

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

December 20, 2004

BOARD MEMBERS:

Susan Salter, Chair
Jane Borst (for Julie McMahon)
Charlotte Burt (for Judy Jeffrey)
Roger Strauss (for Terri Vaughan)
Jim Yeast
John Baker
Wanda Wyatt-Hardwick

LEGISLATIVE BOARD MEMBERS:

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

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Shellie Goldman
Mike Baldwin

ATTORNEY GENERAL'S OFFICE:

Diane Stahle

GUESTS:

Erin Paugh
Mary O'Brien
Karen Brown
Denise Hill
Jen Davis
Lynn Tague
Lindsay Miller
Beth Jones
Sara Dixon
Barbara Fox-Goldizen
Bob Wilcox

AFFILIATION:

Visiting Nurse Services
Visiting Nurse Services
Iowa Health – Des Moines
Iowa Medical Society
IAFP
Wellmark Blue Cross Blue Shield of Iowa
Covering Kids and Families
Covering Kids and Families
Covering Kids and Families
MAXIMUS
Iowa Health Solutions

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, December 20, 2004, in the Oak Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:30 p.m. A quorum was present.

WELCOME, INTRODUCTIONS:

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

APPROVAL OF MINUTES OF NOVEMBER 15, 2004, MEETING:

Wanda Wyatt Hardwick made a motion to approve the November 15, 2004, meeting minutes as written. John Baker seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

Anita Smith provided the following update of SCHIP news:

Georgia – Since July 1, 2004, 45,000 kids have lost coverage due to higher premiums, which were increased from \$20 to \$70 per month. If payments are not made by the 13th of the month, the child has to be off assistance for three months before they can be re-enrolled.

Florida – Governor Bush is putting together a plan to modernize Medicaid. No information is available at this point, but there is a lot of concern about cutbacks and cost sharing increases.

Blue Cross Blue Shield in Florida provided a grant to find families displaced by the hurricane that participate in Florida's Healthy Kids program and whose enrollment period is set to expire. As a result, their call center is swamped. Families are trying to fax in their information and the lines are busy. There is concern that a lot of kids will lose coverage.

New Hampshire – Is conducting public forums on setting up medical savings accounts for kids in their SCHIP program. Opponents say that medical savings accounts for kids are not tested.

Pennsylvania – Uses their health plans to enroll kids in their SCHIP program. Recently they discovered that about 3,100 kids that would qualify for SCHIP are enrolled in Blue Cross Blue Shield's Special Care plan, a private insurance plan for low-income families. Officials question why these low-income families are paying premiums (about \$45 per month) for coverage that they should be getting free through SCHIP.

ADMINISTRATOR'S REPORT:

SFY '05 Budget Update

Ms. Smith told the Board that at this point in the fiscal year, the *hawk-i* budget is still within the amounts projected and she does not expect any unanticipated expenditures.

Expenditures to date are \$5.5 million of the \$14.9 million budget, or 37%. Interest earned from the *hawk-i* Trust Fund totaled \$31,204.

Enrollment & Statistics

Total SCHIP enrollment was 31,558 as of November, 2004. Ms. Smith indicated that the trend line for *hawk-i* continues to increase, but at a much slower rate. Recently there have been several inquiries from the Legislative Service Agency as to why Medicaid enrollment is increasing at a much faster rate.

Update on Delta Dental Implementation

Ms. Smith reported that implementation remains on schedule and will occur on January 1, 2005.

ANNUAL REPORT TO THE LEGISLATURE:

Shellie Goldman discussed the suggested changes she received to the draft copy of the report. The Board agreed with the changes.

John Baker made a motion to approve the Board's 2004 Annual Report with the changes that were discussed. Jim Yeast seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

OVERVIEW OF CHILDREN WITH SPECIAL HEALTH CARE NEEDS COMMITTEE:

Ms. Salter asked for this item to be placed on the agenda. Ms. Salter indicated that the current Board members were not on the Board when this Committee was formed and made their initial report. She thought it would be a good idea to have a discussion so the Board could be familiarized with these activities.

Shellie Goldman reported that in September 1998 the Legislature passed House File 2517 that established the *hawk-i* program. A subsection of that bill mandated that the Board establish an advisory committee to make recommendations to the Board and to the General Assembly regarding children with special health care needs. The committee currently consists of 14 members and Dr. Jeffrey Lobas, Director of the Child Health Specialty Clinics at the University of Iowa Hospitals is considered to be the Medical Director of that committee. In January 1999 the committee presented their findings to the Board and to the General Assembly. Copies of this report were given to the Board.

In its first two years the Committee met several times a month to review and analyze information based on the mandated components of what a special health care needs program would look like for the *hawk-i* program. This Committee, in conjunction with the Clinical Advisory Committee, met and came up with benefit recommendations to provide to those children above and beyond what the healthy population receives. Two benefits were recommended: care coordination and case management. These two

benefits include services that a normal healthy child may not utilize as much as a child with special health care needs. The recommended benefit package was originally presented to the Board in 2001. These recommendations outline what components would fall under care coordination and what would fall under case management, mental health needs, or nutritional needs. Beginning in 2001 through 2004, the Board recommended that these benefits be presented to the Legislature with recommendations that they be added as a benefit to the program. These additional benefits have never made it through the legislative process. Based on that, the Special Health Care Needs Committee has not been able to move forward.

Ms. Smith said that these benefit recommendations have never made it through the Council on Human Services to be included in the Department's budget request to the Governor. They additional benefits carry a hefty price tag.

Charlotte Burt asked if there was any way the recommendations could be modified so that the focus could be on one area instead of the entire package? Perhaps someone who knows what might get through the system could work with the Committee and get a revised proposal. Ms. Smith responded that at one point in time there was a proposed bill that included only one or two of the recommendations and that also failed to make any headway.

Ms. Salter said she would like to keep this as an agenda item and give the Board members an opportunity to review the report.

Jane Borst stated that at one time there was a discussion about the roles and responsibilities between the Clinical Advisory Committee and the Children with Special Health Care Needs Committee and asked if staff could summarize the difference. Ms. Goldman responded that the Clinical Advisory Committee was set up to address any quality issues and to determine outcome measures when contracting with the University of Iowa to do outcome measurements and to help with the CAHP survey. The Clinical Advisory Committee was also in charge of developing quality measures and to work with the Iowa Foundation for Medical Care. They address any issues related to provider access. The mission and mandate for the Children with Special Health Care Needs was to look specifically at the special needs population for children. Some of the physicians and nurse practitioners sit on both Committees; the Special Health Care Needs Committee is considerably larger.

Ms. Borst suggested that the Board issue an invitation to Dr. Lobas, as Chair of the Children With Special Health Care Needs Committee, to give the Board his perspective on what he thinks is the next step. Ms. Goldman stated that Dr. Lobas is also on the Clinical Advisory Committee so he could bring perspectives from both Committees.

Ms. Goldman told the Board that the 1999 report she gave them gives a definition of "special health care needs". In addition, the health assessment CAHP survey does ask questions about children with chronic medical conditions. About 9% of the *hawk-i* population are children with chronic conditions. It isn't known whether or not they fall under the definition in this report. The Committee wanted to expand on that survey to try to define what the needs of those children are.

Ms. Smith said that she believes there was an assumption when this program began that the benefit package was not sufficient to meet the needs of children with special health care needs. All of this was done very early on and now that there is 4 to 5 years of encounter data available, she believes it would be a good idea to reconvene that group and review the data. Ms. Smith agreed that it would be a good idea to invite Dr. Lobas and possibly Pete Damiano to the February meeting to talk about the data they do have and what their perception of how to proceed would be.

CONTRACTS FOR CONSIDERATION:

IHS Health Plan Contract

Ms. Smith said that on December 14, 2004, Paul Carter, Executive Vice President of NevadaCare, Inc. (Iowa Health Solutions) sent a letter to Director Concannon indicating they would like to withdraw from the ***hawk-i*** program effective February 1, 2005. There is a provision that they have to give 90 days notice to withdraw, but they have already given the state notice that they are withdrawing from the Medicaid program on February 1, 2005. If the Board is agreeable to accept the withdrawal effective February 1, this would coordinate the withdrawal of Iowa Health Solutions from the two programs. The Department supports their request to allow the earlier withdrawal as it would be less confusing for providers.

Jane Borst made a motion to accept Iowa Health Solutions' request to withdraw from the ***hawk-i*** program effective February 1, 2005. Roger Strauss seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

Ms. Smith gave the Board a copy of the proposed "transition plan" and a new health plan map of which plans will be available in each county effective February 1, 2005. Ms. Smith indicated she had talked to representatives of John Deere and Wellmark to get their thoughts on how families can be transitioned.

The transition plan proposes that:

- All new enrollments in Iowa Health Solutions will cease. Any enrollments now would be effective January 1, 2005. Rather than enroll families in Iowa Health Solutions for just one month before moving them to another health plan, the Wellmark contract would be amended to reflect the new enrollment area effective January 1, 2005.
- On January 3, MAXIMUS will notify John Deere and Wellmark via a daily enrollment file of Iowa Health Solutions enrollees that will be transferred to their plan effective February 1, 2005. That will give the health plans enough time to send enrollment packets and health plan cards.
- On January 3 MAXIMUS will create mailing labels identifying all families who will be disenrolled from Iowa Health Solutions. The Department will mail notices to

the families to inform them of the change. The health plans said they would like the notices to identify the differences between their plan and Iowa Health Solutions, for example, drug formularies and prior authorization requirements. By notifying them it will give the family an opportunity to contact the customer services department to arrange for continuing care. These steps will be repeated on January 20th.

- Iowa Health Solutions is still contractually responsible for services through the effective date of the termination, which would include customer service, payment of claims, and providing data to the Department such as encounter data and reports. Ms. Smith indicated that one health plan has asked if it is possible to find out which enrollees have had prior authorizations so that they can arrange continuation of care. Ms. Smith said she does not know if that is possible, she has not had that conversation with Iowa Health Solutions yet.

Denise Hill, Iowa Medical Society, suggested that the state have Iowa Health Solutions notify providers on their panels to inform them of the change.

Bob Wilcox said that letters to providers were sent on Friday (December 17). Ms. Smith requested a copy of that letter.

Amendment to Wellmark Contract

The enrollment area is being amended to include those counties where John Deere coverage is not available.

Jim Yeast made a motion to amend the Wellmark contract to include those counties. Roger Strauss seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

Amendment to IHS Contract

At a prior meeting the Board approved amending the managed care health plan contracts to allow a dental carve out effective January 1, 2005. Ms. Smith said that since the Iowa Health Solutions contract is terminating February 1, 2005, she sees no point in allowing those enrollees to have one month of enrollment under the Iowa Health Solutions dental plan. She is suggesting that the Board withdraw that amendment.

Roger Strauss made a motion to withdraw this previous amendment to the Iowa Health Solutions contract. Jim Yeast seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

Delta Dental

This contract allows families in managed care counties to choose to receive separate dental services through Delta Dental of Iowa rather than through the health plan. Diane Stahle stated that she has reviewed this contract with Delta Dental.

John Baker made a motion to approve the contract with Delta Dental. Jane Borst seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

Amendment to John Deere Contract

The first amendment to the contract amends the capitation rate so that if the family chooses to get coverage through Delta Dental as opposed to participating in John Deere's dental plan, a different cap rate will be paid.

Roger Strauss made a motion to approve the first amendment to the John Deere contract. Jane Borst seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

MAXIMUS Contract

Ms. Stahle briefed the Board on the negotiations with MAXIMUS on the contract for the Third Party Administrator. Ms. Stahle said they did run into difficulties, MAXIMUS wanted to negotiate some limits to their liability and limits to the warranties that were included in the original contract. At one point it did not appear an agreement would be reached, but on December 17 an agreement was reached, in principal, on limits that were going to be included in the contract.

Changes include:

Call center hours of operation. MAXIMUS asked to have the call center hours changed to 8:00 a.m. to 5:00 p.m. and provided call center data reflecting percentage of calls during different time periods. 2% of the calls are received between 7:00 and 8:00 a.m. The Department agreed to allow them to begin operations at 8:00 a.m., but would not agree to 5:00 p.m. because families are easier to contact in the evening hours. Also, the RFP has two additional requirements for outbound calls. One is the welcome calls and the second is the disenrollment survey.

Penalty provisions, eligibility determinations. There was a penalty provision for \$5,000 for an error rate of 3% or more. One of the issues that was raised is if you have a very small sample size, one error could put them over 3%. The Department agreed to use a sample size of 600 reviews during the 6-month period of time. Those 600 reviews could be quality management reviews by MAXIMUS or independent reviews by the Department.

Terminating the Contract. Either party can terminate the contract on 90 days notice. The original provisions were that only the Department could terminate the contract. MAXIMUS was concerned that if they had to accept all the liability provisions they also wanted a way to terminate the contract.

Source code. The original contract provided that the contractor was required to turn over the source code for any computer program that was used to operate the system. If the Department were to take over the operation or hire someone to take over the operation, the source code is what allows the Department to understand the computer system and make changes. It was agreed that MAXIMUS would place the source code and all related documentation into escrow. Upon triggering of certain events, the Department would then become entitled to the source code. The cost of those escrow services will be born by MAXIMUS.

Damages. In their original proposal, MAXIMUS wanted to limit the time period for which they could be liable for damages to one year. Under Iowa law, breach of contract has a 10-year statute of limitations. The Department agreed to a limitation of 5 years.

Fidelity bond. The fidelity bond was originally set at \$1 million and the Department agreed to reduce the bond to \$150,000. The reason the Department agreed to the reduction is that under the current structure MAXIMUS is responsible for paying the health plan premiums. They receive almost \$3 million from the Department each month to distribute to the health plans. With this new contract the Department will be making the payments directly to the health plans so MAXIMUS will not have that amount of money in their possession.

Jim Yeast made a motion to approve the contract with MAXIMUS as the third party administrator. Wanda Wyatt Hardwick seconded the motion. Unanimous approval was made by Jane Borst, Roger Strauss, Jim Yeast, John Baker, Charlotte Burt, Wanda Wyatt Hardwick, and Susan Salter.

PUBLIC COMMENT:

No public comment was received.

NEW BUSINESS:

There was no other new business to present before the Board.

The next meeting is scheduled for Monday, February 21, 2005, at 12:30 p.m. at the Des Moines Botanical Center, Oak Room, 909 Robert D. Ray Drive, Des Moines, Iowa.