000 to \$10,000. They are also stepping up outreach efforts and encouraging employers to offer low-cost child-only insurance plans. In addition, they have made substantial cuts in their adult programs.

Virginia – “State Seeking its Uninsured Children for Low-cost Program”. Virginia is struggling to encourage enrollment in their SCHIP program, FAMIS. They continue to increase outreach, but have administrative problems. For example, one grandmother applying for her grandchildren was required to take a pregnancy test, provide proof of life insurance, and provide her vehicle registration.

Wisconsin – “Doyle Project Focuses on Health of State’s Poorest Children”. Wisconsin has received a \$500,000 grant from their state’s Blue Cross Blue Shield Foundation. They are using the grant to conduct a comprehensive outreach program to ensure 100% enrollment of children. Wisconsin is currently ranked number two in the country as having the fewest uninsured children. Their goal is to become number one.

Texas – “Texas Enacted More Changes to SCHIP Program Rules in 2003 than 12 Other States, Study Finds”. Texas was the “most active” in revising SCHIP program policies. An estimated 130,000 kids have lost coverage and another 120,000 kids are projected to lose coverage. One Texas Representative stated that they have restored reason to a program that got out of hand and these changes were to make parents act more responsibly about their health choices

National News –

The Commonwealth Fund -- “Frist Reform Vision Includes Covering 5.6 million Kids in Two Years”. Senate Majority Leader Bill Frist has outlined a 6-step health reform plan that includes enrolling an additional 5.6 million children in Medicaid and SCHIP. He also wants to mandate that 20% of the uninsured making \$50,000 or more buy

catastrophic health care coverage. He wants to establish compatibility of computer systems, especially electronic health records; cap employer exclusions on income of funding provided for employee insurance; implement a plan to compensate health plans for costly cases; and institute more market place reforms and personal responsibility.

“Fewer Getting Insurance Through Jobs, 9M Fewer Covered in 2003 than in 2001”. Unemployment and rising costs of insurance (28% increase) were blamed for the falloff in the number of people enrolling and employer insurance plans dropping from 63% to 61%. Even though there has been a significant decrease in enrollment in employer plans, the uninsured rate was held down somewhat because of public assistance enrollment in SCHIP and Medicaid.

Reports:

Kaiser Commission “SCHIP Program Enrollment: December 2003 Update”, July 2004. 2003 was a turning point for state SCHIP programs and for the first time since its inception, enrollment declined in 11 states, more than offsetting increases in 37 others. The growth in 2002 was 9.7%, but in 2003 it was only 4.2%. SCHIP is recognized as being responsible for the first drop in uninsured rates in children in an entire generation. Many experts worry that the budget-driven declines signal the end of SCHIP’s resilience and they think the number of uninsured kids will increase again. Iowa was one of the states that has continued to increase showing a growth rate of 15.9% for the period reviewed in the report. Texas, New York, and Maryland account for about 97% of SCHIP disenrollment in the country, but 11 states also had their numbers decrease.

Kaiser Commission “Children’s Medicaid and SCHIP in Texas: Tracking the Impact of Budget Cuts”, July 2004. This report analyzes how the changes in their SCHIP program have impacted enrollment. Texas has the lowest rate of employer-sponsored coverage with the highest uninsured rate in the country. 1.2 million children are currently uninsured. This report indicates 149,000 have been disenrolled since January, a 29% reduction. This study looks at who is being disenrolled. Virtually all disenrollment has occurred in families with incomes below 150% of poverty.

Newsday – “CDC: Uninsured Children Hits Lowest Level”. The percentage of American children with no health insurance has dropped to the lowest level on record and this is being attributed to expanded state programs. 2.6 million more children were insured last year than in 1997. The overall percentage of Americans without health insurance has remained steady. SCHIP and Medicaid expansion programs are being credited with keeping the uninsured rates low.

ADMINISTRATOR'S REPORT:

SFY '04 Budget Update:

Ms. Smith gave a status report on the close out of SFY 04. The final report will be completed in September. At this point expenditures are at 69.64% of projection for Medicaid Expansion; 98.2% for *hawk-i* premiums; 65% for fiscal agent costs of processing Medicaid claims; 97.94% for outreach; and 78.49% for administration.

Overall expenditures are at 84.54% of what was projected. Interest earned on the *hawk-i* trust fund totaled \$91,259.

Federal Funding Availability:

Ms. Smith reported on the status of Iowa's SCHIP allotments.

The original SCHIP legislation authorized funding for 10 years, so the program will come up for reauthorization in 2007. The legislation contained a funding formula that provided allotments to states to draw down funds. Iowa's allotment was around \$32 million in each of the first four years. In Federal Fiscal Year (FFY) 2002, the amount dropped to \$22 million, then \$21 million in FFY 03, and \$19.7 million in FFY 04. The SCHIP allotments are scheduled to increase in FFY 05 to the previous levels of around \$32 million, however, currently the President's budget provides for about \$23 million. There is also a provision in the legislation that if a state does not spend all of its allotment, the unspent dollars go into a redistribution pool to be redistributed among the states that have spent their funding. They would have a year to spend any redistributed funds. Any unspent funds at that point would revert to the U.S. Treasury. So far, Iowa has not had to rely on any redistributed funds.

So many states were reverting large amounts of their allotments legislation was passed that allowed some states to get some of their redistributed money back to roll forward. For example, originally Iowa was scheduled to revert \$6.1 million in FFY 98 funding. The formula allowed keeping 60%, reverting \$2.2 million and carrying over \$3.96 million to FFY 99. At this point, all of the FFY 02 funds have been spent and it is anticipated that by the end of SFY 05, FFY 03 funds will be exhausted. Ms. Smith said that it has been believed that at the point that Iowa was spending all of their allotment Iowa could tap into the redistribution pool to get extra funding. However, some states have received HIFA waivers to use their unspent dollars to cover populations not intended to be covered under the original legislation (childless adults, parents of covered children) and this reduces the amount of funding in the redistribution pool. On August 11, 2004, Director Concannon sent a letter to Iowa's Congressional delegation urging their support of proposed legislation entitled "Children's Health Protection Improvement Act 2004". Approximately \$1 billion is scheduled to be reverted to the U.S. Treasury at the end of this year. This legislation would keep money in the program and allow states a longer period of time to draw it down and allow states to retain additional funds that would normally be reverted. In Iowa it could mean an additional \$3 million. Ms. Smith said that in order to stretch dollars at the beginning of SFY 06, instead of applying both Medicaid expansion and *hawk-i* to Title 21 funding, the Medicaid expansion funding can revert to Title 19 funds and save all of the Title 21 funding to apply only to *hawk-i*.

Enrollment and Statistics:

Ms. Smith indicated the growth for the past 12 months has been very similar to the prior 12 months. The Medicaid expansion program has grown by 882 kids, *hawk-i* has grown by 2,629 kids, and Medicaid has grown by 10,111. Over the past 12 months, 13,622 children have been added to Iowa's public assistance rolls.

Since *hawk-i* began, 89,494 kids have been added to the public assistance rolls.

Medicaid Referral Process Improvement Update:

This project implements an automated referral so that when a child loses Medicaid eligibility the local officer worker can do an electronic referral process to MAXIMUS. This was implemented July 6, 2004. During that three-week period in July, a total 581 referrals were made. That is a 78.3% increase over July of 2003 and a 72% increase over the past 6 months. It appears that it is working well and a lot more kids are being referred to *hawk-i*. This system makes it much easier for MAXIMUS, and the field staff likes it too.

IHS Provider Networks:

Ms. Smith reminded the Board of the discussion at the June meeting about concerns with some of Iowa Health Solutions' provider networks. Staff has since met with the Insurance Division and an evaluation is currently being conducted by the Iowa Foundation for Medical Care of the counties where there has been significant loss of providers. Ms. Smith said she would let the Board know when the results of that evaluation are available.

Even though the rule allowing families to change health plans will not be effective until November, several families have requested an exception of policy. Director Concannon is approving those.

Coventry Health Care:

Ms. Smith reported that staff met with the CEO and executive staff of Coventry Health Care to explore the possibility of them becoming a health plan provider for *hawk-i*. They indicated they were interested in expanding in Medicaid and entering the *hawk-i* program. They were provided with information and data. If they are interested in participating, they are to send a letter of interest identifying what counties they are interested in participating in. The contract negotiation process would then begin.

DELTA DENTAL PROPOSAL:

Dr. Ed Schooley spoke to the Board about Delta Dental's proposal to provide dental coverage through *hawk-i*. Dr. Schooley said that Delta Dental's primary objective is to be offered as a choice under *hawk-i* and in light of some of the new eligibility numbers it makes sense to offer a plan that can add additional access. There has been some uncertainty with some of the utilization and cost numbers so Delta Dental went back to the drawing board and refined its original proposal. The new proposal was outlined in information provided to the Board earlier. The rate would be \$15.94 per member per month for the managed care counties. If offered as a choice statewide, the rate would be \$15.35 per member per month. Dr. Schooley noted that this rate is over \$1.50 less than what was originally proposed and is less than one of the other vendors has indicated. Dr. Schooley said he believes this is a cost savings opportunity, that Delta

Dental would make a good partner with the *hawk-i* program and requested the Board's serious consideration of their proposal.

Ms. Voss asked if anyone had questions for Dr. Schooley.

Julie McMahon asked for clarification. She said it was her understanding that this is adding on an additional provider of dental services and different from previous discussions where a sole source, statewide carve out was discussed. This will be an additional dental plan to add to those under the managed care plans.

Ms. Smith confirmed this and indicated that currently the capitation payment paid to the health plans includes the dental portion so the capitation amounts would have to be adjusted to subtract the dental portion out.

Ms. Smith reminded the Board that Wellmark also has an offer on the table to provide their dental network to the managed care areas. Mr. Baker asked for clarification that the managed care participants would then have a choice among four dental providers. Ms. Smith said that it would be her recommendation that if the Board is doing a dental carve out *hawk-i* would not continue to have the managed care plans offer dental. Ms. Smith said that offering dental coverage in some areas of the state has been a struggle and believes that is what actually started the carve out discussion. The managed care plans aren't in a position to offer dental, it is not their typical business, so access has been difficult in some cases.

Dr. Schooley said it is not Delta Dental's intent to supplant anyone. Their whole focus is to be offered as a choice and to increase access.

Ms. Smith said that the proposals add a lot of administrative complexity. Ms. Smith said these are not major issues, but wanted to Board to be aware of the added complexity.

Ms. Voss asked the effective dates of the rates. Dr. Schooley said the rates are effective whenever Delta Dental is added, whether it be now, January 1, or later.

Ms. Smith told the Board that traditionally the Department has set the rates and brought those rates to the Board for approval as opposed to the plans coming to the Board and giving their rate. Ms. Smith reminded the Board that there would be a budgetary impact if the dental proposals were approved.

Ms. Voss asked if the Department's actuary had reviewed the material. Ms. Smith said they had.

Mr. Baker asked what the impact would be to John Deere and Iowa Health Solutions if the Board accepted the dental proposals. Ms. Smith said that contract amendments would have to be made relieving them of their obligation to provide dental benefits. Ms. Smith said she believed that at the last Board meeting both John Deere and Iowa Health Solutions were opposed to the Board approving a dental carve out.

The Board discussed when they might have results from the survey the University of Iowa is conducting, receiving a recommendation from the Clinical Advisory Committee, whether there is truly an access problem, and the fiscal impact of any change. They also discussed how much additional time would pass between the survey results and implementation of a carve-out if they waited.

Ms. Voss asked if a dental carve out or choice has been done in other states. Ms. Smith said yes, most states set up their programs to have separate dental plans to begin with.

Ms. Smith said she could sense the Board wants to take an action and it would be her suggestion that they accept the proposals from Delta Dental and Wellmark as an add-on, not a carve out only in the managed care counties. Once the Board has received the results of the University of Iowa's study and the Clinical Advisory Committee's recommendation, they could determine if they wanted to do a total dental carve out.

Susan Salter moved to accept the dental coverage proposals from Delta Dental and Wellmark as an add-on. Julie McMahon seconded the motion. Unanimous approval was made by Charlotte Burt, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss

Ms. Smith asked to clarify the Board's intent. For the managed care counties, dental will continue to be offered through those health plans. Also offered will be a choice of Wellmark or Delta Dental. The Board confirmed that was their intent.

Ms. Smith said the current managed care capitation rates will have to be adjusted for those families that accept dental through one of the other plans. That will take a contract amendment for those health plans. Contracts will have to be negotiated contracts with Wellmark and Delta Dental. System changes will need to be made. Ms. Smith said this won't happen immediately, but they will start the process.

OUTREACH / COVERING KIDS & FAMILIES UPDATE:

Angie Doyle Scar provided the Board with a summary of *hawk-i* outreach activities.

Congressman Boswell held a series of six roundtable discussions about *hawk-i* during August. The roundtables were held in Tama, Marengo, Vinton, Grundy Center, Newton, and Des Moines. These discussions were well attended by school personnel, medical providers, childcare organizations, and faith-based representatives.

Statewide Activities:

The Institute for Social and Economic Development has arranged to have *hawk-i* material and outreach staff available at their Earned Income Tax Credit sites this year.

hawk-i information was included in 1,000 bags of community service information given away in downtown Des Moines during the lunch hour through the Prairie Meadows 2004 Community Awareness Resource Expo.

hawk-i staff continues to work with Farm Bureau staff in numerous ways, including working with the Iowa Newspaper Association to place **hawk-i** PSA's in local newspapers.

State staff has attended several local back-to-school events and will continue to do so.

State staff is working with Covering Kids & Families to add the final touches to both the citizenship documentation piece and the dental poster. The finished products should be available at the next Board meeting.

hawk-i information will be available at both the Iowa Department of Public Health and Insurance Division booths at the Iowa State Fair.

Local Activities:

State staff is currently reviewing the third quarter reports.

- Local coordinators are busy with back to school efforts.
- Visiting Nurses of Polk County are running radio PSA's.
- Scott County sent information to parish nurses through their local Churches United Organization.
- Visiting Nurses of Dubuque is coordinating with a local bank to have **hawk-i** information available in their lobbies. They also distributed 2,500 packets to 200 Girl Scout troops.

Training:

Outreach coordinators attended the Covering Kids and Families outreach taskforce meeting in June. Coordinators shared best practices and received a **hawk-i** program update from DHS staff.

Public Health's fall conference will be October 12-13 in Cedar Rapids. Outreach coordinators are required to attend. Topics for the breakout sessions are being finalized.

Ms. Smith asked what the tenure was of Congressman Boswell's roundtables. Ms. Doyle Scar replied that Congressman Boswell loves **hawk-i** and is extremely supportive. He talked about the "Children's Health Protection Improvement Act 2004" bill, which he supports, at each of the sites. Ms. Doyle Scar said that as a whole, about 80% of the comments made about **hawk-i** were extremely positive.

Beth Jones said that a lot of different stakeholders were at the roundtable sites and this was an opportunity for advocates to tell what they want changed. The "wish list" includes:

- increasing the age limit, there was a lot of discussion about being able to cover college-age students.
- dental coverage, having the option of dental only.

- dependents of state employees not being covered.
- citizenship issues.
- ability for families to choose between *hawk-i* and Medicaid.

There was concern at the Des Moines roundtable about Iowa Health Solutions and their providers in Des Moines. In Marengo there were some concerns about access to the University of Iowa through John Deere.

Ms. Salter asked if they heard concerns about dental access. Ms. Doyle Scar said yes, but the concerns were beyond the *hawk-i* program.

Ms. Smith mentioned that states have been cautioned to be very careful when a program like this is coming up for reauthorization. Some people would like to see it all folded into Medicaid and if you ask for too many sweeping changes they would just do away with SCHIP and fold it into the Medicaid program.

Ms. Jones reported about Covering Kids & Families activities. The focus has been on back-to-school efforts. The Polk County site did their media campaign again with some funding contributed through the statewide coalition and 7 stations broadcasting PSA's. A total of 502 commercials were broadcast. Covering Kids and Families staff attended the health fair and conducted surveys. Those surveys are being evaluated currently and Ms. Jones will provide a report when they are completed.

One back-to-school event was held at the high school in Albia and \$10 physicals were offered. If kids didn't have health insurance they were sent to the *hawk-i* table for information.

Ms. Jones reported that Deb Kazmerzak the facilitator for the Covering Kids Task Force has left and the new facilitator is Sarah Dixon.

CLOSED SESSION:

Julie McMahon moved to hold a closed session as authorized by 21.5(1)(a) of the open meeting law to review or discuss records which are required or authorized to be kept confidential. John Baker seconded the motion. A roll call vote was taken. John Baker, yes; Susan Salter, yes; Charlotte Burt, yes; Julie McMahon, yes; Susan Voss, yes; Jim Yeast, yes.

MEETING CALLED TO ORDER AFTER CLOSED SESSION:

Ms. Voss called the meeting to order after coming out of closed session. Roll call was taken. Representative Greimann, present; John Baker, present; Susan Salter, present; Charlotte Burt, present; Julie McMahon, present; Susan Voss, present; Jim Yeast, present.

RFP FOR THIRD PARTY ADMINISTRATOR:

Charlotte Burt made a motion to accept the RFP with the changes that were discussed and issue it on August 19, 2004. Susan Salter seconded the motion. Unanimous approval was made by Charlotte Burt, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

NEED FOR OCTOBER AND NOVEMBER BOARD MEETINGS DISCUSSION:

Ms. Smith indicated that the Board is scheduled to meet October 18 and again in December. The Board is not scheduled to meet in November. However, the timeframe for the procurement process provides the successful bidder will be announced November 17th. The Board needs to approve any bidder that the evaluation committee would recommend. The Board will need to meet in October because there are administrative rules that are scheduled to be adopted. Ms. Smith suggested the October meeting be conducted by conference call to address only those items necessary. The Board can have a full meeting in November.

The Board determined a meeting will be scheduled for Monday, November 15, at 12:30. The location will be announced.

NEW BUSINESS:

There was no new business to present before the Board.