

HEALTHY AND WELL KIDS IN IOWA (*hawk-i*) PROGRAM
BOARD MEETING
MINUTES
May 18, 2011

Board Members

Kim Carson, Chair*
Kathy Pearson*
Angela Burke Boston (for Susan Voss)
Jim Donoghue (for Jason Glass)*
Julie McMahon (for Mariannette Miller-Meeks)*
Joe Hutter
Bob Skow*

Legislative Board Members

Senator Amanda Ragan (absent)
Senator Sandra Greiner (absent)
Representative Patrick Murphy (absent)

* Participated by phone.

Department of Human Services Staff

Anita Smith Anna Ruggle

Guests

Marcia Stark
Nancy Lind
Kristin Buetel
Jeremy Morgan
Lynh Patterson
Suzanne Heckenliable

Affiliation

Wellmark
UnitedHealthcare
None Noted
MAXIMUS
Delta Dental of Iowa
Delta Dental of Iowa

Call to Order and Roll Call

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, May 18, 2011. Kim Carson, Chair, called the meeting to order at 12:05 p.m. Anita Smith called the roll. A quorum was present.

Welcome, Introductions

Ms. Carson asked the audience members to introduce themselves.

I. Approval by the Board of the Capitation Rates for the Plans

Discussion:

Carson: "I know we had gotten the e-mail in regards to the vote for the capitation rates."
Smith: "I did send out an e-mail yesterday in follow-up to the Board meeting on Monday. A statement was made regarding the vote for the premium rate, that the motion to approve the rates did not pass because it required a quorum vote. After checking the Board by-laws and confirming with the AGs office, it was determined that while the by-laws require a quorum to have a vote, in other words there has to be 5 of 7 members present to take a valid vote, the by-laws are silent on what constitutes passage of the vote. In which case, the majority vote is the deciding factor unless the by-laws state otherwise. The simple majority vote on the motion wins and majority means the majority of those who

voted on the issue. Those who abstained don't count. Based on this, all of the motions referencing the premium rates actually were passed by this Board. I wanted the Board to be aware of this so you can decide how and if you want to address it. Additionally, as requested at the last Board meeting, we have provided additional information to answer questions that were raised at the meeting.

In your packets, you do have a budget analysis that was provided by our fiscal department that shows the impact of the rate increases. If you will pull out-it's titled Fiscal Year 12 and 13 *hawk-i* budget. I will just walk through it briefly. If you look to the right where it says cost per eligible at the top it lists the cost of the 1.5% Wellmark increase and the state cost is projected to be \$156,050 and the projected increase of UnitedHealthcare - the 1.4% increase - is anticipated to cost \$143,876 additional dollars. So that's a total additional dollars impact of \$305,920 state dollars. Remember the costs of this program are matched at 75% federal funding, so this is 25% of the total cost.

Another question that was asked at the Board meeting was will we have sufficient funding? Based on what is currently in the Department's appropriation bill, there is \$32,927,153 identified to fund this program. In addition \$128,950 has been restored in the Senate bill for outreach funding. We are also projecting \$2.9 million in carryover funds from the *hawk-i* trust fund. So the total anticipated funding available for the *hawk-i* program for SFY 12 is \$35.9 million. The total need as reflected—if you look to the very far right under state costs, the total program need is projected at \$35,066,790. So, based on the current funding allocated in the various bills and projected carry forward it is anticipated that we will actually have \$889,000 more than what is currently projected for the need. Does anyone have any questions?"

(Bob Skow joined the meeting here.)

- Smith:** "In addition, each of the plans did provide a memo regarding the explanation of their rate increases. So Kim, as chair I'm not sure how you want to address this issue, but I believe we have provided the requested information at this point. Does anyone have any questions about anything I presented today?"
- Hutter:** "Yes, it says here at the bottom of the letter about this being approved yesterday the two increases."
- Smith:** "Approved on Monday."
- Hutter:** "Right, When I left on Monday, I thought it wasn't approved."
- Smith:** "Right"
- Hutter:** "After reading this here, it says it is now approved. But I don't see where 3 yes votes are a majority of 6."
- Smith:** "Well, I'm not sure how well the chart on the e-mail came through, but according to the votes taken, for the Delta Dental increase which was zero, there were 4 yes votes and 2 no votes."
- Hutter:** "Right"

- Smith:** “For the other two votes there were 3 yes, 2 no, and 1 abstain.”
- Hutter:** “Which doesn’t count?”
- Smith:** “According to the Attorney General’s office, those who abstain, don’t count. So therefore, the 3 yes votes were a majority of the 5 total votes that counted. So, the abstained vote doesn’t count.”
- Hutter:** “Right”
- Smith:** “So, it’s not taken into consideration. There were 5 total votes, the majority was 3. There were 3 yes votes and 2 no votes. And that’s what the attorney general’s office....”
- Hutter:** “Is the attorney general office putting this in writing? I’m trying to decide what is the majority and what is the quorum. I understand 5 is a quorum. Back in October I brought out up what does that mean. It’s in the by-laws that it is 5 is a quorum. My assumption is that if 5 is necessary to have a quorum, 5 would be necessary to approve any vote or disapprove, but basically to approve. Now, this comes back - no we are going to follow Robert’s Rules. So if you follow Robert’s Rules 6 people were at the meeting, either electronically or in person, only 3 voted yes.”
- Smith:** “Correct”
- Hutter:** “That is not the majority of the people who were present.”
- Smith:** “Because the votes who abstain don’t have any value and aren’t taken into consideration as far as the total votes or counted for or against. If you would....”
- Hutter:** “But there are 6 voting members that were allowed to vote and 3 is not a majority of 6.”
- Smith:** “And I can’t argue the legalities with you. We had two different attorneys in the attorney general’s office provide guidance on this. They relied on Robert’s Rules of Order and that was the advice we received. And, unless the by-laws say something different, it is majority vote. And, this is how the majority voted as defined according to Robert’s Rules of Order. So”
- Hutter:** “The majority vote is the number of people who are present.”
- Burke Boston:** “And eligible to vote.”
- Hutter:** “And eligible to vote. Right. And there were 6 eligible to vote.”
- Smith:** “I’m not going to argue the point, this is the advice we got.”
- Hutter:** “What I’m saying is basically, I guess at this time, its creates more difficulties to do it, but I would like to have this put in writing, signed by someone in the attorney general’s office what we need to have to pass any types of motions in this Board and what is not.”
- Smith:** “As a staffer to the Board, what I would recommend is that the Board decide what the rules are and put them into the bylaws. Because absent rules in the bylaws it reverts to Robert’s Rules of Order and that is what the Attorney General’s office has based their opinion on. So, if the Board wants to change the bylaws, you certainly have the right to do that. If you want to put in the bylaws it takes so many votes to pass then you can do it.”
- Hutter:** “But in Robert’s rules isn’t that the majority of the people who are eligible to vote to vote to approve something.”
- Burke Boston:** “But absent my abstention, the majority rules.”
- Hutter:** “Six people were present and they say your vote didn’t count.”
- Burke Boston:** “Right 3 and 2 the simple majority controls.”
- Hutter:** “Out of 6?”
- Burke Boston:** “Because my vote didn’t count.”

- Smith:** “The person who abstains is considered to remain neutral.”
- Hutter:** “I guess I’m saying—Madam Chair this definitely has to be put on the agenda for the future, so we know if we need to change the bylaws or at least make them clearer especially since we have new people who are on this Board. They need to understand. Ok, I will bring up another point right now. In the bylaws it says these packets are supposed to be sent to us 5 days prior to any meeting. So basically this meeting is not legal and the meeting we had Monday was not legal according to our bylaws.”
- Carson:** “We can add it to the agenda, but I think should proceed with what we have today and move on to the next agenda item.”
- Hutter:** “I agree, but I have some difficulties if what we are doing is legal or not and if you read the bylaws, Article 3, Item D. It says that Board members at least five days ahead shall receive meeting packets. This hasn’t been done.”
- Carson:** “We did discuss, I believe at the last Board meeting, that they were going to make accommodations in regards to this so everyone has the information.”
- Hutter:** “5 days before.”
- Smith:** “If I may interject, I believe Board packets were made available to everyone electronically last Thursday for Monday’s meeting. For the meeting today, we were given 2 days advance notice of the meeting. It was scheduled on Monday and I believe you were the one who set today as the day to meet. And there is no way that we could reasonably be expected to provide packets for this meeting 5 days in advance of today when it was only scheduled 2 days ago.”
- Hutter:** “I guess this is why I had the opportunity to read them. I assumed that we were following the bylaws before I got here, until I read them. Yes, let’s move along. I think this is something we need to discuss and let the records show what I’m concerned about so that if these meetings ever become, well they are public, so if somebody reads them will understand. I only have one more question, why weren’t the legislators e-mail a copy of what you sent out to the rest of us? They are members of this group, even if they are not voting, but the e-mail you sent out I did not see any of the legislator’s names on what took place on Monday.”
- Smith:** “On what took place on Monday?”
- Hutter:** “The Monday meeting, the vote. You sent out an e-mail, you didn’t list sending it to the legislators.”
- Smith:** “I can follow up with them and send it. They are ex-officio members so they have no voting privileges on the Board. That was an oversight on my part, I will send it to them today.”
- Hutter:** “Even if they are non-voting they still should receive a copy of all the meetings.”
- Smith:** “They do, generally they get copies of everything, just like Board members.”
- Hutter:** “But this time, they just weren’t.”
- Smith:** “No, I only copied it to the people who that were on the Board.”
- Buetel:** “I understand your statement about information being available electronically. Can you talk to someone who is in charge of making sure your information is accurate? Are you aware of the fact that the email you have for Mr. Hutter on your site is inaccurate and has been for quite awhile?”
- Smith:** “I believe he gave us a corrected”

Buetel: “And it has not been fixed. It is still inaccurate on the site.”

Smith: “On the site, but what was sent to him was sent to the correct address.”

Hutter: “Yeah, I got this.”

Burke Boston: “Madam Chair, this is Angela Burke Boston, may I make a motion?”

Carson: “Yes”

Burke Boston: “I would like to move that we ratify the vote that was taken on Monday May 16th, that reflects the 4 to 2 vote on Delta, the 3 to 2 vote and 1 abstention on Wellmark, and the 3 to 2 vote and 1 abstention on UnitedHealthcare.”

Skow: “I second.”

Carson: “Do we need to get a roll call vote, since we have people on the phone?”

Smith: “Yes”

Skow: “Can you clarify that A yes vote is to ratify?”

Carson: “Yes.”

Smith: “Kim Carson?”

Carson: “Yes.”

Smith: “Joe Hutter?”

Hutter: “No, and I want it put in the minutes the reason why I’m voting no. I’m in favor the Delta Dental.”

Burke Boston: “But, this motion is to ratify the vote.”

Smith: “And Monday you voted no, so you are ratifying that vote.”

Hutter: “I would vote yes on that vote, but no on the total package. That’s why I wanted clarification. Maybe we should have done it separately. I want it in my record.”

Smith: “Kathy Pearson?”

Pearson: “Again, just to make sure, this is what we are ratifying - what we voted?”

Smith: “On Monday.”

Pearson: “Yes.”

Smith: “Bob Skow?”

Skow: “Yes.”

Smith: “Julie McMahan?”

McMahon: “Yes.”

Smith: “Angela Burke Boston?”

Burke Boston: “Yes.”

Smith: “Jim Donoghue?”

Donoghue: “Yes.”

Smith: “So, we have 7 yes votes.”

Hutter: “No vote.”

Burke Boston: “I didn’t accept a friendly amendment to my motion.”

Hutter: “I voted no. But I’m explaining I would have voted yes for Delta Dental and no on the other two.”

Pearson: “Can ask a question? I’m a new member and maybe this is all routine for you, but it’s new to me. I just want to go back and make sure I understand what we just voted on. I voted no on Monday, so am I cancelling out that vote?”

Smith: “No.”

Pearson: “It’s a naïve question here, but I want to make sure I understand what I just voted on.”

- Smith:** “You voted to ratify the vote you made on Monday. So your vote on Monday is still the same.”
- Pearson:** “Ok, thank you very much.”

II. Award of The Data Analysis Contract

Discussion:

- Smith:** “At Monday’s meeting, questions were raised about why bids were not made available to Board members. Questions were raised about the credentials or the qualifications of the members on the Evaluation Committee, etc. I just wanted to start out by saying the process for awarding this contract has followed the procedure that has historically been designated to the Department by the Board. That is that the Department develop the RFPs, that the Department appoints an evaluation committee, and brings the recommendation of the evaluation committee to the Board for consideration. This RFP was released in December. At the December Board meeting, the Board was notified of the RFP and it was stated at that time that the recommendation of the evaluation committee would be brought before the Board in May. The RFP contains on the first page, I believe, a calendar of when the various events occur and the date to announce the apparent successful bidder. The notice of intent to award was identified as May 16th. All RFPs that are released by the Department are reviewed with the Attorney General’s office both for the scope of services and to make sure they meet state procurement guidelines and those types of things. All RFPs are posted on the public website which is the Department of Administrative Services. They are available to the public and any Board members that want to review them.

I did talk to the Attorney General’s office about changing rules in the future as far as if the Board wants more involvement in the issuance of or the evaluation of RFPs. If the Board wants to move down that path, they would be happy to come to a Board meeting to discuss the legalities and the ramifications of doing that. If you have privity to bids there are some pretty stringent rules around confidentiality and proprietary information and trademarks. They want to make sure everyone is aware that anyone who touches a bid is potentially liable to be name in a lawsuit if there is any breach of confidential information, release of proprietary information or if the bid is challenged. If the Board wants us to put this on a future agenda item to discuss, we certainly can and the AGs office is willing to come and discuss it with the Board. But as far as this RFP, we followed the process we had been authorized by the Board to follow for past RFPs. At the December meeting we were not given any different instructions and so we proceeded as we have in the past.

Having said that, we appointed an evaluation committee consisting of Dennis Janssen, Sally Nadolsky, and Mary Tavegia. We asked each of them to provide some background information on their expertise. All three are long time employees of DHS, have had significant experience in the issuance and award of contracts. Mary Tavegia is the Contract Administrator for the Iowa Medicaid Enterprise. Dennis Janssen is our Clinical Director and

Sally Nadolsky has a lot of experience, as does Dennis Janssen, in quality measures, quality reviews and evaluation of health plan data. With that background, Anna if you want to go over the recommendations of the committee.”

Ruggle: “Some of this is a repeat of Monday. The evaluation committee scores each bidder individually and then gets together to discuss the bids and come up with a team score. IFMC scored 2,575 points out of 3,600 and MPRO scored 2,108. Based on strengths and weaknesses of each bidder, which is on the sheet, the evaluation committee recommends the contract be awarded to IFMC starting July 1, 2011. Any questions?”

Hutter: My one question is since the IFMC the bid came in at \$766,000 and the other was \$3 million – and, for two companies to be so far apart is what got my attention in a way. But after reading the information that I received and what the committee said, I have a little better understanding and I see no choice. But naturally, it’s much better to read what they are going to provide like information to the CMS program that the state don’t have to provide - they will provide that for us and information like that. Those are things that I can see a definite advantage, less work for the state, less involvement and so on and for a lot less money. At least I know what the report is for 3 years and renewable one year at a time. Those are the information that this Board needs to be receiving and the requirements that the federal government have that we need to do. At least puts more on your shoulders. Now, I’m very happy with the recommendation of that and I have no doubt about the qualifications after reading the qualifications. It would have been nice if someone from that committee maybe would have come to this Board and made a presentation themselves about some of the advantages or information or answer some questions that we may have had.”

Smith: “We actually did ask all three of them to attend the meeting and traditionally we do have the evaluation members attend, but because of conflicts they weren’t able to. Sally Nadolsky was on the phone, we found out later, for the first part of the meeting on Monday. But we didn’t get to this item before she had to sign off, so she was not available when we got to it. But traditionally we do have the evaluation members.”

Hutter: “I think it says only one is necessary to appear. Next time, next year get through it, it might be nice for them to get some information results. The bottom line, unless I’m misunderstanding, I’m surprised to see that the *hawk-i* program actually is a \$126 million program rather than what I have been reading. The \$29(million) budget, per say that’s coming from state of Iowa. I didn’t realize the matching of the \$83 million from the federal people - that type of return.”

Smith: “Right, this program has a 75% federal match so anytime there is a state appropriation, you multiple that by 4 and that’s what the total dollars are.”

Hutter: “A lot of them are 2:1 and so on.”

Smith: “This one is 3:1.”

Hutter: “Right, this is 3:1. After now seeing this it brings more information to my attention on some decision making processes I might make in the future by seeing this. Let’s go and get this other one out of the way first.”

Smith: “We need a motion to approve.”

Burke Boston: “Madam Chair, I would like to make a motion to approve the RFP: MED-10-23 as recommended by the evaluation committee to award the contract to IFMC.”

Carson: “Ok, is there a second on that?”

Donoghue: "I second that."

Carson: "Do we have a roll call vote on this?"

Ruggle: "First you have to ask for discussion."

Smith: "So, is there any discussion? Hearing none, I will take a roll call vote. Kim Carson?"

Carson: "Yes."

Smith: "Joe Hutter?"

Hutter: "Yes."

Smith: "Kathy Pearson?"

Pearson: "Yes."

Smith: "Bob Skow?"

Skow: "Yes."

Smith: "Julie McMahon?"

McMahon: "Yes."

Smith: "Angela Burke Boston?"

Burke Boston: "Yes."

Smith: "Jim Donoghue?"

Donoghue: "Yes."

Carson: "So that is the last item, correct?"

Smith: "Correct"

Carson: "Is there a motion to adjourn?"

Hutter: "Yeah, I will make a motion that we adjourn."

Burke Boston: "Second."

Carson: "All in favor?"

All: "Aye."

Carson: "The meeting is adjourned."

Hutter: "I do want to make a statement. I appreciate getting that information last night, late evening, I did have a chance to go through it. I appreciate, but it was a lot of difficulty and so on. So again thank you."

Respectfully Submitted by Anna Ruggle