

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

December 15, 2008

BOARD MEMBERS:

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

LEGISLATIVE BOARD MEMBERS:

Senator Amanda Ragan (absent)
Senator Dave Mulder (absent)
Representative Polly Granzow (absent)
Representative Ako Abdul-Samad (absent)

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Shellie Goldman
Mike Baldwin

GUESTS:

Jess Benson
Nancy Lind
Diane Schroeder
Michelle Lickteig
Lynn Tague
David Weieneth
Angie Doyle Scar
Jenny Hodges
Lindsay Miller

AFFILIATION:

Legislative Service Agency
AmeriChoice
Delta Dental of Iowa
Delta Dental of Iowa
Wellmark Blue Cross Blue Shield of Iowa
MAXIMUS
hawk-i Outreach Coordinator
Iowa Department of Public Health
Iowa Department of Public Health

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, December 15, 2008, in the Levitt Room, Des Moines Botanical Center, 909 Robert D. Ray Drive, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:35 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.

APPROVAL OF OCTOBER 20, 2008, MINUTES:

Selden Spencer made a motion to approve the October 20, 2008, minutes as written. Jim Donoghue seconded the motion. Unanimous approval was made by Angela Burke Boston, Selden Spencer, Jim Donoghue, Julie McMahon and Susan Salter.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

Anita Smith reported that \$5,000 was withheld from the monthly operations invoice for MAXIMUS for contract performance measure penalties during the months of August and September, 2008:

- \$1,000 was withheld for failure to answer 90 percent of telephone calls in less than 60 seconds during August. The call center activity report showed that 87 percent of the calls were answered in less than a minute.
- \$2,000 was withheld each month for failing to process at least 97 percent of all applications within 10 days. Only 95 percent of applications were processed within 10 days in both August and September.

The Department also notified MAXIMUS on December 2, 2008, that they would be withholding \$2,000 from the December operations invoice because MAXIMUS failed to meet the required processing timeframes in October. However, that penalty has since been rescinded because, upon direction from the Department, MAXIMUS purged pending applications into their system. This purge caused inflated data in the number of applications exceeding 60 days processing time and resulted in the October report indicating lower than required performance for the month.

Ms. Smith told the Board that there have been some problems with the 800 telephone number dropping calls. Representatives from the telephone company have been working on the problem. David Weieneth from MAXIMUS reported that the call center is still receiving 400 to 500 calls each day.

Ms. Smith announced that Wellmark Health Plan of Iowa ranks in the top third of America's best health plans in 2008. Wellmark ranked 52 out of 239 in a ranking by the National Committee for Quality Assurance (NCQA) and "U.S. News and World Report" magazine. This year's ranking was up from 2007 when Wellmark was 63 out of 224.

Anita Smith reported on SCHIP news from other states:

California – Is considering a freeze in their SCHIP program in order to prevent current enrollees from losing coverage. California's Healthy Families program has seen an influx of new clients resulting in a \$17.2 million deficit.

Colorado – In 2004 Colorado increased their state cigarette tax by 64 cents per pack to fund health care and education. Due to a significant decline in the number of smokers, they have experienced a decline in revenues needed to fund their program. The state currently has a reserve of \$91.4 million, but estimate that will be depleted by July 2012.

Connecticut – Two of the four health plans that provide coverage for the HUSKY program are dropping out because of their unwillingness to cooperate with the state's freedom of information laws. In the meantime, Connecticut has created a new program called Charter Oak, similar to Iowa Care, which will provide coverage to adults. Originally doctors and hospitals that participate with HUSKY were going to be required to participate in the Charter Oak program, but the state has since backed off of that plan. Two health plans are continuing to try to put together networks to handle the adult population.

Hawaii – Due to state budget shortfalls the Governor of Hawaii ended their Keiki Care program, the state's universal health care program for children. The increase in the number enrolled in Medicaid has affected the budget. Limited success of the Keiki Care program, combined with lack of federal matching funds, were the reasons for ending the program.

Iowa- A November 2008 Families USA report, "Left Behind", shows that Iowa is ranked second in the nation for the lowest uninsured rate for children of 5.2 percent. The national average is 11.2 percent. This rate is based on three-year census data from 2005 through 2007 and shows that Iowa has 38,000 uninsured children. The report states that 75 percent of uninsured kids in Iowa live in families where one parent works full-time year around, but the employer may not offer coverage, or what the employer offers is unaffordable. In 2007 the average out-of-pocket costs for family coverage in Iowa was \$2,210, equal to 8 percent of family income for a three-member household at 200 percent of the federal poverty level (FPL). Of the 38,000 uninsured, estimates are that 18,000 are eligible for *hawk-i* or Medicaid, 13,000 are between 200 and 400 percent of FPL, and 7,000 are over 400 percent.

Massachusetts – The state will begin imposing a penalty January 1 for residents who do not have health insurance that meets the state's minimum standard requirement. All insurance companies that do business in the state are required to provide their members with information about whether their plan meets the state standards. There is some concern that employers and insurers do not understand how to determine if minimum standard has been met. Under the state's universal health care law, most residents must have insurance or pay a tax penalty up to \$912 per year. It is believed that the 2009 penalty will be higher than \$912.

Nebraska – The state's physician association plans to have a bill introduced that would require residents older than 18 to have health insurance. The health reform package is modeled on Massachusetts' plan.

Wisconsin – Has received federal approval to expand BadgerCare Plus to childless adults up to 200 percent of FPL. Enrollees must complete a health assessment and receive a physical within one year of enrollment.

Other News:

A Kaiser Study found that 27.9 percent of uninsured children have at least one insured parent. According to the study, 25 percent of uninsured children with at least one insured parent are Hispanic; 40 percent live with a single parent, and the majority are low and middle income and are most likely to resident in the South or the West.

A “Wall Street Journal” article says that health insurers are expecting to gain new business due to policy changes that will likely be approved due to Democratic control in Washington. They expect expansion of federal programs that cover low-income children and adults, groups that insurers are increasingly contracted to administer through private Medicaid funds.

Senate Finance Committee Chair Max Baucus has unveiled a plan to overhaul the nation’s health care system. The plan requires employers of a certain size to provide health coverage tax credits to individuals who buy insurance in the individual market, a national insurance exchange where people could choose among plans across state lines, and it would expand Medicare to people between 55 and 64 and expand coverage to children up to 250 percent of FPL.

The State of New Jersey’s lawsuit against CMS and their August 17, 2007, directive was dropped. The judge said there is no reason to intervene at this time because the Bush Administration has not enforced the guidance.

States are asking the federal government for additional funding to address shortfalls in Medicaid and SCHIP. The states argue that it is necessary to bail out these programs because they are tied to the economy. Georgetown University estimates that approximately 4.1 million individuals have lost health care coverage in the past 12 months and have turned to publicly funded programs.

An article by Dr. Pete Damiano, Director of the University of Iowa’s Public Policy Center, appears in the “Medical Care” journal. The article compares dental utilization between Medicaid and SCHIP in Iowa. The article concludes that the children in the SCHIP dental plans, which have an open provider network and pay dentists full charges, were most likely to have had a dental visit sooner after enrollment than those in Medicaid.

ADMINISTRATOR’S REPORT:

Enrollment and Statistics:

Ms. Smith said that the Department expected to see an increase in enrollment for the period September through November because children were not being disenrolled for failure to pay or renew during the period of flooding. However, not only was there no increase, enrollment has dropped a bit. This could be due to continuous eligibility being

implemented in Medicaid. There were larger than usual disenrollments for failure to pay premiums after the grace period ended.

Total SCHIP enrollment for November was 38,087; 17,254 enrolled in Medicaid expansion and 20,833 in *hawk-i*.

SFY '09 Budget Update:

Expenditures for the year are projected to be \$21,443,716. To date, total expenditures total \$7,937,037. Interest earned from the *hawk-i* trust fund totals \$107,664.

Ms. Smith said that she has recently received several questions about the increasing expenditures for *hawk-i* administration. Federal law caps outreach at 10 percent. During the last two years, expenditures have reached 6 to 7 percent. Part of the increase is due to additional outreach. However, costs incurred due to the Payment Error Rate Measurement (PERM) mandate also contributed to the increase in administration. Expenses for PERM for SFY 08 totaled \$2.6 million.

HF 2539 Update:

The report that was due to the General Assembly on December 1, 2008, has been completed and is awaiting sign off by the Department. The report, "Maximizing Enrollment and Retention of Children in the Medicaid and *hawk-i* Programs" is based on the Health Care Summit that was held this fall. Recommendations were divided into three areas: Coverage; Applications and Eligibility Reviews/Renewals; and Administrative Enhancements.

Coverage:

- Implement presumptive eligibility for children in Medicaid
- Provide dental-only coverage for underinsured children
- Provide Medicaid for parents with income up to 100 percent of FPL
- Cover all kids including undocumented children
- Expand Medicaid for pregnant women to 300 percent of FPL
- Define Medicaid and *hawk-i* coverage as creditable coverage for portability into the individual market

Applications and Eligibility Reviews/Renewals:

- Implement single pay stub income verification
- Average three years income for self-employed families to establish eligibility
- Express lane eligibility – consider an application for free and reduced price meals as an application for Medicaid
- Improve renewal process:
 - Allow more time to renew Medicaid coverage
 - Implement small-scale testing with low-risk families for renewals
 - Implement telephonic renewal processes
 - Implement passive renewals

Administrative Enhancements:

- Improve and increase technology –
- Electronic processing of vital events
- Implement enhanced WORK NUMBER
- Data brokering systems – eFIND
- Customer portals

Federal Update:

A group of state SCHIP directors is working on recommendations for SCHIP reauthorization. It is believed that SCHIP will be reauthorized fairly quickly and will not be a part of the health care reform debate. Sources believe that the original CHIPRA legislation that was vetoed will most likely be the starting point and that Senator Baucus will attach it to an economic stimulus bill. It will most likely be a two-year reauthorization rather than a five-year. States have been warned not to ask for a lot of changes to that legislation because to do so would bog the bill down and decrease the chances of getting anything passed quickly.

***hawk-i* PREMIUMS FOR EXPANSION TO 300% OF FPL:**

House File 2539 directs the Department to expand eligibility for kids in ***hawk-i*** up to 300 percent of the FPL. The Board is to determine the amount of premiums that will be charged to families. Currently, premiums are charged to families with incomes between 150 and 200 percent of FPL at the rate of \$10 per child per month with a \$20 maximum family.

hawk-i staff gathered information from other states showing what their SCHIP program income limits are; the amount of premium charged, and the percent of family income that would go toward that premium. Some states have co-pays and other fees. At 300 percent of FPL a family of four with an income of \$63,600 would qualify for ***hawk-i***.

Ms. Smith said that there was discussion at the Iowa Choices Council meetings about having co-pays in addition to the premiums. Total cost sharing for the family cannot exceed more than 5 percent of the gross family income under federal SCHIP rules. That means that co-pays would have to be tracked for each family and that is administratively cumbersome. The other problem with co-pays is when families don't pay them, the provider will oftentimes refuse to see them until the unpaid bills are paid. Having co-pays also penalizes families with very sick kids. However, having co-pays could reduce the amount of premiums the state pays to the health plans each month.

Ms. Smith noted that studies indicate that when income levels are increased, about 80 percent of new applicants were actually eligible before and did not apply.

Dr. Spencer said the questions that arise about co-pays are very important and wondered if there was information available as to whether having co-pays is a disincentive to use the coverage. Dr. Spencer noted that in Colorado there is no co-pay

for preventive care, and he thinks that is a good idea in making sure that children are seen for preventive care as well as acute care.

Angela Burke Boston asked how many additional children are expected to be covered with the higher income limits. Ms. Smith responded 10,000; 9,000 through *hawk-i* and 1,000 infants through Medicaid expansion.

Angela Burke Boston made a motion to charge a premium of \$20 per child per month with a \$40 cap per family per month for families with income between 200 and 300 percent of FPL. Selden Spencer seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; and Jim Donoghue, aye.

PUBLIC COMMENT:

There were no requests for public comment.

2008 ANNUAL REPORT:

Shellie Goldman discussed the comments she received from the Board members on the draft of the Board's 2008 Annual Report. The changes have been incorporated into the report.

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

DELTA DENTAL EXPANSION:

Anna Ruggle told the Board that in addition to Delta Dental offering their dental plan statewide, Wellmark has also made the decision to offer their dental plan statewide. Effective July 1, 2009, enrollees in all 99 counties will have a choice of dental plans.

UPDATE ON MAXIMUS CONTRACT:

The new contract with MAXIMUS begins January 1, 2009. There are some changes under this contract and MAXIMUS is revising their letters to families to reflect those changes.

For example, waiving the first two months of the premium. In April, they will implement monthly premium billings rather than giving the family 12 payment coupons upon enrollment and expecting the family to remember to mail them each month. In April auto-dialers will be implemented for reminders. More detailed information will be furnished to MAXIMUS when Medicaid makes referrals. Staff is working with the bank to implement automatic withdrawals and credit card billings for premium payments.

MAXIMUS has also been able to negotiate with their current landlord and will not have to seek another location.

BOARD BYLAWS:

Last December the Board discussed the roles of the Clinical Advisory and Children with Special Health Care Needs Committees with Diane Stahle of the Attorney General's Office. Ms. Stahle suggested the Board update their bylaws to establish the framework for the committees: how many members are on the committee, who appoints members, how long the terms are, and their responsibilities. In addition, the current bylaws still reflect that the Board will meet at least ten times per year, even though that was changed to six by the General Assembly several years ago.

Ms. Salter asked if Ms. Stahle would be willing to draft the language for the bylaws. Ms. Salter said she is inclined to put more structure to the Clinical Advisory Committee, and if the Special Health Care Needs Committee is no longer needed, then the Iowa Code needs to be amended.

Ms. Smith said she believed the original legislation was to have the Special Needs Committee to report to the Board the first year whether the benefit package that had been selected for the program would meet the needs of special needs kids. After they completed their report, the Board asked that committee continue.

Ms. Salter said that it seems to make sense to her to give the Clinical Advisory Committee the discretion of creating a subcommittee or ad hoc committee on a special issue such as special needs children, asthma, et cetera, rather than addressing it in the bylaws or Iowa Code.

Jim Donoghue asked what the Board would ask members of the Clinical Advisory Committee to do. Would they review the benefit package, or is there utilization data that would interest them?

Anna Ruggle said the Iowa Foundation for Medical Care is contracted to do a focus study each year and the Clinical Advisory Committee has selected the topic in the past.

Dr. Spencer said the whole point of the *hawk-i* program is that something is being done to improve the health care of children in Iowa. He believes the role of the Clinical Advisory Committee would be to document this and be more involved in setting goals for outcomes. Dr. Spencer suggested the Clinical Advisory Committee be a structured group and they would meet once or twice a year to perform that task.

Ms. Salter asked if there were any guidelines of who should be asked to serve on the Clinical Advisory Committee, how were the original members selected? Ms. Smith responded that professional provider organizations such as the Iowa Medical Society, Pharmacy Association, and Family Physicians were asked to make recommendations to the Board.

Ms. Smith said she would have staff draft additional language for the Board's bylaws and bring a copy of Iowa Code Section 514I to the next Board meeting.

NEW BUSINESS:

There was no new business.

The next regular *hawk-i* Board meeting is scheduled for Monday, February 16, 2009, at 12:30 p.m. at the Hoover State Office Building, 1st Floor Conference Rooms, E 13th and Walnut, Des Moines, Iowa.