

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

October 18, 2004

BOARD MEMBERS:

Susan Salter, Chair *
Julie McMahon, Vice-Chair
Charlotte Burt (for Judy Jeffrey)
Susan Voss (for Terri Vaughan)
Jim Yeast (absent)
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
Shellie Goldman

GUESTS:

Barbara Fox-Goldizen
Diane Schroeder
Tim Gibson
Denise Hill
Diane Ellis
Beth Jones
Angie Doyle Scar
Sara Schneider
Sara Dixon
Bob Wilcox *
Lynn Taugue *

AFFILIATION:

MAXIMUS
Delta Dental
John Deere Health
Iowa Medical Society
Covering Kids and Families
Iowa Dept. Public Health-Covering Kids & Families
Iowa Dept. Public Health-*hawk-i* Outreach
Iowa Dept. Human Services
Public Policy Group
Iowa Health Solutions
Wellmark

* *Participated by Conference Call*

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, October 18, 2004, at the Department of Human Services Offices, Hoover State Office Building, 5th floor Conference Room NE, 1305 E Walnut, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:30 p.m. A quorum was 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.

ADMINISTRATIVE RULES FOR APPROVAL:

Shellie Goldman discussed the proposed amendments. These amendments to the Iowa Administrative Code, 441 Chapter 86, permit a child who is enrolled in the *hawk-i* program to change health plans when there is a substantial change in the provider panel of the health plan originally chosen, provided that another plan is available. Notice of Intended Action to amend these rules was published in the July 21, 2004, Iowa Administrative Bulletin as ARC 3508B. No comments to these proposed amendments were received, and, if approved by the Board, are ready to be filed as adopted and become effective November 1, 2004.

Susan Voss made a motion to approve the administrative rules for adoption. Wanda Wyatt Hardwick seconded the motion. A roll call vote was taken. Susan Voss, aye; Julie McMahan, aye; Charlotte Burt, aye; Susan Salter, aye; Wanda Wyatt Hardwick, aye; John Baker, aye; Jim Yeast, absent.

HEALTH PLAN CONTRACT AMENDMENTS FOR APPROVAL:

- ***Iowa Health Solutions***
- ***Wellmark***

Anita Smith told the Board that on September 16, 2004, she sent a letter to Bob Wilcox of Iowa Health Solutions informing them that Iowa Health Solutions was being removed from the enrollment area for Marshall and Tama Counties effective December 1, 2004. A contract amendment reflecting the change was enclosed. The rationale was that due to a substantial change in Iowa Health Solutions' provider network the Department did not believe they had adequate access to care for enrollees in those counties. A contract amendment was also sent to Wellmark to begin covering *hawk-i* enrollees in Marshall and Tama Counties as of December 1, 2004.

Shortly thereafter, the Insurance Division notified the Department that Iowa Health Solutions lost their license to be a covered health plan in Marshall County. That action was effective immediately with the generation of the letter, which was dated September 28, 2004. The Department then sent out another contract amendment to Iowa Health Solutions that effective October 1, 2004, Iowa Health Solutions would no longer be a provider in Marshall County. Ms. Smith said the Department is still proposing to remove Tama County from the Iowa Health Solutions' *hawk-i* enrollment area effective December 1, 2004.

Ms. Smith said that the contract amendments before the Board for consideration would retroactively remove Marshall County from Iowa Health Solutions' enrollment area effective October 1, 2004, and remove Tama County from Iowa Health Solutions' enrollment area effective December 1, 2004. The Wellmark contract amendment adds

Marshall County to their enrollment area effective October 1, 2004, and Tama County effective December 1, 2004.

Ms. Smith said that she received a call from Bob Wilcox shortly before this meeting and she suggested that he present his issues at the meeting for the Board's consideration.

Susan Voss moved the approval of the contract amendments for Iowa Health Solutions and Wellmark. Julie McMahon seconded the motion. Ms. Salter opened the floor for discussion.

Bob Wilcox, Iowa Health Solutions, addressed the Board. Mr. Wilcox stated that Ms. Smith mentioned a letter from the State of Iowa pulling Iowa Health Solutions' license for Marshall County. Mr. Wilcox said that he still does not have that in his possession, so he will have to contact the Insurance Division. Mr. Wilcox said the reason he made the call to Ms. Smith was regarding Tama County. He pulled all of their 2003 data and there were 1,873 services for members from Tama County. Of those, only 38 procedures were done at Marshalltown Medical Surgical Center. Mr. Wilcox stated that these members are actually going to other areas around them. The Waterloo/Cedar Falls area is just to the North, Cedar Rapids to the East, and Grinnell to the South. Mr. Wilcox said that with no facility in Tama County it wouldn't make sense that they would amend out those members from their health plan.

Mr. Wilcox said of the 38 procedures, 19 were emergent and of the remaining only one was an in-patient stay. The balance would have been lab and outpatient procedures. With notification those members could certainly follow the majority of the other members and seek service in Grinnell, which is very close, Cedar Rapids and Waterloo. Mr. Wilcox said the structure the Department is going to is more costly. The capitation rate for Wellmark is 22% higher than Iowa Health Solutions.

Ms. Smith noted that Iowa Health Solutions is not in Poweshiek County which is where Grinnell is located. Ms. Smith said what she is hearing Mr. Wilcox say is that Iowa Health Solutions is basically relying on providers in other areas to provide coverage to the members in Tama County. Mr. Wilcox responded that for the bulk of the services are handled at the University of Iowa in Iowa City, Mercy Hospital and certain services at St. Lukes, both in Cedar Rapids, Virginia Gay in Waterloo, and Mary Greeley in Ames are all contracted facilities and seems to be the pattern where their members are going. Mr. Wilcox said that while Grinnell is a noncontracted facility, they do have a contract they want to review and are accepting IHS referrals when members say they want to go there. Access is provided with an authorization process.

Susan Voss told Mr. Wilcox that the Insurance Division sent a letter to IHS in September stating they were not going to allow IHS to do business in Marshall County based on the level of providers. Ms. Voss asked Mr. Wilcox if he was indicating that the letter is not adequate, that IHS needs something else from the Division? Mr. Wilcox responded that Ms. Voss talked about the access and Ms. Smith is talking about removal of their Certificate of Authority and he has never gotten a letter that their Certificate of Authority is not there any more.

Ms. Voss replied that the third paragraph of her September 28, 2004, letter states, "the Division no longer certifies Marshall County for coverage by Iowa Health Solutions. Ms. Voss said she believes that is adequate notice. Mr. Wilcox said he had never gotten a letter like that before so if that is what the Insurance Division does, that is fine. However, it is Tama County that is being discussed and the second amendment to their contract.

Anna Ruggle stated that she did receive a call on Thursday, October 14, from a family in Tama County that is very, very concerned about not having hospital access. Their child is frequently hospitalized and they usually take the child to Marshalltown.

Ms. Smith clarified with Mr. Wilcox that what he is telling the Board is that the people that live in Tama, rather than going 20 miles to Marshalltown are going to Grinnell, Cedar Falls, or Cedar Rapids, and other surrounding areas for services. Mr. Wilcox responded that was correct.

Ms. Salter stated that her concern would be not so much when families are choosing a hospital, but when they have an emergency. Mr. Wilcox responded that Marshalltown Medical Surgical said they would see those patients, that they have to see them under the Emergency Medical Treatment and Labor Act.

Ms. Salter said it was her understanding that there is an issue when the child has to stay but are past the emergency period and they would have to be transferred somewhere. Mr. Wilcox responded that it could happen. Once the patient is stable, IHS would contract for transportation; they are doing that today and they would be more than happy to contract in those situations.

Ms. Smith noted that Iowa Health Solutions does not provide coverage for non-emergent medical transportation in their covered benefits so the cost of such transportation would have to be paid for by the family. Mr. Wilcox responded that if IHS did any transportation at all it would have to be an amendment to their benefit structure. IHS would pick up the cost in those rare instances when they would have to do that.

Ms. Smith indicated this was a concern to her because she was given an estimate of a minimum of \$1,400 for transportation. If IHS were to begin covering such transportation, it would be reflected later in utilization and capitation rates. Mr. Wilcox agreed that it could happen, but it doesn't appear that it is happening currently. During all of 2003, there was no situation like that. One hospital stay in Marshalltown was a member's choice.

Ms. Salter asked about the statistics the Board members had been given relative to Mahaska County. Ms. Smith said that she had not had a chance to review that issue, but believes that provider participation in Mahaska County has gone from 13 physicians to 2 and the Department is starting to look at that County as well.

Ms. Salter asked if there was any further discussion.

Ms. Smith said that she wanted to clarify for the Board that under the new administrative rule a “substantial change” in provider network is determined by the Board. It is the Board’s call on the contract amendment as it relates to Tama County.

Ms. Salter reminded the Board that the motion on the floor is to approve the two contract amendments and asked for a roll call vote. Susan Voss, aye; Julie McMahon, aye; Charlotte Burt, aye; Susan Salter, aye; Wanda Wyatt Hardwick, aye; John Baker, aye; Jim Yeast, absent.

PUBLIC COMMENT:

Denise Hill, Iowa Medical Society, addressed the Board. Ms. Hill said that the Iowa Medical Society continues to believe there are some serious concerns about Iowa Health Solutions and their lack of timely payment to providers, or the reason why *hawk-i* is not having the coverage. Ms. Hill said the Medical Society believes it is important that the *hawk-i* Board put Iowa Health Solutions on task to try to improve those problems. Ms. Hill said that if you compare their timely payment of clean claims to other similarly situated insurers, there is just no comparison and that is the reason for some of the problems. Ms. Hill said she encourages the *hawk-i* Board to be mindful of this as they continue having a relationship with Iowa Health Solutions.

Mr. Wilcox told the Board that a couple of things have changed. Iowa Health Solutions’ payments to physicians are now twice a week versus the previous weekly payment process. He stated IHS has stepped up the payments to twice a week to take care of those various situations. Because of the onslaught of membership last year, the audit by the Insurance Division asked that somebody come in and review the entire claims process. Mr. Wilcox said the audit came back fairly decent and all clean claims are out the door in 30-35 days. Some are out further than that, going through a review process. Mr. Wilcox said they have more manual interventions today than they want, and are setting up with IT to take care of that.

NEW BUSINESS:

Ms. Smith told the Board that it appears Congress took no action to keep the \$1.1 billion expiring SCHIP funds from reverting to the U.S. Treasury. There still could be action taken retroactively to restore some of those funds.

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

The next meeting is scheduled for Monday, November 15, 2004, at 12:30 p.m. at the Des Moines Botanical Center, Oak Room, 909 Robert D. Ray Drive, Des Moines, Iowa.