



MINUTES

Legislative Commission on Affordable Health Care Plans for Small Businesses and Families Public Hearing

September 4, 2007

Council Bluffs, IA

CO-HOSTS AND ATTENDEES PRESENT:

Former Governor Tom Vilsack, Co-host
Senator Jack Hatch, Co-chairperson
Senator Mike Gronstal
Mr. John Aschenbrenner
Dr. David Carlyle
Ms. Sharon Treinen

Former Governor Terry Branstad, Co-host
Representative Ro Foege, Co-chairperson
Representative Rich Anderson
Representative Greg Forristall
Representative Doug Struyk

Mr. John Hedgecoth, Representing Governor
Culver's Office

MEETING IN BRIEF

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- I. Procedural Business.
- II. Invited Speaker — Local Initiative.
- III. Hearing Testimony Themes.



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I. Procedural Business.

The first public hearing of the Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was called to order by Co-chairperson Hatch on Tuesday, September 4, 2007, in Looft Hall at Iowa Western Community College in Council Bluffs, Iowa. Co-chairpersons Hatch and Foege introduced Commission members Mr. Aschenbrenner, Dr. Carlyle, and Ms. Treinen; local legislators Senator Gronstal and Representatives Anderson, Forristall, and Struyk; and Mr. Hedgecoth, representing the Governor's Office. Co-chairpersons Hatch and Foege introduced and welcomed former Governors Branstad and Vilsack as moderators and co-hosts of the hearing.

II. Invited Speaker — Local Initiative.

Ms. Marie Knedler, Alegent Health Systems, provided an overview of the health care initiatives utilized by Alegent Health Systems to impact the quality of health care. Alegent Health Systems is the largest not-for-profit, faith-based health care system in Nebraska and southwestern Iowa. The initiatives focus on a commitment to quality and patient-focused care. Ms. Knedler discussed Alegent's focus on providing transparency through reporting of data based on quality performance measures, providing consumer-driven care utilizing health savings accounts and health risk assessments, and addressing costs by reviewing out-of-pocket costs for frequently purchased services. Ms. Knedler also promoted the use of evidence-based care.

III. Hearing Testimony Themes.

Approximately 15 persons testified at the public hearing. The following themes were addressed in the testimony:

- **Oral Health.** Reimbursement to dentists under the Medicaid program is insufficient to encourage new dentists to participate and to retain those currently participating. This results in cost shifting to other payors. Dental services should be carved out for reimbursement. Many Medicaid patients do not comply and miss appointments or are late which leads to financial losses to the dental practitioner. There should be financial assistance, such as forgivable student loans, for those going into the oral health and other health care professions, including but not limited to those who will practice in shortage areas. Periodontal services should be covered under Medicaid especially because poor oral health results in more costly procedures later and also results in other health problems. The average age of dentists in Iowa is 55 years of age. Programs such as I-Smile, water fluoridation, school-based sealants, and making dental coverage affordable are all important aspects in making oral health services available. Mobile health clinics could be utilized more to provide care.
- **Home Care.** Home care is the preferred choice of consumers, provides access to care in a person's own home, is cost-effective, and is more in demand as the population ages. Consumers and providers need to be educated about the use of home care to reduce the use of other types of care such as the emergency rooms. The use of home care should be a priority for the General Assembly.

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- **Children and Young Adults.** All children should have accessible health care by strengthening both public and private coverage and by ensuring provision of primary, preventive, and developmental health services. Current programs such as Medicaid and hawk-i could be used to cover more children and adults by providing more outreach, working to maintain employer-sponsored coverage including establishing a premium assistance program for hawk-i participation, developing a sliding fee schedule to raise the income eligibility for hawk-i to at least 300 percent of the federal poverty level, providing coverage for legal immigrant children without the current five-year waiting period, creating access for all families to affordable coverage, and establishing a requirement for all families to secure health insurance for their children through one of these mechanisms. A child health insurance coverage system should provide for a medical home; address oral, mental, and social health; and be based on evidence of effective pediatric practices. Young adults 18-24 years old have the highest uninsurance rate in the state. Strategies to cover this group include expansion of hawk-i and requiring expansion of private coverage to include this population. There is a Commonwealth Fund study on the impact of the use of medical homes on inequity in care.
- **Direct Care Workers.** Many direct care workers are uninsured. The lack of health care coverage leads many to leave the profession. The lack of health care coverage of direct care workers leads to lack of consistency in the direct care worker workforce and has a negative impact on the quality of care provided to lowans.
- **Purchasing Practices.** Purchasers of health care can organize to improve the quality and reduce the cost of health care. Costs must be contained and there must be transparency and public reporting regarding quality and cost. Best practices should be identified and used.
- **Replacing Current System.** The health care system is broken. The Commission has mostly talked only about reforming health insurance, not health care. The issue of cost and other factors must be addressed or the decision is merely one of who will pick up the tab for a broken system. Individual mandates are based on the flawed assumption that health care costs are too high because individuals are not responsible for paying for their own health care. Individual mandates, employer contributions of a fair share, and the free rider surcharge in the Massachusetts' system could result in employers dropping employees from health care coverage or not offering coverage, antiemployee attitudes and negative hiring practices, and could also result in the employer coverage system collapsing with a shift of costs to taxpayers and consumers. Iowa should learn not only from the successes of other states, but also from their mistakes.
- **Pharmacy.** Having a pharmacist in a doctor's office is a means of providing a medical home. Mail-order pharmaceuticals are not a means of improving quality of care; price alone does not assure high-quality pharmaceutical care. Pharmaceutical case management provides value, and providing pharmaceutical services at the location of the medical home is very valuable. Consideration should be given to incentives for pharmacists to collaborate with physicians. The Medicare Part D "donut hole" presents problems for seniors.



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- **Chronic Disease.** Addressing chronic disease is important in improving the health care system. Health care must be affordable and the focus should be on the high cost of chronic disease. Consumers and providers should be educated, be provided incentives, and should be more prudent in their health care decisions. Chronic disease is where the money is. Preventing chronic disease in the future is vital, starting with children and young adults. However, the state should be best in class not only in chronic disease prevention and management but in all categories.
- **Child Care Providers.** Child care providers need affordable health insurance with good coverage that includes preventive health care coverage. Most individual policies include only a type of catastrophic coverage and are unaffordable, especially if the person has a preexisting condition. Child care providers are in constant contact with children, and are also important to the economy by providing care to the two-adult working families of the state. If affordable health care was available to child care providers as an insurable group, more child care providers might be registered providers. Some child care providers leave the profession because of lack of health care coverage. Legislation was enacted in 2007 to allow for members of organizations/associations to pool together to purchase health care coverage, but the challenge is meeting reserve requirements to form such a group.
- **Possible Improvements.** The health care system could be improved by reducing the bureaucracy. Alternative healing arts providers, such as physical therapists, are often paid less but provide the most healing. A decision must be made regarding what care we are going to pay for. Free-market forces should be allowed to work in the health care system. Consumers must be educated about health care and allowed choices, including access to an array of health care professionals.
- **Best Practices.** We should look at best practices models and improve the quality of care. There are ways to be more efficient and effective.
- **Consumer Choice.** Health care funding should be in the hands of consumers. Consumers should be given incentives to make good choices. The focus should be on prevention.
- **Transparency.** There should be more transparency in the system to allow consumers to make informed decisions. The system is illogical when the cost of care is more expensive for certain consumers, for example private pay, than for those with insurance. Information regarding the cost of care is not readily available to the consumer when trying to compare costs. There are not incentives to take care of yourself when you are young, and this may result in more costly care when a person is older.
- **Assessments.** Health risk assessments are helpful in reducing the size of the increase in health care expenditures.
- **Quality of Life.** The United States is lowest on the quality of life, life expectancy index.
- **Financing.** The issue is not just fixing the health care system, but fixing the financing of the system.