

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

August 15, 2005

BOARD MEMBERS:

Susan Salter, Chair (via conference call)
Julie McMahon, Vice-Chair
Charlotte Burt (for Judy Jeffrey)
Angela Burke Boston (for Susan Voss)
Jim Yeast

LEGISLATIVE BOARD MEMBERS:

Senator Amanda Ragan (absent)
Senator James Seymour (absent)
Representative Gerald Jones (absent)
Representative Mary Mascher

John Baker
Wanda Wyatt-Hardwick

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Mike Baldwin

GUESTS:

Barbara Fox-Goldizen
Nancy Lind
Dee Bradley
Diane Schroeder
Kelly Schulte
Sarah Dixon
Lindsay Miller
Erin Paugh
Suzanne Heckenlaible
Tanya Diehn
Karen Sisson
Heidi Gooden
Diane Ellis
Beth Jones

AFFILIATION:

MAXIMUS
John Deere Health
Jefferson/Keokuk Outreach
Delta Dental
Dept. of Public Health – Covering Kids
Outlooks/SPPG
Dept. of Public Health – Covering Kids
Visiting Nurse Services – HCKC
March of Dimes
March of Dimes
Iowa Medical Society
Iowa Medical Society
Covering Kids
Dept. of Public Health

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, August 15, 2005, in the Levitt Room, Des Moines Botanical Center, 909 E. River Drive, Des Moines, Iowa. Julie McMahon, Vice-Chair, called the meeting to order at 12:35 p.m. A quorum was present.

WELCOME, INTRODUCTIONS:

Ms. McMahon asked the audience members to introduce themselves. Ms. McMahon informed the guests that there would be an opportunity for public comment later in the agenda.

APPROVAL OF MINUTES OF JUNE 20 AND JUNE 22, 2005, MEETINGS:

Jim Yeast pointed out an error in the June 20 minutes on page 11. The date for the December Board meeting should be December 19. The minutes incorrectly show the date as December 17.

John Baker made a motion to approve the June 20, 2005, with the correction noted. Angela Burke Boston seconded the motion. Unanimous approval was made by Susan Salter, John Baker, Jim Yeast, Charlotte Burt, Angela Burke Boston, and Julie McMahon.

John Baker noted that in June 22, 2005, minutes under "Contracts for Approval – Wellmark", the new rate of \$176.13 per member per month is reflected. Mr. Baker asked that the minutes for June 22, 2005, also reflect the per member per month rates for John Deere and Delta Dental.

Jim Yeast made a motion to approve the June 22, 2005, minutes with the changes noted. John Baker seconded the motion. Unanimous approval was made by Susan Salter, John Baker, Jim Yeast, Charlotte Burt, Angela Burke Boston, and Julie McMahon.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

The "Outcomes of Care for Children in *hawk-i* for 2003" report that Dr. Damiano discussed with the Board at an earlier meeting has been finalized and distributed to Board members.

According to a "This Week in Washington" article, the "Health Care for Young Adults Act for 2005" was introduced on June 22. If passed, this bill would allow states to cover children up to the age of 23 under both Medicaid and SCHIP.

An article appeared in the August 3, 2005, "Sioux City Journal" entitled "Many of Iowa's Uninsured Children Don't get Medical Attention". This article, and similar articles in newspapers throughout Iowa, appeared as a result of the Robert Wood Johnson Foundation report. The report said nearly 23% of uninsured Iowa children did not see a doctor in 2003 whereas 90% of those with health insurance did. It was noted that the article failed to mention that Iowa is one of the states with the lowest uninsured rate in the nation. It also cited some incorrect information. For example, the article indicated that the *hawk-i* program served children between the ages of 6 and 19 whose family is less than 133 percent of poverty. It was noted that Roger Munns, the Department's Communications Director, unsuccessfully tried to get the information corrected.

Anita Smith discussed SCHIP news from other states:

Indiana – “Indianapolis Star” article, “Insurance for Poor May Go Up”. Indiana is considering a proposal to double premiums in their SCHIP program. Dental costs were identified as a significant factor. Families currently pay up to \$24.75 and under the new rule will pay as much as \$50 per month.

Massachusetts –

“Boston Globe” article, “State Planning to Tighten Rules for Free Care”. Massachusetts has a free care program similar to IowaCare. They have proposed implementing co-payments so people don’t opt out of Medicaid. Apparently there are people who opt out of Medicaid because of co-payments in that program and then get free care.

“Boston Globe” article, “Romney Eyes Penalties for Those Lacking Insurance”. A bill is being considered so that Massachusetts residents who choose not to obtain health insurance would face penalties or garnishment of their wages. The state would recoup the cost of free care that is received through income tax withholding, wage garnishments, etc. There is widespread support for the bill, but no consensus on how to define “affordable” for families.

Maryland – “Washington Post” article, “Duncan Chides Ehrlich Over Cuts in Medicaid” and “Baltimore Sun” article, “Ehrlich Cuts Health Care for Children of Immigrants”. These articles discuss cuts in Maryland’s Medicaid program relative to legal immigrants. Maryland is proposing to cut funding to pregnant women and children who are legal immigrants. Maryland is one of the states that implemented the option of covering pregnant women under their SCHIP program.

Michigan – Lawmakers are looking for ways to fund their booming Medicaid program. Lawmakers are working on several proposals, including requiring profitable Michigan companies with more than 50 workers to repay the state for Medicaid benefits provided to their full-time employees; or requiring Medicaid recipients to pay premiums and higher co-pays.

Nation – A “Cover the Uninsured” news summary indicates the number of uninsured American children has “dropped steadily since the late 1990s”. The decrease in the number of uninsured children is attributed to SCHIP. The uninsured rate is at 7 million, down from 10 million when the SCHIP legislation was passed. The article stated that 70% of the children in the United States rely on public programs for health care coverage.

“Urban Institute” report “Ebbing and Flowing: Some Gains, Some Losses as SCHIP Responds to Third Year of Budget Pressure”. This report characterizes states in as being in a “holding pattern”. Overall, states have made fewer program cuts in 2004 than in 2003. States that had imposed enrollment caps in 2003 have done away with those in 2004. The inactivity in 2004 resulted in no improvement in outreach and in many states outreach has ceased completely. States like Texas that made changes to cut eligibility and benefits in 2003 did nothing to reverse those in 2004. Wisconsin

continues to have the highest premium in the nation. Texas is the only state whose income limits for 2004 were lower than in 2002. Florida, in spite of lifting the enrollment cap, has imposed open enrollment periods.

ADMINISTRATOR'S REPORT:

SFY 05 Budget Update:

Ms. Smith told the Board that the SFY 05 plus 30 days budget shows that 92.18% of projected expenditures have been spent.

Medicaid expenditures are at 77.9% of projections. *hawk-i* premiums ran slightly over projections due to higher enrollment. Fiscal agent costs of processing Medicaid claims are running at half of projections, but many claims are still coming in. Outreach expenditures are at 66.51% of the projection with one large claim that is still in the processing cycle. Administrative costs are on target. Interest earned from the *hawk-i* trust fund totals \$104,782.

FY 06 Budget

Ms. Smith told the Board that the SFY 06 appropriation is \$16,568,275, compared to \$12,118,275 in SFY 05. The increased amount is due to the amount of dollars available in the *hawk-i* trust fund being significantly lower in SFY 06. Projections are that approximately \$1.1 million will be to be carried over in the trust fund for SFY 06, compared to \$3,698,204 in SFY 05. Additional SFY 06 funding sources are \$200,000 from the tobacco trust fund and \$56,332 from the Wellmark grant, for a total state budget of \$17,936,047.

SFY 07 Budget

Ms. Smith told the Board that staff is in the process of developing the *hawk-i* budget for SFY 07. It is unclear at this time what the total amount of available federal funds will be for Iowa.

SFY 05 was the first year Iowa received any redistributed SCHIP funds. States have three years to spend their federal allotment and any unspent funds at the end of that time are reverted to a redistribution pool. Those funds are then redistributed among states that have spent their entire allotment. The 2002 allotment was the first allotment where Iowa spent the entire amount. Five states did not have enough funding for SFY 05, so a decision was made to make those five states whole before redistributing unspent 2002 funds to the rest of the states. Those five states received a considerable amount of money before the balance was redistributed. Because Iowa received redistributed 2002 dollars, that put less pressure on the need for federal funds for SFY 06. Fourteen states are estimated to run out of federal funds this year. While Iowa has enough funding to get through SFY 06, the amount of redistribution dollars available for 07 will be reduced.

Ms. Smith reported that there has been some discussion about Congress reauthorizing SCHIP early because of funding issues and states are cautiously optimistic that additional federal funds will be available. The *hawk-i* budget for SFY 07 is being prepared with the assumption there will be sufficient federal funds to match against the state appropriation. At this time, the need for SFY 07 is estimated to be approximately \$86.1 million (federal and state). Current estimates are that there will be \$37.1 million available in federal dollars. If additional federal funds are not available, it is estimated that \$41.2 million in state funds would be needed to fund the program at the current service level.

Enrollment and Statistics:

Ms. Smith reported that *hawk-i* enrollment continues to climb steadily. Enrollment for June 2005 was 31,160; higher than the projection of 30,845. Enrollment in Medicaid Expansion was 500 fewer than projected, but *hawk-i* enrollment exceeded projections by 877.

The “History of Participation of Children in Medicaid and *hawk-i*” chart shows that since the program started, over 100,000 kids have been added to those programs. This number is based on enrollment as of the beginning of July in each fiscal year. It does not include children who came on and off through the year.

CMS Site Visit – Final Report:

CMS issued their final report on July 10, 2005. Ms. Smith told the Board that it was one of the most favorable reports the state has ever received. There was one minor finding with the wording of a letter that is sent when children are eligible based on income but do not qualify because they currently have health insurance. CMS was concerned with the wording because they felt it may encourage families to drop existing coverage. The letter has been revised and CMS has approved the change. Otherwise the report indicates that Iowa is running the program according to the rules and regulations in an efficient and effective manner.

Update on Implementation of MAXIMUS Contract:

Ms. Smith updated the Board on implementation of several new requirements in the contract that went into effect July 1.

Welcome Calls - Every family of newly enrolled children will now receive a welcome call. These calls are not directed to renewals or reinstatements, but to families who are either new to the program or have not been covered by *hawk-i* for at least six months. Ms. Smith said that these calls have been well received. It was thought that the calls would only take a minute or two, but families are asking so many questions the calls are taking longer than anticipated. However, answering these questions now may prevent problems later.

Disenrollment Surveys - Any family that loses coverage because they didn't pay their premium or failed to return their renewal form will be sent a survey with three questions.

Of those that do not respond to the written survey, MAXIMUS will make five attempts to contact them by phone in order to determine the reason *hawk-i* coverage was dropped.

Angela Burke Boston asked if a postage-paid envelope would be provided with the survey. Ms. Smith responded yes, every piece of correspondence that requires a family to return information includes a business reply envelope.

On-line Renewals - Ms. Smith reminded the Board that a year ago in January on-line applications were implemented, followed shortly thereafter by the automated referral process. On July 1, on-line renewals were implemented. The renewal forms will be sent to the families asking them to complete and return. A PIN number will be included so the family can access the renewal on-line to complete. Ms. Smith said that over 50 percent of *hawk-i* applications now arrive electronically.

Renewal Reminder Postcards - A week before the renewal forms are mailed, the family receives a reminder postcard asking them to start gathering their payroll information to facilitate the renewal process.

Computer System - The bid by MAXIMUS included an entirely new computer system, which is an oracle-based system. This is a paperless system and all correspondence will be imaged when it comes in. The new system will have many more efficiencies, more tracking capability, and be less labor-intensive for their staff. The system is to be implemented October 15.

ANNUAL REPORT FORMAT:

Ms. Smith told the Board that Shellie Goldman will begin work on the Board's 2005 annual report to the Governor and General Assembly. The Board was asked to review last year's report and let Ms. Goldman know if they would like to keep the same format or have any other suggestions for changes. Ms. Smith said a draft report will be given to them at the October meeting so it can be finalized for the Board's approval in December.

ADMINISTRATIVE RULES FOR NOTICE:

Mike Baldwin discussed the proposed amendments to the administrative rules. The amendments are being made to reflect changes in technology that have already been implemented, align and clarify *hawk-i* rules with corresponding Medicaid rules, and add language to allow the matching of health insurance data with the *hawk-i* enrollment file.

Jim Yeast made a motion to approve the Notice of Intended Action. John Baker seconded the motion. Unanimous approval was made by Susan Salter, John Baker, Jim Yeast, Charlotte Burt, Angela Burke Boston, Wanda Wyatt Hardwick and Julie McMahon.

COVERAGE OF PKU:

Susan Salter told the Board that the PKU issue was brought to her attention by the March of Dimes. Ms. Salter said she believes the Board should have a discussion relating to PKU and asked to have this item placed on the agenda. PKU is identified through a newborn's metabolic screening. It is a rare disease that, if treated, the child will be healthy. If not treated, the child becomes mentally retarded. A special formula that costs \$38.50 per can is required to treat the condition. Ms. Salter said coverage of this formula is not covered by the *hawk-i* program. Ms. Salter stated that while the number of children affected is very small, it is critical that affected children have the formula available to them. She asked the Board to identify barriers and try to resolve them.

Ms. Smith asked Suzann Hecklaible and Tanya Diehn from the March of Dimes to attend this meeting and to present their issues. Ms. Smith said that it was her understanding that the formula was covered under Medicaid. Ms. Diehn responded that it is identified as a covered service in the oral supplements section of the Medicaid administrative rules. Ms. Diehn stated that they have not received any funding for the claims submitted in FY 04 or 05 for their Medicaid patients even though rules state that the formula is covered. Ms. Diehn said she believes progress has recently been made on getting that funding.

Representative Mascher asked Ms. Diehn if she knew why these payments weren't being made. Ms. Diehn responded that multiple reasons have been cited, including a change in one of the contractors that handles the payments. The clinic has done everything they were suppose to do in getting the paperwork submitted, including making sure the patients were eligible.

Ms. Smith asked how long a child needs to use the supplement. Ms. Diehn responded that originally it was felt that dietary treatment was needed up to 8 years of age. However, in 2000 the National Institute of Health made the statement that metabolic control is essential for all patients and that the medical treatment is required for life to preserve cognitive and behavioral functions.

John Baker asked the approximate length of time a can of formula lasts. Ms. Diehn said that it depends on the child's age and size. Each patient has his or her own metabolic program, which is monitored on a monthly basis.

Jim Yeast asked if this condition would qualify for Social Security Disability. Ms. Diehn said that she had looked into the possibility of the children being eligible for a mental handicap waiver. Only if there is no treatment and the child becomes severely mentally retarded would they qualify. However, as long as they are taking their medical treatment they do very, very well. An additional concern is for females during their reproductive years. They must be in metabolic control or there is 100% chance of having a child with birth defects such as a heart defect or mental retardation. PKU is not inherited.

Representative Mascher indicated the legislature has been working on this issue for many years. Funding has been given to the University of Iowa for their patients. Ms. Diehn said that the \$20,000 appropriation is used for formula for patients in need. A small portion of the newborn metabolic screening fee is also used for patients in need. The \$160,000 that the legislature appropriated last year was earmarked specifically for low protein foods. Ms. Diehn said that those funds will be of immense help because the funding is not based on need and can be used to help anyone. Ms. Diehn indicated that if there could be **hawk-i** coverage for this condition it would be one more step towards a complete solution for these families.

Ms. Smith asked how many children with PKU are currently enrolled in **hawk-i**. Ms. Diehn responded that she is aware of three. Ms. Diehn said the March of Dimes feels it is low-cost to cover the formula, it may be up to \$8,000 per year for each child. If a child does not receive the formula, then the mental retardation that could result is much more costly to insurers and society.

Representative Mascher asked if these three children are getting help through the University of Iowa's program. Ms. Diehn said that they will not be turned down, however, the \$20,000 does not cover everyone in need so the March of Dimes staff continues to try to get insurance coverage.

Ms. Smith asked for clarification from John Deere. Nancy Lind from John Deere Health responded that under their plan the formula is not a covered benefit because it is considered a nutritional supplement. Employers can choose to have coverage written into their plan, but premiums are increased.

Ms. Smith reminded the Board that current legislation does not allow the **hawk-i** Program to pay for just this service. The intent of the legislation was to run the **hawk-i** program, to the greatest extent possible, as commercial health insurance coverage. There is authorization to pay premiums to the health plans, but there is no mechanism to pay for an individual service. If this additional benefit is something that the Board would like to have covered under **hawk-i**, there would need to be legislation authorizing it. There would need to be a mechanism in place to pay for coverage, either reflected in the premiums or having the health plans pay for this and then bill the state in addition to the premiums. The other scenario is to leave it as is and not pay.

Ms. Ruggle indicated that Wellmark's plan for **hawk-i** enrollees does cover PKU formula. Ms. Smith said that there is a provision in the administrative rules that if a family needs a service that they would be allowed to enroll in a health plan outside of their area. Maybe the answer for those **hawk-i** children would be to enroll them in Wellmark rather than John Deere if John Deere does not cover it.

Ms. Smith asked Ms. Ruggle to confirm this with Wellmark. Ms. Diehn should let Ms. Ruggle know who the affected families are so she can work with MAXIMUS to get these families covered through Wellmark, if possible.

PUBLIC COMMENT:

No public comment was received.

OUTREACH:

Erin Paugh, Visiting Nurse Services in Des Moines, was asked to tell the Board about recent outreach efforts.

Ms. Paugh showed a video designed to educate teens about health insurance information. A media class of Des Moines high school students scripted and produced this video. The video and accompanying handout discuss what health insurance is, the costs, available options, and provides a glossary of terms. The video is being distributed to outreach coordinators throughout the state.

A back-to-school event was held recently in Des Moines with approximately 1,800 attending. Medical services provided included immunizations, physicals, dental screenings, and blood screenings. Door prizes were awarded to 1,000 people and 1,200 backpacks with school supplies and medical information were given away.

Angie Doyle Scar reported that *hawk-i* brochures would be available at both the Iowa Department of Public Health and Insurance Division booths at the Iowa State Fair.

Representative Mascher asked how many Iowa children do not have health insurance coverage. Ms. Smith said that the Department has not received updated data for a while, but it has been estimated at 32,000. Ms. Smith said she would get that information for the October meeting. Representative Mascher asked if it was a matter of parents not knowing about the program, or families not wanting “welfare”. Ms. Smith and Ms. McMahon both agreed that it is a combination of both. Ms. Smith said that each year when Public Health conducts their household survey and asks the question if they have heard of *hawk-i*, the number that respond they have has increased every year.

ELECTION OF OFFICERS FOR SFY 06:

Ms. McMahon reported that the nominating committee (Charlotte Burt, John Baker, and Julie McMahon) approached the current officers and asked if they were interesting in continuing to serve. The officers were willing so the nominating committee submitted their selection of Susan Salter as Chair and Julie McMahon as Vice-Chair.

Jim Yeast made a motion to approve the nominating committee’s selection of officers. Angela Burke Boston seconded the motion. Unanimous approval was made by Susan Salter, John Baker, Jim Yeast, Charlotte Burt, Angela Burke Boston, Wanda Wyatt Hardwick, and Julie McMahon.

NEW BUSINESS:

There was no new business to present before the Board.

The next regularly scheduled meeting is Monday, October 17, 2005, at 12:30 p.m. in the Oak Room, Des Moines Botanical Center in Des Moines.