

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

May 16, 2005

BOARD MEMBERS:

Susan Salter, Chair*
Julie McMahon, Vice-Chair*
Charlotte Burt (for Judy Jeffrey)*
Susan Voss
Jim Yeast*
John Baker*
Wanda Wyatt-Hardwick (absent)

LEGISLATIVE BOARD MEMBERS:

Senator Amanda Ragan (absent)
Senator James Seymour
Representative Gerald Jones (absent)
Representative Mary Mascher (absent)

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Shellie Goldman

ATTORNEY GENERAL'S OFFICE:

Diane Stahle

GUESTS:

Diane Schroeder
Tim Gibson
Nancy Lind
Barbara Fox-Goldizen
Dennis Janssen
Beth Jones

AFFILIATION:

Delta Dental
John Deere Health
John Deere Health
MAXIMUS
DHS - IME
Covering Kids and Families

* *Participated by conference call*

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, May 16, 2005, in the Department of Human Services Offices, First Floor Conference Room SE, Hoover State Office Building, 1305 E Walnut, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:30 p.m. A quorum was present.

INTRODUCTIONS:

Ms. Salter asked Board and audience members to introduce themselves.

SFY 2006 CAPITATION RATES:

Anita Smith told the Board that the Department has completed their negotiations of rates with each of the health plans. Ms. Smith reminded the Board that they already accepted and approved Wellmark's 3.9% rate increase at the April Board meeting.

Ms. Smith told the Board that John Deere Health is in the process of recontracting with their providers in order to get a more favorable rate. About a month ago, they indicated that they had not been able to reach an agreement with Iowa Health Systems, which would mean those doctors and hospitals would no longer be able to see **hawk-i** patients. Iowa Health Systems represents Blank, Lutheran, and Methodist Hospitals in Des Moines, St. Luke's in Cedar Rapids, and Allen Memorial in Waterloo. The Department expressed their concerns, particularly about Blank Children's Hospital, and was given the option of giving John Deere Health a 14% rate increase for enrollees in Polk, Madison, Warren and Dallas Counties and an 8% increase for the remainder of the state. This would keep Iowa Health Systems in the **hawk-i** provider network in the event that new rates could not be negotiated.

Ms. Smith said that as of this date, John Deere indicated to her that they have reached an agreement with Iowa Health Systems for the hospitals. The contract is not signed, but they are confident that they will also be able to reach an agreement with the physicians as well. With that caveat, John Deere is proposing an 8% rate increase for 2006. Nancy Lind of John Deere told the Board that she is hopeful that the contract with the hospitals will be signed within the next two weeks and the physicians will follow shortly after that. The deadline John Deere set is June 1.

Ms. Smith told the Board there are two choices. Should the negotiations with Iowa Health Systems fall through, the Board would have to decide how important it is to have Blank Children's Hospital, Lutheran and Methodist Hospitals, and associated doctors seeing **hawk-i** children in Polk County. The other option would be if the Board is willing to have the Department accept a higher premium rate for those four counties in order to keep those facilities in John Deere's network.

Susan Salter stated that it sounds like it would be a hardship not to have those hospitals for **hawk-i** enrollees. Ms. Smith told the Board that when this program began there was considerable concern in making sure **hawk-i** enrollees had access to Blank Children's Hospital since they are officially the only children's hospital in Iowa.

Nancy Lind explained that John Deere currently has the **hawk-i** children in two different programs. One is their open access model and the other is considered a gatekeeper model. Gatekeeper models are currently in the Des Moines, Waterloo, and Cedar Rapids markets. John Deere would like these to become open access so that instead of having to go through their primary care physician, members can access specialists without a referral from their primary physician.

Susan Voss moved that the Board accept the 8% rate with the understanding that if their renegotiation with Iowa Health Systems does not come through the children would remain covered under the current John Deere contract, which is a gatekeeper model, at

a 14% increase for Polk, Dallas, Warren, and Madison Counties only. Jim Yeast seconded the motion.

Mr. Yeast asked if this wasn't a new arrangement. Ms. Smith confirmed that it is. There has always been a statewide rate in the past. Mr. Yeast asked if the Department thinks the 14% increase is reasonable for the service. Ms. Smith responded that she was hopeful that John Deere would successfully renegotiate with Iowa Health Systems to move them into the other structured provider network. Ms. Smith said she thinks the rate has to do with being in the Des Moines area and noted that a 14% increase is within the actuarial recommendation.

Senator Seymour asked how many enrollees are in the four county area. Nancy Lind responded that about 2,600 children would be affected.

A roll call vote was taken. Susan Salter, aye; Julie McMahon, aye; Charlotte Burt, aye; Susan Voss, aye; Jim Yeast, aye; John Baker, aye.

Ms. Smith stated that Delta Dental has requested a 4% increase effective January 1, 2006. Delta Dental joined *hawk-i* effective January 1, 2005, for February 1, 2005, enrollments, only a few months. The Department's response to the rate increase was that they would structure the contract so that a rate increase up to 4% could be considered later this year to be effective January 1, 2006. Ms. Smith said the Department didn't feel that Delta Dental had enough claims experience at this point to ask for a 4% increase. Ms. Smith said that by October or November there would be enough information to consider a rate increase of up to 4% for the first six months of 2006. This would then put Delta Dental on the same schedule for rate discussions as the other health plans.

Susan Voss made a motion that the Board not approve a rate increase for Delta Dental at this time, but would revisit the issue this fall for a potential rate increase effective January, 2006. John Baker seconded the motion. A roll call vote was taken. Susan Salter, aye; Julie McMahon, aye; Charlotte Burt, aye; Susan Voss, aye; Jim Yeast, aye; John Baker, aye.

CLOSED SESSION:

Susan Voss made a motion that pursuant to Iowa Code Section 2.15(1)"c", the Board go into closed session to discuss an agenda item which is required by state law to be kept confidential. Jim Yeast seconded the motion. A roll call vote was taken. Susan Salter, aye; Julie McMahon, aye; Charlotte Burt, aye; Susan Voss, aye; Jim Yeast, aye; John Baker, aye.

MEETING CALLED TO ORDER AFTER CLOSED SESSION:

Ms. Salter called the meeting to order after coming out of closed session and asked for a roll call. Susan Salter, present; Julie McMahon, present; Charlotte Burt, present; Susan Voss, present; Jim Yeast, present; John Baker, present.

Susan Voss made a motion to accept the proposal for Data Analysis by the Iowa Foundation for Medical Care. Jim Yeast seconded the motion. A roll call vote was taken. Susan Salter, aye; Julie McMahon, aye; Charlotte Burt, aye; Susan Voss, aye; Jim Yeast, aye; John Baker, aye.

The meeting was adjourned.

The next *hawk-i* Board meeting is scheduled for Monday, June 20, 2005, at 12:30 p.m. at the Des Moines Botanical Center, Oak Room, 909 Robert D. Ray Drive, Des Moines, Iowa.