



Susan Salter, Julie McMahon, and Jim Donoghue approved the minutes. Joe Hutter abstained as he stated he had not received the minutes in time to review them. Ms. Ruggle apologized and stated that a paper copy would be mailed to him in the future since he does not want to receive them by email.

### **CORRESPONDENCE, REPORTS & OTHER STATE NEWS**

Ms. Smith shared the following information with the Board:

- The Centers for Medicare and Medicaid Services (CMS) issued a State Health Official (SHO) letter on February 14, 2011. This SHO letter provided guidance on the implementation of the quality reporting measures required in CHIPRA and the requirement that the Secretary of HHS identify an initial core set of recommendations for pediatric quality measures. A standard set of measures will be established to compare states results for evaluation. Shellie Goldman from *hawk-i* and Sally Nadolsky from Medicaid are working together to determine what standards Iowa will use.
- On March 1, 2011, the Department responded to Larry Carl regarding Mr. Carl's request to mandate that Delta Dental create a *hawk-i* dental only network for dentists. This would allow dentists to participate in *hawk-i* without participating in any other business with Delta Dental. The Department declined to consider this suggestion because the provider network development is the responsibility and business decision of the plan. As long as their adequate access in the network, the Department would not interfere with their business decisions. Mr. Hutter wanted to know why the Board members had not seen the letter until the Board meeting. He stated that he thought this type of information should be received more timely.
- On March 10, 2011, the Department received formal approval on the state plan amendment for presumptive eligibility for children. This amendment helped the Department qualify to receive the CHIPRA performance bonus of \$6.9 million dollars.

On April 4, 2011, another SHO letter was received regarding the Affordable Care Act and clarifying provisions that allow children of state employees to qualify for coverage under a state's CHIP program. Ms. Smith stated that she does not believe the Department currently has legislative authority to implement these provisions.

### **ADMINISTRATOR'S REPORT**

#### ***Enrollment Update***

Ms. Smith reported continued steady growth in *hawk-i* and the Medicaid Expansion component of CHIP. The current total CHIP enrollment for March shows a 14.4% increase over last year. The dental-only component shows a current enrollment of 3,239.

#### ***SFY 2011 Budget Update***

Ms. Smith reviewed the year-to-date expenditure report provided by the Department's Fiscal Bureau. March expenditures:

Budget category	Projected	Actual	% Spent
Medicaid Expansion	\$8.5 million	\$5.1 million	60%
<b>hawk-i</b> Premiums	\$23 million	\$14.2 million	62%
Supplemental dental	\$712,000	\$200,000	27.5%
Processing Medicaid Claims and AG fees	\$450,000	\$353,000	78%
Outreach	\$385,000	\$189,000	49%
Administration	\$1.4 million	\$673,000	46%

The **hawk-i** trust fund has earned \$45,000 in interest to-date. Based on expenditures to-date, there is no concern about a budget short-fall for this year.

#### ***Follow-up from Last Board Meeting***

Per Mr. Hutter's request from the previous Board meeting, Anna Ruggle reviewed reports on number of applications received per county, the number of enrollees per county and the "How you heard about **hawk-i**" report. Mr. Hutter asked how the "How you heard about **hawk-i**" is used. Ms. Smith explained that this information is used to identify the most effective methods by which applicants hear about the program and that outreach coordinators use the information to see if there are spikes in applications following targeted outreach activities. Melissa Ellis, State Outreach Coordinator, also clarified for Mr. Hutter that this data is used by the outreach coordinators to develop their outreach plan.

#### ***FQHC and RHC Payments***

Ms. Smith reported to the Board on the progress of getting clarification from CMS regarding the implementation of prospective payments for Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs). Federal CHIPRA legislation requires states to follow Medicaid policy if the separate CHIP plans contract with FQHCs and RHCs to ensure that the FQHCs and RHCs get reimbursed at cost. The Department has been having discussions with CMS on the difficulty in applying these requirements to Iowa's hawk-I program because the **hawk-i** program utilizes completely separate provider networks from the Medicaid program. Implementing these provisions will be very burdensome for the Department and the health plans. CMS is reviewing information provided by the Department but no formal guidance has received to-date.

#### ***PERM - Payment Error Rate Measurement***

Federal law requires that every state is reviewed every three years for an evaluation of the accuracy of determining eligibility and claims payment for both Medicaid and CHIP. Iowa was reviewed in 2008 and is again being reviewed this year. The PERM review period ends September 30, 2011. Although a contractor does the review, state resources are required to pull data and respond to findings and questions raised by the reviewers. Due to delays with CMS and their contract with a vendor to do the review,

there is a shorter timeframe to complete the review which will result in more pressure on state resources.

### **Legislative Update**

- **HSB 238 Marketing**

This study bill establishes a state taskforce to study and review state advertising and marketing purchases and develop a plan for collaboration among state agencies. All state agencies would be required to adopt the rules and adopt the implementation plan as approved by the taskforce. If passed, it is not clear how this will affect the Department's marketing efforts for the *hawk-i* program.

- **House Appropriation Bill**

The House version of the Department's appropriation bill does not include any funding for outreach activities for the *hawk-i* program. If passed, there would be no money to fund the IDPH outreach contract or for printing of applications and brochures. The Department has requested at a minimum, that funding be restored to support the printing of brochures, envelopes and other materials needed for administration of the program.

### **CHIPRA Bonus**

Ms. Smith reported that the funding reductions associated with the agreement to fund the federal government for the remainder of this federal fiscal year included reducing the CHIPRA performance bonus funding pool by \$3.5 billion. This raised concerns that states would not be able to access the CHIPRA bonus funds in upcoming years. However, based on an evaluation conducted by Georgetown University, the CHIPRA bonus pool has more money than states would ever be able to use, so the bonuses are still available. Iowa expects to receive \$8.5 million in bonuses in 2012 and \$7.9 in 2013

### **SFY 12 Capitation Rates**

Ms. Smith reported that Wellmark has formally requested a 1.5% increase in the premium rate for the *hawk-i* program for SFY '12. In their request, they have reserved the right to revisit the rates depending on the final guidance provided by CMS regarding the prospective payments to FQHCs and RHCs as the impact on the health plans is unknown at this time. Delta Dental of Iowa has requested no rate increase for 2012. UnitedHealthcare has not yet submitted their 2012 rate request.

### **CHIPRA OUTREACH GRANT**

Melissa Ellis reported that IDPH applied to CMS for a CHIPRA eligibility and enrollment outreach grant. The application was submitted on April 15, 2011. The focus of the IDPH grant will be ensuring eligible teens, ages 13-18, are enrolled and covered. Proposed outreach activities will include working with athletes and coaches and using the curriculum about health insurance. The grant is scheduled to be awarded July 29, 2011.

### **PUBLIC COMMENT**

Lynn Tague of Wellmark suggested the Department consider an outreach effort to inform more people about the availability of the dental-only program. She suggested doing a special mailing to families of children on the income tax form who are reported

as having health insurance. She also stated that for the outreach grant, there is a huge population of teens that are not involved in athletics but who are involved in other activities such as music, dance, cheerleading and speech and drama. She recommended that if IDPH is awarded the outreach grant, they may want to look into drama, music organizations, etc. to reach more teens.

Ms. Tague also introduced Marcia Stark who will now be the contract person for Wellmark. Ms. Tague stated that she has been assigned other responsibilities at Wellmark but has enjoyed working on the hawk-I program for the past several years.

### **SPECIAL BOARD MEETING FOR MAY 2011**

Ms. Smith informed the Board that there will be a special meeting in May with only two topics on the agenda that will need Board action. The topics for discussion and Board action are consideration of the premium rate increases requested by the participating plans to be effective for July 1<sup>st</sup> and to vote on the recommendation of the evaluation committee on the bids submitted in response to the RFP for data analysis for the *hawk-i* program. Mr. Hutter made a motion to schedule the meeting at 12:30 pm on May 16, 2011. The motion was seconded by Julie McMahon and approved.

### **NEW BUSINESS**

Dr. Spencer commented that staff does a good job for the children in the state. Ms. Salter stated that philosophically, the Board has always taken the position of providing healthcare for as many kids as possible. She stated that staff has always been responsive to the needs of the Board and in helping members learn what they need to learn about the program.

Mr. Hutter asked why the premium is only \$20 and why is the maximum \$40? Ms. Smith stated that establishing the amount of premiums is a responsibility of the Board. At the start of the program, the Board established these premiums. There has never been any proposal to increase the premium. When the income limits were increased to 300% of FPL, several rates were proposed and the Board voted to charge a monthly premium of \$20 for one child and \$40 for two or more children at the higher income levels. At this point, the premium cannot be increased because of maintenance of effort provisions required by the Affordable Care Act. The maintenance of effort is in place until 2014, when the health exchanges become effective.

### **ADJOURN**

The meeting adjourned at 1:45 pm.

The next regular *hawk-i* Board meeting is scheduled for Monday, June 20, 2011, at 12:30 p.m. The meeting will be held at the Insurance Commission Office at 330 Maple in Des Moines, Iowa.

Respectfully Submitted by Anna Ruggle