

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

December 18, 2006

BOARD MEMBERS:

Susan Salter, Chair
Julie McMahon (absent)
Dann Stevens (for Judy Jeffrey)
Angela Burke Boston (for Susan Voss)
Jim Yeast (via conference call)
John Baker
Angelita Ramirez (absent)

LEGISLATIVE BOARD MEMBERS:

Senator Amanda Ragan (absent)
Senator James Seymour (absent)
Representative Polly Granzow (absent)
Representative Mary Mascher (absent)

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Shellie Goldman
Anna Ruggle
Mike Baldwin

ATTORNEY GENERAL'S OFFICE

Diane Stahle

GUESTS:

Nancy Lind
Dee Bradley
Lynn Tague
Diane Schroeder
Barbara Fox-Goldizen
Tom Mologianes
Eric Nemmers
Jenny Hodges
Diane Morrill
Diane Ellis
Marci Ruff
Erin Paugh
Beth Jones
Linda Sims

AFFILIATION:

AmeriChoice
Empowerment – Jefferson/Keokuk Counties
Wellmark Blue Cross Blue Shield of Iowa
Delta Dental
MAXIMUS
MAXIMUS
Iowa Medical Society
Dept. of Public Health
Iowa Foundation for Medical Care
Covering Kids & Families-Community Health Services
hawk-i parent, Knoxville
Visiting Nurse Service
Iowa Dept. of Public Health – Covering Kids
Iowa Foundation for Medical Care

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, December 18, 2006, in the Levitt Room, Des Moines Botanical Center, 909 E. River Drive, Des

Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:40 p.m. A quorum was not present.

Ms. Salter announced that due to the unavailability of some Board members, the agenda was being adjusted so that all agenda items requiring Board action could be at the beginning of the meeting.

WELCOME, INTRODUCTIONS:

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

Board Member Jim Yeast joined the meeting via telephone. A roll call was taken. A quorum was now present.

HEALTH MANAGEMENT SYSTEMS CONTRACT (Insurance Data Match):

Anna Ruggle presented the contract between the Department and Health Management Systems (HMS) for the period January 1, 2007, through June 30, 2009. This contract is a result of recent legislation that requires *hawk-i* to match their enrollees against insurance carrier enrollees. Health Management Systems was chosen for the contract because they are already doing this match in other states, as well as for Iowa Medicaid Enterprise. MAXIMUS also submitted a cost proposal, however, the HMS cost proposal was significantly lower. The cost factor was due, in part, because MAXIMUS would have to build a system in order to perform the match, whereas HMS already has the system.

After the initial data run, the match will be conducted when *hawk-i* applications are received, and on a quarterly basis for the entire enrollment file.

John Baker made a motion to approve the contract. Angela Burke Boston seconded the motion. A roll call vote was taken. Unanimous approval was made by Angela Burke Boston, John Baker, Dann Stevens, Jim Yeast, and Susan Salter.

Administrative Rule Amendment:

Ms. Ruggle explained the proposed amendments to rule 86.18(514I). The rule provides that various entities with health insurance coverage information, and contractors of insurance companies who are responsible for computer match of insured persons, will provide the Department, or its designee, with the information on who is covered with health insurance. Ms. Ruggle told the Board that the Department is currently working on a new "Data Use Agreement". If an insurance carrier already has a data use agreement with HMS they do not have to sign a new one.

John Baker made a motion to approve the administrative rule amendment. Angela Burke Boston seconded the motion. A roll call vote was taken. Unanimous approval was made by Angela Burke Boston, John Baker, Dann Stevens, Jim Yeast, and Susan Salter.

APPROVAL OF MINUTES OF AUGUST 21, 2006, MEETING:

Angela Burke Boston made a motion to approve the August 21, 2006, minutes as written. John Baker seconded the motion. A roll call vote was taken. Unanimous approval was made by Angela Burke Boston, John Baker, Dann Stevens, Jim Yeast, and Susan Salter.

Jim Yeast ended the conference call at this time. A quorum was no longer present.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

Anita Smith discussed correspondence between the Department and MAXIMUS concerning the implementation of their new computer system and the ramifications of the problems that were encountered. The current contract between the Department and MAXIMUS contains performance measures, which if not met, provide certain penalties be assessed. In SFY 06, a total of \$91,841.54 in penalties was applied. These penalties were a result of not having the system implemented timely, average wait times at the call center, eligibility establishment time, and erroneous payments. Thus far for SFY 07, the only penalties that have been applied had to do with processing the applications within 10 days of receipt of the application. MAXIMUS said that the applications actually were being processed timely, but the way their system was processing them, their report did not reflect that they were processed. Until MAXIMUS could produce a report that showed they were processing all applications and meeting the 97% criteria, the penalty was applied (\$2,000 per month for July, August, and September 2006). The other assessment is a withhold for erroneous payments. The amount withheld was \$39,571.76, bringing the total for the contract period to \$137,413.30.

Anita Smith discussed SCHIP news from other states. She said that many states are working towards expanding health care coverage. The Department has been receiving numerous requests for information about expanding health care coverage not only for children, but also for their parents.

California - After opposing efforts to expand health care coverage his first three years in office, Governor Schwarzenegger has made overhauling the California health care system a priority for his second term.

Delaware – A budget proposal would allow disabled people with income up to 275% of FPL to buy into Medicaid. Many disabled people do not work; not because they are not able to, but because they cannot afford to lose Medicaid coverage and earnings would put them over the limit. Premiums would range from \$25 - \$125 for incomes over 100% of FPL, no premiums below 100% of FPL. Iowa has a similar program, “Medicaid for Employed Persons with Disabilities” (MEPD). Iowa’s program goes up to 250% of FPL.

Illinois – Since implementing their All Kids Program in July, 2006, almost 29,000 children have been enrolled. Roughly 16,000 of these enrollees (58%) are immigrants

ineligible for Medicaid due to their citizenship status. Opponents argue that the guidelines are too loose and that the state will not be able to sustain support for the program. There are no income guidelines at all, about 1% of the children enrolled come from families earning an annual income of at least \$100,000.

Indiana: A bill has been introduced that would help an estimated 800,000 residents obtain health insurance.

Kansas – Governor Sebelius has proposed expanding coverage to young children by increasing the income limit for their SCHIP program (HealthWave) and provides a state-funded program for children whose family slightly exceeds the limits. Those families would have to pay a premium.

Louisiana – Governor Blanco has developed a concept to expand coverage so that people have less reliance on charities or hospitals. They will begin negotiations with CMS on two different concepts. One would create an HMO medical home network and the other is modeled after Massachusetts. It requires everyone in the state to have coverage. One of the stumbling blocks is Louisiana's reputation of having a high-cost, poor-quality health care system.

Maine – is one of the states that have already expanded health care coverage under their Dirigio program. They could lose \$50-\$60 million in federal funding if the administration's proposal to cut \$12.2 billion from the Medicaid program over the next five years.

Missouri – Last year Missouri made major cuts in their Medicaid program and approximately 100,000 lost coverage. A plan to overhaul the Medicaid program will be introduced and will require more middle-income people to pay premiums. The name of the program is being changed to Missouri Healthnet. They will allow on-line applications and rely heavily on technology incentives to improve health status.

Pennsylvania – A new law guarantees that parents who currently cannot afford to insure their children can get assistance from the state to ensure the cost of coverage for their children is reasonable. For families above 200% of FPL, premiums will range from \$36 to \$57 pm/pm. Families over 300% of FPL can buy into the program at the state's rate under certain conditions. For example, if a child has pre-existing health conditions and insurance coverage has been denied. Additionally, if the cost of enrolling in private insurance is cheaper, the state will pay the premium rather than enroll the child in SCHIP. They are implementing a 6-month "go bare" policy, which will be imposed to minimize the number of people that might drop existing coverage to enroll in the program. The "go bare" policy does not apply to infants or children under age two.

Texas – After enrollment dropped significantly in the Texas SCHIP program, the commissioner requested that a study be conducted of former enrollees to find out why. The study found that one fourth of the families that were not renewed thought their children still had coverage. Half of the families thought the renewal process was too difficult. 60% of the families were told their files were missing information (although

89% of those families said they had turned it in). 75% of the families said the renewal packet instructions were helpful and the material was easy to understand.

Other News:

A two-year study designed to provide a profile of South Carolina's Mexican immigrant population challenged four common myths: 1) They want to move to this country permanently; 2) they overuse public benefits and make minimal contributions to the economy; 3) they refuse to learn English, and 4) many are criminals. The study found that 60% of the people plan on returning to Mexico; only 25% are unemployed; 50% were actively trying to learn English; and only 2 of the 181 interviewed had problems with law enforcement (both of those were related to driving without a license).

Senator Edward Kennedy, as incoming chair of the Senate Health, Education, Labor and Pensions Committee, has outlined his agenda. He plans to focus on moving towards universal coverage with two major initiatives. The expansion of SCHIP as the first step and a Medicare plan to cover people between the ages of 55 and 64.

ADMINISTRATOR'S REPORT:

Enrollment and Statistics:

Ms. Smith reported that enrollment at the end of SFY 06 reflected a slow down. Projected total enrollment in SCHIP was 34,840. Actual enrollment was 32,984. However, Medicaid expansion was up 733 children. **hawk-i** individually was down 2,589; 11.13% down from enrollment projections.

Current SCHIP enrollment is 36,729; 20,874 enrolled in **hawk-i** and 15,855 in Medicaid Expansion.

In the past 8 years Medicaid has almost doubled the number of children participating. SFY '99 started with 91,737 children enrolled in Medicaid. For November 2006 that number has grown to 178,868. Medicaid and **hawk-i** have resulted in 108,005 children with coverage as of November 2006.

SFY '07 Budget Update

Ms. Smith told the Board that since enrollment was down from projections, almost \$3.5 million remained in the **hawk-i** trust fund to be added to this year's appropriation. \$23,368,730 is the total state appropriation for SFY 07. Projections are for spending \$20.1 million. Through November, 2006, \$6.9 million (34%) has been expended.

Federal SCHIP Activity:

A lot of correspondence has been exchanged between the federal government and states, advocacy groups, and Congress concerning the SCHIP budget and the projected shortfall. SCHIP is scheduled to be reauthorized in 2007. According to the most recent data available, 14 states are projected to exhaust their federal SCHIP funds

in 2007. Iowa is one of those states. On December 9th, the House passed HR 6164, the National Institutes of Health Reform Act of 2007. This Act requires redistribution of certain unspent SCHIP allotments. Unlike past legislation where states have been made whole, the goal was to delay, as long as possible, the date in 2007 which states would actually run out of money. Based on current enrollment and expenditures, Iowa is not expected to run out of funding until the first week of July. If no additional federal funds are received by July 1, then 100% state funds will be needed, or other action necessary until the 2008 allotment is available, assuming reauthorization. Congress may address the remaining 2007 shortfalls as part of their reauthorization, which provides SCHIP with appropriations needed at the beginning of 2008. At this point a \$15 million shortfall is projected for FY 07.

OIG Report:

The Office of Inspector General (OIG) recently released their report of findings of Iowa's SCHIP audit. On December 6th, the *Des Moines Register* ran an article about the audit. Ms. Smith said she took issue with the statement that the Department had "limited oversight" of the work. The audit period went back to the beginning of the program, January 1999. Once issues started developing with the original third party administrator, discussions were held and corrective actions taken. The Attorney General's Office was heavily involved in those discussions and eventually steps were taken to terminate the contract. The contractor stayed on through the reprocurement process and to help transition to the successful bidder, MAXIMUS. If the Department had not been monitoring the contractor, they would not have realized there was a problem.

Ms. Smith told the Board that on December 6, 2005, the OIG gave the Department a draft report of their audit findings and the Department responded in February. In March the OIG provided the state with an unofficial response to the Department's response. The Department responded to their unofficial response in April. On October 23rd the Department received the final OIG report that was sent to CMS.

The Department's response to the draft report resulted in the OIG reducing the initial errors by almost 30% and the value of claims in error by over 40%.

- Errors relating to income exceeding **hawk-i** limits were reduced by 9%.
- Unverified or missing documentation 72%.
- No documentation the child was uninsured 14%.
- **hawk-i** not cancelled upon Medicaid eligibility 5.5%.
- Coverage during the waiting period 37½%.
- Failure of applicants to cooperate with Medicaid 100%.
- Coverage beyond 12 months 20%.
- Duplicate premium payments 0% (but those were recouped).
- Income fell within Medicaid guidelines, 14%.

The Department's response is due to CMS by December 20, 2006. Even though the OIG has reduced the errors significantly based on their preliminary reports, the

Department still disagrees with several of the errors cited in the report, as well as the methodology on which the dollar amount was calculated. CMS will review the reports and the Department's response and make a decision as to what, if any, actual disallowance has to be paid back.

Diane Stahle said that once the Department receives the CMS report, the state can appeal to the departmental appeal board in Washington DC. From there it goes to the 8th Circuit. It is the Department's decision if they want to appeal the findings or not.

Updated Health Plan Enrollment Areas:

Ms. Smith told the Board that with the recent expansions by the health plans, there are now 40 counties where families have a choice between two managed care plans.

COVERAGE OF SPEECH THERAPY – FOLLOW-UP FROM AUGUST 21, 2006, MEETING:

Ms. Ruggle told the Board that AmeriChoice (formerly known as John Deere) covers speech therapy the same as Wellmark. Wellmark Health Plan of Iowa members do have to go through one of their network providers.

Ms. Salter stated that the speech therapy coverage provided by the plans is designed more for an adult population and does not cover the therapy needs that most children would have. For example, very few children would have a speech impairment resulting from a stroke, injury, or surgery. Most of the time it is a developmental issue, which is not covered by either plan. Ms. Salter said she understands that *hawk-i* is not intended to mirror Medicaid, but she has heard a lot of concerns about a minimum coverage that is developmentally appropriate for kids. She would be interested in seeing some kind of matrix showing what kind of coverage *hawk-i* children have compared to Medicaid children.

2006 ANNUAL REPORT DRAFT:

Ms. Goldman said that as the Board requested, she used the same format as had been used in the past. The Board members said they especially liked the Executive Summary section of the report and approved the report as written.

Staff will have the report printed and submitted to the General Assembly, the Governor's Office, and the Legislative Service Agency. Letters, along with the Executive Summary, will be sent to the Human Resource subcommittee members and other interested staff with a link to the full report on the DHS website.

Angela Burke Boston left the meeting at this time.

PUBLIC COMMENT:

No public comment was received.

IFMC REPORTS:

Diane Morrill and Linda Sims of the Iowa Foundation for Medical Care (IFMC) presented the following reports:

Impact on Access and Health Status SFY 2006:

Parents are given a survey upon enrollment and again one year after enrollment. This report is based on how those responders rate the impact on the health status of their children after being enrolled in the program for one year. Only those members who completed both the baseline and follow-up surveys are included in the report. IFMC has completed the report twice. Ms. Morrill said that when comparing the two years, she sees increases that kids are less likely to be stopped from getting needed care and that children were more likely to have always received the needed care. For specialty care they were less likely to be stopped from getting care and they were less likely to be delayed from getting care. The report shows the overall answers to the questions and shows aggregate as well as individual plan results. Along with that report is a "*Follow-up Survey Comment Report SFY 06*". This report lists all the comments that were made by parents at the end of the survey.

Outcome of Care for Children in the hawk-i Program FFY 2005:

This report looks at five HEDIS measures:

1. The use of appropriate medication for children with asthma.
Overall there was an increase from the previous FY.
2. Percentage of children who received a well child visit in the first 15 months of life.
There was a slight decrease in the current study compared to the previous study. Ms. Morrill told the Board that it is important to understand there are just two data points and they do not know if it is a true decrease or just a situational occurrence. Next year after they have three years of data they can determine true increases or decreases. Ms. Goldman added that this particular population is so small in the *hawk-i* program that it is hard to get a true outcome. Most children in that particular age group are covered under Medicaid.
3. Well child visits in the 3rd, 4th, 5th, and 6th years of life.
Overall, between the two study years, there was a .5% decrease. Ms. Morrill told the Board that once again, that may not be a true decrease but a circumstance. There was an increase in children at age 4, but the rest of the age categories had slight decreases.

Dann Stevens indicated that the health plan coverage areas have been changing and asked whether any consideration was given to whether the child had the same health plan or not. Ms. Morrill responded that this has proved to be a major difficulty in almost all of the responses. Again, that is why they are hoping that the rates will go back up. The ones that did decline could be because of coverage.

4. Children's access to primary care providers.
Overall that has been an increase.
5. Annual dental visit.
There was a slight increase from the first year to the second year.

hawk-i Comparative Analysis: This report provides a summary of all the reports IFMC completed. For the reports that have been completed more than once, the results have been compared.

Provider Network Analysis:

Primary Care Physician (PCP) - The access standard is that each member will have a PCP within 30 miles. Comparing the Americhoice, WHPI, and Classic Blue plans, each member has access to at least five PCP's within the 30-mile standard. In fact, they all have access to a choice of 5 PCP's within less than 7 miles.

Dental - For dental, every member has a choice of 5 dentists within the 30-mile standard.

Hospital - 99% of all members have a choice of one hospital within 30 miles. Ms. Morill said that several counties do not have contracted hospitals because there are none. Kossuth County is so large, and the hospital is located in the far southern part of the county, so the residents of the northern tip of that county do not have access within the 30-mile standard.

Mental Health Providers – The standard for mental health providers is 60 miles. 99.4% of the members have access. There are only 58 members who do not have access within 60 miles, and that is simply because there are not enough providers in those areas. Most have access within 30 miles; a few are between 30 and 60. Ms. Morrill told the Board that overall the availability is more than adequate and the plans should be commended on that. In addition to the availability of providers, now many members will have a choice of plan in their county. This will add to the accessibility for these members.

PAYMENT ERROR RATE MEASUREMENT (PERM):

This requirement was part of the Improper Payment Information Act of 2002. PERM mandates states to sample both Medicaid and SCHIP cases for accuracy both in terms of eligibility determination and the payments that were made on behalf of those people. Iowa is scheduled for a PERM review in 2008. The Department's sampling plan must be submitted to CMS by August and then the PERM reviews would start in October. Ms. Smith said that the Department does not have the resources to conduct the sampling and is in the process of developing an RFP to contract that function out. The RFP will include both Medicaid and SCHIP. In the meantime the Department is trying to increase resources within the state in order to strengthen quality control to avoid sanctions due to errors.

It is estimated that it will cost the program a minimum of \$565,000 to conduct the review. This is simply for the case review and does not include all of the components. No additional federal funds are available so the expenditures to comply with the PERM review will have to come from existing funds. Ms. Smith said the Department is pursuing some changes they at the federal level and one of those changes is to fully fund PERM requirements, or at least give states federal matching dollars in order to comply. Ms. Smith said that the State has commented on the interim final regulations that the sampling size for SCHIP is excessive and places undue burden on the SCHIP program.

OUTREACH UPDATE:

Diane Ellis, Covering Kids & Families-Community Health Services Marion County, introduced “Marcy”, a *hawk-i* parent from Knoxville, Iowa.

Ms. Ellis asked Marcy to talk about her experience with *hawk-i*. Marcy has two children, a 5-year old son and an 11-year old daughter. Her son started kindergarten this year. Not only was a physical exam required before starting to school, but also a dental and vision exam. Marcy said that if her son had not been enrolled in *hawk-i* she would not have been able to afford these additional examinations. Marcy told the Board that when you cannot afford health insurance, you only go to the doctor or dentist when you don’t feel well or are in pain. Since enrolling in *hawk-i* her son was able to go for a regular examination, when he was feeling fine, was able to visit with the doctor and get a relationship established. Now he does not have anxiety when he does have to go to the doctor. Her son had never been to the dentist before but he was able to go have his teeth examined and cleaned. It was pain free, and now he knows he has to go back in 6 months and is actually looking forward to going.

Marcy said that when her daughter was born she had a lazy eye, slightly crossed and droopy. By the time she was 2 or 3 years old, you could tell she had a problem. Two years ago during school vision checks they sent home a note stating her vision needed to be checked. Because they did not have insurance, they put it off. Last year, same thing. She was also experiencing headaches, almost on a daily basis. About this time Marcy learned about the *hawk-i* program and was referred to Ms. Ellis. After enrollment, she was able to take her daughter to the eye doctor. He recommended laser eye surgery and referred her to a specialist in Des Moines. The specialist indicated he was currently conducting a study on this same problem, so she was put in the study. The study was free, and all treatments and supplies were free. *hawk-i* paid for the initial visit, and the study paid for everything else. In nine months time he had her vision corrected enough to where she wears glasses and does not have to be seen for another year. Marcy told the Board had it not been for *hawk-i*, she would have never been able to get into the specialist to be part of study.

NEW BUSINESS:

Ms. Salter said that she was concerned about absenteeism among the Board members resulting in not having a quorum. Ms. Salter asked Board members to please let Dee

know if they will not be able to attend. Ms. Salter will contact Board Member Angelita Ramirez to see if she intends to stay on the Board.

Ms. Smith said that the Board will need to take action to adopt administrative rule amendments in February. The Board's regularly scheduled meeting on February 19th is too early, the first possible date the rules can be adopted is February 22nd. A special Board meeting, conducted via conference call, will be scheduled for February 22nd.

There was no new business.

The meeting was adjourned.

The next *hawk-i* Board meeting is scheduled for Monday, February 19, 2007, at 12:30 p.m. at the Des Moines Botanical Center, Levitt Room, 909 Robert D. Ray Drive, Des Moines, Iowa.