

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

October 19, 2009

**BOARD MEMBERS:**

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

**LEGISLATIVE BOARD MEMBERS:**

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

\* via telephone conference call

**DEPARTMENT OF HUMAN SERVICES:**

Anita Smith  
Mike Baldwin  
Ann Wiebers

**GUESTS:**

Patty Funaro  
Tracy Rodgers  
Lynn Tague  
Diane Schroeder  
Kristine Klauer  
Jeremy Morgan  
Vicky Bauman  
Michelle Lickteig  
Sherry Maly  
Nancy Lind  
Carrie Fitzgerald  
Andrew Berg  
Bill Brewer  
Tracy Smith  
Jess Benson  
Zeke Furlong  
Melissa Ellis

**AFFILIATION:**

Legislative Service Agency  
Iowa Department of Public Health  
Wellmark Blue Cross Blue Shield of Iowa  
Delta Dental of Iowa  
UnitedHealthCare  
MAXIMUS  
UnitedHealthCare  
Delta Dental of Iowa  
Delta Dental of Iowa  
UnitedHealthCare  
Child & Family Policy Center  
Child & Family Policy Center  
ZLRIgnition  
ZLRIgnition  
Legislative Service Agency  
House Democratic Staff  
Iowa Department of Public Health

### **CALL TO ORDER AND ROLL CALL:**

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, October 19, 2009, 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 not 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.

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

Anita Smith reported on SCHIP news from other states.

California –California was set to disenroll 60,000 kids from their CHIP program due to budget shortfalls. However, last minute legislation extending a provider tax on managed care gave the state the needed revenue to continue their program.

Michigan – With the highest unemployment rate in the country, the state is unable to come up with state matching funds to draw down \$100 million in federal CHIP funding.

#### Reports –

The Commonwealth Fund, “*Implementation Choices for the Children’s Health Insurance Program Reauthorization Act of 2009*” discusses outreach and quality provisions of CHIPRA and makes recommendations to CMS on the implementation of those provisions.

Georgetown University’s Center for Children and Families “*Weathering the Storm, States Move Forward on Child and Family Health Coverage Despite Tough Economic Climate*”, profiles states that, in spite of the economy, are moving forward. A full page of the report discusses the efforts of the Iowa Legislature to cover all kids.

Also from Georgetown, “*Number of Uninsured Children Drops to Lowest Level Since 1987*”, shows uninsured rates of children by state for 2007-2008. Massachusetts was identified as having the lowest uninsured rate at 3.2 percent; Texas continues to have the highest uninsured rate at 19.2. Iowa, Hawaii, and New Jersey are tied for second, with 5.1 percent. Regionally, Kansas is 9.4, Missouri 8.6, and Nebraska 10.1 percent.

Child Health Research Institute, “*What Has Been Learned About Expanding Children’s Health Insurance?*”, highlights the income demographics of families that participate in CHIP, program designs, and the role CHIP has had in filling gaps between Medicaid and the uninsured.

The Commonwealth Fund ranked states on overall quality of health care based on access, prevention and treatment, avoidable hospital use, and healthy lives. Iowa was ranked third behind Vermont and Hawaii.

The Robert Wood Johnson Foundation, "*Using Information from Income Tax Forms to Target Medicaid and CHIP Outreach: Preliminary Results of the Maryland Kids First Act*". Maryland's approach targeted families that qualified for the earned income tax credit. (Iowa marketed to all families that might qualify.) Maryland found that 89 percent of their uninsured families file income tax returns even though only 79 percent of the uninsured children live in families who are legally required to do so. The report indicates that Maryland had the same concerns that Iowa did; the way income is counted for income tax purposes is totally different than how it is counted for eligibility for Human Services programs. In phase 1 they sent information to all families with dependent children who were in the income limits but they did not ask whether the dependents were insured or not. In phase 2 they targeted only those who indicated the child did not have health care. The report identified lessons learned, which are essentially the same as Iowa's, but did not give any information about their results and whether they will continue their effort.

Ann Wiebers told the Board that staff is currently working with the Department of Revenue on strategies to improve the process.

### **ADMINISTRATOR'S REPORT:**

#### ***SFY '09 Budget Review:***

State Fiscal Year '09's budget was closed with a \$5,364,543 balance in the ***hawk-i*** trust fund. The fiscal year started with \$25,424,559 in funding and projections were that \$21,443,716 would be spent. Actual expenditures were \$20,060,015. Ms. Smith reported that 94 percent of the projected expenditures for Medicaid expansion, 96.3 percent on ***hawk-i*** premiums, and 70 percent for administration were spent. Attorney General fees and outreach exceeded projections.

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

Ms. Smith told the Board that it is too early in State Fiscal Year '10 to see any trends.

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

Ms. Smith reported that there has been a significant increase in ***hawk-i*** enrollment. For the first time ***hawk-i*** enrollment has exceeded 23,000. Since January, 2009, Medicaid expansion enrollment has increased 16.61 percent and ***hawk-i*** enrollment has increased 9.2 percent. With the expansion to 300 percent of FPL, it was anticipated that 750 children would be added per year, over a three-year period, for a total of 2,250. Thus far, 1,168 kids have been added. The bulk of the kids are falling in the 251 to 300 percent of FPL category.

Total CHIP enrollment in September was 44,271; 21,204 in Medicaid expansion and 23,067 in *hawk-i*.

***Federal Health Care Reform Update:***

The original Senate version would have ended the CHIP program effective 2013 and all children would have to go into Medicaid or the insurance exchange. The “Baucus bill” that was introduced extends CHIP to 2019 and keeps the program as is.

Carrie Fitzgerald, Child and Family Policy Center, said that there is a lot of work being done by child advocates because when discussing national health care reform, no one seems to be talking about children.

**CHIPRA:**

***Outreach Grant:***

Iowa applied for an outreach and enrollment grant with CMS. Although 41 grants were awarded, Iowa was not included. Only 8 of the grant recipients were state agencies.

***Managed Care Requirements:***

Ms. Smith reported that states received a “State Health Official” letter, SHO #09-008, CHIPRA #4, dated August 31, 2009, advising that in separate CHIP programs states must offer a choice of health plans if they have managed care plans. Iowa does not have a choice of health plans in all 99 counties at this time. Ms. Smith said that CMS is applying the Medicaid managed care rules to separate CHIP programs. These rules provide that if an enrollee is not happy with their health plan they should have a choice to disenroll and be covered by another health plan. This guidance is affecting many states and states feel that CMS is trying to make CHIP look more like Medicaid. CHIPRA contains a rural exemption, however, Iowa does not qualify as rural according to the exemption criteria. At this point, the only choice is to go “fee-for-service” rather than managed care. If states have “fee-for-service” plans, they are not required to have a choice.

***Orthodontia Coverage:***

Ms. Smith told the Board that states were also notified in a letter from CMS dated October 7, 2009, SHO #09-012, CHIPRA #7, that CMS is defining the dental package in CHIPRA to include orthodontia. Ms. Smith said that staff has been working with Delta Dental to cost out an “unlimited lifetime medically necessary benefit based on Medicaid policies”. The estimates received are between \$3.50 and \$7.00 per member per month. This estimate is based on 1 to 2 percent utilization, similar to what Medicaid has for “medically necessary orthodontia”. It is anticipated that adding this very limited orthodontia package will cost more than the dental-only program is going to cost; which is approximately \$458,000 in state funding that was not anticipated for the remaining months of SFY '10 (January through June 2010). With federal funds, the total of this benefit will cost an additional \$2.1 million for the current enrollees in the *hawk-i* program. This does not include the dental-only program.

***Representative Palmer arrived at the meeting at this time.***

Ms. Smith stated that Iowa has a \$1,000 annual dental maximum benefit. CMS recently contacted states with annual dental maximums and it is believed that CMS may no longer allow states to have annual limits. Additionally, the 5 percent cost sharing requirement is being applied and will significantly increase the cost of the dental-only program. If a dental wrap program is offered, it must offer the same services that are provided in the regular program.

**PUBLIC COMMENT:**

There were no requests for public comment.

**OUTREACH UPDATE:**

***New Outreach Coordinator:***

Ms. Smith introduced Melissa Ellis. Ms. Ellis is the new state outreach coordinator and replaces Angie Doyle Scar.

***ZLRIgnition – New Commercials:***

Tracy Smith from ZLRIgnition provided the Board with an update on the advertising campaign. The objectives for SFY 10 are:

- Continue to build awareness of ***hawk-i***
- Awareness of new income levels
- ***hawk-i*** is health and dental coverage
- Reduce welfare stigma
- Increase the number of calls and applications

New television and radio spots were created this year with a multi-media plan for statewide coverage. ZLR has negotiated an aggressive “value added” package to extend the paid media dollars.

The target audience changed slightly. With income levels now at 300 percent of FPL the commercials tell the viewer that a family of three earning \$54,000 can qualify. Females, ages 18 through 49, that are heavy radio and television users and moderate newspaper readers are the primary target. There is also continued focus on reaching Hispanic populations.

Advertising started October 1 with network and cable television buys and extends through June. Broadcast television is used because it reaches all 99 counties, but it is very expensive. Eight-week flights have been scheduled during the heaviest viewing months, October, November, February, and May. Sixteen weeks of cable television advertising are scheduled. Ms. Smith said that even though only 50 percent of Iowa households have cable, cable advertising is much more affordable and gives ***hawk-i***

great added value. With cable they are also able to purchase time on specific networks and shows.

Radio will have 12 spots per week for 12 weeks; October through April. Ads will air on 64 stations covering 84 counties. In addition, spots were purchased to reach Hispanic audiences in Omaha, Des Moines, and Waterloo.

Outdoor (billboards) will run in February and March covering 37 rural counties and 8 metro counties.

Ms. Smith said that she feels that in spite of the reduced media budget for *hawk-i* this year (\$698,000 from \$815,000) they were able to have a good media plan. Approximately four weeks of broadcast television were given up, but more cable was purchased. Radio and outdoor was maintained. The special newspaper section was also given up this year.

Additionally, Bill Brewer from ZLR said that they partnered with 1,500 churches to hold the second annual "Cover the Kids Day". A cover letter about the *hawk-i* program, talking points, and an announcement for bulletins, newsletters, or websites is mailed to the participants, along with a supply of *hawk-i* applications. Last year's event was held in September before any television or radio advertising and an appreciable spike in the number of calls to the 800 number was noticed after the event. Mr. Brewer told the Board that this is a very cost effective and successful outreach effort.

***Julie McMahon joined the meeting at this time via telephone conference call. A quorum is now present.***

#### **APPROVAL OF AUGUST 17, 2009, MINUTES:**

Jim Donoghue made a motion to approve the August 17, 2009, minutes. Kim Carson seconded the motion. Angela Burke Boston, Kim Carson, Jim Donoghue, Julie McMahon, and Susan Salter unanimously approved the minutes as written.

#### **ADMINISTRATIVE RULE AMENDMENTS:**

##### ***Adopted & Filed – Citizenship and Identity & SS#***

These amendments are being made to implement CHIPRA provisions requiring applicants and enrollees to provide proof of citizenship and identity and a social security number. The new requirement is effective January 1, 2010.

These rule amendments are identical to those published as Notice of Intended Action on September 19, 2009, as ARC 8110B. No public comment was received.

Kim Carson made motion to adopt the rule amendments. Jim Donoghue seconded the motion. Unanimous approval was made by Angela Burke Boston, Kim Carson, Jim Donoghue, Julie McMahon, and Susan Salter.

### ***Adopted and Filed – Crowd Out***

Mike Baldwin told the Board that the amendments implement a crowd out strategy that CMS is requiring as a condition of approving the state plan amendment to expand to 300 percent of FPL.

The amendments implement a one-month delay in ***hawk-i*** benefits when health insurance for the child has ended during the month of application for a child whose family's countable income equals or exceeds 200 percent of FPL. The amendments specify conditions when the delay does not apply; including situations when the reason the insurance ended was beyond the family's control (e.g. loss of job).

These amendments were published as Notice of Intended Action on September 9, 2009, as ARC 8127B. No public comment was received. However, the Department received clarification from CMS which led to shortening the "look back" period from six months to one month. The language has moved from 86.2(4)"b" to the "effective date of coverage" rules in 86.5(1). A few changes were made to rule 86.5 to further clarify the effective date of eligibility.

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

### ***Adopted and Filed – Dental***

Ms. Smith said that these rule amendments are made to implement SF 389, which creates a dental only program for qualified children who have health benefits, but no dental benefits. Existing rules are being amended to clarify that there are separate health and dental plans participating in the ***hawk-i*** program.

These amendments were published as Notice of Intended Action on September 9, 2009, as ARC 8112B. Public comment was received from two individuals. As a result, the words "in Iowa" have been added to the definition of "dentist" in rule 86.1.

Ms. Smith explained that when the original ***hawk-i*** legislation was passed, it directed the department to contract with health insurers to provide the required benefit package, including dental. There was no provision for the state to contract with dental plans. Legislation was subsequently passed that allowed the state to contract with dental plans to provide the dental benefits. The "clean up" or clarifying amendments were made only to make it clear that the rules that apply to the health plans also apply to the dental plans. Public comment was received from the Iowa Dental Association. They object to amending 401—86.14(1) to delete dental services from the required benefits a health plan must offer and feel that health plans should be mandated to provide dental services.

Ms. Smith said that traditionally health plans do not include dental coverage and the health plans that originally participated in the ***hawk-i*** program subcontracted for the

dental portion. Iowa Health Solutions did try to develop their own dental provider network but were not successful. Ms. Smith said the Department's position is that allowing dental only plans to participate in the *hawk-i* program expands competition and it does not prohibit health plans from also offering the dental benefit if they choose to.

Ms. Wiebers told the Board that due to the 10 percent across-the-board budget cut, the Department has suggested to the Governor's Office that programs that have not yet been implemented be put on hold pending the Department finalizing the budget reduction plan. The dental program is one of those.

Ms. Smith said that further amendments to these rules may be needed due to clarification just received from CMS. To be on *hawk-i* a child must be uninsured. However, they could be on the dental-only program and have other dental insurance. The way the rules are currently written the child could not have other dental coverage, so this language will have to be amended. Additionally, when the Department provided cost estimates to the Legislature it did not include a mandatory orthodontia benefit, which significantly alters the cost.

The board discussed the issue and felt that given the budget uncertainty and the clarification from CMS, they were not comfortable moving forward with the dental only plan at this time.

Angela Burke Boston made motion to table the discussion of the proposed rule amendments until their December 21, 2009, meeting. Kim Carson seconded the motion. A roll call vote was taken: Susan Salter, aye; Kim Carson, aye; Julie McMahon, aye; Angela Burke Boston, aye; and Jim Donoghue, aye.

### ***Notice of Intended Action – Grace Period***

Mr. Baldwin told the Board that these amendments are a result of discussions within the Department regarding situations where an applicant or recipient was denied or canceled because of a procedural issue. Under current rules, the person would need to reapply. These proposed rule 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 amendments also amend the definition of "unearned income" to exclude "any reasonable income-producing costs". For example, attorney fees for a workers compensation claim.

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

### **NEW BUSINESS:**

There was no new business.

The next regular ***hawk-i*** Board meeting is scheduled for Monday, December 21, 2009, at 12:30 p.m. The meeting will be held at the Insurance Commission Office at 330 Maple in Des Moines, Iowa.