



# Iowa General Assembly

## 2009 Committee Briefings

Legislative Services Agency – Legal Services Division <http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=484>

### LEGISLATIVE HEALTH CARE COVERAGE COMMISSION

**Meeting Dates:** [December 2, 2009](#) | [October 20, 2009](#) | [September 9, 2009](#)

**Purpose.** *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at <http://www.legis.state.ia.us/>, or from the agency connected with the meeting or topic described.*

### LEGISLATIVE HEALTH CARE COVERAGE COMMISSION

December 2, 2009

**Chairperson:** David Carlyle, M.D.

**Vice Chairperson:** Ted Williams

**Background.** The Legislative Health Care Coverage Commission was created by 2009 Iowa Acts, Chapter 118, §1 (S.F. 389) and charged to develop an Iowa health care reform strategic plan which includes a review and analysis of and recommendations and prioritization of recommendations for various options for health care coverage of Iowa's children, adults, and families, with a particular emphasis on coverage of adults.

**Membership.** The Commission is comprised of 11 voting public members appointed by the Legislative Council and seven ex officio, nonvoting members including four legislators and the Commissioner of Insurance, Director of Human Services, and the Director of Public Health, or their designees.

**Federal Health Reform Update.** Representative Mark Smith and Senator Jack Hatch, who are both members of State Legislators for Health Reform, a group of 32 state leaders convened by the White House, provided an update on health reform proposals currently being considered in Congress. Representative Smith said that one implication of the proposed legislation is whether there will be a public option for the purchase of healthcare coverage from the federal government and whether states will be allowed to opt-out if such an option is enacted. Senator Hatch noted that legislation is currently being considered by the United States Senate and voiced his optimism that there will be significant reform enacted. Representative Renee Schulte, serving as an alternate for Representative Linda Upmeyer, expressed the Republican response to current federal health reform efforts. She noted that while Republicans are excited about the prospect of health reform they are concerned about the cost to the federal government, considering the federal deficit, and the cost to the state as well. Representative Schulte said that she is concerned that reform efforts are not addressing rising medical costs.

**David P. Lind & Associates—2009 Iowa Employer Benefits Study.** Mr. Lind stated that his company advises employers on employee benefits and has been conducting a survey of health insurance benefits offered by Iowa employers for 11 years. He noted that this year the survey included employers of two to nine employees, continuing a trend to survey smaller and smaller employers since there is a huge number of such this size firms in Iowa. Mr. Lind said that approximately 54 percent of such small employers offer health insurance to their employees but there is an alarming trend in the marketplace of much higher rate increases for small employers than for larger employers. Despite such increases, employers are generally not dropping health coverage but are tweaking the plans offered instead.

**Workgroup Reports and Recommendations.** The chairperson of each workgroup presented that workgroup's report and recommendations for inclusion in the Health Commission's report to the General Assembly in January 2010:

- **Workgroup 1 (Coverage of Adults).** Chairperson Carlyle stated that Workgroup 1 met on September 28, October 12 (telephonic meeting), November 9, and November 23. Chairperson Carlyle presented four recommendations. The workgroup's initial recommendations focused on helping the state to expand coverage between now and 2014, when federal health reform would presumably take effect, and to take advantage of new opportunities that federal

health reform might afford.

- **Workgroup 2 (Use/Creation of State Pool).** Chairperson Marcia Nichols stated that Workgroup 2 met on September 29, October 8, November 18, and November 24 (telephonic meeting). Chairperson Nichols discussed two recommendations that Workgroup 2 adopted but noted that only one would be proposed for inclusion in the Health Commission report.
- **Workgroup 3 (Administration of Health Care Reform in Iowa).** Chairperson Williams stated that Workgroup 3 met on October 15, November 11, and November 20. Chairperson Williams presented seven recommendations that Workgroup 3 adopted, including a recommendation not included in the workgroup's written report.

**Discussion of and Adoption of Workgroup Recommendations.** After discussion of the recommendations made by each workgroup and modifications of the language in some of the proposals, the Commission voted to adopt 11 recommendations to be included in the Commission's first report to the General Assembly in January 2010. Health Commission Coordinator Anne Kinzel was directed to prepare the Commission's report to the General Assembly outlining the Commission's deliberations and progress thus far and its recommendations for options to improve health care coverage in Iowa. Ms. Kinzel will send out a draft of the report by December 22, 2009, for Commission members to review. Each of the workgroup reports is posted on the Commission's Internet site.

**Upcoming Meeting.** The next meeting of the Commission is scheduled for Wednesday, January 6, 2010, in Room 103 at the Statehouse beginning at 10:00 a.m. for the purpose of approving the Commission's report to the General Assembly.

*LSA Contacts:* Ann Ver Heul, Legal Services, (515) 281-3837; Patty Funaro, Legal Services, (515) 281-3040; John Pollak, Legal Services, (515) 281-3818.

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## LEGISLATIVE HEALTH CARE COVERAGE COMMISSION

October 20, 2009

**Chairperson:** David Carlyle, M.D.

**Vice Chairperson:** Ted Williams

**Background.** The Legislative Health Care Coverage Commission was created by 2009 Iowa Acts, Chapter 118, § 1 (S.F. 389) and charged to develop an Iowa health care reform strategic plan which includes a review and analysis of and recommendations and prioritization of recommendations for various options for health care coverage of Iowa's children, adults, and families, with a particular emphasis on coverage of adults. The second meeting of the Commission was held at the Statehouse in Des Moines, Iowa.

**Membership.** The Commission is comprised of 11 voting public members appointed by the Legislative Council and seven ex officio, nonvoting members including four legislators and the Commissioner of Insurance, Director of Human Services, and Director of Public Health, or their designees.

**Maine State Representative Sharon Treat.** Representative Treat is in her 18th nonconsecutive year in the Maine legislature and is recognized as an expert on pharmaceutical and health policy. She also serves as Executive Director of the National Legislative Association on Prescription Drug Prices and is the Legal Project Director for Prescription Drug Choices. Representative Treat sponsored the 2003 bill that created Maine's Dirigo Health Program and discussed lessons that have been learned from the implementation of the program. Representative Treat explained that the Dirigo Health Program is based on the concept of a three-legged stool that controls health care costs, improves health care quality, and expands access to health care coverage. The program provides access to a health insurance policy that is issued by a private insurer pursuant to an RFP developed by the Dirigo Health Program Board. Payment of premiums for the insurance is subsidized on a sliding scale for persons up to 300 percent of the federal poverty level. Dirigo has been effective in providing health care coverage for people who were not covered before and has been utilized by at least 700 businesses and nonprofit organizations.

Representative Treat said that the expansion of access to health care coverage in Maine has been controversial and problematic, in part due to the Dirigo program's funding mechanism and payment schedule. She is continuing efforts to ensure that individuals, small businesses, and nonprofit organizations who currently rely on the Dirigo Health Program may continue to do so and others who want to sign up for the program have that option. Enrollment in the Dirigo Health Program is currently capped due to lack of additional funding.

**Federal Health Reform Update.** Representative Treat and Senator Jack Hatch, who are both members of State Legislators for Health Reform, a group of 32 state leaders convened by the White House, provided an update on health reform proposals currently being considered in Congress. Senator Hatch noted that Senator Joe Bolkcom and Representative Mark Smith are also members of the group. Senator Hatch stated that the group has been focusing on providing the so-called "Blue Dog Democrats" with policy papers regarding the impact of proposed federal reforms on the states and reforms that the states want, including a public option for health care coverage. He said that the White House staff has indicated that the president still supports a public option. Senator Hatch said that cost is the hardest barrier to

reform and there are no good solutions. Representative Treat observed that the White House needs practical information about how to implement reforms such as how to enroll people. She said that details are important in determining what works and what does not.

**Health Coordinator Update.** Health Commission Coordinator Anne Kinzel summarized some of the issues that the three workgroups have focused on so far and noted that while the Commission needs to stay informed about federal health reform efforts, that should not stifle the Commission's creativity in addressing health care reform at the state level. Ms. Kinzel presented data pertinent to health care coverage of lowans gleaned from the Urban Institute & Kaiser Family Foundation Estimates based on the March 2008 and 2009 current population survey. She also discussed a map prepared by the Iowa Department of Public Health which illustrates the locations of rural health clinics, free clinics, family planning agencies, community health centers, and a community health center incubator in counties throughout the state, as well as the counties that have county hospital levies.

#### **Workgroups' Progress Reports.**

- **Workgroup 1.** Chairperson Carlyle stated that Workgroup 1 met in person on September 28 and had presentations about Medicaid and IowaCare by Jennifer Vermeer, Iowa Medicaid Director, and about the hawk-i program by Anita Smith, Department of Human Services. Workgroup 1 met again via conference call on October 12 and had a focused discussion regarding options to improve or expand the IowaCare Program.
- **Workgroup 2.** Tim Stiles, a member of Workgroup 2, said that Workgroup 2 met on September 29 and heard from a number of presenters representing small employers, schools, municipalities, and nonprofit organizations about the challenges of obtaining affordable health insurance for their employees. Workgroup 2 met again on October 8 with representatives of the insurance industry to discuss what drives the cost of health insurance coverage and industry experience with the creation of pools of individuals
- **Workgroup 3.** Vice Chairperson Ted Williams said that Workgroup 3 met on October 15 and considered recommendations the Commission might make if the state is required to create a health coverage exchange. Workgroup 3 is mindful that their work is interrelated with that of the other workgroups. A number of questions were generated concerning what an exchange in Iowa would include and how it might operate.

**Upcoming Meetings.** Workgroup 1 plans to meet on Monday, November 9 and Monday, November 23 from 12:30 - 3:30 p.m. at AARP headquarters. Workgroup 2 plans to hold its next meeting on Wednesday, November 18 at the Insurance Division office. Workgroup 3 plans to meet on Wednesday, November 11, 2009, at the American Enterprise Group office. More information about the workgroup meetings will be posted on their websites.

The third meeting of the Commission is scheduled for Wednesday, December 2, 2009, in Room 103 at the Statehouse beginning at 10:00 a.m.

*LSA Contacts:* Ann Ver Heul, Legal Services, (515) 281-3837; Patty Funaro, Legal Services, (515) 281-3040; John Pollak, Legal Services, (515) 281-3818.

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## **LEGISLATIVE HEALTH CARE COVERAGE COMMISSION**

September 9, 2009

**Chairperson:** David Carlyle, M.D.

**Vice Chairperson:** Ted Williams

**Background.** The Legislative Health Care Coverage Commission was created by 2009 Iowa Acts, Chapter 118, § 1 (S.F. 389) and charged to develop an Iowa health care reform strategic plan which includes but is not limited to a review and analysis of and recommendations and prioritization of recommendations for various options for health care coverage of Iowa's children, adults, and families. The first meeting of the Commission was held at the State Capitol Building in Des Moines, Iowa.

The Commission is required to provide quarterly progress reports to the Legislative Council summarizing the Commission's activities and to provide an annual progress report to the General Assembly by January 1, 2010, that includes recommendations for subsidized and unsubsidized, public and private health care coverage programs for adults and to collaborate with health care coverage experts to ensure that adequate and affordable coverage for adults is available for purchase by the public by July 1, 2010. The Commission is required to provide another annual report to the General Assembly by January 1, 2011, including enrollment information for such adult coverage and to conclude its deliberations by July 1, 2011, and submit a final report to the General Assembly by October 1, 2011. The Commission will be dissolved as of December 31, 2011.

**Membership.** The Commission is comprised of 11 voting members appointed by the Legislative Council representing employers, insurers, health underwriters, health care providers, labor, small business, nonprofits, independent insurance agents, and consumers who represent the pre-Medicare population, middle-income adults and families, and low-income adults and families. The Commission also includes seven ex officio, nonvoting members including four legislators and the

Commissioner of Insurance, Director of Human Services, and Director of Public Health, or their designees. The Chairperson and Vice Chairperson of the Commission, appointed by the Legislative Council, are Dr. Carlyle, a family physician, and Mr. Williams, a small business owner, respectively.

**Panel Discussion - Current Status of Health Care Reform Efforts in Iowa.** Chairperson Carlyle introduced Ms. Devin Boerm, who presented her personal story to illustrate gaps in the current health care coverage system. Ms. Boerm explained that she was a previously healthy, single, 30-year-old when she lost her job and then was diagnosed with breast cancer. Ms. Boerm detailed her ongoing struggles to find and retain health care coverage while undergoing cancer treatment.

Ms. Susan Voss, Commissioner of Insurance, highlighted some of the health insurance reform initiatives that the Division of Insurance has been involved with, including the 2008 Iowa Choice Health Care Coverage Advisory Council; assisting small employers with federal § 125 plans; guidance for adult children to remain on or reenroll in their parents' health insurance coverage; a voluntary health insurance coverage demonstration project for direct care workers; more consistent rules for credentialing providers and "clean" claims procedures; efforts to increase portability between the group and individual health insurance markets, particularly for the pre-Medicare population; consumer education about long-term care insurance; and an expanded definition of creditable coverage under hawk-i.

Dr. Kathy Schneider, E-Health Advisor, Iowa Department of Public Health, discussed statewide planning for the use and exchange of electronic health information in the state to improve patient-centered health care and population health care.

Ms. Julie McMahon, Division Director, Health Promotion and Chronic Disease Prevention, Department of Public Health, discussed the department's role in Iowa's health reform efforts including oversight of the Electronic Health Information Advisory Council; Medical Home System Advisory Council; Prevention and Chronic Care Management Advisory Council; Health and Long Term Care Access Advisory Council; Direct Care Worker Advisory Council; Governor's Council on Physical Fitness and Nutrition including the Iowa Healthy Communities Initiative (Community Wellness Grants); and the Iowa Physician Orders for Life Sustaining Treatment Advisory Council.

Ms. Jennifer Vermeer, Medicaid Director, Department of Human Services, explained the eligibility requirements and health care coverage provided by the Medicaid program primarily to low-income persons who also meet categorical eligibility requirements including children, pregnant women, and the aged, blind, or disabled, by the hawk-i program to children, and by the IowaCare program, to low-income adults between 19 and 64 years of age who are not eligible for other health care coverage. Ms. Vermeer presented the department's FY 2009-2010 timeline detailing implementation in Iowa of health reform initiatives enacted at the federal and state level including expansion of eligibility for the hawk-i program and better access and retention policies for Medicaid and hawk-i.

**The Concord Coalition Update.** Dr. Sara Imhof, Midwest Regional Director, The Concord Coalition, described the coalition as a nationwide, nonpartisan, grassroots organization that advocates generationally responsible fiscal policy and that is co-chaired by two former United States senators. Dr. Imhof stated that the coalition selected Iowa's health system and health reform efforts for study because of the state's reputation for high-quality, high-value health care, and that two meetings on value in health care have been held in collaboration with the University of Iowa College of Public Health and the Iowa Healthcare Collaborative. In addition, Mr. Christopher Atchison, Associate Dean, University of Iowa College of Public Health, stated that the college has hosted three "Rebalancing Healthcare in the Heartland" meetings to discuss health coverage and value. Mr. Gerd Clabaugh, Iowa Healthcare Collaborative, added that the collaborative publishes the "Iowa Report" which provides an annual snapshot of the performance of Iowa's health care system.

**State Legislators for Health Reform.** Senator Jack Hatch shared his experiences as a member of this group of 32 state leaders convened by the White House and discussed some health reform proposals currently being considered in Congress.

**Health Care Reform Options for Iowa.** Representative Mark Smith stated that there are limits to the health care coverage reforms that can be implemented by a state. He suggested that the Commission identify what options are possible and consider building on existing programs such as hawk-i and IowaCare and expanding existing pools of people. Senator Hatch spoke about options that each of the Commission's workgroups might consider. Workgroup 1 might consider two existing initiatives as models with IowaCare as an example of a public option plan with premiums and subsidies, and hawk-i as an example of a private insurance program developed and available to the public with some subsidies. Workgroup 2 might consider opening the state health insurance pool up to other groups, an idea that has been proposed in Connecticut. Workgroup 3 might discuss a health care exchange similar to what is being discussed nationally, which might be more like an information exchange.

**Workgroups.** Chairperson Carlyle announced the organization of the Commission into three workgroups with the following members: Workgroup 1 (Coverage of Adults) - Dr. Carlyle (Chair), Ms. Betty Ahrens, Ms. Diane Crookham-Johnson, Mr. Bruce Koepl, and Ms. Vermeer; Workgroup 2 (Use/Creation of State Pool) - Ms. Marcia Nichols (Chair), Mr. Tim Stiles, Mr. Joe Teeling, and Ms. Voss; Workgroup 3 (Administration of Health Reform in Iowa) - Mr. Ted Williams (Chair), Mr. Mike Abbott, Ms. Jennifer Browne, Ms. Joan Jaimes, and Mr. Tom Newton. Each workgroup met briefly and made tentative plans to meet again before the next full Commission meeting.

**Upcoming Meeting.** The next meeting of the Commission is set for Tuesday, October 20, 2009, in Room 22 at the State

Capitol building beginning at 10:00 a.m. The third meeting of the Commission is tentatively planned to be held approximately six weeks later in December 2009.

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