

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

June 18, 2007

**BOARD MEMBERS:**

Susan Salter, Chair  
John Baker, Vice Chair  
Julie McMahon (for Thomas Newton) (absent)  
Angela Burke Boston (for Susan Voss)  
Dann Stevens (for Judy Jeffrey)  
Dr. Selden Spencer  
Angelita Ramirez (absent)

**LEGISLATIVE BOARD MEMBERS:**

Senator Amanda Ragan (absent)  
Senator Dave Mulder (absent)  
Representative Polly Granzow  
Representative Mary Mascher (absent)

**DEPARTMENT OF HUMAN SERVICES:**

Anita Smith  
Shellie Goldman  
Anna Ruggle

**GUESTS:**

Lynn Tague  
Dee Bradley  
Sonni Vierling  
Nancy Lind  
Gina Livingston  
Barbara Fox-Goldizen  
Diane Ellis  
Jenny Hodges  
Diane Schroeder  
Laura DeBoer

**AFFILIATION:**

Wellmark Blue Cross Blue Shield of Iowa  
Jefferson & Keokuk County *hawk-i* Outreach  
Iowa Department of Public Health  
AmeriChoice  
AmeriChoice  
MAXIMUS  
Covering Kids SCRC  
Iowa Department of Public Health  
Delta Dental of Iowa  
Iowa Department of Public Health

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

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, June 18, 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 introduced Dr. Selden Spencer. Dr. Spencer was appointed to the *hawk-i* Board effective May 1, 2007, and replaces Jim Yeast. Dr. Spencer is a practicing neurologist at the McFarland Clinic in Ames

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:**

Due to a lack of a quorum at the April Board meeting, the approval of minutes from the February 19 and 22, 2007, Board meetings were included on the agenda, along with the approval of the minutes from April 16 and June 1.

John Baker made a motion to approve the February 19, 2007, minutes as written. Angela Burke Boston seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

Dann Stevens made a motion to approve the February 22, 2007, minutes as written. Angela Burke Boston seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

John Baker made a motion to approve the April 16, 2007, minutes as written. Selden Spencer seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

John Baker made a motion to approve the June 1, 2007, minutes as written. Angela Burke Boston seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

## **CONTRACT ISSUES:**

### ***Approval of Health Plan Contract and Contract Amendments***

#### **Delta Dental – Seventh Amendment to the Contract for Dental Care Services:**

Anna Ruggle explained to the Board that this amendment to the Delta Dental contract increases the monthly rate from \$17.41 to \$18.98 per member/per month (PM/PM). This rate increase was approved by the Board on June 1, 2007, and is effective July 1, 2007.

John Baker made a motion to approve the contract amendment. Angela Burke Boston seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

Wellmark Blue Cross Blue Shield of Iowa – Second Amendment:

This amendment removes 12 counties from the enrollment area. It also increases the monthly rate effective July 1, 2007, from \$183.60 to \$189.80 as approved by the Board on June 1.

John Baker made a motion to approve the contract amendment. Angela Burke Boston seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

Wellmark Health Plan of Iowa (WHPI) – Second Amendment:

Wellmark Health Plan of Iowa is expanding into an additional 12 counties. This amendment adds these counties to their enrollment area and increases the monthly rate from \$177.31 to \$183.29.

John Baker made a motion to approve the contract amendment. Angela Burke Boston seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

UnitedHealthcare Plan of the River Valley, Inc. – New Contract:

This contract is for a three-year term, July 1, 2007, through June 30, 2010. The contract is for health coverage only and the PM/PM rate will be \$163.94.

Angela Burke Boston made a motion to approve the contract. Dann Stevens seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

Iowa Department of Public Health Outreach:

Ms. Smith told the Board that although this contract does not expire this year, the Iowa Department of Public Health has requested additional funding for outreach. Currently, over \$300,000 of the *hawk-i* budget goes to Public Health for outreach purposes each year. This year, the Legislature appropriated an additional \$768,000 for Medicaid and *hawk-i* outreach (\$500,000 for Medicaid and \$268,000 for *hawk-i*). When federal matching dollars are applied, this comes to an additional \$2.8 million.

Sonni Vierling, Iowa Department of Public Health, discussed three proposals for how they would use additional outreach funds.

Option 1: Maintains current staffing level: salary for statewide outreach coordinator; basic communications (phone, computer support); oversight, training and technical assistance for local contracts; continues current levels of statewide exhibiting; limits in-state travel funds and decreases the current level of training and producing and printing outreach materials. The budget for this option is \$385,632.

Option 2. Maintains current level described in option 1. Provides for an increase for in-state travel and includes out-of-state travel to attend a regional Native American Conference in Kansas City. Adds additional funding for task force meetings and creation and printing of outreach materials. The budget for this option is \$389,432.

Option 3. In addition to levels described in Options 1 and 2, increases local agency funding by \$200,000 to allow additional hours to respond to a large media campaign. It will also allow coordinators to respond to any policy changes that would increase the income guidelines for *hawk-i*. An additional \$1,000 would be added to the conference display/exhibit budget and \$2,300 for product development and IT equipment. The budget for this option is \$592,965.

The Department of Public Health also proposes an additional:

- \$5,000 to develop and print outreach materials
- \$10,000 for a back-to-school campaign
- \$500,000 to develop a media campaign

Ms. Smith said that while the Department of Human Services is not opposed to increasing the amount of the outreach contract, this is a budgetary item. DHS will soon be releasing a “Request for Proposal” for a media buyer in order to conduct an outreach campaign. If any outreach dollars remain after that contract is awarded, then those funds could be considered for an increase in the current outreach budget.

Ms. Salter asked Ms. Smith to clarify the appropriation for additional outreach. Are the additional funds only for additional outreach and not intended for services or benefits? Ms. Smith responded that House File 909 gave the Department additional funds for Medicaid coverage and \$500,000 specifically for Medicaid outreach. The Department has the authority to transfer these funds to SCHIP to get the higher federal matching dollars. HF 909 also provided \$3,496,907 for outreach and enrollment of kids in *hawk-i*. Of that, \$267,000 is specifically targeted for outreach. After applying the federal match to the \$767,000 state dollars, \$2.8 million may be spent on Medicaid and *hawk-i* outreach. Ms. Smith said that HF 909 also included the \$135,000 that has been budgeted in the past to sustain current outreach efforts conducted by Public Health.

Mr. Stevens said that before the Board is asked to approve any additional funds for Public Health, he would like to see more detail as to what those funds will be used for.

#### PERM Contract:

Payment Error Rate Measurement (PERM) is a new unfunded mandate by the federal government estimated to cost the state \$2.6 million. It is a quality initiative where the state has to have an entity outside of the policy development, eligibility, and administrative arm of the agency review both Medicaid and *hawk-i*. Files will be reviewed to make sure eligibility was determined correctly and claims were paid appropriately for any service members received.

An RFP was issued for competitive bid and Meyers and Stauffer was awarded the contract. Ms. Smith said there is now an issue with the release of social security

numbers. The Social Security Administration is closely scrutinizing entities that social security data is released to. The Department has prepared a letter to the Social Security Administration and has been consulting with the Attorney General's office to make a case to allow Meyers and Stauffer access to the data.

Meyers and Stauffer are in the process of preparing their sampling plan, which needs to be submitted to CMS by August 1 for approval. Once approved, they can start sampling cases November 1. They have to sample 500 active cases and 200 inactive over a year's time.

#### Media Buyer RFP:

As discussed earlier, the Department will be issuing an RFP for a media buyer. The RFP requests them to develop a plan with the dollar options given. The RFP will be released later this month.

#### MAXIMUS:

Ms. Smith said that in follow-up to some discussions with corporate staff from MAXIMUS, she received a letter regarding the status of their current contract with the Department for third-party administrative functions for *hawk-i*. The current contract is a three-year contract scheduled to end June 30, 2008, and includes three one-year extension options. This contract was competitively bid and when MAXIMUS submitted their bid they priced the base year plus the three one-year extensions as part of their proposal. MAXIMUS has notified the Department that they are realizing substantial losses on the contract and they have asked if it can be renegotiated. The Department's response is that because it was a competitively bid procurement, it cannot be renegotiated and the terms of their original bid have to stand.

Ms. Smith said that MAXIMUS has indicated that they will continue through the base term of the contract. If MAXIMUS cannot continue operating under the terms of the current contract, then the Department will have to conduct a competitive reprocurement, which will take at least a year. If the RFP is released now, by the time the contract is awarded it would only give the new contractor a six-month period of time to get up and running. Because of the short time frames, staff needs to have direction from the Board as to how to proceed.

Ms. Smith said that MAXIMUS believes there is flexibility in the current pricing structure for the option years. The Department does not agree and has asked the Attorney General's office to review. Bidders on this contract were given the option to bid the contract as volume-based or flat fee. MAXIMUS chose to bid as a flat fee, so the statement in their letter about using increasing enrollment to re-price their contract is not valid. MAXIMUS also mentioned opportunities with the state relating to Medicaid. Ms. Smith said that Medicaid issues are not related to this contract and cannot be taken into consideration.

Mr. Stevens asked if the loss stems from the problems MAXIMUS has had with their new system and all the penalties that were assessed. Ms. Smith said that it is her

understanding that the penalties were not taken into consideration, but the losses are a result of ongoing system maintenance and other monthly costs that are outpacing what they are being paid.

Dann Stevens made a motion to give authority to the Department to draft and release a Request for Proposal to reprocur a third party administrator for *hawk-i*. John Baker seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

### **ELECTION OF OFFICERS AT AUGUST BOARD MEETING:**

Ms. Salter appointed a nominating committee to submit a slate of officers for SFY 08. John Baker, Chair; Julie McMahan, and Dann Stevens will present their nominations at the August meeting.

### **PUBLIC COMMENT:**

No public comment was received.

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

Anita Smith reported on news from other states:

Alaska – Is one of the few states that does not cover children up to at least 200% of federal poverty level (FPL). They will be increasing their income limit to 175%, which should reinstate approximately 1,300 beneficiaries that lost coverage when it dropped to 150%.

Delaware – Is one of three states that have implemented a legislative committee to look at kids issues. The committee has introduced a bill to expand coverage from 200% to 300% of FPL.

Florida – Lawmakers are attempting to pass legislation to overhaul the Florida KidCare program. Their proposal includes income be verified electronically instead of having families provide paper documents, and consolidates the four components of their child health care program onto one application to ensure that all kids get the same benefits. The proposal does not include a late payment penalty, coverage for legal immigrants, pregnant women, or children of state employees.

Georgia – An attempt to limit enrollment due to their expected shortfall had the opposite effect. Once it was announced enrollment would be suspended, families rushed to enroll and an additional 10,000 applications were filed before the cutoff date. The Georgia Senate passed legislation to create a combination program rather than the current separate program. Now Georgia will have a Medicaid expansion to 125% of FPL and two Peachcare programs: one at 125% to 200% of FPL, and the other 201% to 250%. There will be different premium structures under PeachCare and additional premiums for dental and vision care beyond the health care benefit. Some Democrats

saying that they could not support the proposed change in premiums walked out of the House Chamber in a symbolic protest.

Louisiana – Is planning an outreach blitz to find and re-enroll thousands of kids who lost coverage due to Hurricane Katrina. Their strategies include having outreach workers in pharmacy sections at Walgreens to talk to families and door-to-door community and school partnerships.

Michigan – State estimates show if Congress follows through on its plan to boost funding, Michigan would triple the amount it now receives enabling them to cover thousands of uninsured children.

Mississippi – More than 65,000 children have lost health care coverage since the state reinstated face-to-face interviews. The policy was reinstated as a fraud control measure and has resulted in a barrier because parents cannot take time off from work to attend interviews. Mississippi is the only state that still requires face-to-face interviews for children.

Montana – After a close vote, the legislature passed a bill to expand health care coverage for children from 150% to 175% of FPL; still one of the lowest in the country. The Governor signed a bill that allows parents to keep their unmarried children covered up through the age of 25 even if they are no longer a student.

New Jersey - Even with one of the highest income levels for a SCHIP program at 350% of FPL, a recent study shows that the number of uninsured children has increased by 37% while the national uninsured rate has climbed 9%. The report found that there were large disparities among black and Hispanic children compared to white children. The study recommends New Jersey cover all children in the state, focus outreach on minorities, cover more parents, and eliminate co-payments and premiums for some of the lower income families.

North Dakota – If additional funding is authorized by Congress, North Dakota will consider increasing their income level for SCHIP above 150% of FPL.

Ohio: The Governor supports changing SCHIP guidelines from 200% to 300% of FPL and reinstating coverage of parents to 100% from 90%. It also includes provisions to cover children up to 500% of FPL if the family pays part of the premium. The Ohio legislature supports covering children at 300%, but not coverage of kids to 500% or parents to 100%.

Oklahoma – In addition to other health care initiatives, the Oklahoma legislature passed a bill to expand coverage for children from 185% to 300% of FPL. One of the arguments to support the increase was comparing the cost of providing health care coverage to children to the cost of health care coverage for prisoners.

Oregon – The legislature is still working to pass a bill expanding coverage to all kids in the state through a 84.5 cent cigarette tax increase. Although the bill passed 32-24, it failed to pass by a 3/5 majority.

South Carolina – Passed legislation to increase coverage for kids from 150% to 200% of FPL.

Texas - In an attempt to get enrollment back to the levels they had in 2003, the Texas Legislature passed a bill to expand their SCHIP program to cover an additional 127,000 children over the next two years. The plan eliminates the 90-day wait period and implements a 12-month certification period except for families with income from 185% to 200% of FPL who will still have to verify their income every 6 months.

Other News:

A recent survey from Georgetown University reveals that 18 states already exceed the 200% level for SCHIP and five more are considering expansions this year. This has raised concerns by the Bush Administration that too many families rely on public assistance. The report does not address affordability of coverage and claims, but 6 out of 10 people have insurance coverage available.

**ADMINISTRATOR'S REPORT:**

***Enrollment and Statistics:***

Total SCHIP enrollment as of May 31, 2007, was 37,503; with 21,809 enrolled in ***hawk-i*** and 15,694 in Medicaid Expansion.

Currently ***hawk-i*** is at 96% of the projected enrollment. Projections were for 22,901 enrollees.

***SFY '07 Budget Update:***

SFY 07 expenditures to date are \$16,080. Of this amount, \$5 million has been spent on Medicaid expansion; \$11 million on ***hawk-i*** premiums; \$102 thousand on outreach; and \$377 thousand on ***hawk-i*** administration. Interest earned from the ***hawk-i*** trust fund is \$399,298.

***State Legislative Activity Update:***

House File 909, the Department's appropriation bill, increased the Medicaid earned income work incentive deduction for parents from 50% to 58%. It is estimated that an additional 6,435 parents will qualify for Medicaid because of the increased deduction from income. HF 909 also provides the state with the authority to cover legal permanent residents' alien children, dependents of state employees, and children up to the age of 23 contingent upon federal authorization to cover those populations. So if reauthorization includes any of these options, the Department will already have state authority to go ahead and expand to those populations as well.

HF 909 added “Bright Futures” under the list of provider guidelines that may be used in assessing child well-being, and authorizes the use of SCHIP funding to implement the Family Opportunity Act to cover disabled children up to 300% of FPL. Ms. Smith said that this allows the Department to cover disabled children up to 300% of FPL under Medicaid funded with SCHIP dollars. However, it is contingent upon having enough SCHIP funding to support the program. Until the Department knows what the FFY 08 allotment will be, they will not proceed with implementing the Family Opportunity Act.

HF 909 also provided an additional \$500,000 for Medicaid outreach and \$4.3 million to provide coverage to additional children in Medicaid. It also provides \$3.5 million for additional enrollment and outreach to SCHIP and \$255,00 was identified for outreach.

HF 909 mandates schools to refer children to the *hawk-i* program through the free and reduced meals program. Previously that was an option for schools, but it will now be a requirement.

### **FEDERAL SCHIP ACTIVITY:**

Ms. Smith told the Board that currently there is a lot of activity with SCHIP reauthorization. After her testimony before the U.S. Senate Finance Committee on February 1, she was given a list of additional questions the Senators would like her response to.

The Board was provided with a listing of relevant news articles and reports for their review. It appears that Congress is still supporting the \$50 billion increase in funding. Iowa would get an additional \$14,001,050 in supplemental funding for FFY 07 so no children will have to be disenrolled.

### **CMS SITE VISIT:**

Shellie Goldman told the Board that every two years representatives from CMS conduct a review of Medicaid and SCHIP programs. This year’s review took place June 5-7. Prior to their visit they sent a list of questions and asked for a lot of information regarding the program. Included were examples of outreach materials, enrollment and disenrollment reports for the prior year, quality strategy plan, notices of decision sent to families by MAXIMUS, and an explanation of the eligibility and enrollment process. Ms. Goldman said the site review went very well, they took a tour of MAXIMUS and asked additional questions about the material provided.

Ms. Goldman said that the CMS representatives were very pleased with what they saw. For best practices they liked:

- MAXIMUS’ automated system which scans all correspondence into their computer system.
- the electronic application process.
- co-located income maintenance workers at the MAXIMUS office.
- the health assessment surveys. The baseline survey that is sent when families first enroll in the program and the follow-up survey that is completed one year

later. These surveys compare the care the child was receiving prior to receiving *hawk-i* and their experience after being with *hawk-i* for one year.

- the outreach incidents report. If outreach workers have a situation that needs follow-up, they will send an occurrence report and staff will look into the situation, follow up, and get back to that worker.
- appeal language. Oftentimes this language is complicated and contains a lot of legal references. The language has been simplified.

CMS had no findings, however, they did make a recommendation for language on the letter a family receives when they have a choice between two different health plans. CMS wants to make sure the letter emphasizes that the family should check to see what doctors are covered under the plan and if their doctor is available under that plan. They believe this will help the families when making their choice.

### **NEW BUSINESS:**

Ms. Salter said she oftentimes receives correspondence from the public with questions or concerns about the *hawk-i* program. Sometimes this correspondence is directed to all Board members and staff, and sometimes not. Ms. Salter thought it would be helpful to the Board if this correspondence and resolution, if any, were shared with all the Board members.

Ms. Salter stated that she would like to have a presentation at an upcoming Board meeting on health care coverage and preventive care to *hawk-i* enrollees. Whether the coverage that *hawk-i* is providing to kids is actually giving them the kind of care they need. She would like to see a comparison of the current plans and how they compare to Medicaid and private insurance.

There was no other new business.

The meeting was adjourned.

The next regular *hawk-i* Board meeting is scheduled for Monday, August 20, 2007, at 12:30 p.m. at the Des Moines Botanical Center, Levitt Room, 909 Robert D. Ray Drive, Des Moines, Iowa.