

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

May 18, 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\*

**LEGISLATIVE BOARD MEMBERS:**

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

**DEPARTMENT OF HUMAN SERVICES:**

Anita Smith  
Ann Wiebers  
Anna Ruggle  
Mike Baldwin

**GUESTS:**

Diane Schroeder  
Michelle Lickteig  
John Davis  
Jeremy Morgan  
Nancy Lind  
Kris Klauer  
Lynn Tague  
Angie Doyle Scar

**AFFILIATION:**

Delta Dental of Iowa  
Delta Dental of Iowa  
Health Management Systems  
MAXIMUS  
AmeriChoice\*  
AmeriChoice\*  
Wellmark Blue Cross Blue Shield of Iowa\*  
*hawk-i* Outreach Coordinator

*\* Participated via telephone conference call*

**MEETING CALLED TO ORDER AND ROLL CALL:**

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, May 18, 2009, at the Department of Human Services office, 1<sup>st</sup> Floor Conference Room SE, Hoover State Office Building, Des Moines, Iowa. Susan Salter, Chair, called the meeting to order at 12:35 p.m.

**WELCOME, INTRODUCTIONS, ROLL CALL:**

Ms. Salter asked the audience members to introduce themselves. Anita Smith took the roll call, a quorum was present. Ms. Salter informed the guests that there would be an opportunity for public comment later in the agenda.

**HEALTH PLAN CAPITATION RATES FOR SFY '10:**

Anna Ruggle explained to the Board that the capitation rate chart provided to the Board members was the Department's budgetary recommendation for capitation rates for SFY '10. The recommendations are:

	PMPM rate	% increase
Wellmark Classic Blue (WCB)	\$ 197.92	2%
Wellmark Health Plan of Iowa (WHPI)	\$ 173.41	4%
AmeriChoice	\$ 173.41	2%
All Health Plans		
Infants	\$407.90	
Delivery	\$ 5,000.00	
Delta Dental	\$ 20.96	2.2%
Blue Dental	\$ 20.96	

Ms. Ruggle explained that these rates are per member, per month (pm/pm). The capitation rate for infants (\$407.90) and delivery (\$5,000) are the same rate as in previous years and are for all health plans.

The recommended rate increase for AmeriChoice is 2 percent, for a monthly rate of \$173.41 pm/pm.

The recommended rate increase for Delta Dental is 2.2 percent, for a monthly rate of \$20.96 pm/pm.

Ms. Smith said that earlier this year, the Department sent a letter to the contractors indicating that because of the uncertainties of the state budget, the Department might have to freeze rates for SFY '10. Since that time, the state budget process for SFY '10 has been finalized and the Department determined that they could offer a 2 percent increase to the health plans.

Selden Spencer made a motion to approve the proposed rates for AmeriChoice, Delta Dental, and the rates for infants and delivery. Angela Burke Boston seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; Jim Donoghue, aye; Kim Carson, aye.

**CONTRACT AMENDMENTS:*****AmeriChoice:***

Ms. Ruggle explained that the Second Amendment to the contract with AmeriChoice simply addresses the change in the capitation rate that the Board just approved. There are no other changes to the contract.

Kim Carson made a motion to approve the contract amendment for AmeriChoice. Jim Donoghue seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; Jim Donoghue, aye; Kim Carson, aye.

***Delta Dental of Iowa:***

The First Amendment to the contract with Delta Dental incorporates the new capitation rate for SFY '10. The amendment also expands the enrollment area to the entire State of Iowa.

Selden Spencer made a motion to approve the contract amendment for Delta Dental of Iowa. Julie McMahon seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; Jim Donoghue, aye; Kim Carson, aye.

***Health Management Systems (HMS):***

Ms. Ruggle explained that the contract with HMS provides insurance data match services. When someone applies for *hawk-i*, HMS checks to see if the applicant has other insurance. This is also done on a quarterly basis for all *hawk-i* enrollees. The current contract provides for three one-year extensions. This amendment would be for the first one-year extension and HMS has agreed to be reimbursed at the same rate.

In the past, MAXIMUS only received information on enrollees when there was a match. This is being changed so a decision is transmitted on each name that goes to HMS. This will ensure that all enrollees have been reviewed and it will speed up the processing time for MAXIMUS because they will have confirmation on each enrollee.

Jim Donoghue made motion to approve the contract amendment for Health Management Systems. Kim Carson seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; Jim Donoghue, aye; Kim Carson, aye.

**NEW CONTRACTS:**

Ms. Ruggle told the Board that agreement has not been reached with Wellmark on their three contracts: Wellmark Blue Cross Blue Shield (indemnity); Wellmark Health Plan of Iowa (managed care); or Wellmark Blue Dental.

Ms. Smith said that Wellmark rejected the offer of a 2 percent increase in capitation rates. They are asking for a 14.4 percent increase for Classic Blue; 6.3 percent for Blue Access; and a 12.65 percent increase for Blue Dental. In addition, Wellmark is discussing with outside counsel some of the standard contract language that is required in contracts with federal dollars. Ms. Smith said that discussions with Wellmark will continue.

Dr. Spencer asked who is involved in the negotiations. Ms. Smith responded that the discussions have been between the Attorney General's Office and Wellmark's legal counsel.

Ms. McMahon asked if the new contracts would be effective July 1. Ms. Smith said that the current contracts with Wellmark expire June 30, 2009. The Wellmark contracts cover the entire state. For some areas of the State, families are able to choose from participating health plans, but in other areas of the State, Wellmark is the only plan available.

Lynn Tague from Wellmark said that while their contract does not allow for any contract extensions, knowing how long it takes to complete a legal analysis of some of the concerns they have, Wellmark did ask the Department to consider allowing an extension to the existing contracts until all parties can agree on the new contracts. That has been rejected. Ms. Tague said she wanted the Board to know that Wellmark is willing to come to agreement on rates and contract terms and had offered the extension in case an agreement cannot be reached prior to July 1. In the counties where Wellmark is the only health care provider, they estimate there are 8,500 kids enrolled and Wellmark does not want those children to lose coverage.

Ann Wiebers said the Department is consulting with the Attorney General's Office to determine if they are able to amend the current contract to include an extension.

Ms. Smith asked the Board if an agreement is reached prior to the Board's regularly scheduled meeting June 15, if they would like to hold a special meeting to approve the contracts. The consensus was that the Board would like to receive updates on the process, but wouldn't need a special meeting.

#### **ADMINISTRATIVE RULE AMENDMENTS FOR ADOPTION:**

Mike Baldwin said the proposed rule amendments would be filed as emergency adopted and implemented.

Previously, children who entered the United States on or after August 22, 1996, are barred from participating in any federal means-tested program for five years from their date of entry. The "Children's Health Insurance Program Reauthorization Act of 2009" (CHIPRA) allows states the option to extend CHIP coverage to all children who are lawful permanent residents of the United States. The 2009 Iowa General Assembly passed SF 389, which directs the Department to provide coverage to all eligible children for whom federal funding is available effective July 1, 2009. These rule amendments are being made to reflect the provisions of SF 389 and are being filed as emergency

rules in order to be in effect on July 1, 2009. The Governor is expected to sign SF 389 on Tuesday, May 19, 2009.

Ms. Salter asked if the Department knows how many children will be impacted by this change. Mr. Baldwin indicated that the projections are 29 the first year, and 43 the second year. Ms. Salter asked if any kind of outreach was being done so that these families know that they are now eligible. Mr. Baldwin said that the Department will be notifying the outreach workers.

Selden Spencer made motion to approve the amendments to the administrative rules with the condition that SF 389 is signed into law. Kim Carson seconded the motion. A roll call vote was taken. Susan Salter, aye; Selden Spencer, aye; Julie McMahon, aye; Angela Burke Boston, aye; Jim Donoghue, aye; Kim Carson, aye.

**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, 1<sup>st</sup> Floor Conference Rooms, E 13<sup>th</sup> and Walnut, Des Moines, Iowa.