

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

February 19, 2007

BOARD MEMBERS:

Susan Salter, Chair
Julie McMahan (for Mary Jones)
Dann Stevens (for Judy Jeffrey)
Angela Burke Boston (for Susan Voss)
Jim Yeast
John Baker (absent)
Angelita Ramirez

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
Anna Ruggle

GUESTS:

Lynn Tague
Barbara Fox-Goldizen
Jenny Hodges
Nancy Lind
Gina Livingston
Dee Bradley
Eric Nemmers
Erin Paugh
Carrie Fitzgerald

AFFILIATION:

Wellmark Blue Cross Blue Shield of Iowa
MAXIMUS
Dept. of Public Health
AmeriChoice
AmeriChoice
Jefferson & Keokuk County *hawk-i* Outreach
Iowa Medical Society
Visiting Nurse Service
Child and Family Policy Center

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, February 19, 2007, in the Levitt Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:35 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 DECEMBER 18, 2007, MEETING:

Angela Burke Boston made a motion to approve the December 18, 2006, minutes as written. Dann Stevens seconded the motion. Unanimous approval was made by Angela Burke Boston, Angelita Ramirez, Dann Stevens, Jim Yeast, and Susan Salter.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

Anita Smith told the Board that currently many states are working to expand coverage for kids.

- Connecticut's HUSKYB program is looking to expand to all kids.
- The Illinois AllKids program was implemented in July and they have enrolled over 28,000 children. There are no citizenship requirements.
- Pennsylvania will begin covering all kids up to 300% of the federal poverty level (FPL) in March.
- Tennessee has also passed legislation to cover all children. The state is developing a new stand-alone SCHIP program for children of families up to 250% of FPL.
- California, New Mexico, New York, Oregon, Washington, and Wisconsin all have proposals to expand coverage to kids over 200% of FPL.

Other news from the states:

California - Is considering a proposal to cover all children in the state, including undocumented immigrants up to 300% of FPL. California estimates that 763,000 children will be covered.

Illinois – During his first term in office Governor Blagojevich passed legislation to cover all children. His second term goal is to cover middle class parents.

Kansas – Is considering a plan that covers children up to 300% of FPL. Premiums would range from \$20 to \$150 per child per month.

Minnesota – Governor Pawlenty declared that the path to universal health care coverage should start with covering all kids. However, because of the estimated \$250 million annual price tag, the plan has been cut back to cover only 13,000 children, which is half of those who lost benefits due to earlier budget cuts.

New York: - Proposes to expand coverage to children and fund it with cuts to other health care programs such as freezing Medicaid payments to hospitals and nursing homes. They are considering a plan similar to California's for all kids up to 250% of FPL. It is estimated that two-thirds of the uninsured children in New York already qualify for Medicaid or their SCHIP program. Estimates are that 900,000 Medicaid-eligible adults will be covered through simplifying their paperwork

Ohio -- Child health advocates in Ohio want to concentrate on getting kids who already qualify for Medicaid or SCHIP into the programs and then expand coverage to 300% of FPL. They estimate that 70% of the uninsured kids already qualify for SCHIP.

Oregon – Is looking at increasing the cigarette tax by \$.84 per pack to expand health care coverage for children, including undocumented children.

Tennessee -- Is moving forward to expand coverage to children effective March 1, even though CMS has not approved their state plan amendment. The expansion is part of the “Cover Tennessee” plan that includes health insurance for people with pre-existing conditions and prescription drug coverage for those who don’t have it.

Texas – The House Democrats want to repeal the tighter eligibility and enrollment processes that were adopted four years ago in the Texas SCHIP program. Since implementation of the more restrictive requirements, enrollment has declined 37% statewide.

Washington – A bill to cover all children under 300% of FPL by 2010 includes covering undocumented immigrant children. Families with incomes greater than \$40,000 per year would pay a premium based on a sliding fee scale.

Wisconsin – Is proposing to overhaul and simplify their enrollment process. They estimate that because of complex policies, confusing paperwork, and understaffed county agencies almost half of the uninsured children in Wisconsin are eligible, but not enrolled. Studies show that for every enrollment obstacle more people are disenrolled. For example, when Wisconsin instituted a new requirement that employers fill out a form, enrollment dropped by 11.3% in four months. They are also challenging the 10-day report rule because studies conclude it is unrealistic. Iowa also has a 10-day report rule for Medicaid.

ADMINISTRATOR’S REPORT:

Enrollment and Statistics:

Total SCHIP enrollment as of January 31, 2007, was 37,291; with 21,244 enrolled in *hawk-i* and 16,047 in Medicaid Expansion.

Since implementation in 1999, 108,756 children have been added to the public assistance rolls either through Medicaid or SCHIP.

Enrollments are not increasing as quickly as they once were, but still show a steady growth.

SFY '07 Budget Update:

To date SFY 07 expenditures are \$9,849,665. Projected expenditures are for \$20.1 million.

Ms. Salter asked why the line item for fiscal agent costs of processing Medicaid claims shows no year-to-date expenditures. Ms. Smith responded that this line item should be removed from the expenditure sheet because the Department no longer pays a fiscal agent on a claims basis.

State Legislative Activity:

Ms. Smith reported that staff has been very busy responding to legislative inquiries and proposed legislation.

1. Senator Hatch introduced a bill that would cover Medicaid parents up to 100% of FPL and **hawk-i** parents up to 150%. Both of those measures have been taken out and replaced with parents of Medicaid children up to 50% of FPL. The bill also requires **hawk-i** cover children up to age 23, and that “bright futures” be used by **hawk-i** health plans. “Bright futures” is a clinical guideline used by pediatricians as to how often children have physician visits. The most recent version of this bill would require school districts to share free and reduced meals program information with DHS for outreach purposes. It also mandates an employer report on the availability and take-up of employees and dependents on public assistance. This is similar to the “Wal-Mart “ bill other states have. Ms. Smith said a report would be produced showing which employers have employees on public assistance. The Department does not feel it should be a function of DHS because each time applicants are asked to provide additional information, it is a barrier to enrollment, and this requirement puts the client in the position of having to “tattle” on their employers. Questions would be about how many employees does the employer have, how many have health insurance available, how many are actually enrolled, and similar questions that an employee would not have access to. The Department believes this should be a function of Workforce Development and they can get the information directly from employers rather than asking an employee to provide this information. DHS can provide data to do data matches to determine who is on public assistance.
2. The Governor’s appropriation bill includes several items related to **hawk-i** and Medicaid. It includes additional funding to cover children eligible for, but not enrolled in, Medicaid and **hawk-i**. It estimates a 25% take-up rate, includes an additional \$765,000 for outreach (\$500,000 for **hawk-i** and \$265,000 for Medicaid), and includes \$9.3 million to cover Medicaid parents up to 50% of FPL (currently they are covered up to 29%). About 21.8% of Medicaid parents are below 50% of FPL. It would take about \$86.8 million in state funding to cover them up to 100% of FPL. It would take \$130.1 million in state funding to go to 133%.
3. Another proposed bill requires the Insurance Commissioner to develop a pilot program to target associations that would offer a medical insurance product to eligible employees and family members of each association. The purpose of the bill is to make insurance available to more people by having small employers buy into group coverage so that they can offer more affordable product to employees.

The impact on **hawk-i** and Medicaid would be depending on how many employers sign up and take advantage of the insurance for their employees.

4. Would require coverage to dependent children over the age of 18 if the dependent is a fulltime student and has a medical leave of absence that has been documented and certified as medically necessary.
5. Would provide Medicaid up to the age 21 for kids up to 133% of FPL.
6. Directs the Department to seek a waiver from CMS to pay premiums for private health insurance for the entire family of **hawk-i** –eligible children if the cost of paying the premium for family coverage is less than the cost of providing coverage for the children under **hawk-i**. CMS has previously approved waivers for states that provide wraparound coverage as well as states that don't. The wraparound coverage are services provided by the **hawk-i** health plans that are not provided by the employer plans. This could be fairly labor intensive administratively.

Staff has also been asked to cost out options to:

- Cover all uninsured children in the state regardless of income.
- Cover uninsured children up to 300% of FPL.
- Expand our Medicaid for Independent Young Adults (MIA) program to cover children leaving Eldora or Toledo. (MIA currently covers children aging out of foster care.)
- Cover parents of Medicaid children up to 100% of FPL with full Medicaid benefits.
- Cover parents of Medicaid children up to 133% of FPL with full Medicaid benefits.
- Cover parents of Medicaid children at 100% and 133% with limited benefits.
- Implement an employer health plan buy in for parents at 133 to 200% of FPL with no cost effectiveness test.

Other questions include:

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Ms. Smith was asked to testify before the United States Senate Finance Committee on February 1st about reauthorization. A copy of her statement was provided.

Ms. Smith said that she was one of five to testify that day. The first was a family of 7 (the parents and 5 children) from Maryland. They were very articulate and represented an average middle class family without health care coverage. Two of the children have severe asthma. The father had quit his previous job and became a self-employed insurance agent. Their oldest son testified and told the Senators what it was like to worry about not having an inhaler, how he couldn't play sports, how scary it was when he had a food allergy and needed a shot, and what the cost of his prescriptions were without insurance. The mother talked about when they didn't have insurance what it was like because they had reactive medical care as opposed to proactive care. The parents went without any dental checkups for several years.

Also testifying was Georgia Governor Sonny Perdue; Kathryn Allen, Director of Health Care, U.S. Government Accountability Office; and Cindy Mann from Georgetown University (formerly with CMS). Reports and documents from the hearing can be found at <http://finance.senate.gov/sitepages/hearings.htm>. The U. S. House of Representatives' Committee on Energy and Commerce is considering SCHIP-related issues and information is available at <http://energycommerce.house.gov/>.

Ms. Smith told the Board that the discussion did not center around whether or not SCHIP would be reauthorized, but how it could be financed. The Senators were critical of states that had expanded their programs to cover parents and childless adults. They discussed the fact that of the seven states that are in imminent danger, five of those states cover parents. Georgia and Iowa do not.

Congress did pass legislation in December that tinkered with the funding formula in order to get funding for states who were in immediate peril of running out of SCHIP funding. States that had not spent all of their 2005 allotments had to forfeit as much as \$40 million. The legislation also included provisions that states that cover adults cannot claim the higher federal matching rates to cover the parents, they can only claim the Medicaid federal financial participation rate. The additional funding was only made available to states that anticipate running out of funding by May, 2007. Iowa did not qualify for any of that funding because Iowa projects having enough federal funding to get through June 2007. Federal funds become available October 1, so between July 1 and September 30, 2007, Iowa will not have any federal funding. Ms. Smith said that SCHIP was only authorized through 2007, so technically there is no 2008 allotment at this time. There is a question as to whether Congress can act quickly enough to get the funding to the states that need it. Ms. Smith said she believes SCHIP will be reauthorized, but in the meantime some decisions will need to be made on how to fund the program.

Georgia has the largest SCHIP program and is due to run out of funding in March. Governor Perdue indicated he was going to support a bill that would lower their eligibility requirements from 235% of FPL to 200% and 21,000 would lose eligibility.

Last week the State of New Jersey indicated they needed to find \$47 million in state funds or drop 29,400 from their family care program.

President's Budget

The President's Budget proposed to reauthorized SCHIP for five years and adds \$5 billion over that five-year period. States estimate that \$12 to \$15 billion would be needed just to maintain current status. The President wants to refocus SCHIP on low-income uninsured children below 200% of FPL and he wants to seek authority to target SCHIP funds more efficiently to states with the most need. The federal funding level for FFY '08 is \$5.4 billion, which is a 4% decrease from FFY '07.

Mr. Yeast asked when SCHIP funds were authorized to be used to cover adults. Ms. Smith responded that CMS started approving waivers. Early on the state allotments were more than most could spend and states were criticized for not spending the funding. Some asked to use the funding for other populations and waivers were approved by CMS.

Ms. Salter asked Ms. Smith what the Board needs to do, consider, and plan for in the upcoming months. Ms. Smith said that several years ago the Board did discuss options should they ever experience a funding shortfall. At that point the Board directed the Department to promulgate administrative rules to go to waiting lists. There are several other options: Children can be disenrolled, cost sharing can be increased, benefits reduced, or the *hawk-i* program can be eliminated altogether and go to just Medicaid expansion. It then becomes an entitlement program and the federal Title 19 dollars would support the Medicaid expansion children. State dollars would still be needed, and that would be at the Title 19 matching rate. The other option would be to take a chance, appropriate state funds to support SCHIP assuming that federal dollars will be forthcoming and carry on business as usual.

The Board asked if Ms. Smith would review the options and put something together for the Board to review and discuss at their April meeting.

ADMINISTRATIVE RULE AMENDMENT DISCUSSION:

The administrative rule amendments to 441-86.18(505) Health insurance data match program, were published in the Iowa Administrative Bulletin on January 17, 2007, as ARC 45661B. These rule amendments can be filed as adopted rules on or after February 22, 2007.

As discussed when the Board approved the rule to be filed as Notice of Intended Action, the amendment broadens the rule on the health insurance data match program to clarify that it applies to all carriers as defined in Iowa Code Section 514C.13 and subject to regulation by the Iowa Insurance Commissioner. All carriers will enter into and maintain a "data match agreement" with the department, unless the carrier has an existing agreement with the department or department's designee.

The *hawk-i* enrollment file will be matched against the files of insurance carriers to make sure that *hawk-i* enrollees do not have health insurance coverage through another plan.

PUBLIC COMMENT:

No public comment was received.

COVERING KIDS & FAMILIES UPDATE:

Jenny Hodges, Department of Public Health Covering Kids and Families, provided the Board with an update of their recent activities.

The 2007 Winter Report is being finalized and will be released in the next few weeks. This year's report encourages legislators to support Medicaid and *hawk-i* beyond their current service levels, asked that the local schools be required to participate in the free and reduced lunch application referral mechanism, and asked that policy changes be made to reduce the impact of the Deficit Reduction Act of 2005 on Medicaid enrollments.

Issue Brief #12, "S-CHIP Reauthorization: What it Means for Iowa Families" was released in December, 2006. This issue brief discusses the SCHIP program, the impact it has had on Iowa, and the fact that reauthorizing SCHIP at its current level would not be sufficient to sustain the success of the program.

Covering Kids and Families staff has also developed two new brochures about Medicaid; "How to apply for Medicaid", and "Using your Medicaid".

NEW BUSINESS:

There was no new business.

A reminder to the Board members about the special Board meeting scheduled for Thursday, February 22, 2007.

The meeting was adjourned.

The next regular *hawk-i* Board meeting is scheduled for Monday, April 16, 2007, at 12:30 p.m. at the Des Moines Botanical Center, Levitt Room, 909 Robert D. Ray Drive, Des Moines, Iowa.