

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

October 20, 2008

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
John Ortega

LEGISLATIVE BOARD MEMBERS:

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

DEPARTMENT OF HUMAN SERVICES:

Anita Smith
Anna Ruggle
Shellie Goldman

GUESTS:

Lynn Tague
Jess Benson
Nancy Lind
Diane Schroeder
Michelle Lickteig
David Weieneth
Jenny Hodges
Lindsay Miller
Tracy Smith
Carrie Fitzgerald

AFFILIATION:

Wellmark Blue Cross Blue Shield of Iowa
Legislative Service Agency
AmeriChoice
Delta Dental of Iowa
Delta Dental of Iowa
MAXIMUS
Iowa Department of Public Health
Iowa Department of Public Health
ZLR Ignition
Child & Family Policy Center

MEETING CALLED TO ORDER AND ROLL CALL:

The Healthy and Well Kids in Iowa (*hawk-i*) Board met on Monday, October 20, 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 AUGUST 18, 2008, MINUTES:

John Ortega made a motion to approve the August 18, 2008, minutes as written. Angela Burke Boston seconded the motion. Unanimous approval was made by Angela Burke Boston, Selden Spencer, John Ortega, Jim Donoghue, Kim Carson, Julie McMahon and Susan Salter.

CORRESPONDENCE, REPORTS & OTHER STATE NEWS:

Anita Smith reported on SCHIP news from other states:

California – Budget issues have led California legislators to increase premiums for their Healthy Families Program and have gone from a 12-month review period to a 6-month review. They are estimating that those two activities will result in 196,000 children losing coverage over the next two years.

Kentucky – A report estimates that 60,000 of the estimated 93,000 uninsured children are eligible but not enrolled in KCHIP. The report recommends that the state eliminate face-to-face interview requirements and accept applications online and by e-mail. Kentucky's governor has taken steps to enroll 35,000 more kids by hiring additional staff to process applications, designing a simpler application, doing more outreach, and partnering with the free and reduced meal program.

Massachusetts – A new report on their universal health care law shows that nearly three-quarters of previously uninsured residents now have medical coverage. Since the program launched in June 2006, 439,000 more people have enrolled in health insurance and nearly half of them have signed up for private coverage not state-funded. The expansion has spurred a substantial drop in patients seeking routine care in hospital emergency rooms, which is already saving the state millions of dollars. The latest report shows the experiment is working and there has been a cultural shift in public attitude where people understand the importance of having health care coverage. The health status of the population is improving overall and the report also shows the number of visits to hospitals and community health centers by the uninsured has decreased by 37 percent. The state is currently in negotiations with CMS because they are requesting more than \$11 billion in federal supports to pay for the next three years for health care programs. CMS wanted information to see if employers are dropping coverage and forcing employees into state-subsidized system. The report shows this isn't happening. Substantial shares have gone into private coverage, and 159,000 signed up for employer-sponsored health care coverage. Businesses are unhappy with the new rules that would require businesses with eleven or more full-time employees to pay at least one third of the cost of premiums to make sure at least 25 percent of their workers are covered by an employer plan. If the employer doesn't meet that requirement, they will face a penalty of \$295 per worker per year. In the final months of

2007 the state launched an advertising campaign reminding residents of the new law requiring everyone to have health insurance or face a \$219 tax penalty. As a result, more people signed up in the second half of 2007 than in any other 6-month period since the law took effect.

New York – Has expanded coverage to children to 400 percent of federal poverty level (FPL). They are using 100 percent state funding for the expansion. CMS has denied their state plan amendment request and New York is one of the states suing CMS over the August 17, 2007, directive.

Oregon- A task force has recommended that the state tax hospitals and insurance companies over the next two years to insure all children and to add 100,000 low-income adults to their Oregon Health Plan.

Other News:

U. S. Senator Baucus, of Montana, has stated that CMS is “beginning to get it” and they are finally making the connection between the misguided direction and that real kids could get hurt. CMS has said they are not going to enforce their August 17, 2007, letter and Senator Baucus has called for CMS to rescind it entirely. New Jersey is suing CMS over the directive and the case has been argued in the U.S. District Court, but there has not been a decision made at this time.

Some members of Congress are seeking to overhaul how the federal poverty level is established. The current method has remained unchanged since it was developed in the 1960s. The current FPL is based on 1955 data and the premise that a family spends one-third of their income on groceries. Therefore, if a family’s income is more than three times the cost of groceries, they are not poor. This measurement does not consider the increased cost of housing, transportation, or childcare. There are plans to introduce legislation that would require the government to develop a more modern and accurate method to determine who is poor. In the meantime, New York, Los Angeles, and Chicago have developed their own standards. Congressional aides do not expect any legislation to pass this year.

The U. S. Census Bureau released new numbers on the uninsured based on 2007 census data. There was a decline in the number of uninsured by 1.3 million. That decline was the exact same as the increase in Medicaid coverage. Based on the three-year average, Iowa ranks fourth in the number of uninsured among all populations. Hawaii and Massachusetts are tied at first with an 8.3 percent rate, Minnesota 8.5 percent, Wisconsin 8.8 percent and Iowa 9.4 percent. Using the two-year average, Iowa ranks ninth. This could be due to all the expansions by other states that include all populations.

Georgetown University’s Center for Children and Families released several reports. Two of those, “Public Coverage Waiting Periods for Children”, and “Cost Sharing for Children and Families in Medicaid and SCHIP will be useful for the Board when they discuss the cost sharing amounts for the expanded *hawk-i* group from 200 to 300 percent of FPL. The Board will need to discuss this at their December meeting so that

the state plan amendment can be made and the administrative rule amendment process started.

Another report discusses “12-Month Continuous Eligibility”. Iowa implemented continuous eligibility in July. During the first three months over 9,000 children have been added to Medicaid, exceeding the goal of adding 6,250 to both *hawk-i* and Medicaid this year. What is unknown at this time is how many, if any, are a result of the floods earlier this year.

ADMINISTRATOR’S REPORT:

Enrollment and Statistics:

Projections were for 39,004 children to be enrolled in SCHIP by the end of SFY 08. Actual enrollment was 34,580. Enrollment in *hawk-i* was about 3,400 less than projected. Enrollment as of the end of September was 17,069 in Medicaid Expansion and 21,816 in *hawk-i* for total SCHIP enrollment of 38,885.

SFY '08 and '09 Budget Update:

SFY 08 closed out with a \$5.8 million carryover to the *hawk-i* trust fund. Projected expenditures were \$24,246,489 and actual expenditures were \$19,284,602. This includes interest earned from the *hawk-i* trust fund in the amount of \$424,938. Due to the fact that the media campaign did not begin until 2008, those unspent outreach dollars will also be carried over to SFY 08. This brings the total amount in the *hawk-i* trust fund to \$9.6 million.

The budget for SFY 09 includes an appropriation of \$13.8 million, the \$9.6 million carryover in the trust fund, \$2 million from the Health Care Reform bill (HF 2539), and outreach and PERM dollars from Medicaid for a total appropriation of \$25.6 million. Projections are that \$21.4 million will be spent.

HF 2539 Update:

A health care summit was held by the Child and Family Policy Center in September. Several national experts attended, including Cindy Mann from Georgetown University, and a wide variety of participants were invited. The first day included a discussion of cost sharing and an overview of Iowa’s Health Insurance Premium Payment (HIPP) Program. The second day dealt with the more specific requirements of HF 2539 regarding streamlined eligibility and maximization of enrollment.

Breakout sessions were held and the results of those discussions (below) will be incorporated into the report that is due to the Legislature.

Group 1: Streamlined Enrollment and Presumptive Eligibility.

- Presumptive eligibility – start with entities that already do this for pregnant women. Ms. Smith said that the Department would recommend starting with this group for

Medicaid because of the concern that if a child is determined presumptively eligible for Medicaid and ultimately not found eligible, the money to pay for the services comes out of SCHIP money, which is already capped. It is not known what kind of impact this will have on the SCHIP budget, so the Department's position is to start small and see what happens and then expand to other populations.

- Consider renaming Medicaid.
- Link presumptive eligibility with other strategies that reach out to families.
- Create a children's health system, combining presumptive eligibility to encompass *hawk-i* and Medicaid.
- Use one application for children's health care in Iowa.
- Consider all reimbursement issues with presumptive eligibility.

Group Two: Renewal and Retention

- Ex parte renewals – verify income with existing databases (with parent permission). The Department will recommend this and will recommend the need to enhance technology to do that. There are systems and software that other states use for third party verification.
- Rename “administrative renewal”.
- Do small scale testing with low-risk families (FMAP, single-parent families). Ms. Smith said this would be families whose income doesn't change, such as those with social security disability and the Department will recommend this.
- Continuous eligibility for adults. The Department will not recommend this because there is no federal option to do so at this point.
- Review using a joint renewal form. The Department will recommend this.
- Consider renaming Medicaid.

Group Three: Other Options to Consider

- Average family income for three years for self-employed parents. Ms. Smith said that policy staff believe it would be harder for families to come up with tax forms for three years rather than what is requested now. As an alternative, the Department will recommend using the bottom line on the income tax forms.
- Creditable coverage is an issue for self-employed parents.
- Dental – can we offer dental coverage for underinsured children? Need to collect data on kids going off Medicaid and *hawk-i* to determine their dental coverage status. The Department will be recommending a dental package for underinsured kids. It will have to be funded with 100 percent state dollars.
- All children needs to mean all children, not some. We can use state dollars to cover all children. The Department will make the recommendation to include undocumented children.
- Outreach – more on-the-ground outreach is needed.
- Acknowledge the need for adult coverage, too. We need to cover whole families, and adults need help with coverage too.
- Mandates – we could mandate coverage for kids.
- Technology – strive for the best we can get. Update the DHS Legacy system as much as possible. Don't let technology drive legislation or vision.

- Listening posts – go out into communities around the state and ask families what they need, how do the programs serve them, what would help?

Carrie Fitzgerald, Child and Family Policy Center, told the Board that the Iowa Choice Health Care Advisory Council would be making similar recommendations on how the current programs can be streamlined or coordinated.

Ms. Salter asked for an explanation of creditable coverage. Angela Burke Boston explained that the health care coverage you have for a period of time is considered “creditable coverage”. You get “credit” for that coverage when you seek coverage in the group arena. When you move from one group coverage to another group, then any pre-existing conditions are ignored because of that previous coverage. *hawk-i* is not recognized as “creditable coverage” so when the kids come off *hawk-i* and into a group policy, they are not getting credit for “creditable coverage”. Ms. Smith said that both *hawk-i* and Medicaid are creditable coverage under federal law for moving into group coverage, but the portability does not apply to any individual coverage. In Iowa employer groups are recognized as “creditable coverage” for purposes of moving into individual coverage, but state law does not recognize Medicaid or *hawk-i*. Ms. Burke Boston said that the reason Medicaid and *hawk-i* are not recognized is because they are not paying into the Iowa Individual Health Benefit Reinsurance Program.

DELTA DENTAL EXPANSION UPDATE:

Ms. Smith reminded the Board that at the August Board meeting, Delta Dental approached the Board about the possibility of expanding their coverage statewide. As a result, the Department has contacted Wellmark and requested that they split out the current premium that includes both health and dental coverage into two separate premiums. The Department also informed Wellmark that if they choose to offer their dental product statewide, the Department would consider that as well.

ADMINISTRATIVE RULES FOR ADOPTION:

Ms. Smith stated that the Board originally approved these rule amendments for Notice of Intended Action at their July, 2008 meeting. No public comments were received as a result of the Notice, however, the Department has made four changes to the rule.

- The proposed amendment to 86.3(4) has been dropped based on a legal opinion that the Department already has the authority to accept electronic signatures through Iowa Code Chapter 554D.
- The definition of “client error” in 86.19(1) is revised to clarify that the client’s action must be intentional or negligent.
- On the advice of the Department’s attorney, the first sentence in 86.19(2) is revised to change the verb from “shall recover” to “may recover”.
- Subrule 86.19(4) is revised to clarify that recovery will be made from the person who completed the application and had responsibility for reporting changes, whether that

is the enrollee or the enrollee's parent, guardian, or other responsible person, and that the recovery may be made out of resources of that person that are not specifically listed in the subrule.

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

PUBLIC COMMENT:

Carrie Fitzgerald of the Child & Family Policy Center discussed recent activities of the Iowa Choice Health Care Coverage Advisory Council. The Council meets every two weeks and attendance has been great with two former governors, the insurance industry, labor, and the state government agencies affected by the health reform care bill.

The group is looking at the definition of "all kids", Governor Vilsack is the lead on that. They are looking at streamlining the current programs and discussing options for kids over 300 percent of FPL. Ms. Fitzgerald said she thinks the group is leaning towards some type of "buy-in" for *hawk-i* where families will be allowed to pay the premiums. Because the premiums are probably more than a family can afford, the group will look at how they can make the *hawk-i* program work for families by adding in some co-pays to lower the premium cost per month.

Kim Carson asked if the Advisory Council has had any discussions about making sure *hawk-i* is considered creditable coverage in Iowa. Ms. Fitzgerald responded that they had not, but she would bring this up and ask the Council to address it.

The Council has also had discussions about the underinsured and creating a dental buy-in program for *hawk-i* eligible families that may have health insurance coverage through an employer, but no dental coverage. There have been some discussions about covering adults. Some of the things they are looking at are going to 150 percent of FPL for adults in Medicaid and enhancing premium assistance programs.

Ms. Fitzgerald encouraged the Board to contact any Council member with questions or issues, and anyone can find information that has been presented to the Council or review meeting minutes and schedules at www.insurealllowakids.org.

THIRD PARTY ADMINISTRATOR UPDATE:

Ms. Smith updated the Board on the events that led to Director Gessow's decision to enter into discussions with PSI about terminating their contract and offering MAXIMUS a three-year sole source contract to continue as the Department's Third Party Administrator. The Department is currently negotiating with PSI to agree to a mutual termination of the contract.

Ms. Smith said that through their discussions with PSI, they had made some significant program changes, in some cases it was because PSI had technology that would allow enhancements to the program and others were ideas from other states. As part of the discussions with MAXIMUS the Department indicated they still wanted to pursue these items:

- No premium is due until the month after the second month that eligibility determination is made. MAXIMUS agreed to implement on January 1, 2009, in order to coordinate with the administrative rule amendment the Board adopted earlier today.
- Refining the Medicaid referral process. Changes had already been made to the Department's computer system to enhance the information that gets transferred from Medicaid to *hawk-i*. That was done to coordinate with PSI's system, and MAXIMUS will be changing their system to be effective January 1 also.
- Adding the state income tax form as an option on how applicants heard about the *hawk-i* program. MAXIMUS will change their system to capture that data.
- The new application with electronic signature – MAXIMUS will be able to do that on or before April 1, 2009.

Because there was not enough time to explore everything with MAXIMUS, it was agreed to do the other enhancements through the change order process and those will be priced separately. Staff will be meeting with MAXIMUS system staff to discuss the changes in the next week.

Ms. Smith told the Board that the cost of the new MAXIMUS contract would not exceed the cost of the PSI contract. The PSI contract included \$1.4 million for implementation costs, MAXIMUS will not have implementation costs, but they will be incurring the additional costs of the enhancements. Even with those costs, the total cost will not exceed the cost of the contract with PSI.

Ms. Smith said that the Department has notified all their partners that business will continue with MAXIMUS. The one issue that remains to be resolved is that the space MAXIMUS currently occupies has already been leased, so MAXIMUS is looking for a new location.

Dr. Spencer asked if there was anything Ms. Smith could share with the Board as far as what went amiss in the procurement process. Ms. Smith said that in future procurements the Department needs to explore with bidders how their system will fit Iowa's program, and not just accept that it will work. Ms. Smith said that the Department has discussed designing their own system and then have a third party administrator run the Department's system, rather than relying on an outside vendor to retrofit the Department's program into their system.

Selden Spencer made a motion to approve the new three-year contract with MAXIMUS. Angela Burke Boston seconded the motion. A roll call vote was taken: Susan Salter, aye; Selden Spencer, aye; Julie McMahan, aye; Angela Burke Boston, aye; Jim Donoghue; John Ortega, aye; Kim Carson, aye. Motion carried.

2008 ANNUAL REPORT:

Shellie Goldman told the Board that she will be preparing the Board's annual report to the Legislature. Ms. Goldman asked the Board if they wanted to continue using the same format, or how would they like it designed. Also, what items do they want included. This report is due to the General Assembly on January 1, 2009.

Ms. Goldman said that this year she would add any updates about SCHIP reauthorization, include the media outreach campaign, and the two mandated outreach items, the free and reduced lunch program, and the question that will be added to the Iowa income tax forms. She will also provide an update discussing the flooding and tornados in Iowa this year; the fiscal impact on the state and federal government; and program changes waiving the premium payments and not requiring families to send in their renewal for a three-month period.

Ms. Goldman said that she would not be able to include the functional health survey results. Those have always been included, however, this year when the Iowa Foundation for Medical Care reviewed all the survey data that was submitted, there was not a statistically balanced sample to work with. The initial surveys were okay, but people were not returning the follow-up surveys. Ms. Goldman said the Board may want to have the Clinical Advisory Committee review that survey as it is a rather large survey, and perhaps pare it down a bit. Ms. Goldman said that they have seen very little change in the statistics over the years, and they always seem to highlight the same areas, such as kids do better in school, and because the kids are covered, more adults are covered.

After discussion, it is the Board's desire that the Clinical Advisory Committee review and redesign the functional health survey.

OUTREACH UPDATE:

Media Campaign:

Tracy Smith, ZLR Ignition, reviewed the ***hawk-i*** SFY 08 media campaign with the Board.

The objectives of the campaign were to increase and measure the awareness of ***hawk-i*** and Medicaid to Iowans, to increase the number of calls by 8 percent and the number of applications by 5 percent. The focus was on families earning less than \$40,000 per year; adults age 18 through 49, particularly females in this age group; and both Hispanic and African-American families.

The media campaign consisted of:

- Broadcast television – (the highest reach capability of any medium) in all 99 counties for 21 weeks. Broadcast television also gives the most added value support.
- Cable television – Cable television is purchased for certain markets and cable offers a high appeal because advertising can be purchased on networks that reach the

target population, for instance Lifetime (women), Black Entertainment Television (BET), and Univision (Hispanic television). Cable spots were purchased for 17 weeks and reached 41 Iowa counties. Strong added value results from cable.

- Radio – Radio advertising was purchased for 24 weeks and included hard-to-reach rural areas as well as metro stations. Spots were also purchased on Hispanic and African-American stations. Added value included “total traffic” sponsorship announcements that added frequency to the message.
- Billboards- A three-month paid schedule was used for February through April. Billboards were purchased in low-income counties. Added value here is received when no one else purchases the billboard space, so there are still **hawk-i** ads up throughout the state.
- Gas Pump Toppers- These were posted statewide from March through July, with heavy rural penetration. In return, three months of bonus advertising was received at no charge for August through October. Free window clings were also provided.
- Newspaper- Because the target population are not heavy newspaper readers, moderate newspaper advertising was used. Eight half-page ads ran statewide from January through September. “Free standing inserts” were created and inserted into major metro papers four times. During “Cover the Uninsured Week” in April a special newspaper section was created and inserted into 83 newspapers across the state.
- Transit – Ads were posted from April through July in Sioux City, Dubuque, Cedar Rapids, Waterloo, and Clinton and in Des Moines from May through August. The ads in Des Moines were timed so that they would be included in the State Fair Shuttles in August.

Ms. Smith then outlined the cost of each medium and the added value received. The total amount spent was \$2.1 million and just over \$1 million of added value was received:

<u>Medium</u>	<u>Amount Purchased</u>	<u>Added Value Received</u>
Broadcast television	\$733,000	\$213,000
Cable television	\$133,000	\$482,000
Billboards	\$281,000	\$ 69,000
Radio	\$494,000	\$175,000
Gas Pump Toppers	\$147,000	\$ 80,000
Newspapers	\$393,970	None
Transit	\$ 13,064	unknown

Ms. Smith then recapped the public relations segment of the campaign:

- Campaign kick-off news conferences by Governor Culver on January 24, 2008, in Des Moines and Cedar Rapids.
- Media alerts and news releases during Cover the Uninsured Week in addition to the purchased newspaper advertising that week.
- Coordinated with nearly 1,000 churches to mention **hawk-i** to their congregation and to distribute **hawk-i** information for Cover the Kids Day on August 3. A survey will be conducted in October and November for feedback from these churches to see if this effort should be continued next year.

Ms. Smith said that during the campaign period the call volume at MAXIMUS was 53 percent higher than at the same time period in 2007 and applications were 25 percent higher.

The results of the awareness study indicate that awareness of *hawk-i* increased by 18 points over the 2007 study. Advertising awareness increased by 20 points with the majority recalling television or radio ads. The baseline study showed that 78 percent of lowans approve of the program and that has now increased to 80 percent.

The SFY 09 media campaign will commence in mid-November and run through June with a budget of roughly \$800,000. The same spots will be used in each of the mediums and a special newspaper insert will be purchased in April. Public relations activities are planned to include a program update news release in December, and April news conferences to provide an update on SCHIP legislation, discuss the new income levels and to highlight Cover the Uninsured Week.

NEW BUSINESS:

There was no new business.

The next regular *hawk-i* Board meeting is scheduled for Monday, December 15, 2008, at 12:30 p.m. at the Des Moines Botanical Center, Levitt Room, 909 Robert D. Ray Drive, Des Moines, Iowa.