

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

February 16, 2004

**BOARD MEMBERS:**

Eldon Huston, Chair (absent)  
Terri Vaughan, Vice-Chair  
Charlotte Burt (for Ted Stilwill)  
Julie McMahon (for Mary Mincer Hansen)  
Susan Salter  
Wanda Wyatt-Hardwick  
Jim Yeast

**LEGISLATIVE BOARD MEMBERS:**

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

**DEPARTMENT OF HUMAN SERVICES:**

Anita Smith  
Anna Ruggle  
Mike Baldwin

**ATTORNEY GENERAL'S OFFICE:**

Marne Woods

**GUESTS:**

Barbara Fox-Goldizen  
Dr. Julianne Thomas  
Ann Campeau  
Dee Bradley  
Marcella Privo  
Deb Kazmerzak  
Kristine Klauer  
Sandy Smitherman  
Beth Jones  
Lisa Healy  
Karen Brown  
Lisa Huff  
Larry Carl  
Sara Schneider  
Jim Donoghue

**AFFILIATION:**

MAXIMUS  
*hawk-i* Clinical Advisory Committee  
Iowa Health Solutions  
*hawk-i* Outreach  
AHFA and *hawk-i*  
Outlooks/Covering Kids Task Force  
John Deere Health  
Delta Dental  
Iowa Dept. Public Health - Covering Kids & Families  
Iowa Dept. Public Health - Covering Kids & Families  
Center for Healthy Communities  
Center for Healthy Communities  
Iowa Dental Association  
DHS  
Magellan/HCKC

**MEETING CALLED TO ORDER AND ROLL CALL:**

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, January 16, 2004, in the Oak Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Terri Vaughan, Vice-Chair, called the meeting to order at 1:30 p.m. A quorum was present.

### **WELCOME, INTRODUCTIONS:**

Ms. Vaughan asked the audience members to introduce themselves. Ms. Vaughan 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. Vaughan.

### **APPROVAL OF MINUTES OF DECEMBER 15, 2003, MEETING:**

Ms. Vaughan indicated a minor correction on page 5, sixth paragraph, fourth sentence, of the December meeting minutes. The word "children" should be substituted for the word "parents". Julie McMahon made a motion to approve the December 15, 2003, meeting minutes with that correction. Susan Salter seconded the motion. Unanimous approval was made by, Julie McMahon, Charlotte Burt, Jim Yeast, Susan Salter, and Terri Vaughan.

### **OLD BUSINESS:**

At the December Board meeting it was reported that *hawk-i* applications were being mailed to households receiving food assistance with children under the age 19 and not on Medicaid. During that discussion, Mr. Huston asked if the number of lowans receiving food assistance had changed, or if it was remaining the same. Ms. Smith reported that since the beginning of this fiscal year, there has been a 5% increase in both individual participants and households participating in the food assistance program. However, the number of households with eligible children not on Medicaid decreased.

At the December Board meeting, Mr. Huston also requested a summary of the "How you Heard about *hawk-i*" reports. Whether new applications could be tied to any particular outreach activity. These reports were compared for the period August through December in each of the years 2001, 2002, and 2003. This report was provided to the Board members for their review.

### **REVIEW OF CORRESPONDENCE, REPORTS, & OTHER STATE NEWS:**

Ms. Smith reviewed the correspondence.

- January 30, 2004, press release from "Governing" magazine, "National Report Praises Iowa for Success in Keeping Uninsured Population Low". An assessment of health care in the 50 states recognizes Iowa as having one of the lowest uninsured rates in the country. One of the reasons for the low rate is due to age and the number of lowans on Medicare. The report also indicates the state is doing an excellent job of keeping the number of uninsured children low, having the fourth lowest uninsured rate for children in the country.
- "Kaiser Commission on Medicaid and the Uninsured" report, "SCHIP Program Enrollment: June 2003 Update". As of June 30, 2003, there were 3.9 million children covered by SCHIP programs nationally. However, growth in the

program in FFY 03 was 7.3%, the lowest since the program started. Enrollment did increase in 37 states, but it declined in 13. Seven states now have enrollment caps and 12 of 30 states that charge premiums are increasing them. Iowa's growth rate was 10%. The report also includes information on states that have coverage for adults, have implemented enrollment caps, changed eligibility levels, changed benefits, or changed cost sharing.

- December 8, 2003, "Kaiser Daily Health Policy Report", "Cost of Providing Employee Health Benefits Rose 10% Nationwide in 2003, Survey Says". This article indicates that U.S. employers shifted "an unprecedented share" of health care costs to employees during 2003 and an additional waive of cost shifting is likely in 2004. The average cost of health and dental insurance per employee is \$6,215, an increase from \$5,646 in 2002. The average cost for an employee contribution for single HMO coverage is 35%, up from 31% in 2002. Family HMO coverage is 57%, up from 51% in 2002. About 5% of large employers and 22% of small employers have considered eliminating health care coverage for employees.
- January 9, 2004, "New York Times" Opinion, "Burden of Uninsured is Falling on the States". Despite the national economic upturn, states continue to face budget shortfalls, forcing them to pull the plug on health care coverage for low-income people, including about 500,000 children. The most devastating cuts have occurred in Texas where between 334,000 and 494,000 people, 160,000 of which are children, have lost health care coverage.
- Covering the Uninsured News Summaries:
  - "Doctors' Group and Blue Cross/Blue Shield Send Congress Proposals on the Uninsured". The American College of Physicians has put forth a four-part health reform plan. In addition to steps to reduce physician paperwork, insuring sufficient primary care physicians to treat an aging population, and addressing computer-based health care systems, the proposal would provide health care coverage to all Americans up to 150% of poverty by January 1, 2007. Additionally a proposal by Blue Cross Blue Shield would provide mostly private coverage for the uninsured. This includes a call for federal funds to expand state SCHIP programs so that enrollees can receive subsidies to purchase private coverage. This is currently an option under SCHIP and some states are doing so.
  - "Strongly Worded Institute of Medicine Report Urges Universal Coverage by 2010". The Institute has released a report regarding the impact on millions of Americans without health insurance and has, for the first time, recommended that the U.S. guarantee citizens health care coverage by 2010. The report concludes that the situation is dire and the number of uninsured Americans has serious, dire circumstances and economic costs, not only for uninsured themselves but also for their families, their communities, and the country. The report estimates the lost health capital to the nation attributed to uninsured population ranges between \$65 and \$130 billion annually and has resulted in

18,000 unnecessary deaths. The report concluded that Washington should rapidly design a plan for affordable, continuous health care coverage by five guiding principles which are: (1) any proposal be universal; (2) that they provide continuous coverage even when workers change jobs; (3) that it be affordable to individuals and families; (4) that it be affordable and sustainable to society; and (5) provide access to high quality health care.

- “Covering the Uninsured Likely to Be Major Issue in Presidential Election” Affordable health care ranked just below the economy and jobs as the most important issue to voters. As a result, the issue of the uninsured could wind up being the primary focus of the presidential campaign. Most of the current candidates have indicated they would roll back some of the tax cuts to fund health care coverage plans.
- “Budget Proposed by Bush Aims to Cover 4.5 Million Uninsured Over 10 Years”. President Bush blames rising health care costs for increasing the number of insured and believes competitive forces in the marketplace, primarily by giving Americans more choice, is the way to lower health care costs. Accordingly, he is promoting tax credits to help the working poor purchase insurance and encouraging the use of tax-free health savings accounts for high-deductible insurance plans.
- December 15, 2003, “New York Times” article, “Republicans Shift Focus to Helping the Uninsured”. The Bush Administration is planning a new initiative to help provide health insurance to people under 65 who have no coverage. Details have not been released, but considerations are tax credits to help families buy insurance, expanding eligibility in existing programs, and new tools to help small businesses band together to buy insurance. Some bills have already been introduced. A bipartisan bill that was introduced by Senators Grassley and Baucus would extend tax credits to anyone receiving unemployment benefits. Senators Snowe and Kennedy introduced a bill that would provide coverage to parents of children who already qualify for SCHIP and Medicaid. Senators Snowe and Talent introduced a bill to encourage small businesses to band together to buy health insurance. Health economists estimate that one-fifth of workers who are offered health insurance don’t take it and at least half of the uninsured children are eligible for it, but not enrolled in public assistance programs.

#### Other States:

California: The budget proposed by Governor Schwarzenegger includes “substantial reduction” in “virtually every state safety net program for the poor”, with some of the biggest cuts in Medicaid and SCHIP. It is estimated his proposal will add an additional 350,000 to the uninsured rolls, with 110,000 children losing coverage and enrollment caps being added to the SCHIP program.

Florida: Ms. Smith stated that there is currently a lot of activity in Florida and numerous contacts have come from them to learn what Iowa is doing regarding

various issues. One new policy that has been implemented is that if any family misses a premium they will have to stay off the program for six months. Currently the policy is 60 days. Because Florida has a waiting list, the effect could be that people will make sure they pay their premiums, dramatically decreasing the number of children dropping from the program.

Governor Bush has suggested spending \$32 million to address the waiting list. For weeks there has been a push to encourage the Governor to eliminate the waiting list. Under a plan unveiled on February 10<sup>th</sup> the state would eliminate the waiting list so that children who can't currently enroll would have to try again later. What is not clear is whether they would provide one-time funding to enroll the kids currently on the waiting list. Other proposals are to require income verification; requiring the applicant to provide a letter from their employer that the employer does not offer health insurance coverage; going to six month eligibility reviews; and having random open-enrollment periods.

Louisiana: "Rate of Uninsured Children Drops 50% in Louisiana, Study Finds". Prior to implementing the LaCHIP program 22% of Louisiana's children were uninsured.

Maine: "Maine Universal Health Plan Takes Shape", "Newsday", December 26, 2003. This article profiles Maine's Dirigo health plan. It is expected to enroll its first participants this summer. Dirigo is being touted as one of the nation's most far reaching health insurance plans, designed for workers whose employers do not provide insurance, self-employed individuals who cannot afford private insurance, or those who do not qualify for government programs.

Maryland: "Caught in the Squeeze for Children's Insurance", "Washington Post", January 23, 2004. Maryland is economizing on health coverage and the article profiles a family affected by the premiums Maryland implemented last year in their SCHIP program. As a result, 2,000 of 6,000 families in this income bracket have left the program.

Michigan: "Michigan Receives Federal Approval to Use Unspent CHIP Program Funds to Provide Health Coverage to Certain Adults", "Kaiser Daily Health Policy Report", January 21, 2004. Michigan has received approval to use unspent funds to cover about 62,000 adults who have income less than 35% of the federal poverty level and who do not qualify for Medicaid. Also, because of the transferred funds, no children will lose eligibility in the MICHild program.

Montana: "Montana Officials Claim Right to Deny CHIP Enrollment to State Employees' Children", "Kaiser Daily Health Policy Report", December 9, 2003. Montana inadvertently enrolled a state employee's child in their CHIP program and subsequently had to disenroll that child.

New York: "Medicaid Cuts Suggested", "Albany Democrat and Chronicle", December 23, 2003. New York's Medicaid program is the country's most expensive program with a per person cost almost double the national average. It has also grown by over 30% in the last few years. As a result, this program is a primary target for budget

cuts and those are primarily being aimed at children and families, drugs for poor people, and preventing people entering nursing homes from sheltering their assets. Cuts to New York's SCHIP program is expected to be about \$195 million.

North Dakota: "Groups Work to Improve Insurance", "Bismarck Tribune", January 20, 2004. North Dakota is trying to improve their outreach efforts and improve their referral process between programs, which is something Iowa is also working on.

South Dakota: "Health Care Advocates Prepare to Defend Costs", "Sioux Falls Argus Leader", January 8, 2004. The South Dakota CHIP program is an easy target for budget cuts and this article profiles some of the strategies to convince legislators that cuts would be a bad idea.

Tennessee: "TennCare Chief says Eligibility Report Flawed", "Nashville Tennessean", December 23, 2003. The Tennessee legislature requested a study because they believe many of the people on their TennCare program were not eligible.

Texas: "Nearly 100,000 Texas CHIP Beneficiaries No Longer Enrolled Because of Program Changes", "Kaiser Daily Health Policy Report", January 15, 2004. Since budget cuts were made to the Texas CHIP program in May, 2003, nearly 100,000 beneficiaries have left the program. Estimates are that by September 2005, enrollment will have declined by approximately 169,000 children, one-third of the enrollment in May, 2003. However, the number of children currently leaving SCHIP is twice what was expected, so now there is a major debate as to whether the cuts were too severe and will result in an increase in uncompensated ER usage. Texas is also planning to implement a 90-day delay so a child, including newborns, cannot begin getting services for 90 days after approved.

Utah: "Utah Childrens Advocacy Group Outlines Plan to Expand State CHIP Program", "Kaiser Daily Health Policy Report", December 15, 2003. Utah froze enrollment early after implementation. Since then the program has opened up for enrollment just three times. This results in the program receiving large volumes of applicants, the last time 25,000. When this happens, the enrollees come up for renewal at the same time and the staff cannot handle the volume. As a result, Utah is now going to passive renewals.

Washington: "Bias Contention to Delay Medicaid Charges for Kids", "Seattle Times", December 23, 2003. The State of Washington plans to implement Medicaid premiums as high as \$25 per child per month as of January 1, 2004. However, CMS has refused to approve the waiver because Washington exempts American Indian and Alaska Natives from cost sharing because it is discriminatory. Washington was relying on a precedent under SCHIP where cost sharing cannot be applied to Native Americans and Alaska Native children based on the grounds that sovereign tribal groups must be treated differently from the rest of the population. However, CMS is maintaining that the law applies only to SCHIP and not to Medicaid. The result is that the poor children on Medicaid would have to pay a premium while the higher income children in SCHIP would not.

Wisconsin: “Wisconsin Governor Signs Health Insurance Bill”, “Boston.com”, December 12, 2003. Wisconsin just implemented a program that creates five regional health insurance purchasing cooperatives with the power to pool individuals to negotiate directly with health insurance providers to bargain for cheaper coverage. The program is targeted at farmers who pay three times as much for health insurance as salaried employees and is patterned after similar program in Minnesota. It is believed premiums can be negotiated down as much as 10% to 35% of current costs.

#### Reports:

- “Who’s Enrolled in SCHIP?” sponsored by the Child Health Research Initiatives. This issue brief summarizes findings from research projects in five states that accounted for 35% of all SCHIP enrollments in 2001. The states they looked at were Alabama, Florida, Indiana, Kansas, and New York. The findings conclude that nearly two-thirds to three-fourths of new enrollees were from working families with incomes less than 150% of poverty. One-fourth to three-fourths of the enrollees were uninsured the entire year before enrollment. Even though the majority of new enrollees had received health care services prior to enrollment, one fourth to one half had unmet medical needs. A significant proportion of new enrollees were black or Hispanic, had poor health status, and were more likely to have been uninsured for 12 months prior to enrollment. They also found that 17 to 25% of new enrollees were children with special health care needs.

#### ***Wanda Wyatt Hardwick arrived at the meeting at this time.***

- “Health Insurance Coverage of Children in Mixed-Status Immigrant Families”, Urban Institute, November 7, 2003. The report indicates that although child uninsurance rates have been dropping in the general populations due to expansions in SCHIP and Medicaid, one in five citizen children in mixed-status families remain uninsured. This rate is 74% higher than citizen children of citizen parents. The report also found that parents in mixed status families are significantly less likely to have employer-sponsored coverage and that children in Spanish-speaking mixed families had significantly higher insurance rates through Title 19 and Title 21, than their counterparts in English-speaking families. They believe it is due to substantially lower rate of employer-sponsored insurance and policies designed to reduce language barriers.
- “A Case of Neglect”, “Governing” magazine, February 2004. This article discusses the less obvious ways states are reducing the number of children who receive coverage by eliminating outreach, rolling back simplification processes, requiring more frequent renewals, as well as more direct approaches such as freezing enrollment or reducing income levels.
- “Out In the Cold: Enrollment Freezes in Six State Children’s Health Insurance Programs Withhold Coverage from Eligible Children”, “Center on Budget and Policy Priorities”, December 22, 2003. As of November, 2003, six states have implemented enrollment caps: Alabama, Colorado, Florida, Maryland, Montana,

and Utah. The report studies the impact of the enrollment cap and concludes there are dramatic inequities. Many children on waiting lists have lower income than those who are participating. In states with waiting lists if a child loses eligibility for Medicaid through an increase in income, they are not automatically moved into the state's SCHIP Program, rather they are considered a new applicant. This also applies to children who "age out" of Medicaid. Freezes are being applied to newborns despite their vulnerability in the first days of life. When families hear about freezes they may not apply for anything, including Medicaid, even though they might be eligible. Waiting lists could spread to Medicaid if the block grant proposals are adopted.

### **CLINICAL ADVISORY COMMITTEE REPORT:**

Dr. Julianne Thomas, Chair of the Clinical Advisory Committee, reported that the Committee discussed the Delta Dental proposal at their January 15, 2003, meeting. The Committee is not prepared to make a recommendation at this time. Dr. Thomas reported the Committee's discussion centered around access, benefits, costs, and equity issues.

Access. Dr. Thomas told the Board that the dental providers on the Clinical Advisory Committee believe that access would be improved if the Delta Dental proposal were accepted. The remainder of the Committee feels that the results of the *hawk-i* Fourth Evaluation Report show that there is already improved access after enrollment into the *hawk-i* Program. Before entering the program 86% of the children had a regular physician. After enrollment this remained at 86%. For dental care, 82% had a regular source before enrollment and 86% after. Children had been stopped from getting medical care 17% of the time before the program, 4% after the program. For dental care it was 22% before and 8% after. Delays in receiving care were the same for both medical doctors and dentists with 23% delayed before, 7% after for physicians, and 9% for dentists. Very comparable regarding access with the current program.

Benefits. Dr. Thomas reminded the Board that the Clinical Advisory Committee is on record as recommending a \$1,500 per year benefit. Currently, only Iowa Health Solutions is at that level. Wellmark and John Deere are \$1,000 per year. The Delta Dental proposal was for \$1,000 per year.

Cost. Dr. Thomas stated that cost was the most troublesome as far as making a recommendation. It is clear from the Delta Dental proposal what the cost would be to the state. What was not clear is what is currently paid to the health plans for the dental portion. Dr. Thomas said the Committee feels this information is imperative in order to make a recommendation to the Board because the current program is showing a commensurate amount of access and care with both physicians and dentists. This issue was a major barrier in making a recommendation.

Equity. Dr. Thomas stated that as a pediatrician she would really like to have one payer, it would make things easy administratively. She said it would be really great if that one payer paid commercial rates. However, that is not how things happen. Dr. Thomas told the Board that when they discuss this issue they really need to think about

equity for various providers; dentists, physicians, mental health providers. Dr. Thomas said that if the dentists get this kind of plan she believes that the Board will have primary care physicians come forward saying that they deserve the same kind of plan. The Advisory Committee feels that these issues are terribly important for the Board to discuss.

Ms. Smith said that her understanding of the purpose of the Clinical Advisory Committee is to make recommendations regarding benefits, access, and coverage. Ms. Smith said what she was hoping to get from the Committee was a recommendation as to whether, from a coverage and access standpoint, this would be beneficial or not. From there, staff would go back and look at the fiscal impact to see if it was affordable and then bring the whole package to the Board for consideration. Ms. Smith said she does not think the Clinical Advisory Committee should get into the financial side of it as far as making a recommendation.

Dr. Thomas said that based on that criteria, the majority of the Committee would say that from the survey results, there is no evidence that going with Delta Dental would improve access. Subjectively, Dr. Pete Damiano and Dr. Rhys Jones feel there would be improved access through Delta Dental. The rest of the Committee does not feel the survey backs that up.

Ms. Vaughan asked if Dr. Thomas could elaborate as to why the Committee was divided on the access issue.

Dr. Thomas stated that the perception from the dentists is that few dentists are really participating. Those few that are, are getting all the **hawk-i** patients, and the Medicaid patients as well. In Cedar Rapids, Committee member Dr. Rhys Jones does dental care through St. Lukes Hospital, which is for children not insured. He sees all the **hawk-i** and Medicaid kids. Dr. Thomas said she has been told there is one other dentist in Cedar Rapid that participates. Dr. Jones and Dr. Damiano believe that if Delta Dental were the payer there would be more dentists willing to participate because they would be paid commercial rates and would have a payer who they are used to doing business with. But the other Clinical Advisory Committee members conclude that the survey of the **hawk-i** members does not reflect a problem with access.

Anna Ruggle clarified that the two dentists who participate in Cedar Rapids are through Iowa Health Solutions, not John Deere. John Deere currently has open access in Linn County to any dentist, whereas Iowa Health Solutions has a network. The Clinical Advisory Committee will meet again on March 5<sup>th</sup> and Ms. Ruggle will put this issue back on their agenda.

Ms. Vaughan asked if anyone in the audience would like to comment.

Dr. Ed Schooley from Delta Dental said he would like to address the Board. Dr. Schooley questioned the **hawk-i** survey about dental access because in his opinion the survey is "not getting the entire sample pool in the survey instrument". Dr. Schooley also indicated that Delta Dental would be happy to submit a proposal for a \$1,500 annual maximum. They used the \$1,000 maximum because that is what they typically saw.

Dr. Schooley said he would also like to comment about the discussion of dentists in the Cedar Rapids area. Currently Delta Dental has 119 participating offices in Linn County. Statewide, roughly 93% of the dentists in the entire state participate. Dr. Schooley said he could understand the Iowa Dental Association's perspective and they are trying to do things for all dentists. That access becomes more of an issue when it falls below a certain threshold, so access with Delta Dental is not an issue. Dr. Schooley stated that from their perspective, *hawk-i* enrollees, no matter what counties they reside in, could access all participating Delta Dental dentists throughout the state. For example, if someone really wanted to go to the University of Iowa Dental School they could, no matter what county they reside in. Dr. Schooley told the Board that they should make sure when they make their evaluation whether to go with a plan with a network or not that they realize there are certain advantages that come with a network, such as a discount. On average Delta Dental's fee for service network discount averages 3½ percent across the state. The managed care counties will be higher. With a contracted network Delta Dental has the ability to manage and control the escalation of dental fees on a year over year basis, because they tie the escalation to an economic indicator such as the consumer price index. The network is credentialed and they look at court actions and malpractice suits. Their provider agreements help balance and safeguard plan members. The agreements give Delta Dental the ability to go back and do office audits, if necessary, and the dentists agree not to charge separately for things like for infection control.

Ms. Smith asked Dr. Schooley how many of the 119 Delta Dental providers in Linn County are taking new patients. Dr. Schooley responded that all the dentists in their premier network are taking new patients. Dr. Schooley said he could provide a breakdown by county if the Board wishes.

Ms. Vaughan asked if staff could put together some cost comparisons so the Board can discuss the financial impact.

Ms. Smith said that currently there are three different methodologies used to deliver dental services in the *hawk-i* program. Wellmark has a dental carve out and has subcontracted it with Aware Dental, who has a participating provider network. Iowa Health Solutions is a managed care organization and is attempting to develop a dental network. They have had various degrees of success depending on the county. In counties where they do not have a dental network they are paying billed charges. John Deere has completely open access and pays billed charges. Ms. Smith acknowledged that this is somewhat confusing for providers and somewhat confusing for families.

Ms. Smith said another option the Board may want to consider is doing a very small carve out and seeing what type of experience members have. This would give the Board something to measure against to see if it really results in an improvement.

Dr. Thomas said she noticed that the Board will be talking about the impact of the six-month waiting period later in the agenda and would like to comment. Dr. Thomas said that it is wonderful that people no longer have the six-month waiting period. However, her experience as a provider is that this population is often on and off because of their employment and insurance coverage. As soon as they get private insurance there

needs to be some expedited way for providers to let the *hawk-i* Program know that the families now have insurance so *hawk-i* premium payments can be stopped. Dr. Thomas said this is not being done at this time.

## **ADMINISTRATOR'S REPORT:**

### ***Budget Update:***

A new item line has been added to the *hawk-i* budget entitled, "PAM Pilot grant dollars earned". Ms. Smith explained that this is the "Payment Accuracy Measurement" project and all associated costs are being paid for with federal dollars. As of January, just a little over 50% of the *hawk-i* budget has been expended. Interest earned from the *hawk-i* trust fund totals \$50,619.

Ms. Smith said that at the time the Department was asked to submit a status quo budget for SFY 05 estimates were that it would leave *hawk-i* significantly short of funds and that 9,000 children might have to be disenrolled. However, the Department's budget analysts have found that the cost of the Medicaid expansion portion of SCHIP for the first six months of SFY 04 are 14% lower than projected. Also, enrollment has not been as aggressive as originally projected. Based on enrollment trends for the first 6 months the growth rates have been re-projected. The original projection was for 1.53% and is now projected at .74% for Medicaid expansion and .90% for *hawk-i*. The re-projected carryover in the *hawk-i* trust fund is \$2.8 million instead of \$2 million.

Ms. Smith said that even with the re-projections, a status quo budget is not sufficient to meet the projected need in SFY 05. The Governor's budget does add an additional \$1.5 million, but it is not certain whether that will meet the needs. Ms. Smith said that there appears to be support in the Legislature for fully funding *hawk-i*. A huge factor with the budget are the premium rates that the Department will be able to negotiate with the health plans for SFY 05.

### ***Enrollment & Statistics:***

Enrollment continues to increase with current enrollment totaling 30,376. Enrollment in *hawk-i* is at 16,078 and Medicaid expansion enrollment totals 14,298. Since July 1, 2003, 5,612 have been added to Medicaid. Many of the children disenrolling from *hawk-i* are moving into Medicaid as incomes have decreased.

### ***Impact of the Elimination of the 6-Month Waiting Period Report to the Legislature:***

This report to the Legislature is a result of last year's legislation that eliminated the 6-month waiting period. An average of 25 children per month are being added that would have had to wait one or more months before becoming eligible under the past provisions. The total impact in dollars is \$32,000. Ms. Smith said that these enrollments are higher than projected. The original estimate was for 100 children per year.

***Legislative Update:***

Currently there are three proposed bills that could impact the ***hawk-i*** program:

HF 2142 would direct the Department to adopt the federal definition of “eligible child” to include a child from conception to birth. Unborn children would be covered under ***hawk-i*** and it would change the benefit package to include prenatal and delivery services. Currently the health plans do provide prenatal and delivery services for a pregnant teen on ***hawk-i***. By covering an unborn child, the person who is really receiving the services is the pregnant mother. Ms. Smith said the Department has a lot of concerns with this proposed bill because ***hawk-i*** is designed to provide services to children. The benefit packages are designed for children and the rates are based on experience of children. Adding this new population could be very expensive. Currently pregnant women under Medicaid are covered up to 200% of poverty, the same income threshold as under ***hawk-i***. Therefore, pregnant women not eligible for Medicaid could qualify under this bill and those are primarily undocumented alien women, lawfully admitted alien women who have been in the U.S. less than 5 years, and foreign students. CMS will not allow the State to just expand the existing Medicaid program to cover these women because the interpretation of unborn child applies only to SCHIP. They will allow a “Medicaid look-alike” program. Instead of using the ***hawk-i*** service delivery system the Medicaid delivery system could be used, but it would have to be a separate program, funded with SCHIP. Administratively that could run into significant costs with computer systems, report tracking, et cetera. Also, expanding to cover this group reduces the dollars available to serve the born kids that ***hawk-i*** is trying to find, and there is already concern about using up 100% of the allotment. If passed, it is estimated the bill would impact 1,000 women.

Several states with fairly high immigrant populations have picked up this provision. They had existing state programs to provide prenatal services to women who didn’t otherwise qualify for Medicaid, so by implementing this program, they are able to draw down federal dollars for a program that they were already supporting with state-only dollars.

SF 2073 would require that all applicants for either Medicaid or ***hawk-i*** identify their employers. If not employed, the applicant is required to provide the name of the employer of any adult who is responsible for providing support to the beneficiary/proposed beneficiary. Beneficiary is defined as the individual who files the application or any individual, on whose behalf the application is filed, including dependent children. It would require the Department to provide a report to the legislature annually providing the names of all employers, the location of all employers, the total number of the employer’s employees and dependents of those employees who are enrolled in Medicaid or ***hawk-i***. There is a similar bill in the State of Washington, which is being called the “Wal-Mart bill”. Legislators in Washington are concerned that large, profitable companies are not providing affordable benefits to their employees.

SF 2056, mental health parity. This bill would mandate mental health parity so that mental illness is treated the same way as physical illness relative to covered benefits.

***Wellmark Foundation Proposal Update:***

The proposal reported to the Board in December will be considered at the Foundation's April Board meeting. Ms. Smith has been asked to submit an amendment to the proposal with a different timeline given that it was considered later by the Foundation Board than was originally expected. The amendment will be submitted with a June 1 start date. They also asked for some additional clarifying information as to what types of things this study would reflect, such as problems with application forms.

***Electronic Application Update:***

The electronic application was implemented on January 5<sup>th</sup>, and thus far 235 have been submitted electronically. About half of the applications were already out of pending status (awaiting signature pages and supporting documentation), and about one-fourth of the applicants are faxing in the signature page and documents.

The new poverty guidelines are out, so the applications and other printed materials are being revised to reflect these new guidelines. A message is being added to these materials that applications can be made electronically. MAXIMUS will again send letters to families who were denied because they were over income letting them know that the income guidelines have increased and recommending they reapply.

***Medicaid Referral Process Improvement:***

Ms. Smith said there is nothing new to report. Staff continues to program and test. An implementation date is not available yet, but the local workers are very excited. The Department will be tracking referrals to determine if there is improvement once the process is implemented.

***Renewal Reminder Postcard Pilot Project:***

The February reports will be the first month that data will be available to measure whether this effort was successful or not and whether it is something that should be continued.

**PUBLIC COMMENT:**

Jim Donoghue, Healthcare Coverage for Kids Coalition, Central Iowa area. Mr. Donoghue reported that the Coalition has been putting together activities for about four years for outreach marketing for *hawk-i*. Last year there was an effort to try to encourage more in the community to get involved. As a result, a presentation was made to the confirmation class at Visitation Catholic Church in Des Moines. Mr. Donoghue said that unlike efforts with college and high school students, this group was very enthusiastic. The kids came up with ideas about promotion, including stuffing flyers in grocery store bags.

## **GRASSROOTS OUTREACH UPDATE:**

Angie Doyle Scar, *hawk-i* outreach coordinator, updated the Board on recent outreach activities:

### Statewide Outreach Activities:

Continued to collaborate with the following organizations:

- Institute for Social and Economic Development – *hawk-i* material and outreach staff will be available at their Earned Income Tax Credit sites. State staff attended the kick-off press event for the sites. Congressman Boswell was the guest speaker.
- Farm Bureau. Discussions are taking place for future efforts.
- Iowa Rural Health Association has agreed to keep a running *hawk-i* article in their quarterly newsletter.
- Drake University's Kelly Insurance Center was the site of an insurance agent workshop. Anita Smith, Beth Jones for Covering Kids and Families, and Lisa Huff for Polk County Health Care Coverage for Kids Coalition made presentations.

Additionally, *hawk-i* materials were requested for Iowa Early Care, Health & Education Congress's "Day on the Hill".

First Lady Christie Vilsack's office has again requested *hawk-i* material for her kindergarten literacy program.

### Local Outreach Activities:

The quarterly outreach reports indicate that local outreach coordinators are continuing to do a great job in the areas of the state where communities are seeing business closings and layoffs. A clever outreach worker took advantage of the flu outbreak and conducted outreach at various local flu vaccination sites.

### Training:

Outreach coordinators attended a presentation of the legislative process at January's outreach task force meeting. The content was specifically designed to help them understand the decision making process for legislative direction for program changes.

Local outreach coordinators will attend the state Public Health Conference, "Changing the Future" on March 30-31 in Ames. Outreach coordinators are required to attend two breakout sessions on child health and the Covering Kids and Families sponsored Outreach task force meeting to be held on March 31.

## **COVERING KIDS & FAMILIES UPDATE:**

Deb Kazmerzak reminded the Board that the proposed bill Ms. Smith discussed, HF 2142, is the topic of an Issue Brief that was published last year by Covering Kids and Families. If anyone is interested in that Issue Brief they can contact Ms. Kazmerzak or get it from their website at <http://www.idph.state.ia.us/coveringkids/taskforce.asp>.

Deb Kazmerzak distributed the draft of the Covering Kids and Families 2004 Winter Report. This will be finalized in the next week or so and distributed. This year's recommendation is to maintain Iowa's Medicaid and SCHIP Programs at the current levels of service.

The next issue brief, which discusses parental coverage, will be finalized in April and hopefully will be available for the April 19<sup>th</sup> Board meeting.

**NEW BUSINESS:**

Susan Salter asked if the Board needs to address the issue that Dr. Thomas raised about children still receiving *hawk-i* coverage after they have begun receiving other insurance coverage.

Ms. Smith said there are several issues associated with that. Families are supposed to report if their child gets other insurance. Other states are putting in their contracts with health plans that the health plans must do matches against their enrollment files to make sure children aren't receiving other coverage. Since contracts with the State of Iowa are performance based, this may be something that can be covered in the contracts with the plans. Staff will look into this and report at the next meeting.

There was no new business to present before the Board.

Jim Yeast made a motion to adjourn. Susan Salter seconded the motion. Unanimous approval was made by Wanda Wyatt Hardwick, Julie McMahon, Charlotte Burt, Jim Yeast, Susan Salter, and Terri Vaughan.

The Board's next meeting is Monday, April 19, 2004, at 1:30 in the Oak Room at the Des Moines Botanical Center.