



MINUTES

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

September 26, 2007

Indianola, IA

CO-HOSTS AND ATTENDEES PRESENT:

Former Governor Tom Vilsack, Co-host
Senator Jack Hatch, Co-chairperson
Senator Staci Appel
Dr. Steven Fuller
Ms. Janice Laue
Mr. Joe Teeling

Former Governor Terry Branstad, Co-host
Representative Ro Foege, Co-chairperson
Dr. David Carlyle
Ms. Julie Kuhle
Ms. Patsy Shors
Ms. Susan Voss, Commissioner of Insurance

MEETING IN BRIEF

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- I. Procedural Business.
- II. Invited Speakers — Local Initiatives.
- III. Hearing Testimony Themes.



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I. Procedural Business.

The second public hearing of the Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was called to order by Co-chairperson Foege on Wednesday, September 26, 2007, in Lekberg Hall, Amy Robertson Music Center, Simpson College, Indianola, Iowa. Local state Senator Appel welcomed the former Governors, Commissioners, and guests to Indianola and Simpson College. Co-chairperson Foege introduced Commission members in attendance, Co-chairperson Hatch, Dr. Carlyle, Dr. Fuller, Ms. Kuhle, Ms. Laue, Ms. Shors, Mr. Teeling, and Commissioner Voss. Co-chairperson Hatch introduced and welcomed former Governors Branstad and Vilsack as moderators and co-hosts of the public hearing. Former Governor Branstad noted the immensity of the Commission's challenge to develop a health care system that meets the needs of the 21st Century, including the challenges specific to Iowa of an aging population and increased incidence of chronic disease. He emphasized the need to change from a sick care to a well system by putting more resources into prevention and supporting efforts to provide healthy environments, such as utilizing health risk assessments and establishing smoke-free campuses. Former Governor Vilsack noted that under the current system, insurers are concerned with risk and pay based on quantity rather than quality of care. Even though Iowa was ranked second in a Commonwealth Fund study, the system still needs work. Iowa can provide a framework for improvement, but a national response is also needed. There is work to be done in the area of prevention and in reallocating the resources that are in the current system to ensure access to health care insurance for all. The goal should be to be the best in the nation in meeting current quality indicators.

II. Invited Speakers — Local Initiatives.

A. Dr. Alan Koslow, President, American Diabetes Association of Central Iowa.

Dr. Koslow noted the trend toward an increase in the rates of obesity and Type II diabetes in the state among young people. In order to address these trends and to gather input for a community-based plan of action, a Shaping America's Youth Forum was held in Des Moines on August 25, 2007. The group considered both family actions and actions by stakeholders who support families. The top three initiatives supported by 75 percent of the attendees for stakeholder actions related to educators and schools: 150 minutes per week of physical education, i.e., actual physical exercise in grades K-12; healthy lunches with no fast food; and nutrition education through all grades. Other initiatives supported included those relating to community leaders and service providers (establish outdoor green spaces, provide access for safe walking and biking paths, create neighborhood events that include physical activity), the health care community (promote routine physical activity for individuals and families, create incentives for physicians and patients for being healthy, promote and provide nutrition counseling and education, mandate prenatal nutrition education, limit TV time for children), the business and private sector (encourage physical fitness and wellness through health care plans, make wellness facilities available to families, create worksites that foster activity), and legislators and policymakers (increase/improve access to community centers, parks, and other infrastructures supporting physical activity through budget allocations, simplify food labeling, require quality, daily PE). Dr. Koslow noted that legislation was

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introduced in the 2007 Legislative Session regarding healthy food in schools, foods offered in school vending machines, and the farm-to-school bill which encourages and promotes the purchase of locally and regionally produced or processed food in order to improve child nutrition and strengthen local and regional farm economies, the latter of which was enacted. Former Governor Vilsack stated that Michigan enacted legislation to allow for a 10 percent discount in premiums for wellness activities.

B. Ms. Kim Carson — The Healthy Village Wrap-around Project.

Ms. Carson provided information about the Healthy Village Wrap-around Project which targets childhood obesity through a comprehensive, holistic approach that involves physical, mental, emotional, and cognitive aspects. The target region for implementation is the northeast region of the Des Moines Public School District for the 2008-2009 school year. The project will focus on prevention by not only targeting morbidly obese children, but those who are on the borderline of obesity. The project creates collaboration between the child and family with a focused effort that builds and supports healthy communities and involves the school, the family, and the community. The project targets school-aged children through education that promotes positive self-image and healthy lifestyle, physical activity, and behavior modification skill training while maintaining a positive peer culture. The project will establish an evidence-based model that demonstrates best practice methodology in the areas of physical, social, emotional, and cognitive change and can be replicated throughout the state and the nation. The school-based portion provides for before and after school programming; assistance with making better lunch choices; fitness and nutritional education through play activities, group, and individual counseling; skills training; programming during summer, spring, and winter breaks; in-home counseling and family support groups; medical screening; outreach; and other community support. The project also partners with local hospitals, doctors' offices, and other local agencies to identify at-risk children and utilizes assessment tools during the school registration process to identify and support families that may show behaviors that could lead to obesity issues.

III. Hearing Testimony Themes.

Approximately 32 persons testified at the public hearing. The following themes were addressed in the testimony:

- **Home Care/Respite Care/Direct Care Workers.** Providers of home care act to provide "mini-hospitals" for patients in their own homes. There are many therapies that can be used in the home that are more cost-effective for patients than remaining in the hospital. Traditional home care is expanding to encompass many services that a few years ago would have been available only in an institutional setting. Home care is important—home care services are delivered to a significant and increasing number of Iowans every year. However, an increasing number of these services are uncompensated due to a new Medicaid reimbursement formula and funding shortfalls. Home care is preferred by patients, is less costly, reduces unnecessary hospitalizations and treatment, and is readily available to Iowans in all 99 counties. However, access could be compromised by low reimbursement and lack of coverage of in-home services. There is sufficient funding in the health care system, but it should be realigned to provide more cost-effective care and allow



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individuals to be in their homes. The rules for hospice care coverage could be rewritten to allow for a period of one year rather than six months as a basis to determine if a person is eligible for hospice care. Respite care is critical for families caring for family members with chronic and terminal illnesses, such as ALS. However, the costs of home care are only partially covered, leaving some families destitute. Senator Tom Harkin recently introduced legislation to ensure that home care workers receive a living wage in compliance with the Fair Labor Standards Act. Home care provides persons with disabilities the opportunity to live independently and accomplish life goals. Direct care workers often do not have health care coverage. Direct care workers (and all other lowans) should have access to coverage. The issue of preexisting conditions should be reviewed and often makes coverage unavailable or unaffordable. Those with health care debt are sometimes denied care due to the debt.

- **Medical Home.** The medical home concept should be used to provide access to affordable and timely health care. Primary care should be emphasized and should be used as the gatekeeper for the provision of health care instead of the emergency room. Community hospital services are necessary, including mental health and obstetrical care. Investment should be made in new health care services and professionals, and for enhancing existing practices. High debt loads and lower reimbursement often deter new practitioners from practicing primary care, so incentives are needed.
- **Medically Fragile Children.** Premature babies, babies with birth defects, and children injured in accidents are being saved today with advances in technology. This presents life-long medical challenges. Hospitals are concerned that they may become the care facilities for these children and lose needed acute care beds. Both the public and private portions of the health care system need to be reformed. The private portion, insurance companies, are rewriting insurance plans to exclude extended-hour nursing. The insurance company finds out where the family is on the Medicaid waiver waiting list and once the family receives Medicaid, they deem the care custodial and deny services. More of this care is being shifted to Medicaid for payment. There should be a law to prohibit insurance companies from asking about Medicaid coverage and requiring approval of care based on medical need, not other payor sources. The law should also provide that if Medicaid and the physician deem the care medically necessary, the insurance company would have to provide coverage. With regard to the public portion, the new Medicaid fee structure and the waiting lists restrict access. The waiver waiting lists are long and qualifying for assistance can take up to two years. As an example of the fee structure, Early and Period Screening, Diagnosis, and Treatment (EPSDT) only approves LPN level of care unless the child requires IV therapy which requires an RN. There is not an adequate supply of LPNs, so agencies must hire RNs to provide the care, which is then provided at a loss to the home care agency due to lower reimbursement. Recommendations for improvement include approving both RN and LPN units of care, developing a blended rate for EPSDT nursing coverage, and allowing parents to find home care for the amount budgeted. There is a crisis looming in this area. There is not enough funding to cover all those on the Medicaid waiting lists and as these children age out of the coverage system, their parents will not be able to care for them. The EPSDT program should be expanded.

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- **Christian Science.** Medical care is only one form of available health care. Another form is religious nonmedical health care. Successful health care reform should take into account the needs and preferred choices of the entire community. Religious nonmedical health care is achieved through the services of Christian Science practitioners and Christian Science nurses in the home or at religious nonmedical nursing facilities. Religious nonmedical care is frequently included as a covered benefit under public and private health insurance arrangements. The request is that the Commission take the necessary steps to ensure that all Iowans have access to effective health care of their choice, including religious nonmedical health care.
- **Public Health Structure.** An infrastructure exists as a basis for providing a health wellness system. The public health system provides health care throughout the life spectrum. Health care is provided at the local level through funding that is passed down from the federal and state governments. However, funding has been reduced in recent years. This structure can be instrumental in shifting to a health care wellness system.
- **Worksite Wellness.** Worksite wellness programs reduce health care costs by 20-50 percent, reduce short-term sick leave by 6-32 percent, and increase productivity by 2-52 percent. Such programs positively influence the risk of premature death, the risk of disease, blood pressure and cholesterol levels, body weight and body fat, muscle, bone and joint health, depression and anxiety levels, psychological well-being, and work, recreation, and sports performance. Lighten Up Iowa began through the efforts of Former Governors Robert Ray and Branstad to address the obesity problem and encourage healthy lifestyles through competition, using the Iowa Games model. The program provides website and tracking for businesses and also provides community grants to support programs. Providing incentives works well. School programs are also important in encouraging youth to increase their physical activity and make better food choices. School children need to be active to learn—canceling recess and PE classes to meet No Child Left Behind Act requirements is not beneficial to children.
- **Catholic Church Priorities.** Access to affordable health care has long been a priority of the Catholic Church. The Catholic Church is involved in the health care sector on a number of levels—Catholic hospitals make up the largest nonprofit network of hospitals in the country and Catholic churches, schools, and social service agencies are consumers and paying customers of the health care system. There are five criteria that the Catholic Church will use to evaluate any health care reform: respect for life, priority concern for the poor, universal access, comprehensive benefits, and pluralism. Also, reform should promote quality in the system, control of costs, and equitable financing based on ability to pay. The system should promote preventive care, utilize face-to-face interaction in managing chronic conditions, and include mental health services.
- **Transparency.** Health care transparency will help create needed change. Transparency consists of comparative public reporting of health care provider performance on quality, patient safety, and price/cost. Many efforts include the Leapfrog Group measures. The Leapfrog Group is a nationally recognized organization of major companies and other large private and public health care purchasers that provide health benefits to more than 37



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million Americans. The National Quality Forum is a nonprofit national coalition of physicians, hospitals, businesses, and policymakers that has identified 28 events that should never happen in hospitals, i.e., Never Events. Specific action items should be included in the Commission's final report to address improving quality and eliminating waste to sustain current and to expand coverage in Iowa. Additionally, reform should include transparency and public reporting, including the measures endorsed by the National Quality Forum — the Leapfrog Group Patient Safety Measures and their policy on Never Events. States that have adopted the Leapfrog Group measures include Minnesota and Illinois. Consumers and buyers of health care should be organized and engaged. The Iowa Health Buyers Alliance provides this service.

- **Affordability.** Health care coverage should be accessible to all, but in order to be accessible, the issue of affordability must be addressed. Iowa has one of the lowest percentages of uninsured, and also has some of the lowest insurance rates. Much of health care reform must be addressed at the national level, but the state can address areas such as wellness by providing incentives to engage the unhealthy and by providing for the exchange of personal health information. The state should also consider reinsurance. Employers are being affected by increased health care costs and are looking at options to reduce the cost of health care while still providing coverage to employees. The legislation enacted in 2007 regarding association health plans will be a long-term improvement, but not a quick fix. States need to step in and provide parameters for providers to develop an electronic health records system.
- **Existing Program Improvement.** The rules for Health Insurance Plan of Iowa should be changed to remove the six-month waiting period for eligibility. Eligibility, including income guidelines, for adults under Medicaid should be revisited. Costs for health care services are more expensive for those who have the least ability to pay and are self-pay. There is inefficiency in the Medicaid system that should be addressed.
- **Dental Services.** The provision of dental services is a major step in prevention of disease and would reduce the state's financial outlay for dental care and health care in the long term. The I-Smile Program provides dental services to 170,000 children under the Medicaid program and also provides counseling to parents in taking care of their children's teeth. One of the biggest problems for adults is also dental health because poor dental health can result in infection and other health issues. Perhaps a voucher program for adults to provide dental health could be implemented.
- **IowaCare and Broadlawns.** The IowaCare Program at Broadlawns Medical Center in Des Moines provides a model for the medical home concept. Individuals 19-64 years old with incomes up to 200 percent of the federal poverty level are eligible. These individuals have cost-sharing requirements which have brought in \$2 million to the program, are being provided physicals, and have health risk assessments provided through Des Moines University. The program has reduced emergency room visits. Broadlawns is already providing for transparency regarding quality of care by providing information based on the Centers for Medicare and Medicaid indicators. Broadlawns recently added a pediatrician and immunization rates of children are now 99.5 percent. Broadlawns provides dental

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sealants to one-year-olds and provides vouchers for food purchases at the farmers market. Broadlawns is also a WIC provider. Broadlawns is concerned about the workforce shortage, the pending federal legislation to reduce graduate medical education funding, and the imminent lapse of the National Service Corps if federal legislation is not proposed to reinstate the program. There is also the issue of inadequate reimbursement under the Medicare and Medicaid programs. A major workforce shortage exists in the area of psychiatry.

- **Restructuring of Priorities.** Many consumers are lucky to pay very little out-of-pocket for health care services. Yet, if billions of dollars can be spent for the war in Iraq, the government should be able to help a mother who cannot afford medicine for her child and to provide health care coverage for those who need it.
- **Pharmaceuticals.** Use of generic drugs should be more widespread since only about 7 percent of individuals have contraindications for the generic form. Generics are often prescribed less because they are not as convenient to use. Name brand drugs often are only required to be taken once a day, while generics are taken two to four times a day.
- **Continuing Medical Education (CME).** CME should be structured for the health care specialty and should focus on what is new and necessary for a member of that specialty to learn in a manner similar to elder/child abuse training. The practitioner should be tested on what they have learned before they can be relicensed. In Wisconsin the practitioners have to demonstrate that they are implementing the newest practices learned in a CME into their own practice.
- **Recommendations from AFSCME.** Health care plans should be more flexible to cover medically necessary procedures that are often viewed as elective, such as gastric bypass surgery. Changing drug formularies should be limited. Workers should be allowed to select their own doctor in determining workers' compensation claims. Any single payor plan should be similar to Medicare.
- **Pharmacists.** Pharmacists provide a valuable service. Some examples include diabetes education, collaboration with physicians, insulin pump training, smoking cessation, medication therapy management which is only currently reimbursed under Medicaid and Medicare Part D, and vaccination programs. Pharmacists often do rounds with doctors in hospitals to provide the collaborative approach.
- **Wellness and Chronic Care Management.** There should be wellness and health support for persons who are not quite at the chronic stage of an illness or disease so that people can self-manage their health. Wellness and prevention should get more attention in the health care system and the health care system should be reoriented to support healthy and preventive measures such as health screenings, smoking cessation, immunizations, body mass index measure below 25, and exercise to improve quality of life and reduce overall health care costs. Individuals need to take responsibility for their own health, and employers can help employees by providing education, screenings, and by working to ensure that benefit plans encourage proper health management and recognize the importance of prevention and wellness. Government, through public policy, should provide



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incentives, such as tax credits, for employers to implement wellness programs. Health care providers should advise patients at every visit of things that can be done to save lives and improve quality of life such as providing counseling and medications to quit smoking, having appropriate screenings for conditions such as colorectal cancer, receiving an annual flu vaccination, and taking a daily aspirin.

- **Racial Disparity.** Health care reform should take into consideration the racial disparities in health outcomes.
- **Telemedicine.** Telemedicine should be expanded and reimbursed.

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