

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

November 15, 2004

BOARD MEMBERS:

Susan Salter, Chair
Julie McMahan, Vice-Chair
Charlotte Burt (for Judy Jeffrey)
Susan Voss (for Terri Vaughan)
Jim Yeast
John Baker
Wanda Wyatt-Hardwick

LEGISLATIVE BOARD MEMBERS:

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

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Mike Baldwin

ATTORNEY GENERAL'S OFFICE:

Diane Stahle

GUESTS:

Tim Gibson
Nancy Lind
Barbara Fox-Goldizen
Beth Jones
Lynn Tague
Denise Hill
Sara Schneider
Wendy DeWitt
Bob Wilcox
Mickey McDaniel
Mary O'Brien
Karen Brown
Lisa Huff
Ed Conlow

AFFILIATION:

John Deere Health
John Deere Health
MAXIMUS
Dept. Public Health-Covering Kids & Families
Wellmark Blue Cross Blue Shield
Iowa Medical Society
Iowa Dept. of Human Services
Iowa Health Solutions
Iowa Health Solutions
Delta Dental
Visiting Nurse Services
Center for Healthy Communities
Center for Health Communities
House Democratic Staff

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, November 15, 2004, in the Oak Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:30 p.m. A quorum was not 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.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

Anita Smith provided the following update of SCHIP news:

Florida – Due to recent changes in their SCHIP program, 5,000 kids have lost coverage in a three-month period even though the changes were touted as an expansion. Florida is now modifying their program to add 37,000 kids by reducing the penalty for failure to pay their premium from a waiting period of six months to 60 days. They are also trying to develop a streamlined process of moving kids from Medicaid to their SCHIP program. Florida officials are concerned that they may not be able to contact families to renew their coverage because they may be in temporary shelters due to all the hurricane activity. Florida Blue Cross Blue Shield has given a \$100,000 grant to Florida Healthy Kids for a door-to-door renewal outreach effort.

Georgia - Will be cutting another \$327 million from their PeachCare budget this year. That amount is on top of \$77 million that was cut last year. They estimate 37,000 additional children will be disenrolled.

Maryland –Has had a 21% decrease in their SCHIP enrollment after changes were implemented. Not everybody lost coverage because 15,000 kids were actually eligible for Medicaid and they had been paying for them through their SCHIP program. 2,300 kids were found to have insurance, but 4,100 kids cannot be accounted for.

Montana – Blue Cross Blue Shield in Montana has been keeping 23% of the program funds for administration, including a \$2.5 million reserve fund. The advocates want the state to either manage the program or crack down on what they see as excessive overhead costs at Blue Cross Blue Shield. In October Blue Cross Blue Shield agreed to no premium increase for the upcoming year and they will return \$1.9 million in reserves to the state so 1,300 children do not have to be disenrolled.

New Hampshire – Their legislature rejected a plan by their Department of Human Services to competitively bid administration of their SCHIP program. The law currently requires that the New Hampshire Healthy Kids Program be the contract administrator, but they did agree to have a study conducted to look at the issue.

Texas – Even with all the cuts Texas has made in their SCHIP program, their child population is increasing so fast they believe their SCHIP program is still going to increase 34% in the next two years. One of the changes they made was to increase premiums. So many families did not pay their premiums, the Governor decided to suspend collection of the premiums. The legislature is questioning the

Governor's authority to suspend premium collection. They estimate 26,000 kids are scheduled to lose coverage in the next month.

Wisconsin – Upon implementation of new enrollment requirements BadgerCare expected a 6% decrease in enrollment. However, thus far there has been a 13% decrease. New requirements are verifying income and insurance status, requiring face-to-face interviews, and verifying employment. They believe the kids are still eligible, but the paperwork involved is keeping kids off.

The Kaiser Commission on Medicaid and the Uninsured issued a report dated October 2004, entitled: "Beneath the Surface: Barriers Threaten to Slow Progress on Expanding Health Coverage of Children and Families". The report shows that SCHIP enrollment peaked at 3.9 million in June 2003 and has been declining since that time due to state cuts. Iowa experienced a 15.9% growth between 2002 and 2003. While 7 states had losses, only 7 other states had growth exceeding Iowa. The numbers are somewhat misleading because Nebraska had a 19.8% increase, but they didn't expand their program. They cut Medicaid eligibility for some kids and moved them to SCHIP so it appears they had a big increase, but they were not covering any additional children.

Wal-Mart is again being criticized for not providing better health benefits to their employees. A survey in Georgia found that 10,000 kids of Wal-Mart employees are on the state's CHIP program. In North Carolina 31% of the uninsured patients are Wal-Mart employees and on Title 19. Wal-Mart has paid \$500,000 to defeat proposition 72 in California, which would force big employers like Wal-Mart to either provide affordable health insurance to their workers or pay into a state insurance pool. Washington State had a similar bill before their legislature.

The Kaiser Commission has issued a report that measures the findings of a survey of eligibility rules and enrollment policies in all 50 states. One of their findings is that nearly half of the states have taken actions to make it more difficult to qualify for their state's SCHIP program. While Medicaid has been preserved, SCHIP has not and simplification strategies are being retracted.

John Baker and Jim Yeast joined the meeting during the Correspondence Report so there is now a quorum.

APPROVAL OF MINUTES OF AUGUST 16 AND OCTOBER 18, 2004, MEETING:

Susan Voss made a motion to approve the August 16, 2004, meeting minutes as written. Jim Yeast seconded the motion. Unanimous approval was made by Jim Yeast, John Baker, Charlotte Burt, Susan Voss, Julie McMahon, and Susan Salter.

Susan Voss made a motion to approve the October 18, 2004, meeting minutes as written. Julie McMahon seconded the motion. Unanimous approval was made by Jim Yeast, John Baker, Charlotte Burt, Susan Voss, Julie McMahon, and Susan Salter.

ADMINISTRATOR'S REPORT:

SFY '05 Budget Update

Ms. Smith told the Board that at this point in the fiscal year, the *hawk-i* budget is still within the amounts projected and she does not expect any unanticipated expenditures. Interest earned from the *hawk-i* Trust Fund totaled \$3,770.

Wanda Wyatt Hardwick arrived at the meeting at this time.

Federal Funding Availability

Ms. Smith reported that Congress did not take any action to prevent the \$1.5 billion in unspent SCHIP funding from reverting to the U. S. Treasury. A bill was introduced that would restore \$660 million to six states that were scheduled to lose funding in SFY '05, however, that would not help Iowa. SFY '06 is when Iowa will begin feeling the effects of less funding. Initially CMS indicated that Title 19 funding could be used to pay for Medicaid expansion and stretch the SCHIP funding out for the *hawk-i* group. Now further communication reveals that it might not be allowed. The Department is working with the CMS regional office to clarify what will be allowed. Once clarification is received, the Department can review what has been submitted in the SFY '06 budget and submit necessary adjustments.

Enrollment & Statistics

Total SCHIP enrollment was 31,532 as of October, 2004. Ms. Smith indicated that enrollment numbers have been flat over the past several months. Generally at this time of the year there is an increase in enrollment due to back-to-school activities. MAXIMUS received an inquiry from a school on how to forward the names of children who applied for free and reduced meals. Ms. Smith said she thought the Department of Education had sent the instructions out, but had asked Charlotte Burt to investigate. Ms. Burt responded that the instructions did go out, however, they were on the back of a page so some schools may have missed the information. Someone at the Department of Education is following up with the schools to make sure they have the instructions.

Update on Delta Dental Implementation

Ms. Smith reported that implementation is going well. MAXIMUS and Delta Dental are working on systems issues. The letters that go out to families offering health plan choices have been revised. The contract amendment for John Deere has been signed and returned, but the contract amendment for Iowa Health Solutions has not been returned. Staff is in the process of preparing a side-by-side comparison of the benefits offered by the different health plans to assist families in making their decisions. Implementation date is January 1, 2005.

Doral Dental

Ms. Smith had previously forwarded Board members correspondence she had received from Mr. David Florsheim, Director of Public Affairs for Doral Dental. Mr. Florsheim indicated Doral Dental's interest in possibly participating in the ***hawk-i*** program. Ms. Smith indicated she offered Mr. Florsheim the opportunity to attend today's Board meeting to discuss his company's product with the Board. However, he declined at this point because even though they have a presence in several states and they are contractors for those state's Medicaid programs, they do not have a network established in Iowa. Ms. Smith said she believes that Doral Dental is interested in developing a network in Iowa and at that time would probably be interested in participating in ***hawk-i***.

Legislative Package

Currently there is only one item the Department is proposing relating to ***hawk-i*** and that has to do with the identification of third-party insurance. Legislation was passed last year that insurers doing business in the state have to provide a match to the Department of Human Services in order to identify Medicaid individuals who are covered, primarily for purposes of third-party recovery so that Medicaid pays last when claims are submitted. The Department is asking that this be done for ***hawk-i*** so children who have health insurance can be identified.

Ms. Smith asked the Board members if they had other legislative items they would like the Department to pursue this year. If Board members have suggestions they are to contact Ms. Smith as soon as possible.

ANNUAL REPORT TO THE LEGISLATURE:

Ms. Smith told the Board that Shellie Goldman is working on a draft of the Board's annual report to the Legislature. The draft will be mailed to the Board members sometime in the next two weeks. Members are asked to review the draft and respond to Ms. Goldman with their changes, comments, and recommendations no later than the first week in December so the report can be finalized for approval at the December 20th Board meeting.

IOWA HEALTH SOLUTIONS HEALTH PLAN CONTRACT AMENDMENTS:

Ms. Smith told the Board that there have been several issues with Iowa Health Solutions (IHS) and their providers dropping contracts. On October 20, 2004, a letter was sent to Robert Wilcox at IHS regarding concerns with Mahaska County. The Department's understanding is that family practice physicians in IHS's Mahaska County network have decreased from 13 to 2. There is one pediatrician that is not accepting new patients and two internists, but they are not generally primary care physicians for children. The Department believes that the provider panel in Mahaska County has diminished to the extent that families do not have the access necessary for their children. Ms. Smith said she received a letter from Mr. Wilcox dated October 28, 2004, asking the Board to reconsider the action at the October Board meeting to remove Tama County from the IHS enrollment area. She also received a letter dated November

2, 2004, discussing the Mahaska County issue and responded on November 9, 2004. Copies of this correspondence were provided to Board members. Ms. Smith's response regarding Tama County is that the Department is proceeding based on the directive given to them by the Board and all Tama County enrollees were notified on November 2, 2004, that they were being moved to Wellmark. With regard to Mahaska County, Ms. Smith invited IHS to attend this Board meeting to make their case regarding the Department's recommendation.

Ms. Salter asked if Board members had any interest in reconsidering their October 18, 2004, action regarding Tama County. Ms. Smith noted that Tama County enrollees have already been notified that they will be enrolled in Wellmark as of December 1, 2004. At this late date, she does not believe they could, or should, change their mind regarding December coverage. The earliest they could proceed would be January. The Board members stated they did not wish to reconsider their earlier action.

Ms. Salter asked if there was a motion on the floor relating to the contract amendment removing Mahaska County from the IHS enrollment area effective January 1, 2005. Jim Yeast made a motion to approve the Fourth Amendment to the Contract for Health Care Services between the Department of Human Services and Iowa Health Solutions. Julie McMahon seconded the motion. Ms. Salter opened the floor for discussion.

Mr. Wilcox from IHS addressed the Board:

Mr. Wilcox stated that as he looks at Mahaska County and what action the Board wants to take he sees it as a difference in how they interpret the amendment that was put in place regarding change in provider panels. As the letter states, the Department reserves the right to terminate the contract in the enrollment area/region where there has been a substantial change in the provider panel as described in section 9.3.5. Mr. Wilcox said he believes the last part is key and that is where he and Ms. Smith disagree on amendment language with what the real intent of this was. The language is that if change materially affects access or the plan's ability to have a network which cannot provide all necessary covered services in a timely manner or if the plan demonstrates they cannot meet the member provider ratios. Mr. Wilcox stated that IHS still meets both of those requirements. Mr. Wilcox said that in their contract with *hawk-i* requires 30 minutes/30 miles, it does not limit it to that county. Mr. Wilcox said that if the Board looks within a 30 mile radius, there are pediatricians, family practice, internal med, and all specialties necessary to provide services and care to members. Over half of their members were already going somewhere else, so only 50 or fewer members had to be reassigned. To date, IHS has received no complaints relating to service, access, or with the other primary care providers within 10, 12, 15 miles away. Mr. Wilcox said that based on the language and intent of that amendment, he still meets the 30 minute/30 mile requirement to provide care in a timely manner through providers in their network. That, coupled with the fact IHS has not received any complaints from members, Mr. Wilcox doesn't see the need to remove Mahaska County from the IHS enrollment area. IHS has 124 total members in Mahaska County.

Ms. Smith said that there are 15 family practice doctors in Oskaloosa, but all IHS members have to drive outside of that city for their family practice physician except for

that one remaining doctor. Ms. Smith said that with that rationale, and using Polk County as an example that would have Des Moines as its population base, as long as members could drive somewhere in 30 minutes/30 miles it would not matter if there were no doctors in Des Moines that would see IHS members. Mr. Wilcox responded that this is the way the contract is written. He stated that this is rural America and members are in between a lot of towns and half of their membership in that area were already driving elsewhere before this group of physicians left IHS.

Anna Ruggle stated that she has had three calls from families in Mahaska County that live in Oskaloosa and they choose not to go to the one remaining provider in Oskaloosa and they do not want to travel outside Oskaloosa. Mr. Wilcox requested those names be shared with him, because he is not aware of this.

Ms. Salter said she had a question about a statement in the November 2, 2004, letter from Mr. Wilcox. He talks about being audited by the Iowa Foundation for Medical Care (IFMC) and asked how can IHS pass for Medicaid but not **hawk-i**. Mr. Wilcox responded that IFMC reviewed provider directories for some of their counties and the county that stayed on top was Tama. Marshall County was the one that IFMC considered a risk because of losing the hospital facility for that county, but the other counties passed.

Ms. Voss stated that the dilemma with 30 minutes/30 miles is that regardless of carrier, they cannot promise that every provider the members want is going to be on a panel, nor does the law say that carriers have to contract with every provider, the standard only says 30 minutes/30 miles. The Insurance Division addresses this same issue in the commercial market frequently.

Mr. Wilcox agreed and said that a review of IHS data showed members are traveling to other counties. This was the case in Tama County, these members were already traveling and going to Iowa City, Story City, and traveling more than 30 minutes/30 miles at their choice. Mr. Wilcox said that their panel is open all across Iowa, they understand what the rules are, and their members truly are traveling.

Ms. Salter said that the basis for the amendment to the contract is a substantial change has occurred; that something is different. Mr. Wilcox responded that reading the whole amendment, he is still meeting access requirements of 30 minutes/30 miles. There are 120 members and his provider ratios are 1 to 1200, so technically even that one provider in Mahaska County meets the criteria.

Ms. Smith said that she would like to clarify the statement that Mr. Wilcox made regarding IHS meeting the criteria for Medicaid so why not for **hawk-i**. She stated the difference is that in Medicaid there is an alternative and recipients can opt out of managed care and go to Medipass. **hawk-i** enrollees do not have that choice.

Ms. McMahon asked about the providers IHS has within 30 minutes. Mr. Wilcox responded that Eddyville is 10 miles away from Oskaloosa, there is 1 pediatrician there and 3 ARNP-FP's. New Sharon is 12 miles away, Pella 18 miles, Bussey 19 miles, Sigourney 23 miles, Knoxville 26, Sully 29, and Monroe right at 30 miles. In those

towns there are pediatricians and family practice physicians. Knoxville has 6 family practice.

Ms. Ruggle asked if the providers in the small towns were there 5 days a week. Mr. Wilcox said to the best of his knowledge they were. Ms. Wyatt Hardwick noted that the same provider was listed under multiple towns and questioned if they spend several hours in each. For example, 2 ARNP's listed for Knoxville, Sully, and Monroe are the same people. Mr. Wilcox said yes, that is standard for rural America. Some have certain days in certain offices.

Ms. Salter pointed out that the contract language referenced in Mr. Wilcox's letter says that "if changes materially affects access or". Ms. Salter said she interprets that to mean if one of those things is an issue then it raises the question about whether to amend the contract, it doesn't mean all of those things have to happen at once. Mr. Wilcox responded that "or" may not be the best word, the intent when drafted was to get those two components in because in rural America they can have providers change, go on and off, but as long as IHS meets the contractual elements referred to by Ms. Voss, 30 minutes/30 miles, and that care is provided, that is the intent. It may not be the provider that member wants, but they are going to get their care.

Ms. Voss added that the standard does not require the provider to be in the same county. Some counties have one doctor, period. Taylor County has no doctors. Ms. Voss said she wanted to make sure the Board understands that the rule does not say 30 miles or 30 minutes within the same county.

Ms. Salter stated that from a consumer standpoint, quite often, people of low income tend to live in a town or a city and do not have transportation readily available to get outside of that town or city. So from a consumer standpoint she would imagine there are consumers that live in Oskaloosa without transportation, or without reliable, consistent transportation who will now have to get themselves 30 miles to a provider. Mr. Wilcox said that they still would have the option of the one provider in that community. Mr. Wilcox offered that he could show the Board patterns of how these members do travel for care.

Mr. Baker said that one of the key things with Tama County was the hospital. Mr. Baker asked if there is a hospital in Mahaska County. Wendy DeWitt, IHS, stated that there is a hospital in Mahaska County and they do accept IHS patients.

Diane Ellis, an outreach worker from Marion County, asked to address the Board. Ms. Ellis said that she works with the financial coordinator at the Knoxville Hospital in Marion County. Ms. Ellis received a call from this person stating that her daughter lives in Oskaloosa and was very upset because they had lost their doctors. She does not have transportation to get 30 miles. Ms. Ellis said that Ms. Salter's statement is true, that many members are right there in that town and do not want to go to that one doctor. Ms. Ellis said that as an outreach person she looks out for the families. When she is out there trying to sell a product she wants the providers to be happy. Ms. Ellis said that she did contact that doctor's office to confirm the situation and spoke with the doctor's wife. Ms. Ellis said that the doctor's office was very upset with the system.

Ms. Voss said that she really wanted to caution the Board, that if they are going to go down the road that there has to be providers in every community, they would set a precedence that is not anywhere else and the Board had better start looking at other rural counties. In the Insurance Division, looking at the commercial side, it would be a major problem because they would be decertifying carriers because they could not provide treatment.

Ms. Salter stated it was her understanding of the issue that there had been a fairly substantial change. In Mahaska County, there are now 85% fewer providers than there were.

Denise Hill from the Iowa Medical Society asked to address the Board. Ms. Hill indicated the Society has serious concerns about IHS and how they have dealt with providers. That this is a public program trying to meet a very specific population with very specific needs and the State, through this Board, has the authority to determine who appropriately meets the needs of those folks within the bounds of the law related to **hawk-i**. Secondly, that when it is characterized as a rural health issue you lose track of the fact that we are not talking about the number of available providers. There has been a substantial change, 14 of those 15 providers are no longer going to see IHS patients. It is not a rural health issue, it is a matter of how those providers are being treated by IHS. Ms. Hill said the program is losing credibility and losing both constituents and providers so she would encourage the Board to think about certain things that can be cured between IHS and providers.

Susan Salter called for a roll call vote. The motion was to accept this amendment that the Department has suggested. Susan Voss, no; Julie McMahan, no; Charlotte Burt, no; Wanda Wyatt Hardwick, no; Jim Yeast, no; John Baker, no; Susan Salter, yes. The contract will not be amended at this time.

John Baker asked to add a comment. Mr. Baker stated that this was a tougher decision than the one with Tama County. Mr. Baker said he is concerned about the different interpretations of the contract language. Mr. Baker said in the case of Mahaska County IHS meets the criteria, but obviously 14 out of 15 providers in an area have left. Mr. Baker said Tama County was an easy decision, there was a loss of a hospital to consider. Mr. Wilcox responded that was not the case, it was not the hospital and everything. Mr. Wilcox stated that in Tama he has a complete physician panel and still 50% or higher of the members are going elsewhere for care. Mr. Wilcox said that is why he thinks the decision about Tama County should be reconsidered.

Mr. Yeast said he thinks a significant change is just not the numbers or providers and location in relation to 30 miles/30 minutes but the quality of the plan offered. The language is there has to be a network which can provide all necessary covered services. Mr. Yeast said that he believes the interpretation is how well the services meet the needs of the people being served. Mr. Yeast said that it concerns him that when there is an 85% drop in provider participation and looking at the uniqueness and specific needs of some of **hawk-i**'s clients the flexibility is nil in terms of being able to meet those clients needs. Mr. Yeast said his interpretation is of qualities that the Code

says the program is to provide. Mr. Yeast said if that if the Board's legal counsel says differently, or a number of Board members have a differing interpretation of how they see things working in the ability to meet the needs of clients, then he would reconsider his position.

The Board then had a discussion concerning their understanding of contract language, what the IFMC measures, and how the Clinical Advisory Committee can guide them. Ms. Salter said that the Board has many new members, particularly the citizen members, and so they do not have the history of when these contracts were initially put together.

The Board members would like to have more information and a better understanding of what the health plans requirements are. Ms. Salter asked that the Clinical Advisory Committee be invited to the February Board meeting for a discussion.

PUBLIC COMMENT:

Ms. Hill asked the Board to consider legislative intent and the fact that when they made a determination to look at managed care versus fee for service that they looked specifically at counties; if the county provided managed care. They wanted to make sure there was access. Ms. Hill said she would encourage the Board to start looking back to their contracts with providers and what language is relative to being in violation with contracts with the health plan's providers. Perhaps that is another area that needs to be in the contracts; that they need to be compliant with their own contracts with their providers.

Mr. Yeast stated that he had comments for the Board that he would like to have entered into the minutes. Mr. Yeast said that in review of his understanding of the vote that they just took he has some concerns. Mr. Yeast said that as the Board continues to provide themselves with some education at their February meeting, perhaps they could revisit the vote at a later date if the Board has information that would support a change in that decision. Mr. Yeast said that he apologizes for not understanding the issue well enough in terms of the intent of the vote because he probably would have voted otherwise.

CLOSED SESSION:

Julie McMahan moved to hold a closed session as authorized by 21.5(1)(a) of the open meeting law to review or discuss records which are required or authorized to be kept confidential. Jim Yeast seconded the motion. A roll call vote was taken. Susan Voss, yes; Julie McMahan, yes; Charlotte Burt, yes; Susan Salter, yes; Wanda Wyatt Hardwick, yes; Jim Yeast, yes; John Baker, yes.

MEETING CALLED TO ORDER AFTER CLOSED SESSION:

Ms. Salter called the meeting to order after coming out of closed session.

Ms. Salter asked the recording secretary to read the motion from the closed session into the record. "There was a motion to accept MAXIMUS as the successful bidder and the

Department to negotiate the contract and bring it back before the Board in December for their approval.” A roll call vote was taken: Susan Voss, yes; Julie McMahon, yes; Charlotte Burt, yes; Susan Salter, yes; Wanda Wyatt Hardwick, yes; Jim Yeast, yes; John Baker, yes.

NEW BUSINESS:

Anita Smith told the Board that Angie Doyle Scar did provide a handout for the Board updating them on outreach activities.

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

The next meeting is scheduled for Monday, December 20, 2004, at 12:30 p.m. at the Des Moines Botanical Center, Oak Room, 909 Robert D. Ray Drive, Des Moines, Iowa.