

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

April 20, 2009

BOARD MEMBERS:

Susan Salter, Chair
Dr. Selden Spencer, Vice Chair
Angela Burke Boston (for Susan Voss)*
Jim Donoghue (for Judy Jeffrey)*
Julie McMahon (for Thomas Newton)
Kim Carson (absent)
John Ortega (absent)

LEGISLATIVE BOARD MEMBERS:

Senator Amanda Ragan (absent)
Senator David Hartsuch (absent)
Representative Ako Abdul-Samad (absent)

**Participated via telephone conference call*

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Shellie Goldman
Mike Baldwin

ATTORNEY GENERAL'S OFFICE:

Diane Stahle

GUESTS:

Connie Mitchell
Diane Schroeder
Nancy Lind
Kristine Klauer
Lynn Tague
Jeremy Morgan
Carrie Fitzgerald
Abby Coperman
Suzanne Heckenliable

AFFILIATION:

Des Moines University student
Delta Dental of Iowa
AmeriChoice
AmeriChoice
Wellmark Blue Cross Blue Shield of Iowa
MAXIMUS
Child & Family Policy Center
Child & Family Policy Center
Delta Dental of Iowa

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, April 20, 2009, at the Department of Human Services office, 1st Floor Conference Room SE, Hoover State

Office Building, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:35 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 announced that ZLR Ignition, the firm that has the contract for *hawk-i* media outreach activities, would be receiving a best news-writing award from the Central Iowa Public Relations Society of America. This award is a result of the newspaper special section they developed for *hawk-i* in 2008.

Ms. Smith reported that the Department has withheld \$1,000 from the March invoice from MAXIMUS for failure to meet a contract performance measure. The January 2009 *hawk-i* call center activity report showed that 89 percent of the calls were answered in less than 60 seconds. The performance measure calls for 95 percent of calls to be answered within 60 seconds.

Ms. Smith asked Jeremy Morgan, Iowa project director for MAXIMUS, to update the Board on recent improvements he has implemented.

Mr. Morgan told the Board that he has focused on customer service. One of the biggest problems had been that callers were placed on hold for periods of time or had to call multiple times during the course of a day or week. This has been addressed by fully staffing and training the customer service area. As a result, each day in April they have met or exceeded the performance measure. Currently, an average of 98 percent of the calls are being answered in 60 seconds or less.

Anita Smith reported on SCHIP news from other states. With the passage of the American Recovery and Reinvestment Act (ARRA)(aka stimulus bill) and the reauthorization of CHIP, many states are expanding their CHIP programs.

Kansas - The legislature has tentatively approved funding to expand their Healthwave program to 250 percent of the federal poverty level (FPL).

Kentucky -The legislature is considering expanding their CHIP program to 300 percent of FPL and may be eliminating the five-year bar on legal permanent resident aliens.

Missouri – A proposal to increase their program to 300 percent of FPL and capping premiums was rejected by the Missouri House of Representatives. The governor had proposed eliminating premiums for families below 225 percent of FPL and capping premiums at \$50 per month for families from 225 – 300 percent. The reason given for the failure was that it was a violation of budget protocol. “Supplemental budget bills are intended to pay for additional, unforeseen costs of ongoing programs – not new programs or expansions.”

Montana – Last November, 70 percent of Montana’s voters approved expanding their Healthy Montana Kids program from 175 to 250 percent of FPL. The change was scheduled to be implemented October 1, 2009. However, the Montana Senate may roll back the thresholds to 200 percent because of budget constraints. It is not known if the Montana House will support the change.

Arkansas – Increased the state cigarette tax by 56 cents per pack to fund health care programs. These funds will be used to expand ARKids from 200 to 250 percent of FPL. They anticipate an additional 8,000 children will qualify for coverage under the expansion. They also estimate that an additional 20,000 that are already eligible could be enrolled due to the publicity generated by the expansion.

New Hampshire – Legislation is being considered that would expand coverage to children between ages 19 and 26. The bill would allow those that are 25 and younger to buy into the program if they cannot be covered under their parent’s plan and their income is below 400 percent of FPL. There is a three-month waiting period before they could enroll. The state is also considering increasing monthly premiums under their Healthy Kids program from \$25 to \$32 for the lower income families and \$45 to \$54 for the higher income families.

Ohio – It is estimated that nearly 98,000 will be eligible when they expand their CHIP program to 300 percent of FPL on July 1. It is estimated that 80 percent of those children are eligible under current guidelines, but not enrolled.

Oregon – The governor has proposed a controversial bill that would impose a 4 percent tax on revenues of the state’s largest hospitals and a 1.5 percent premium tax for the state’s largest insurers to fund coverage of an additional 80,000 and 75,000 adults through the Oregon Health Plan.

South Carolina – Will be stepping up their outreach efforts to insure approximately 70,000 more children under CHIP. Some legislators have expressed disappointment that the department of health and human services hasn’t done a better job in getting them signed up and plan to personally distribute flyers to schools. The state’s small business chamber of commerce has agreed to assist with distribution of about 650,000 flyers.

Utah – An estimated 70 percent of the legal permanent resident alien children in Utah are uninsured so legislators have introduced a bill that would adopt the provisions of CHIPRA to eliminate the five-year bar. The bill has passed both the Utah House and Senate.

Washington – In 2007 legislation was passed to increase the income limits to 300 percent of FPL. Now legislation is being considered that would allow families to buy into their CHIP program at full cost for those with incomes over 300 percent of FPL. The Republicans are resisting due to crowd out issues and having government run health care.

Ms. Smith referenced reports that were included in the Board packets that cover anticipated CHIP allotments under CHIPRA, CHIPRA 101, and a Government Accounting Office report on crowd out.

ADMINISTRATOR'S REPORT:

Enrollment and Statistics:

Ms. Smith reported that there has been a large increase in Medicaid enrollment. In March, Medicaid increased by over 5,000 people, and 3,462 (65 percent) were children. To determine if this is a historical trend, March enrollment was reviewed for previous years.

March, 2009	5,302 increase
March, 2008	3,695 increase
March, 2007	179 decrease
March 2006	254 increase
March 2005	449 increase

Total CHIP enrollment in March was 38,646; 18,247 enrolled in Medicaid expansion and 20,399 in ***hawk-i***.

Ms. Smith said that in July 2008 ***hawk-i*** experienced an all-time high enrollment of 22,459. The number of enrollees slowly decreased each subsequent month until recently. Ms. Smith said that she believes two factors are involved in the shifting enrollment; one being the economy, and the other some of the improvements Mr. Morgan has implemented at MAXIMUS.

Projections had estimated that at this point in time 12,921 kids would be enrolled in the Medicaid Expansion (funded with Title 21). That projection has been exceeded with 13,434 enrolled. The projection for those funded with Title 19 (they have other health insurance) was 5,447, but 5,673 are enrolled. Projections estimated that 22,732 kids would be enrolled in ***hawk-i*** but actual enrollment is 20,399. This number is expected to increase by approximately 400 when the retro adds are processed.

Dr. Spencer asked if Ms. Smith could discuss how Iowa will address crowd out. Ms. Smith said that no decisions have been made as to how it will be addressed, but when the ***hawk-i*** program began there was a six-month waiting period for people that lost insurance coverage. Trying to track how many months the child was uninsured and the reason they lost coverage was administratively burdensome. The way the legislation was written at the time was that if someone was fired from a job, their child could get ***hawk-i***, but if they quit their job to go to a better job that didn't have insurance coverage, there was a six-month wait. There was an exception if the cost of coverage was over 5 percent of family income. For the majority of the families, coverage was over 5 percent. The Board discussed it, and the legislation was changed to eliminate the six-month wait with the understanding the Department was to monitor it.

SFY '09 Budget Update:

The total SFY '09 budget is \$25,435,372. Expenditures for the year were projected to be \$21.4 million. To date, total expenditures are \$14.3. Interest earned from the *hawk-i* trust fund totals \$239,283. Ms. Smith said that the CHIP budget has been able to absorb the budget cuts ordered by the Governor earlier this year.

The appropriations subcommittee cut the SFY '10 budget by 4.8 percent, which is in addition to the 6.5 percent cut made previously. This cut does not include Medicaid stimulus dollars. The Department has not seen the SFY '10 appropriation bill, but estimates are that as many as 250 field staff and 30 central office staff will have to be laid off.

Since the Department does not know at this time what the SFY '10 budget will be, letters were sent to the *hawk-i* health plans informing them that there is a possibility that premium rates may have to be frozen at the current rate for next year.

Angela Burke Boston joined the meeting via telephone conference call. There is now a quorum.

Ms. Smith said due to the uncertainty of the *hawk-i* budget for SFY '10 it would be difficult for the Board to consider capitation rates and contracts at this time and a special Board meeting would probably have to be called in May to discuss these issues. It has been suggested that the Board regularly schedule a meeting for May each year because of contract approvals and administrative rules that need to be in effect by July 1 each year after the Legislature adjourns. The Board agreed with this plan.

APPROVAL OF FEBRUARY 16, 2009, MINUTES:

Selden Spencer made a motion to approve the February 16, 2009, minutes as written. Julie McMahon seconded the motion. Unanimous approval was made by Angela Burke Boston, Selden Spencer, Jim Donoghue, Julie McMahon, and Susan Salter.

ADMINISTRATIVE RULE AMENDMENTS FOR ADOPTION:

Mike Baldwin told the Board that the administrative rule amendments they approved to be filed as Notice of Intended Action in February, are being presented for adoption.

The amendments will increase the *hawk-i* income limits from 200 percent to 300 percent of FPL and implement increased monthly cost sharing for children with gross family income between 250 and 300 percent of FPL (\$20 per month per child up to a maximum of \$40 per family).

No public comments were received to the Notice of Intended Action. However, the Department felt that the language in Item 4, amending subrules 86.8(1) and 86.8(2) needed to be clarified. Ms. Smith said that the Department had intended to apply a 20 percent income disregard as has been the case with the current coverage up to 200 percent of FPL. The Department then learned that it was not the legislative intent to

allow earned income disregards to the expanded group. To determine *hawk-i* eligibility, workers will examine the family's gross income. If it exceeds 300 percent of FPL, they are not eligible. If their gross income is under 300 percent, then a 20 percent earned income disregard will be applied to see what their premium will be, if any.

Selden Spencer made a motion to approve the administrative rules for adoption, including the changes on the errata sheet. Angela Burke Boston seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Angela Burke Boston, aye; Jim Donoghue, aye. Motion carried.

BOARD BYLAWS AND ADMINISTRATIVE RULES:

Over the past year the Board has had discussions about the roles of the Clinical Advisory and Children with Special Health Care Needs Committees. At one time it was suggested that the Board describe in their bylaws who should serve on the committees, for how long, and their role. It was then suggested that maybe this should be accomplished through the administrative rules process. The Board asked Diane Stahle, counsel for the Board from the Attorney General's Office, if she could discuss the options with them.

Ms. Stahle said that both the Clinical Advisory and Children With Special Health Care Needs Committees are set out in the enabling statute. The statute says that the Board is to establish the Clinical Advisory Committee and consult with them regarding clinical aspects of the *hawk-i* program. There is nothing in the statute that says how often the Board needs to consult with them, or any specific topics they need to consult with them about, so the Committee's function would be at the Board's discretion. The Board is to establish the Children With Special Health Care Needs Committee and other than consult with that Committee, the Committee is to make recommendations to the Board on certain topic areas and to the General Assembly by January 1 annually.

Ms. Stahle suggested that who is on a committee, what to do when there is a vacancy, and how to decide who to appoint to a committee could be structured into the Board's bylaws. Ms. Stahle said that she does understand that the Attorney General's Office has advised other agencies when setting up a committee structure to do it in administrative rules rather than bylaws, but there is nothing that mandates that it be done that way. The practical significance to the *hawk-i* Board is that if the structure is put in administrative rules, it does have the force and effect of law, it is binding, and it must go through the administrative rules process, public comment, and before the administrative rules committee. Bylaws don't have that force and effect and the Board itself is able to change the bylaws and adapt quicker. It is up to the *hawk-i* Board as to how they would like to handle it.

If the Board feels that one or both of the Committees no longer serve their purpose, or their duties should change to some extent, then that will have to be done through the legislative process.

Ms. Ruggle said that initially the Children With Special Health Care Needs Committee was very active and did make recommendations to the General Assembly. However,

there was never any additional funding appropriated for these changes and the Committee became inactive. Ms. Smith said that many of the issues identified by the Committee dealt with mental health. Under CHIPRA, participating health plans are required to have mental health parity, so some of the recommendations that were made by the Committee may be addressed.

Dr. Spencer stated he believes the Board still needs a Clinical Advisory Committee. He likes the idea of laying out the duties and membership of the Committee and having that kind of guidance from pediatricians and other health care professionals. He believes that just one committee would be necessary because the Clinical Advisory Committee would include special needs.

Ms. Smith commented that CHIPRA also contains some additional legislative language about performance measures related to services, so a Clinical Advisory Committee would be helpful in identifying those.

Ms. Smith said time would be set aside on the June agenda for a Board discussion and decision on the Clinical Advisory Committee and how that Committee can best serve them. They can then compare it to current legislation to see if legislative changes need to be sought.

Ms. Boston asked if other state CHIP programs have similar committees or what other states do to monitor or study these same issues. Ms. Smith responded that it is doubtful that other states have similar committees, but that the Department could poll states to find out.

Angela Burke Boston disconnected from the meeting at this time. There is no longer a quorum.

Dr. Spencer said that for him, this is the most exciting aspect of the Board. It is one thing to administer insurance properly and the Board is doing that. However, the Board, through the Clinical Advisory Committee, can be a vehicle for improving the health of children.

Ms. Stahle suggested that the Board first decide what they want the committee or committees to do, their structure, and how they should serve the Board. Once that is decided, it can be determined if legislative changes are necessary, whether the decision should be included in the administrative rules, or made a part of the bylaws.

Ms. McMahon asked if the current statute actually calls for two separate committees. Ms. Smith said she believes it does. Originally the Special Health Care Needs committee was for the first year of the program and they were to provide a report to the General Assembly to see if the health needs of special children were being met and how they thought the program could be improved. The Board decided at that time that it should be an ongoing committee.

Ms. McMahon said she agrees with Dr. Spencer that the special health care needs portion could be a part of the Clinical Advisory Committee.

Jim Donoghue said it might be helpful to the Board if they knew a little more about the quality measures in CHIPRA before they have the discussion about the Clinical Advisory Committee and what they Board would like them to do.

At the June meeting the Board can review the CHIPRA requirements, review information from other states to see what they have as far as clinical expertise to advise their programs, and put together an outline for the basic responsibilities of the committee. Also, determine if members of the current Committee would like to talk to the Board about their role and what direction they need from the Board or Department.

ADMINISTRATOR'S REPORT (continued):

State Legislative Update:

Senate File 389, which is the major health care bill being considered this legislative session, was amended and passed by the House. The bill, as amended:

- Requires dependent insurance status designation on tax forms. It will be a mandatory field and taxpayers will have to state whether their dependents have health insurance. If they don't, the Department of Revenue would mail them an application and it mandates taxpayers to apply within 90 days. What is not clear is how it will be tracked, enforced, or what penalties would apply.
- Expands coverage to pregnant women to 300% of FPL.
- Includes an employer buy-in program for the *hawk-i* program so that the employee would be reimbursed for their cost of premiums for employer health insurance. In a report to the Legislature, the Department recommended that if this is done it be done through a waiver because the provisions in the federal legislation are very cumbersome. No state that has implemented an employer buy-in program has done it under legislation, they all have waivers.
- Authorizes the Department, with approval of the Board, to implement a dental only program.
- Requires a single application form and verification procedures and also a single renewal and verification form for both *hawk-i* and Medicaid. Also paperless renewals.
- Presumptive eligibility for *hawk-i* and Medicaid implementation by January 1, 2010.
- 1 pay stub verification.
- Mandates express lane eligibility.
- Mandates implementation provisions necessary to get CHIPRA bonus payments and demonstration grants, and for outreach.
- Increases eligibility to 300% of FPL.

Thus far, none of the bills have included any funding or increased FTE's.

MAXIMUS Update:

Ms. Smith told the Board that she has had very positive feedback since Mr. Morgan took over as the project director at MAXIMUS. She asked Mr. Morgan to talk about some of the things that he is doing at MAXIMUS.

Mr. Morgan said he reviewed three areas: incoming calls (discussed earlier), application processing, and training.

Applications are to be processed within ten days, and it appeared as if most were being processed right at the deadline. Mr. Morgan shortened the requirement to seven business days. One of the processing problems identified is that oftentimes applications are missing information so letters requesting the information are sent. Mr. Morgan decided that they would begin asking for this information by telephone, and then follow that call up with a letter. Mr. Morgan has also put an emphasis on training for his staff. Training sessions on specific topics are scheduled twice a month and conducted by DHS *hawk-i* staff.

Ms. Smith added that Mr. Morgan and his staff have implemented an electronic process to refer cases to the on-site Medicaid workers. The Department is also working with MAXIMUS to implement monthly billings for premiums. Currently families are issued 12 payment coupons upon enrollment and they must remember to mail them in with their premium each month. Also they are moving closer to having the ability to accept credit card and automatic bank withdrawal payments.

CONTRACTS AND CONTRACT AMENDMENTS FOR APPROVAL:

Ms. Ruggle said that she did not have any contracts or contract amendments for consideration by the Board. The Legislature has not taken any action on the Department's budget bill, and until that is known, they cannot finalize the contracts.

Wellmark's Health Plan of Iowa (WHPI)(managed care) will be expanding into an additional eight counties in Northwest Iowa on July 1. They are close to expanding into another six counties. When those 14 counties go to WHPI, only two counties will remain Classic Blue.

Ms. Ruggle said that the Attorney General's Office has changed the way the State does contract amendments. If the contract has provided for extensions and amounts, then an amendment isn't necessary, the agency can just write a letter to the contractor indicating they are extending the contract. The Department has followed this process with the contract with the Iowa Foundation for Medical Care and is in the process of extending the contract with the Iowa Department of Public Health.

The Board will have three new Wellmark contracts to consider in May: Classic Blue, WHPI, and Blue Dental. *hawk-i* enrollees, no matter their county of residence, will have a choice of dental provider, either Delta Dental or Blue Dental.

DELTA DENTAL EXPERIENCE WITH *hawk-i* ENROLLEES:

Diane Schroeder, Delta Dental, shared their “Dental Plan Management Report for *hawk-i* enrollees” with the Board. The report covers the period March 2008 through February 2009.

Highlights:

- 53.5% of claims paid were in the preventive and diagnostic procedure categories.
- Average claim payment was \$128.48. Previous year’s average was \$123.75.
- Average number of claims filed annually was 1.66 per subscriber, the same as the previous year.
- Average age was 10.8.
- 99.9% of the procedures were performed by Delta’s network dentists.
- Savings due to cost management tools were 16% of billed charges.
- 5,236 used the plan, representing 83.5% of all members. Previous year was 6,436, or 85.4%.
- 1.5% met or exceeded their annual maximum benefit (6 members).

Ms. Schroeder told the Board that the results of this report are exactly what they like to see. It shows that the benefit is working the way that it should, there are no financial barriers to seek services. There were 5,253 *hawk-i* enrollees in Delta Dental’s plan in February 2009, compared to 9,044 in March 2007.

Ms. Schroeder said that for every dollar spent in diagnostic and preventive services, \$4 is offset on the high cost of restoring. To have 83.5 percent of members using the benefit is a very good result, in some commercial plans utilization is as low as 44 to 45 percent. Another difference is that services in the *hawk-i* program are paid at 100 percent, and that is not the industry norm.

Delta sends preventive postcards twice a year to remind enrollees it’s time for a check-up. In addition to that, six and twelve year olds get a card that says “don’t forget to check with your dentist about sealant applications”.

PUBLIC COMMENT:

There were no requests for public comment.

NEW BUSINESS:

There was no new business.

The next regular *hawk-i* Board meeting is scheduled for Monday, June 15, 2009, at 12:30 p.m. at the Hoover State Office Building, 1st Floor Conference Rooms, E 13th and Walnut, Des Moines, Iowa.