

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

February 15, 2010

**BOARD MEMBERS:**

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

**LEGISLATIVE BOARD MEMBERS:**

Senator Amanda Ragan (absent)  
Senator David Hartsuch (absent)  
Representative Linda Upmeyer (absent)  
Representative Eric Palmer (absent)

\* Participated via telephone conference call

**DEPARTMENT OF HUMAN SERVICES:**

Anita Smith  
Mike Baldwin  
Anna Ruggle

**GUESTS:**

Melissa Ellis  
Lynn Tague  
Jeremy Morgan  
Andrew Berg  
Tracy Smith  
Carrie Fitzgerald  
Kristine Klauer  
Nancy Lind  
Diane Schroeder  
Suzanne Heckenliable

**AFFILIATION:**

Iowa Department of Public Health  
Wellmark Blue Cross Blue Shield of Iowa  
MAXIMUS  
Child & Family Policy Center  
ZLR Ignition  
Child & Family Policy Center  
United Healthcare  
United Healthcare  
Delta Dental  
Delta Dental

**CALL TO ORDER AND ROLL CALL:**

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, February 15, 2010, at the Iowa Insurance Division offices, 330 Maple, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:30 p.m. A quorum was present.

Since the Chair and Vice-Chair of the Board were both participating via telephone conference call, Ms. Salter asked Anita Smith if she would chair the meeting on their behalf.

## **WELCOME, INTRODUCTIONS:**

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

## **APPROVAL OF DECEMBER 21, 2009, MINUTES:**

Jim Donoghue made a motion to approve the December 21, 2009, minutes with corrections on page 6, Free and Reduced Lunch Mail Mailing. The second sentence of the first paragraph should refer to “240 school districts”, rather than “240 schools”. The number of districts needs to be corrected to read 361, not 364. Angela Burke Boston seconded the motion. Angela Burke Boston, Kim Carson, Jim Donoghue, Selden Spencer, Julie McMahon, and Susan Salter unanimously approved the minutes with those changes.

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

Anita Smith reported on SCHIP news from other states:

Montana – The “Missoulian” newspaper article “Health Reform Bill Could Create Future Funding Battle for CHIP” discusses how the federal health reform bill could affect CHIP. The House version eliminates CHIP at the end of 2013, while the Senate version preserves CHIP and provides federal funds through 2015.

Wyoming – Personal information of about 9,000 children enrolled in their CHIP program could have been exposed on the Internet, as names, addresses, dates of birth, and social security numbers appeared on an unsecured web page for months.

Ms. Smith said that she has asked MAXIMUS for assurance that this could not happen in Iowa. MAXIMUS has assured the Department that their website is designed so that private information is protected.

### **Reports:**

*“CHIPRA One Year Later: Connecting Kids to Coverage”* - The Center for Medicaid and State Operations issued this report on February 4<sup>th</sup>. The report profiles what has happened in CHIP since reauthorization. In federal fiscal year '09, 2.6 million children have been covered under CHIP. The largest enrollment gains continue to occur in the lower income Medicaid population. Half of the states have adopted coverage improvements such as continuous eligibility and on-line applications. The report also discusses new quality measures, the outreach grants that were awarded through CHIPRA, and acknowledges that there are still 7 million uninsured children in the United States.

*“State of the States, The State We’re In”* - This report was issued in January by the Robert Wood Johnson Foundation. The report discusses the impact of the recession on

the uninsured. States are in a “wait and see” mode pending the outcome of national health care reform.

### **ADMINISTRATOR’S REPORT:**

#### ***Enrollment and Statistics:***

Ms. Smith reported that total CHIP enrollment in January was 46,865; 21,479 in Medicaid expansion and 25,386 in *hawk-i*. The average enrollment during the last four months has been 46,753. There has been a 5 percent increase in enrollment since July and almost a 10 percent increase in the last year. Since expanding to 300 percent of federal poverty level (FPL) in July, it was estimated that 57 children per month would be added at the new income level (between 250 and 300 percent of FPL). As of January 31, a total of 2,532 children have been enrolled, averaging 320 per month.

Ms. Smith said that MAXIMUS reports they are still receiving significant numbers of applications electronically as well as on paper.

#### ***SFY '10 Budget Update:***

Even though *hawk-i* enrollment is higher than projected, enrollment is less than projected in Medicaid expansion, so actual expenditures are still under projections at this point in time. Expenditures are at 47.9 percent for Medicaid expansion and 64.8 percent for *hawk-i*. As of the end of January, about 54 percent of the total projected expenditures have been spent. Interest earned from the *hawk-i* trust fund totals \$32,464.

#### ***State Legislative Update:***

Two bills have been introduced that would impact the *hawk-i* program:

House File 2259 would restrict the state from spending any state funds on media-based outreach. If passed, any outreach would have to be done at the grassroots level. Ms. Smith said that she did not believe that the bill made it through the funnel, so is dead for the year.

The IowaCare bill includes language that would require a “rationally developed sliding fee scale” for premiums. The status of that bill is not known at this time.

The Department is still on target to implement the dental-only program on March 1. MAXIMUS has their system in place and a question has been added to the *hawk-i* application asking if they are applying for dental-only.

Ms. Smith said that in the past if someone has health insurance and they apply for *hawk-i*, their application is pended until proof is provided that they no longer have that coverage. Under dental-only, the application will be approved for dental-only and the decision on medical pended until it is known whether they do or do not have other coverage.

***Federal Update:***

Ms. Smith told the Board that she does not have any new information on national health reform.

Verification of citizenship and identity under ***hawk-i*** was implemented January 1<sup>st</sup> as required by CHIPRA. It requires that children be enrolled and be given a “reasonable period of opportunity” for those families to provide verification of citizenship and identity before they can be disenrolled. MAXIMUS reports that they have been receiving verification. March 31 will be the cut off point for the first 90-day period and staff anticipates a fairly large number of children will be disenrolled at that time.

Ms. Smith said that a match was made with the Medicaid system and 41 percent of children currently enrolled in ***hawk-i*** matched. Those families will not have to provide the information again. A match with the social security system will take place about May 1. Ms. Smith said that the Administrative Rules Review Committee was concerned about the rules providing that applicants be enrolled and then given 90 days to provide proof. The Department told the Committee that the rule amendments were made to be in compliance with federal rules that require this process.

**REVISIT *hawk-i* PREMIUM STRUCTURE:**

This agenda item is a result of the Board’s June 15, 2009, meeting. At their December 2008 meeting, the Board set the premium structure for the expansion to 300 percent of FPL effective July 1, 2009. The Board approved a premium of \$20 per child per month with a \$40 cap per family per month. At their June 15, 2009, meeting, the discussion was revisited as a result of passage of Senate File 389 by the 2009 General Assembly. Section 27(b)(2) of that bill talks about “family cost-sharing amounts, and graduated premiums based on a rationally developed sliding fee schedule, in accordance with federal law”. Representative Upmeyer told the Board that the Legislature had discussions about the premium levels since the program is expanding to higher income levels. Once a family moves off of the ***hawk-i*** program to private insurance, there is a significant difference in the contribution rate. When that happens, there is a population that is uninsured again because they have not been prepared, so the Legislature thought the premiums should be incremental. The Legislature also wondered how the current premium levels were set and felt it should be more of a graduated system so that the closer a family gets to the top of the income bracket they are more prepared for the reality of private coverage. After much discussion, the Board voted to maintain the current premium structure that was to go into effect July 1, 2009, and reassess it at their February 2010 meeting after there was six months experience with the new premiums.

Ms. Smith said she thinks the new premium structure is going well, but given the growth in that population it may be worth revisiting. However, she is not sure if imposing a higher premium for that group now would impact that state’s American Recovery and Reinvestment Act of 2009 (ARRA) dollars for enhanced funding under Medicaid. One of the conditions of getting the enhanced funding is that states not make programs more restrictive than they were as of July 1, 2008. The Department’s position was that Iowa

should be able to get enhanced funding for the items in SF 389 because legislation had been passed directing the Department to implement. CMS agreed, so it would be difficult to go back now and say it does not apply to this program. CMS could see an increase in premiums now as more restrictive and it could possibly jeopardize the millions of dollars in ARRA funding the state is receiving. There has been a six-month extension of the ARRA funding through December 2010, with a potential to go an additional six months beyond that.

Dr. Spencer asked what specifically is driving the concerns about the premium structure; is the Legislature concerned about crowd out? Ms. Smith responded that since the IowaCare bill contains similar language, there is a sense that people with higher incomes should pay more. IowaCare has a very different premium structure. Premiums go up to 5 percent of a person's income, but there is no premium for those under 100 percent of FPL.

Discussion followed. The Board is not opposed to creating an additional tier, but wants to focus on covering kids. At this time they would like to leave things as they are and review the impact of the expansion to 300 percent of FPL and the new dental-only program. The Board requested more information on what other states are doing and what, if any, impact changes made in *hawk-i* could have on ARRA funding.

Angela Burke Boston made a motion that directs the Department to gather information about the effect of any changes on ARRA funding and any other relevant information and bring it back to the Board for discussion at a later date. Jim Donoghue seconded the motion. A roll call vote was taken. Susan Salter, aye; Kim Carson, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; Jim Donoghue, aye. Motion carried.

### **ADMINISTRATIVE RULE AMENDMENTS:**

#### ***Adopted and Filed – Grace Period***

Mr. Baldwin told the Board that these amendments will implement a 14-day grace period. When *hawk-i* coverage is cancelled or denied for a procedural reason (e.g. failed to provide requested information needed to establish eligibility), if the information is provided within 14 calendar days, the denial or cancellation notice is rescinded and the application or annual renewal will be processed. These rules are consistent with policies being adopted for other public assistance programs and were noticed in the November 18, 2009, Iowa Administrative Bulletin as ARC 8279B. No public comment was received.

Selden Spencer made motion to adopt the rule amendments. Kim Carson seconded the motion. A roll call vote was taken: Susan Salter, aye; Kim Carson, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; and Jim Donoghue, aye. Motion carried.

***Notice of Intended Action – Definition of Client Error***

Mr. Baldwin told the Board that these proposed rule amendments revise the rules on recovery and what can be recovered when someone has received benefits that they should not have received. Staff has discovered that the current definition of “client error” in 86.19(1) does not match the definition of client error in any of the other programs administered by the Department. This rule amendment makes the definition the same as for the other programs. The amendment will strike “an intentional or negligent action” and insert, “any action or inaction”.

Jim Donoghue made motion to approve the notice of intended action. Selden Spencer seconded the motion. A roll call vote was taken: Susan Salter, aye; Kim Carson, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; and Jim Donoghue, aye. Motion carried.

**HEALTH PLAN CONTRACTS FOR CONSIDERATION:**

***United Healthcare:***

Anna Ruggle told the Board that United Healthcare has expanded to all 99 counties effective March 1, 2010.

***Wellmark Health Plan of Iowa:***

The new CHIPRA regulations require states to follow Medicaid managed care rules, which means that the contracts have to be approved by CMS. Wellmark’s plan has been submitted and CMS had some changes. Those changes have been presented to Wellmark for further discussion.

***Delta Dental of Iowa:***

Ms. Ruggle said that the contract with Delta Dental is not ready for Board action at this time. Staff has been working with Delta Dental on the new dental-only program as well as the medically-necessary orthodontia coverage required under CHIPRA. CHIPRA also imposes new requirements on any contracts that are revised after January 1.

Ms. Smith told the Board that because the medically-necessary orthodontia is new, an agreement has been made that the orthodontia costs will not be included in the monthly capitation payments, but would be submitted to the Department on a per incident basis. Delta Dental is having difficulty finding orthodontists to participate. Out of 33 orthodontists in Polk County, none will participate. The proposed rate is \$4,300, not including any pre-work. In Medicaid that is billed separately and that reimbursement rate is \$1,600.

Diane Schroeder and Suzanne Heckenliable of Delta Dental of Iowa spoke to the Board. They shared data on the number of participating and nonparticipating orthodontists per county. Delta Dental reached out to any dentist who had a claim based on an

orthodontic code during the past year, as well as to all orthodontists who are not currently in their network. The intent is to create a separate *hawk-i* panel that would not have to comply with all of the rest of the contract issues under Delta Dental's premier network. Members could choose any orthodontist. Currently there are no participating orthodontists in Delta Dental's original network in Polk, Linn, or Scott Counties.

Ms. Heckenliable told the Board that once an enrollee scores a Salzmann Index of 26 or higher and the procedure is approved, the provider will receive the payment up front and will not incur any administrative costs or have to collect co pays. The administrative burden is released with this process, which is significant.

Ms. Smith said that they will continue to work to get orthodontists to participate, but they are not sure how CMS will react when the contract is submitted to them for their approval.

Mr. Donoghue asked if there is adequate access with the regular dental program that has been covered under *hawk-i*. Ms. Schroeder responded that there is adequate access. Ms. Heckenliable told the Board to keep in mind that Delta Dental does not have any orthodontists participating in their regular network in Polk, Scott, or Linn Counties either, so it is not just a problem for the *hawk-i* dental-only program.

Mr. Donoghue asked if Delta Dental knows why the orthodontists are reluctant to join the network. Ms. Heckenliable said that they have had meetings and conducted outreach. Many of the practices are full and there is no need to join the network. This is one of the reasons that Delta created a separate panel for the *hawk-i* orthodontia. This panel is the State of Iowa's panel and DHS would have the say in what was happening administratively and process-wise.

Ms. Smith stated that the other issue the Department has been working on with Delta Dental is pricing for the dental-only program. There is concern that there will be quite a bit of pent up demand. The premium structure Delta Dental has presented to the state is based on having the program up and running for one year and averaging costs out over a 12-month period. There is also concern given the state's current budget situation, that the state could terminate the dental-only program before one year. That could put Delta Dental of Iowa at a high loss risk. Therefore, if the legislature ended the program before it was up and running for at least a year, then reconciliation would be made and Delta Dental would be paid an additional \$2.30 per child per month for the period of time the dental-only program was up and running. This would be in addition to the regular per member per month capitation rate,

Because the contract with Delta Dental and the Department of Human Services is not finalized, an additional Board meeting will need to be scheduled for the Board to consider the contract before March 1. The Board will meet at 1:00 on Thursday, February 25, 2010.

**PUBLIC COMMENT:**

Carrie Fitzgerald, Child and Family Policy Center, asked to speak to the Board to give them an idea of what they have been doing.

Ms. Fitzgerald attended the Families USA conference in January and was asked to be a presenter on the Iowa kids health plan. There was a lot of interest from other states on all the things that have been going on in Iowa to cover kids.

The Policy Center has presented a draft of a children's health resolution to the Iowa House and Senate asking them to promote children's health, the one-year anniversary of CHIPRA, and how well Iowa is doing covering kids.

Ms. Fitzgerald said she attended a conference in November hosted by CMS that focused on CHIPRA outreach and rules. One of the presenters, Michael Perry from Blake Research, talked about expansions up to 300 percent FPL and how families between 250 and 300 percent, is a different demographic. Often these families have never before been eligible for any type of government program. They are not necessarily families that moved up from 200 percent, but more likely families that moved down from 500 or 600 percent. These families do everything on-line, and the messaging is very different for them. Ms. Fitzgerald said she has been talking with outreach coordinator Melissa Ellis to see if they can bring Michael Perry to Iowa to do a presentation.

Ms. Smith said that the Department is ready to implement presumptive eligibility March 1 and they will be working with Ms. Ellis and the outreach coordinators to test the system. The outreach workers will become the first qualified entities who are able to enroll children presumptively.

### **OUTREACH UPDATE:**

#### ***Free & Reduced Meals School Program Update***

At the December meeting, the Board was told that out of a total of 361 school districts, only 240 had filed reports for referrals from the free and reduced lunch program. As a result, 31,000 *hawk-i* applications were mailed. Mr. Donoghue said that since December, the number of school districts reporting increased from 65 to 95 percent.

Mr. Donoghue said that the Board's annual report shows that in the previous year (2008), out of 43,000 applications that were mailed out through this effort, only 450 were completed. On January 6, staff from the Department of Education, MAXIMUS and the Department of Human Services met. Even though the number of schools reporting had increased, the return rate was still low. The group discussed improvements. The *hawk-i* information that is sent out for training sessions each fall will be enhanced. Jeremy Morgan from MAXIMUS said that of the 27 school districts not reporting, many of them are very small and may only have one or two names to refer. In the future, the school districts will be working through the call center at MAXIMUS to transmit any reports. They have also learned that families don't want to fill out an application, they want to apply on-line. As a result, a new flyer has been developed and will be mailed

out instead of the paper applications. These enhancements should help schools comply much sooner next year.

Ms. Smith said that presumptive eligibility could help the process also. After training the outreach workers, the next group will be the providers that do presumptive eligibility for pregnant women, then the school nurses.

**NEW BUSINESS:**

There was no new business.

Angela Burke Boston made a motion for adjournment. Selden Spencer seconded. Meeting adjourned.

The next regular *hawk-i* Board meeting is scheduled for Monday, April 19, 2010, at 12:30 p.m. The meeting will be held at the Insurance Commission Office at 330 Maple in Des Moines, Iowa.