

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

October 22, 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 (absent)
Representative Mary Mascher (absent)

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Shellie Goldman
Anna Ruggle
Mike Baldwin

GUESTS:

Lynn Tague
Robert Fleming
Jenny Hodges
Sonni Vierling
Gina Livingston
Jennifer Stout Kagan
Carri Fitzgerald
Diane Schroeder
Nancy Lind
Jess Benson
Suzanne Heckenliable
Cynthia Jones
Diane Morill
Diane Ellis
Ira Rothman

AFFILIATION:

Wellmark Blue Cross Blue Shield of Iowa
SCMO Group
Iowa Department of Public Health
Iowa Department of Public Health
Americhoice
Visiting Nurse Service
Child and Family Health Center
Delta Dental of Iowa
Americhoice
Legislative Service Agency
Delta Dental
HMS
Iowa Foundation for Medical Care
hawk-i Outreach
MAXIMUS

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, October 22, 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 12:30 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:

hawk-i Board Chair Susan Salter sent a letter to Governor Culver on August 29, 2007, advising him of the de facto resignation of Board member Angelita Ramirez. The Iowa Code requires board members not miss three consecutive regular meetings, or to be absent from more than half of the regular board meetings during a one-year period. Any board member who does so, has been deemed to have submitted their resignation. To date, no response has been received to this letter. Ms. Salter will follow up with the Governor's Office to see if they are in the process of appointing a new member.

Ms. Smith reported that a letter was sent to MAXIMUS informing them that the Department is withholding \$1,000 from their monthly operational invoice due to not meeting call center contract requirements. There is a requirement that 98% of calls have to be returned by 10:00 the next business day and the Department determined that MAXIMUS did not meet that requirement in July. Ms. Smith said that she believes this was due to the transition period when Barbara Fox-Goldizen and Jim Hermann left MAXIMUS.

Reports:

A report from Georgetown University's Health Policy Institute Center for Family and Children estimates that 2,000 people are losing health insurance in the United States each day. Half of the uninsured are elementary age or younger. Fifty percent live in the South, 27% in the West, and the remaining split evenly between the Midwest and Northeast. The report shows the total uninsured in Iowa as 43,783, and 23,969 of those are low-income, uninsured children under 200% of federal poverty level (FPL). New census data estimates Iowa's uninsured rate as significantly lower than in the past. The Department's Division of Results Based Accountability is working on revised estimates. Previous projections have been based on census data that indicated there were 60,000 uninsured kids in Iowa with 43,000 below 200% of FPL. The estimate now is 25,000 below 200% of FPL. Ms. Smith said that Texas has always been listed as the state with the highest number of uninsured and the percentage has always been 22-24%. The last census report shows they are still highest, but at 14%.

On October 18, 2007, the U.S. House of Representatives' vote to override the President's veto of SCHIP reauthorization failed with 273 yeas, 156 nays, and 4 not voting. In Iowa, only Representative King voted no.

Ms. Smith said that Representative King's district (District 5) has the highest number of children enrolled in SCHIP. *hawk-i* enrollment by district currently shows: District 1

(Braley) 7,000; District 2 (Loesback) 6,800; District 3 (Boswell) 6,900, District 4 (Latham) 7,200; and District 5 (King) 9,337.

ADMINISTRATOR'S REPORT:

Enrollment and Statistics:

Ms. Smith said that *hawk-i* enrollment has declined 2% since February. Although Medicaid experienced a 10% increase (17,000) between SFY 04 and SFY 06, there has been a decrease between SFY 06 and SFY 07 of about 6.8%. The decline in Medicaid enrollment has been attributed to the verification of citizenship and identity requirements and that many people are having trouble either obtaining the documentation or following through and providing it. Ms. Smith said that she recently attended the National Academy for State Health Policy conference and SCHIP reauthorization was one of the topics. States are concerned that the publicity about reauthorization and it being a government program for poor people may be impacting enrollment.

September enrollment in *hawk-i* was 21,494 and 15,841 were enrolled in Medicaid expansion.

SFY '07 Budget Update:

Ms. Smith reported total expenditures for SFY 07 were \$17.5 million; below the projection of \$20.1 million. As a result, \$5.8 million will be carried over in the *hawk-i* trust fund.

Enrollment projections for SFY 07 were for year-end enrollment of 36,024 children. Actual enrollment was 33,504, which includes both *hawk-i* and Medicaid expansion.

SFY '08 Budget Update:

Expenditures for the first quarter totaled 17% of the projection of \$29.5 million for SFY 08.

The enrollment projection for this quarter was 34,880. Actual enrollment for September, 2007 was 33,640.

CMS Onsite Monitoring Review:

Shellie Goldman told the Board that CMS conducted their biennial onsite review of the *hawk-i* program on June 5-7. The focus of this visit included outreach, screening and enrollment, application enrollment and redetermination, access and delivery, quality, and appropriateness of care.

The results of the review were furnished on September 5th. A total of five "best practices" were noted by CMS:

1. Incident report process used by the local outreach coordinators. DHS uses this report to identify systematic issues, correct problems and continuously improve the *hawk-i* program.
2. Automation of application process. MAXIMUS now scans documents related to the case into their eligibility system so that everything is housed within a case file that can be accessed onsite, onscreen.
3. Onsite Medicaid eligibility workers. The co-location of the DHS Medicaid and *hawk-i* staff facilitates crucial coordination between the two programs.
4. Clear and accurate language on appeal rights included on all notices of decision letters. DHS was recognized for their efforts to ensure that *hawk-i* members are well informed of their appeal rights.
5. Health assessment survey process, which produces very useful data on the impact the hawk-i program, has on the health status of enrollees and their parents.

In addition to the five best practices, CMS recognized the Department for:

- school-related outreach and the Covering Kids and Families Robert Wood Johnson grant.
- reaching out to underserved populations through ethnic food fairs, local ethnic radio stations, attendance at the annual American Indian symposium, and also many of the events in the Hispanic communities.
- the Department of Public Health produced and distributed a poster to educate dental providers about the Medicaid and *hawk-i* programs.

The report noted that the *hawk-i* program receives strong local political support because:

- effective July 1, 2007, the legislature made it mandatory for every school district and nonpublic school that provides a school breakfast or lunch program to participate in providing referrals to the *hawk-i* program.
- the legislature allocated additional funds for outreach in SFY 08.
- Governor Culver is committed to the goal of insuring 100% of the State's children by the end of his term through his Health Opportunities for Every Iowan initiative.

The report included one recommendation for the Department. Currently, if two or more health plans participate in the same county a comparison chart of the health plans is provided. CMS recommends that DHS enhance that chart by providing a statement that encourages enrollees to consider existing relationships with health care providers when choosing a plan and providing telephone numbers they can call for more information.

State Auditor's Report:

The State Auditor's Office reviews the *hawk-i* program for compliance with law and rules each year. In June 2007 a review was completed and a comment was made regarding Board member attendance. The report noted that one Board member missed 4 of 7 regularly scheduled meetings from July 1, 2006, to June 30, 2007, and, therefore,

the *hawk-i* Board is not in compliance with the Code of Iowa. The auditor's recommendation was that the Department should work with the *hawk-i* Board to ensure appointees attend meetings in compliance with the Iowa Code or should recommend new members to be appointed by the Governor.

Ms. Smith told the Board that she had a discussion with the Auditor's Office about why this was in a DHS audit since the Board is a governing board and directs the Department. Ms. Smith said she didn't agree with the finding, but the Auditor's Office still made it the Department's responsibility to ensure the Board is compliant.

****Dr. Spencer arrived at the meeting at this time. A quorum is now present.***

hawk-i Board's 2007 Annual Report:

Ms. Goldman asked the Board if they wanted to continue using the same format as they have used in previous years. In addition, she will include information on the reauthorization process.

Ms. Goldman said she would provide the Board with a draft before their December meeting so that they can approve the report at that time. If Board members have comments or suggestions, they should contact Ms. Goldman.

APPROVAL OF AUGUST 20, 2007, MINUTES:

Selden Spencer made a motion to approve the August 20, 2007, minutes as written. John Baker seconded the motion. Unanimous approval was made by Selden Spencer, Angela Burke Boston, John Baker, Dann Stevens, and Susan Salter.

CMS GUIDANCE LETTER, AUGUST 17, 2007:

Ms. Smith said that CMS issued a guidance letter on August 17, 2007, which the states believe is new policy, not just an interpretation of existing policy. New Jersey has filed a lawsuit against CMS, and eight states have joined the lawsuit. The basis of the lawsuit is that CMS did not follow rulemaking procedure and allow states a comment period to make changes.

Ms. Smith said that this is important because this guidance sets out new policy for states regarding crowd-out. For states above 250% of FPL, gross income is used to determine income. Even though Iowa is at 200% of FPL, a 20% earned income disregard is applied before income is compared to the limit. If income is "unearned income" such as child support or social security disability, no disregard is applied.

The guidance imposes a one-year waiting period between dropping private coverage and enrollment with no exceptions. Ms. Smith said that CMS was asked if a child's parents are killed in a car accident and as a result the child is uninsured, does that child have to wait for one year and the answer was yes. Ms. Smith said that in that scenario, the child would probably receive social security survivors benefits, dollar for dollar

counted, which would most likely be over the Medicaid guidelines and into the SCHIP guidelines.

The guidance requires states that wish to expand above 250% of FPL to provide evidence that they have already met 95% of their uninsured needs. The concern from states is that even though they know what the total uninsured pool is, they will never get a 100% take up rate. The average take up rate for any program is usually between 70-80%; 75% at program maturity. Ms. Smith said that CMS released a table showing where states are. California is at 114% and most states are well above the 95%, so states have questioned the data. Ms. Smith added that CMS will be looking at crowd-out procedures even for states under 250% of FPL because of the perception that when public programs are available, people will drop private coverage to enroll in public programs. Many states are already over this poverty level and cannot live with this guidance, hence the lawsuit. Some of these issues were addressed in the reauthorization legislation that was vetoed, so the August 17th guidance stands for now.

FEDERAL SCHIP REAUTHORIZATION:

Summary of the compromise bill that was vetoed by the President:

- Funded with a 61 cent increase in federal cigarette tax
- Would have provided more program funding
- A more equitable distribution formula for funding
- Allotments would be available for 2 years instead of 3
- Provided incentive performance bonuses for states that did well enrolling children above certain threshold amounts
- Rebases allotments every few years and look at actual experience to adjust allotments
- It would stay the August 17, 2007, CMCS guidance letter and require GAO to do a report on crowd-out
- There would be no new or renewal of waivers for parents and states would have to phase out coverage of childless adults by 2010
- There were no provisions to cover immigrant children and pregnant women or state employees
- The Medicaid requirement to verify citizenship and identity would be expanded to SCHIP.
- Additional funding for outreach grants would be set aside
- Includes a state option for Express Lane Eligibility
- Mandates mental health parity and dental coverage

Both Houses passed bills, the budget expired September 30, so a continuing resolution was passed that gives the states funding for 6 weeks, or through November 16. Iowa received approximately \$8 million in federal funds. The President has indicated he is willing to compromise, but the dollar amount stated is still far short of the estimated need.

Ms. Smith told the Board that if after November 16 there were no more federal dollars allocated, the state dollars available would take the program through March 1, 2008. If another 6-week continuing resolution passes with the same \$8 million allotment, then the state dollars will last one month longer, or until April 1. The Iowa Legislature will be in session at that time, so they will be able to take action if necessary.

Ms. Smith said that there is a public assumption that this program is going to end so the Department has been working hard to dispel that rumor. A message was sent to the **hawk-i** outreach workers and the Medicaid eligibility staff indicating it is “business as usual”. There are no plans to end **hawk-i** and the Department will be working with the Legislature and the Governor’s Office to ensure that no children have to be disenrolled.

ADMINISTRATIVE RULE AMENDMENTS:

Mike Baldwin discussed proposed amendments to the Board’s administrative rules found in Chapter 86 of the Department of Human Services’ administrative rules. The proposed amendments are being made to clarify language in existing rules.

The amendments clarify:

- the definition of “enrollee”.
- how losses from a self-employment enterprise are handled in eligibility determination.
- family composition policy.
- when families may choose to voluntarily exclude some of their children from family size.
- that temporary absence policies apply to parents, as well as children, when determining family size.
- the circumstances under which a child voluntarily excluded from the Medicaid family size can be determined eligible for **hawk-i**.
- that if a state contributes \$10 or less toward the cost of health insurance coverage for the dependents of a state employee, the employee’s children are not barred from participating in **hawk-i** if otherwise eligible.
- that an application is considered filed if it is received by either the third party administrator or at a Department office.
- the time limit for making **hawk-i** eligibility determination of an application that was referred to Medicaid but Medicaid eligibility was denied.
- the order in which children would be placed on a waiting list.
- and updates the process that income maintenance workers follow when making referrals to **hawk-i**.
- that a request for an extension of the initial premium due date must be made no later than the original due date.

The amendments also give participating health plans the option of providing the specified material in an electronic format instead of a hard-copy format.

Dann Stevens made a motion to approve the Notice of Intended Action. John Baker seconded the motion. A roll call vote was taken: Susan Salter, aye; John Baker, aye; Dann Stevens, aye; Angela Burke Boston, aye; Dr. Selden Spencer, aye. Motion carried.

PUBLIC COMMENT:

Carrie Fitzgerald from the Child and Family Health Center asked to speak to the Board. Ms. Fitzgerald said they were just awarded a grant from the Packard Foundation. Twelve states received this grant and over the next year they will be collecting stories from families who are on SCHIP, Medicaid, or are uninsured, working to publicize those stories across the state. They will be working with newspaper editorial boards to get real-life family stories printed about what is happening in Iowa as far as covering kids. They now can apply for a “finish line” grant, which is a three-year project. Six of the states will be able to get that grant, which is \$250,000 per year and is for covering all children in the state. The Center has received about 20 letters of support thus far including letters from Kevin Concannon, Director of the Department of Human Services, Susan Salter, on behalf of the **hawk-i** Board, legislators, and members of the Iowa Business Council.

I.C.O.S. CRUSADE:

Ms. Smith said that a letter sent to Governor Culver from Erin Drake of the “Iowa Children of Separation” (I.C.O.S.) was referred to her. This is a newly developed group that is advocating additional benefits for children of divorced or separated families. The correspondence indicates that they want to secure a letter of recommendation from the Governor and any other supporters for changing the rules for **hawk-i** kids. The letter would be submitted along with I.C.O.S.’s proposal to the Board. They want to come to a Board meeting to propose changes and discuss the changes and their benefits. The intent is to change the way parents supply medical coverage. Among the changes they propose are:

Eliminate the requirements of any parental waivers, permissions, or affidavits from either parent that would have been previously required to allow either parent to enroll their child in the program. Essentially they want to allow an absent parent to apply for **hawk-i** to get coverage to meet a medical support obligation. Currently **hawk-i** only allows custodial parents to apply because it is the household where the child lives that has to meet the income guidelines.

*Eliminate the 50% rule of visitation parenting time required for parents who enroll their child in **hawk-i**.* The custodial parent of the child has to apply for the program, but in a situation where shared custody is truly 50/50, then either parent can apply and the child’s eligibility would be based on the applying parent’s household.

*No parent should be asked or required to provide or sign a permission slip, waiver, or affidavit from the other parent in order to participate in the program or to enroll a child in **hawk-i**.* Ms. Smith said that **hawk-i** does not require an affidavit from the other parent, so she is not sure what that statement references. Ms. Smith told the Board that there

are new child support enforcement regulations that would further prohibit this, and would request that a child support policy specialist be included in any discussions.

After a brief discussion, the Board indicated that if a representative of I.C.O.S. wishes to make any presentation, then they may do so during the public comment segment of a Board meeting.

REQUEST FOR PROPOSALS (RFP) & CONTRACT UPDATE:

Public Health Contract Amendment:

In August, the Department of Public Health presented the Board with three proposals for additional outreach funding. At that time, a decision was delayed until it was determined what the media outreach campaign would cost and if any of the additional outreach funds appropriated by the legislature remained.

Anna Ruggle told the Board that the Department has been decided to go with Option 2 of Public Health's proposal. This amendment provides an additional \$9,932 in outreach funding and would be used for:

Contracts/local agencies	\$6,000
In-state travel	\$2,800
Taskforce meetings/training materials	\$1,905
IT equipment	\$ 37

Ms. Ruggle said that this contract amendment does not require Board approval since it is less than \$15,000. This additional funding is contingent upon the funds being available and the outcome of the SCHIP reauthorization process.

Independent Verification & Validation RFP:

Ms. Ruggle told the Board that the Department has issued a Request for Proposal for an independent verification and validation process. This person will oversee the implementation of the contract of the successful bidder to be the third-party administrator for *hawk-i*. They will make sure that the process is according to the bid proposal and everything is in place for the new contract beginning July 1, 2008. Ms. Smith said that during the implementation of the previous contract, staff spent hundreds of hours working out details. In the event of a new contractor, this person will coordinate between the two contractors to ensure the transfer of data is handled seamlessly.

Ms. Ruggle said that five letters of intent to bid were received, bids are due October 31, 2007.

Dr. Spencer asked what the estimated cost of this contract is. Ms. Smith said at this time she has no idea, but anecdotally she has heard a range from \$50,000 to \$600,000. One alternative is that the Department recently decided to hire project managers in their IT Division. If the bids come in too high and this is not an affordable option, then an

option may be to see if *hawk-i* can use them to facilitate and oversee the implementation of the new contract.

Media Buyer Contract for Outreach:

Ms. Smith said she met with the media buyer recently and they are being very understanding that the Department cannot move forward and place ads until there is a better understanding what will happen with SCHIP reauthorization and the budget. They did conduct a survey to get an understanding of peoples perceptions and thoughts about government programs and how much they know about *hawk-i*. They had several focus groups where they tested some commercials and other media they are planning. Ms. Smith said there were interesting findings. People didn't like comments like "a family earning as much as" or "even somebody making 'blank' can qualify". They don't like the term "limited income" because they don't see themselves that way. Ms. Smith said that the Department uses some of these statements in outreach material so they will want to rethink that. Previously when the Department conducted focus groups and tested materials those comments didn't come through.

One ad compared the cost of a hamburger or a cup of coffee to what it costs for health insurance for children. The focus group did not like this message because it makes people feel guilty if their child isn't insured that they are choosing personal wants or needs over the needs of their children. The theme that resonated the most was "you work hard to take care of your family" or "we know you work hard but this is another way to get coverage".

CLOSED SESSION:

John Baker made a motion that pursuant to Iowa Code Section 21.5(1)"c", the Board go into closed session. Angela Burke Boston seconded the motion. A roll call vote was taken: Susan Salter, aye; John Baker, aye; Dann Stevens, aye; Angela Burke Boston; aye; Dr. Selden Spencer, aye.

MEETING CALLED TO ORDER AFTER CLOSED SESSION:

Ms. Salter called the meeting to order after returning from closed session. A roll call was taken. Susan Salter, present; John Baker, present; Dann Stevens, present; Angela Burke Boston, present; Dr. Selden Spencer, present.

THIRD PARTY ADMINISTRATOR RFP:

Angela Burke Boston moved that the Board accept the recommendation of the evaluation committee to award the contract to be *hawk-i*'s third party administrator to MAXIMUS. Dr. Selden Spencer seconded the motion. A roll call vote was taken. Susan Salter, aye; John Baker, aye; Dann Stevens, nay; Angela Burke Boston, aye; Dr. Selden Spencer, aye. Motion carried on a 4-1 vote.

NEW BUSINESS:

Ms. Salter asked that Board members be more diligent in letting staff know if they will be unable to attend a Board meeting. She asked the Board's administrative assistant, Dee Johnson, to send a reminder e-mail to the Board a week in advance of the meeting and asked the Board to R.S.V.P.

There was no other new business.

John Baker made a motion to adjourn. Dr. Spencer seconded the motion. Unanimous approval. The meeting was adjourned.

The next regular *hawk-i* Board meeting is scheduled for Monday, December 17, 2007, at 12:30 p.m. at the Des Moines Botanical Center, Levitt Room, 909 Robert D. Ray Drive, Des Moines, Iowa.