

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

June 21, 2004

BOARD MEMBERS:

Susan Voss (for Terri Vaughan), Chair
Deb Samson (for Ted Stilwill)
Julie McMahon (for Mary Mincer Hansen)
Susan Salter
Wanda Wyatt-Hardwick
Jim Yeast
John Baker

LEGISLATIVE BOARD MEMBERS:

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

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Mike Baldwin

GUESTS:

Kristine Klauer
Beth Jones
Lindsay Miller
Angie Doyle Scar
Barbara Fox-Goldizen
Mickey McDaniel
Bob Wilcox
Wendy DeWitt
Lynn Taugue
Ron Askland
Sonni Vierling
Karen Brown
Lisa Huff
Diane Ellis
Jim Donoghue
Sara Schneider
Deb Kazmerzak
Mary O'Brien
Erin Paugh
Denise Hill

AFFILIATION:

John Deere Health
Covering Kids & Families
Covering Kids & Families
hawk-i Outreach Coordinator
MAXIMUS
Delta Dental
Iowa Health Solutions
Iowa Health Solutions
Wellmark BCBS of Iowa
Mercy – Des Moines
Visiting Nurse Services
Center for Healthy Communities
Center for Healthy Communities
SCRC Marion County
Magellan/HCKC
Iowa Dept. of Human Services/*hawk-i*
Covering Kids Task Force
Visiting Nurse Services
Visiting Nurse Services
Iowa Medical Society

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, June 21, 2004, in the Oak Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Susan Voss, Chair, called the meeting to order at 1:30 p.m. A quorum was present.

WELCOME, INTRODUCTIONS:

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

Ms. Voss announced that if the other Board members had no objections the election of chair and vice-chair will be tabled until the August 16, 2004, Board meeting. Also, in order to accommodate schedules, the time of the discussion of "Substantial Change in Health Plan Provider Panel" may have to be modified. There were no objections to these changes.

CHANGE IN BOARD MEETING TIMES:

Ms. Voss said there has been a suggestion that the Board meeting times be changed.

Ms. Salter said that now that the Board is meeting every other month, it seems the Board meetings are running longer, making the drive home much later. Ms. Wyatt Hardwick asked if the Board had ever considered conducting their meetings over the ICN. Discussion followed. It was agreed to move the start time from 1:30 to 12:30 for future meetings.

Ms. Voss asked staff to research the potential of using the ICN, and report on the contract status with the Botanical Center.

The August 16th meeting will begin promptly at 12:30.

APPROVAL OF MINUTES OF APRIL 19, 2004, MEETING:

John Baker made a motion to approve the April 19, 2004, meeting minutes as written. Wanda Wyatt Hardwick seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

APPROVAL OF CLINICAL ADVISORY COMMITTEE MEMBERSHIP:

Anna Ruggle reported that the Iowa Dental Association has recommended Dr. Matt Kubovich of West Des Moines to replace Dr. Jones on the Clinical Advisory Committee. Dr. Kubovich is a pediatric dentist.

Susan Salter made a motion to accept the nomination of Dr. Kubovich to the Clinical Advisory Committee. Julie McMahon seconded the motion. Unanimous approval was

made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

REVIEW OF CORRESPONDENCE, REPORTS, & OTHER STATE NEWS:

Ms. Smith reviewed the correspondence.

The University of Iowa's Public Policy Center has finalized and issued their reports that were presented to the Board earlier this year:

- Attention Deficit Hyperactivity Disorder and Children
- Outcome of Care for Children and Youth
- Impact on Access and Health Status Fourth Evaluation Report

Copies of these reports can be obtained by contacting **hawk-i** staff, or can be downloaded from the Public Policy Center's website at <http://ppc.uiowa.edu/hawk-i/>.

October 2003 Maternal and Child Health Policy Research Center's report on "Eligibility, Benefits, and Cost-Sharing in Separate SCHIP Programs". Ms. Smith said this report does a very good job of comparing states that have separate SCHIP programs. Eighty percent of the children covered under a SCHIP program are covered under separate programs. The report discusses eligibility requirements, benefits and cost sharing, and other issues in the 36 states with separate SCHIP programs.

News from Other States:

Arkansas – "Aliens to Gain Prenatal Care". In an effort to help their county public health agencies, Arkansas became the seventh state to cover pregnant women under the new SCHIP child definition that allows states to cover unborn children.

California – "Governor Drops Proposal to Cut Health Care for Poor". Governor Schwarzenegger withdrew proposals to reduce health care benefits. He originally campaigned to advocate for the SCHIP program and his budget would have cut it drastically. Because they have had some increased revenues, he has changed his position.

Colorado – "Bill Would Keep Kids Insured" The Colorado legislature passed a bill to remove legal immigrants from Medicaid, a state option. Another bill has been submitted that if they cut them from the Medicaid program, they will let them be covered under their state SCHIP program.

"State to Lift Cap on Health Insurance Plan for Poor Children" – A waiting list had been implemented and they have since seen significant drop in enrollment. As a result, the cap has been lifted and they are enrolling kids again.

Florida - "Changes to Florida's KidCare Program Could Mean Up to 167,500 Children Lose Coverage". Florida is going to six-month eligibility reviews. Estimates are that a minimum of 114,000 kids will lose coverage as a result. If they do not renew on time,

they will lose eligibility and there are no appeals. Another change is that if a child has access to health care coverage through an employer, regardless of whether or not they are enrolled, the child cannot participate in Florida's SCHIP program.

Iowa – “Iowa Climbs to 4th in Kids Count” – An Annie E. Casey Foundation report ranks Iowa fourth nationally behind Minnesota, New Hampshire and New Jersey in the well being of children. The report indicates that 94% of Iowa children do have access to health care coverage.

Montana – “CHIP Freezes List of Enrollees” Last fall there was a one-time infusion of funding to eliminate their waiting list, however, no supplemental appropriations were made to continue funding those kids. Now that the funds are exhausted, a waiting list has once again been implemented.

Oregon – “Uninsured Pour into Oregon Hospitals” This article highlights the impact of cuts to programs and what is happening in emergency rooms. According to the article, 1 in 7 Oregon residents are currently uninsured.

Texas – Several articles discuss cuts in the Texas SCHIP program. Texas now rates as the number one state for having the most uninsured children.

Virginia - Is one of the few states promoting and trying to enroll children in their program, making significant gains in the last year.

Washington – Beginning July 1 Washington will be charging premiums to families above 150% of federal poverty level. Premiums will range from \$10 to \$15 per child per month. There is a \$45 per month cap per family. Estimates are that about 5,000 kids will lose coverage.

National News - A bill was introduced in Congress that would have required hospitals to ask patients if they are citizens. It would have also required them to photograph and fingerprint immigrant patients without a green card. The information would then be entered into a database at the Department of Homeland Security who would start deportation proceedings. Under the bill, the employers of the undocumented workers would have been required to pay the emergency room bills. The bill was defeated in the House due to concerns about aliens not seeking care for communicable diseases, turning hospitals into police states, and diverting hospital resources from patient care to law enforcement.

ADMINISTRATOR'S REPORT:

SFY '04 Budget Update:

To date, 61.19% of projected expenditures have been spent for Medicaid expansion and 98.5% of the projection for *hawk-i* premiums. All of the premium payments have now been made for SFY 04.

65.9% of the fiscal agent costs for processing Medicaid claims has been expended; outreach, 97.9%; and administration costs 73.25%. Interest earned from the **hawk-i** trust fund is \$83,147.

SFY '06 Budget Development:

Ms. Smith told the Board that one of the major budget additional items for SFY 06 is the re-procurement of the fiscal agent. The contract with MAXIMUS expires June 30, 2005. At the next Board meeting a Request for Proposal (RFP) will be brought to the Board for review before release. The current timeline is to have the contract awarded by January 1, 2005, in order to give the winning bidder start-up time for implementation on July 1, 2005.

Legislative Update:

Ms. Smith reported that no bills were passed this year that directly impact **hawk-i** other than the appropriations bill. A bill was passed that requires insurers to provide enrollee files to match against Medicaid. The Department is looking to have the same match for **hawk-i**. This will help identify kids receiving **hawk-i** coverage who actually have other insurance. In the case of Medicaid, is it treated as a third party resource and the insurers pay first before Medicaid pays any claims. For **hawk-i** it is an eligibility issue. If children are identified that have health insurance, they must be cancelled from **hawk-i** unless there is a geographic access issue.

At the federal level, the "Medicaid and SCHIP Safety Net Preservation Act of 2004" was introduced to clarify the authority of HHS regarding Medicaid and SCHIP waivers. This issue was raised by Senator Grassley. The bill would prohibit HHS from approving waivers for states to use SCHIP money to cover childless adults. Some believe it is wrong for states to use funds intended for children to cover childless adults in order to draw down additional federal funding and address their uninsured populations. Currently the bill has gone to the Senate Finance Committee and has the impact of making more money available to states like Iowa who will have to start using reverted funds to help with federal funding to continue the **hawk-i** program at the same level of service.

Enrollment & Statistics:

A total of 16,812 children were enrolled in **hawk-i** as of May and 14,270 were enrolled in Medicaid expansion, for a total SCHIP enrollment of 31,082 as of May 31, 2004.

Between June of 2002 and June of 2003, 3,018 kids were added. The growth between 2003 and 2004 will be similar, so for budgetary purposes, a growth rate of 3,000 kids per year will be used. Last year enrollment was projected for the end of this fiscal year to be 18,201. Because that goal was not reached, those dollars will be carried over to SFY 05.

The History of Participation in Medicaid and **hawk-i** shows phenomenal growth in Medicaid. It is believed that for every one child brought into SCHIP through outreach

efforts, three are brought into Medicaid. During the period that 3,000 kids were added to *hawk-i*, 10,650 were added to Medicaid. Almost 88,000 children have been added to medical assistance programs since the *hawk-i* program began. Iowa's total child population is about 800,000, meaning about 10% of the children in the state are on Medicaid or SCHIP.

In the past, the demographic report for *hawk-i* has indicated even enrollment between males and females. The May report shows the trend has shifted and there are 579 more boys enrolled. Ethnicity remains the same; 59% Caucasian, 6.6% "other", and 2% Hispanic. Language is 97% English and Spanish-speaking has increased to 2.7%. Age breakdown is 19% ages 1-5; 43% 6-12, and 38% 13-19. There has also been a change in income with more families at a higher income level.

The "How You Heard of Us" report shows a large number of referrals from the Free and Reduced Lunch program. MAXIMUS was a little behind in getting the mailing out because they received approximately 15,000 referrals in the month of December but is now caught up.

MAXIMUS has created a new report entitled "Months of Participating in the *hawk-i* Program per Enrollment Period". This report is designed to measure retention during the enrollment period. The majority of the kids do stay enrolled (76.8%). Of those who do not, over half of them (53.6%) leave *hawk-i* because of other coverage either through Medicaid or private insurance. The number one reason that children lose *hawk-i* eligibility is because they move into Medicaid. The number two reason is failure to pay the premium (30%). More kids come off during their second six months of enrollment than the first six months with an overall average of about 27 kids each month coming off.

Post Card Reminder Project:

This was a three-month pilot project and the aim was to determine if mailing a reminder postcard to families prior to receiving their renewal notice would have an impact on return rates for renewals. An analysis of the last 12 months shows a pretty high return rate on renewals. Prior to the project about 19% of the families up for renewal were denied because they did not return the renewal form. In some states it is as high as 50%. The results show that the renewal returns increased by 2.5 to 3% by sending out reminder postcards, and depending upon whether December was an outlier month it could increase returns by as much as 4 or 5%. Ms. Smith said that even though the denial rate was higher in December at 19.81%, it might have been even higher without the reminder postcards.

The postcards also asked families if they were not going to renew to please call and tell why. Out of approximately 2,100 renewals only 25 families called to say they were not going to renew. The reasons they gave are that the children do not live with them any longer, they had other insurance, or they thought they would be over income.

Ms. Smith said that she has been asked to present the results of this study at a conference in July. Overall Ms. Smith felt this was a positive project and she would

entertain using the reminder postcards on a permanent basis as part of the overall process.

PAM/PERM Project Update:

Mike Baldwin updated the Board on the status of the Payment Accuracy Measurement (PAM) Pilot Project. A sample of 61 *hawk-i* cases were pulled and sent in for review. The Department has not yet received any results. At the conclusion of this pilot project, PAM will then become the Payment Error Rate Measurement (PERM) and will become mandatory for all states. Implementation of PERM has been delayed for one year. Once PERM is implemented, the state will come up for a sampling every three years.

Mr. Baker asked for an explanation of what constitutes a payment error. Mr. Baldwin stated that he is not sure exactly what the reviewers are looking at, but the Department decided to be pro active and provided them with an eligibility summary, how the actual eligibility determination was made, included copies of available pay stubs, and explained how MAXIMUS arrived at the decision that was made. Mr. Baldwin said that the Department tried very hard to point out the differences between Medicaid and *hawk-i*. For example, sometimes a referral would come from Medicaid and on the notice of decision Medicaid would indicate household size was 5. Medicaid counts unborn children so for *hawk-i* it would be a family of four.

Ms. Smith said the reviewers also asked for the capitation rate records of what was paid to the health plans and asked the health plans to verify that they did get the payment and verify the children were covered.

Medicaid Referral Process Improvement Update:

Currently when a DHS income maintenance worker refers children to *hawk-i* it is done by completing a paper form and submitting it along with the Medicaid notice of decision that shows the child is over income for Medicaid. This is the process that is being automated and due to be implemented on July 6. Much of the information that DHS has in their Medicaid eligibility computer system will populate into the automated referral process. Staff seems to be excited about the new process and it is anticipated that not only will paperwork be dramatically reduced, but so will a number of data entry errors.

PUBLIC COMMENT:

There were no public comments.

DENTAL OUTCOME STUDY:

At the last Board meeting there was a discussion about carving out dental coverage. The Board placed the decision on hold pending further study by the University of Iowa Public Policy Center. The contract requires the study to be completed by February 28, 2005. Dr. Damiano has indicated he will try to have the study completed before that time, but completion depends on data gathering and staff time.

The Public Policy Center will review encounter data from the health plans looking at when the last visit was, whether there is a pent up need for care, and what the associated costs are for the dental care. They will also conduct an enrollee survey to determine if the child has a need for dental care, if they have a regular source for care, any unmet need and why, and did they experience any delays in receiving care.

Representative Greimann mentioned that a similar study had been done in Story County and she believed that MICA had also completed a study in Marshall County. Representative Greimann suggested staff contact Pat Hildebrand for more information.

Senator Veenstra asked about the cost of the study, and if it comes out of *hawk-i*'s administrative budget. Ms. Ruggle responded that the Department has a contract with the Public Policy Center that requires them to conduct a focus study each year. The cost for the study is already built into the budget and this will be the focus study for the upcoming year.

DHS Director Kevin Concannon joined the meeting at this time.

'SUBSTANTIAL CHANGE' IN HEALTH PLAN PROVIDER PANEL:

Director Concannon told the Board that he was present to discuss with them his concerns about the adequacy of health plan networks. The previous contracts *hawk-i* has issued with providers, particularly the HMO's, have not been adequate in describing the Department's expectations about full access for children enrolled in the *hawk-i* program. Currently one of the major providers has, in the Department's opinion, experienced a considerable reduction in their network in that they will not have a contract with Blank Children's Hospital, Methodist, or Lutheran Hospitals in Des Moines. Director Concannon said this is considerable loss of access for children and he wants to discuss this concern with the Board. Director Concannon stated that if this occurred under Medicaid, the Department would find it sufficient reason to cancel the contract because such a reduction in access does not meet the standard in terms of access. Director Concannon said that in the case of *hawk-i*, this expectation has not been as clearly enunciated in the contracts and they need to be. Otherwise the Department runs the risk of making empty promises to a child and his family to provide coverage, but then not having access to the major pediatric hospital in their area or other large medical centers.

Ms. Smith provided some background for the Board members that were not involved with *hawk-i* at the beginning of the program. It was the intent of the Legislature that *hawk-i* mimic commercial insurance; to the greatest extent possible. That this program be offered through the commercial market, and the Department and Board has taken the position that they would not interfere with the business of the health plan and let them run as commercial plans do. At the time the Department was negotiating with health plans to get them to participate in *hawk-i*, there was a lot of concern from the health plans because they had never participated in a program like this. They were concerned about utilization, cost containment, pent up demand, and that these kids would be really sick and competing against indemnity plans. Another issue raised was that in Medicaid kids go on and off all the time and it is difficult administratively to

manage care. One of the issues discussed and agreed to was that once a child was enrolled in a health plan, they would remain enrolled in that health plan for the entire 12-month enrollment period. A family would not be allowed to opt out and choose another health plan. Ms. Smith said now the program is faced with issues where families have made choices based on provider networks that were available to them at the time of enrollment, but if there is a substantial change in the provider network, is *hawk-i* going to hold the family to staying with that provider network? Staff prepared a document of proposed options the Board might want to consider for enrollee's when there is a "substantial" change in the provider network of a managed care plan. All options assume the health plan continues to meet adequate access criteria. "Substantial change" is defined as "includes, but is not limited to, loss of a contracted hospital or provider group". All options assume the health plan continues to meet adequate access criteria according to the Insurance Division and the Iowa Foundation for Medical Care (IFMC). If a health plan does not maintain adequate access then it becomes a license issue and they could not remain licensed in that county.

Ms. Smith discussed the options with the Board.

	Option	Pros	Cons	What it Would Take to Change
1.	Status Quo – Continue doing business in the same manner.	<ul style="list-style-type: none"> • Would not require system changes. • Cost effective. 	<ul style="list-style-type: none"> • Families are forced to change providers and/or hospitals interrupting continuity of care. 	No changes
2.	<ul style="list-style-type: none"> • Allow family to disenroll from current plan and choose another health plan when one is available. • If no other health plan available, the child remains enrolled in only available plan. 	<ul style="list-style-type: none"> • Allows choice and continuity of care. • Greater enrollee satisfaction. 	<ul style="list-style-type: none"> • Enrollee dissatisfaction. • Families are forced to change provider and/or hospital interrupting continuity of care. 	Amend Contracts Amend Rule No Change
3.	When no other managed care plan is available, allow family to opt into participating indemnity plans. This means that indemnity plans would compete in the same county as the managed care plan.	<ul style="list-style-type: none"> • Allows families choice and continuity of care. • Greater enrollee satisfaction. 	<ul style="list-style-type: none"> • Indemnity plans per member/per month cap rate is higher. • Requires system change. 	Amend Contracts Amend Rule
4.	If there is not another available managed care plan, terminate the contract in the county in which there is no choice and cover the county with the available indemnity plans.	Families will have open access to providers and hospitals participating with the available indemnity plans.	<ul style="list-style-type: none"> • Limits choice of health plans. • Increased cost. 	Amend Contracts
5.	Terminate the contract in its entirety.	Protects <i>hawk-i</i> members from health plans policies that may impact the child's medical well being and the families financial resources.	<ul style="list-style-type: none"> • Requires system changes. • Cost associated with transitioning families to new health plan. • Limits choice of health plans. 	Amend Contracts Amend Rule

Ms. Smith said that the Notice of Intended Action for the Board to consider later in the agenda supports option number two. If a health plan makes a substantial change in their provider network and there is another plan currently participating in the county the family would be allowed to disenroll from the current plan and enroll with the other available plan. Currently, that is not allowed by the administrative rules.

Director Concannon pointed out that option two has the minimal cost impact as well.

Mr. Yeast said he understands the options a family may be faced with, the difficulty they may have in acquiring other options, and there may be a gap in service. Mr. Yeast asked if staff has been able to determine how much of an impact they may have? Ms. Smith said staff has completed a comparison of the networks and has asked IFMC to evaluate access in some of the areas affected. Ms. Voss added that the Insurance Division is meeting with IFMC later this week to learn of the adequacy of the networks.

Mr. Concannon said it is a two-part question. The first part he would characterize as the impact of the reduced network by the family's current managed care provider. The children no longer having access to several large medical centers. The second part would be if they remain in that network, what is the remaining access. In counties where there is an alternative managed care plan, what kind of access do they have in those counties.

Ms. Voss said that the Insurance Division just looks at the guidelines, certain criteria on how many types of providers there are in the panel in that area, and they look to IFMC. They do not look at how it would affect the children, but strictly the guidelines where there is adequacy.

Representative Greimann pointed out that letting families choose to go to the other managed plan in the county would result in choice in only 10 of the 27 counties. Ms. Smith said that under option number two, if no other plan was available, the family would be limited to the network available through the participating plan. If a health plan makes a substantial change and IFMC determines there is still adequate access, even though it is much more limited than it was, the family would have to continue participating in that health plan. Representative Greimann noted that if Iowa Health Solutions is changing their commitment, it might be possible that other health plans will step forward and be able to offer coverage. Ms. Smith said that is one of the goals has always been to offer choice and to have as many health plans participating as possible.

Ms. Smith said the issue is that *hawk-i* has determined these kids are eligible, they have been enrolled, and now they cannot get care, or have a very narrow panel in some cases. What options or alternatives, if any, can be built in to allow as great as access as possible? The draft notice of intended action would allow families to opt into another plan in that 12-month enrollment period in the event there is another health plan available and a plan makes a substantial change in their network. If access is an issue, then there is no other issue than to terminate the health plan in that county and bring in another health plan. The industry standard is 30 minutes/30 miles for primary care and sixty minutes/sixty miles for specialty care. In the issue of Marshalltown Hospitals there would be no hospitals available for the participating providers to admit their patients

because even though the doctor still accepts the health plan, the hospital does not. They would have to go to Ames or Des Moines for hospital care.

Representative Greimann stated that she would like to hear from the health plans.

Bob Wilcox, Vice-President, Iowa Health Solutions, spoke to the Board. Mr. Wilcox said that in a situation where a provider panel or group is terminated there would be no termination in continuity of care. If someone were under care during termination, the health plan would ensure that the continuity of care would continue and they would go to that facility even after the termination date until they are through with that continuum of care. Ms. Smith asked about a chronic condition like asthma or diabetes. Mr. Wilcox responded that two things would happen. If it was in the physicians' arena those physicians would be offered a contract to complete individually versus through the entity. Secondly, members change providers all of the time and one of the clauses in most HMO contracts is that when that change happens the copy of the records and the history goes with the member to the next provider if they so choose.

Ms. McMahon asked for clarification. Would the continuity of care be for that "episode"? Mr. Wilcox said it would be.

Mr. Wilcox told the Board he opposed option 3, which would allow a family to opt into participating indemnity plans when no other managed care plan is available, because the indemnity plan's capitation rate is higher. He feels that this is unfair competition and any HMO would leave the program because they would not be able to compete. Mr. Wilcox said that the termination with the Central Iowa Hospital Corporation still leaves 275 primary care physicians and 66 OB's in Polk County. With *hawk-i* membership between 1,200 and 1,500, the ratio needed is basically one provider for each specialty and the number of PCP's and OB's provide plenty of choice in the county. Many of those have privileges at Broadlawns and Mercy Hospitals. Mr. Wilcox said that 110 providers were terminated under Central Iowa Hospital Corporation and a handful of others stayed with a direct contract with Iowa Health Solutions. Mr. Wilcox said that even though they lost some hospitals, Mercy Hospital has the same levels 1 2 and 3 Neonatal intensive care units (NICU) as Blank does. That only leaves level 4 NICU and Iowa City is still an option for the level 4. *hawk-i* utilization of services is usually physician and mostly ancillary with very, very little hospitalization. Mr. Wilcox stated that within Broadlawns and Mercy's networks there are pediatricians and family practice physicians to handle the kids, so the hospitalization piece is very minimal in the whole grand scheme of things.

Mr. Wilcox said that Central Iowa Hospital Corporation is not with Iowa Health Solutions because of the nature of that contract; it was too expensive, that he gets paid just so much on a per member basis and has to live within those means

Mr. Wilcox said he has not seen the correspondence mentioned earlier with regard to the Marshalltown Hospital. He has offered them a new contract.

Tim Gibson, John Deere Health Plan, said he did not have any comments, but was available to answer any questions the Board may have.

Lynn Taugue, Wellmark, spoke to the Board. Ms. Taugue said she knows each of the three carriers currently participating in the *hawk-i* program is very committed. One of Wellmark's key initiatives is helping to reduce the number of uninsured in the State of Iowa and *hawk-i* plays a major role. Ms. Taugue pointed out that the health plans all have the opportunity review the *hawk-i* participant surveys and a recurring theme is dissatisfaction with disruption. An example of that would be when Wellmark switched to their generic drug program. The *hawk-i* enrollees are very set in their schedules and routines, they are very dedicated to their physician's course of treatment and it is a disruption to them when forced to change. Ms. Taugue encouraged the Board to consider that when making their decision and to try to take an action that will cause the least disruption. One consideration, under option 2, allows a family to disenroll from the current plan and choose another health plan when one is available. Ms. Taugue said she would ask the Board to consider what the other health plan's access is. If their networks are similar then switching from one plan to another will not accomplish the objective. Also, Ms. Taugue said she would challenge the carriers, including Wellmark to do diligence to the enrollees. In the situation with access to Blank, Methodist, and Lutheran Hospitals being terminated from that network, there are other hospitals and clinics in the area that may be able to take over that course of protocol. As a carrier, having the expertise, knowledge, and the relationships with the providers and facilities, she would challenge the plans to reach out to the enrollee, find out what their course of care is, and see if a placement somewhere else can be recommended to make that transition less of an impact on the enrollee. As a parent it would be helpful if someone could give that recommendation and make that referral to the next person. As carriers, they could step forward and help the *hawk-i* program out by helping to provide continuing care. Ms. Taugue said she wants to reaffirm Wellmark's commitment, they are certainly willing to help out the *hawk-i* program any way they can. Wellmark would not want to take away from the managed care plans, however, if the situation should arise that there is not sufficient access in counties by other managed care plans, then Wellmark is certainly always there to step in and help out in those counties coverage can be provided to those kids.

Ms. Voss said the Board did not have to make a decision at today's meeting and can wait until after the Insurance Division meets with IFMC to see if there is an adequate network. The Board could proceed with the notice of intended action and would have plenty of time to make any changes.

ADMINISTRATIVE RULES FOR APPROVAL:

Senator Veenstra questioned the new language in 86.6(2) "a" and the subject of "substantial change". Ms. Smith said the intent when establishing the rule was that families had to stay enrolled with one health plan for the 12-month enrollment period. This was to address the plans' concerns that families would switch plans all of the time. The intent of the amendment is to maintain enrollment in one health plan for the entire 12 months, but if there has been a "substantial change, then the family should have the option to move if there is another health plan available. Senator Veenstra said he thinks the term "substantial change" could be quite subjective and argumentative unless

defined very closely. Just to say the loss of some provider group results in a substantial change might be too broad.

Ms. Voss suggested that the Board proceed with filing the rule amendment under notice and then work to determine if “substantial change” should be further defined during the public comment period.

Ms. Salter asked what the financial impact would be if the Board considered option 3, letting the family participate in the indemnity plan. Ms. Smith said it would be about \$500,000, \$125,000 of those dollars would be state dollars.

Jim Yeast made a motion to approve the notice of intended action as written. John Baker seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

The Board received a suggestion from an audience member to add the words “as determined by the Board” to the language in the first sentence of rule 86.6(2)”a”. This would clarify that the Board would make the determination if a change in a provider panel of a health plan was a “substantial change”.

Senator Veenstra indicated that change in language would relieve his concerns. Susan Salter moved to accept that amendment to the proposed rule. Wanda Wyatt Hardwick seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

The second rule for consideration by the Board is the amendments to clarify current policies and provide a necessary cross-reference. The Notice of Intended Action was approved at the April 19, 2004, Board meeting, and the rules were published in the Iowa Administrative Bulletin on May 12, 2004, as ARC 3339B. No public comment was received and these rules are identical to those published under Notice of Intended Action.

Jim Yeast moved to approve the Adopted and Filed administrative rule. Julie McMahon seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

HEALTH PLAN CONTRACTS FOR APPROVAL:

Ms. Ruggle provided a summary of the contract changes with the three health plans. The monthly capitation rate for John Deere and Iowa Health Solutions will be \$148.30 per member per month, a 13% increase from the 2004 rate. Wellmark remains the same as last fiscal year, \$169.58.

Iowa Health Solutions:

This is an amendment to the current contract and incorporates the changes just discussed with the Board.

Jim Yeast moved to approve the contract amendment with Iowa Health Solutions. John Baker seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

John Deere Health:

This is a new contract period, July 1, 2004, through June 30, 2007.

Julie McMahon moved to approve the contract with John Deere Health. Susan Salter seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

Wellmark:

This is a new one-year contract, July 1, 2004, through June 30, 2005.

Susan Salter moved to approve the contract with Wellmark. Jim Yeast seconded the motion. Unanimous approval was made by Deb Samson, Wanda Wyatt Hardwick, Jim Yeast, John Baker, Julie McMahon, Susan Salter, and Susan Voss.

GRASSROOTS OUTREACH UPDATE:

Angie Doyle Scar provided the Board with a summary of *hawk-i* outreach activities.

Statewide Activities: Outreach activities were conducted at the following statewide conferences: Prevent Child Abuse, Risky Business, Nurse Practitioner, and White Privilege. Outreach materials were also available at the Des Moines Asian Festival, Family Fishing Clinic and Picnic, and a Latino Resource fair, all held in the greater Des Moines area.

Staff coordinated with Covering Kids staff and the Department of Human Services for training regional coordinators for Iowa's Early ACCESS; a resource fair at Rockwell City state prison; attended a reception at Terrace Hill for the First Lady's Kindergarten literacy program; and met with Diane Patton, Ecumenical Ministries, to solicit avenues to reach the faith-based communities.

Local Activities: Agencies have submitted their second quarter reports and are currently preparing for their annual "back-to-school" efforts.

Training: Local outreach coordinators attending the Covering Kids & Families Outreach Task Force's "Working Effectively with Local Media" training on May 13th.

SFY 05 Outreach – Continuation Application: Agencies submitted *hawk-i* action plans that outline activities for next year and build on progress to date. After review, several agencies were asked to resubmit their action plans with more detail. These are due no later than June 25, 2004.

Mr. Baker asked what the “White Privilege Conference” is. Ms. Doyle Scar responded that this is a national conference that focuses on privileges and impressions of different racial groups. There were about 700 attendees.

Ms. Voss mentioned that the Insurance Division will again have a booth at the Iowa State Fair and asked if Ms. Doyle Scar would work with Insurance Division staff to make sure that plenty of **hawk-i** materials would be available.

Ms. Smith said that work is currently being done to make sure that plenty of **hawk-i** materials are available for local outreach workers for their upcoming back-to-school efforts.

HCKC – HOUSEHOLD HEALTH SURVEY RESULTS:

Karen Brown from Polk County’s Health Care Coverage for Kids Coalition presented a summary of their household health survey to the Board.

The “Neighborhood Health Initiative” has a brochure that is designed to promote access and reduce barriers to health care for populations in Des Moines, with a focus on the 50314 zip code, with has been identified as a more ethnically diverse, lower-income area.

The Household Health Survey was completed from the Fall of 2002 through Fall of 2003, surveying family members about health. They asked general questions around race/ethnicity, health insurance status, unmet health needs, chronic disease, and whether they had a recent doctors visit, need assistance applying for programs or getting transportation. Questions were specifically asked about children, whether the children are insured and if the family knows about **hawk-i**.

A total of 765 people were surveyed, about half indicated they had children. Of those with children, 30% of the children were uninsured. Barriers that were identified were:

- Citizenship status of the child
- Knowledge of **hawk-i**, but needed help applying
- Lack of program knowledge
- Follow-up documentation
- Income information
- Language issues

To a lesser extent:

- Confused on referral to Medicaid
- Undocumented parents feared their status would affect the children’s status
- Basic needs were not being met so insurance was not an issue
- Worry that insurance would affect other benefits they receive
- Didn’t want to complete the necessary paperwork
- Receiving care at free clinics and didn’t want to change medical homes

Ms. Brown said that many of the barriers were addressed right at the time and one-on-one assistance was provided. They are now working with Covering Kids to dig deeper around the barriers identified to see how widespread they are. Covering Kids will provide the Board with updates.

NEW BUSINESS:

Mickey McDaniel, Vice-President of Marketing for Delta Dental spoke to the Board. Ms. McDaniel said they have provided information to the Board several times about their interest in providing dental coverage for *hawk-i* through Delta Dental. They have worked with Ms. Smith many times trying to get data in order to provide the Board with a proposal that represents the actual utilization of dental business by the *hawk-i* children. Ms. McDaniel said that sometimes the program is not collecting data that private business would in order to determine risk utilization and cost. If additional information were available, Delta Dental would entertain the possibility of paying for the data if it was in a format that they could use. Delta Dental is asking that each of the carriers that provide dental coverage provide Ms. Smith with the total bill charges by the carrier, by county, or total claims payment by dental carrier or county. With that information, Delta Dental could do a much better job of presenting the facts to the Board of what the utilization and needs are of these kids. Ms. McDaniel said they are looking forward to Dr. Damiano's access study.

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

The Board's next meeting is Monday, August 16, 2004, at 12:30 in the Oak Room at the Des Moines Botanical Center.