



Iowa General Assembly

2010 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 15, 2010](#) | [November 10, 2010](#) | [July 21, 2010](#)

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 15, 2010

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.

In 2010, the Commission was given an additional duty to complete an annual review of the cost of health insurance mandates currently imposed on health insurance regulated by the state, to provide projections of the cost of any mandates that the Commission determines may be considered by the General Assembly during the legislative session, and to include this information in the Commission's annual reports to the General Assembly (2010 Iowa Acts, Chapter 1121, §32 (S.F. 2201)). The Commission has also been asked by legislative leadership to provide recommendations to them for the pursuit of state funding opportunities under the federal Patient Protection and Affordable Care Act (PPACA), along with application and implementation dates, that can be shared with the Governor's office and Iowa's Congressional delegation.

For the 2010 Legislative Interim, the Commission has been authorized to hold three meetings and has been directed by the Legislative Council to complete its deliberations no later than December 31, 2010, and file a final report with the General Assembly no later than January 31, 2011.

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.

Overview and Member Comments. Chairperson Carlyle explained that each workgroup chairperson would present that workgroup's recommendations to be included in the Commission's final report to the General Assembly, followed by discussion about the recommendations and voting. Commissioners then expressed their thoughts about participating on the Commission for the last year and a half and their hopes for health care reform in the state.

Rural Health and Health Care Reform. Dr. Keith J. Mueller, Gerhard Hartman Professor and Head, Department of Health Management and Policy, College of Public Health, University of Iowa, urged that it is vital to assure access and advance health care in rural areas of the state and to take full advantage of the provisions of the federal Affordable Care Act (ACA), which has as its focus the supply of primary health care providers. Dr. Mueller said that it is hard to recruit and retain health care providers in rural areas and we must increase interest in the sciences among K-12 students as well as train more medical students for a rural environment. Dr. Mueller cited provisions in the ACA which provide financial incentives to providers in rural settings, encourage a shift from provider to patient-centered delivery systems through adjusted payment systems, encourage rural providers to combine into accountable care organizations, and encourage optimal use of telehealth to deliver health care services locally.

Workgroup I Recommendations (IowaCare Expansion, Medicaid Expansion Readiness, and High-risk Pool).

Workgroup I Chairperson Carlyle presented nine recommendations by Workgroup I and indicated that recommendation 6 was being removed from consideration because it was duplicative with Workgroup III recommendations. After discussion, the recommendations were adopted on a roll call vote. The recommendations pertain to the following:

- The premium rate for HIPlowa coverage should be lowered to achieve greater parity with the HIPlowa-FED program.
- Planning should begin for a new eligibility determination system for Medicaid, CHIP, and tax credit subsidies within the 2014 Health Benefit Exchange that aligns with planning for the 2014 Exchange.
- The new eligibility system should be housed with the Department of Human Services (DHS).
- DHS should begin planning and analysis for the new information technology system immediately.
- DHS should begin planning and analysis immediately to integrate its Medicaid eligibility system with the 2014 Exchange.
- DHS should investigate how the inclusion of behavioral health benefits in a benchmark plan of the 2014 exchange would impact the delivery and financing of behavioral health services in Iowa.
- The state should vigorously pursue all federal funding opportunities under the federal Affordable Care Act.

Workgroup II Recommendations (Value-based Health Care). Mr. Charlie Wishman, on behalf of Workgroup II Chairperson Marcia Nichols, who was absent, presented two recommendations by Workgroup II. After discussion, Workgroup II recommendations were adopted on a roll call vote. The recommendations pertain to the following:

- The Legislature should enact the Iowa Department of Public Health's proposed "Health Information Act" legislation during the 2011 Legislative Session.
- The Legislature should establish databases that collect health insurance claims information.
- The Legislature should strengthen quality of care by renaming the Health Facilities Council the Health Care Cost Containment Council and broadening its duties and emphasis.
- The Legislature should encourage better management of pharmaceutical drugs.
- The Legislature should create a new health care provider payment system utilizing pilot projects.

Workgroup III Recommendations (Insurance Information Exchange). Workgroup III Chairperson Ted Williams presented four recommendations by Workgroup III. After discussion, Workgroup III recommendations were adopted on a roll call vote. The recommendations pertain to the following:

- Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish an Iowa Health Benefit Purchasing Exchange in 2014.
- The Legislature should take action in 2011 to promote the establishment of an Iowa Health Benefit Purchasing Exchange in 2014.
- The Iowa Insurance Information Exchange should be designed and operated to ensure the most seamless transition possible to an Iowa Health Benefit Purchasing Exchange in 2014.
- The Iowa Health Care Coverage Commission should serve as the Iowa Insurance Information Exchange Advisory Board in order to fulfill its statutory duties as specified in S.F. 2356.

Workgroup IV Recommendations (Wellness). Workgroup IV Chairperson Joe Teeling presented two recommendations by Workgroup IV. After discussion, Workgroup IV recommendations were adopted on a roll call vote. The recommendations pertain to the following:

- Iowa needs to begin the process of cultural transformation for better health and well-being to begin to shift the high cost of health care and lead Iowa down the path to be one of the healthiest states in the nation.
- The Commission supports the inclusion of wellness programs for individuals and employers in Iowa's health insurance system.
- Iowa should promote the use of all existing employer-related health care coverage tax credits.

Final Report. The final report of the Commission is required to be delivered to the General Assembly no later than January 31, 2011. Commission Coordinator Anne Kinzel will compile the workgroup recommendations adopted by the Commission for inclusion in the final report. Copies of the recommendations which were voted on by the Commission, a compilation of the adopted recommendations, and the final report, will be available on the Commission web site as they are completed.

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LEGISLATIVE HEALTH CARE COVERAGE COMMISSION

November 10, 2010

Chairperson: David Carlyle, M.D.

Vice Chairperson: Ted Williams

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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.

Overview and Member Comments. Chairperson Carlyle complimented the Commission members on the hard work of the four workgroups in preparing recommendations for the consideration of the Commission and reminded them that many of the recommendations that the Commission made to the General Assembly for 2010 were adopted. Each Commissioner took a few moments to express their hopes for creating a healthier Iowa such as insuring more Iowans, concentrating on increasing the quality and affordability of health care, and encouraging healthy lifestyles.

Legislator Comments. Representative Linda Upmeyer cautioned that there may be less funding available for health reform and stressed that moderation is a desirable approach. She said that in implementing federal health reform requirements, Iowa should move slowly and learn from the mistakes of other states. For instance, in the creation of IowaCare, Iowa was able to avoid the big problems faced by Tennessee in its TennCare program. Senator Jack Hatch responded that while the Commission does need to hear that message, it is not the responsibility of the Commission to balance the budget. Instead the Commission should recommend the course of action that it believes is appropriate.

Workgroup I Report (IowaCare Expansion, Medicaid Expansion Readiness, and High-risk Pool). Chairperson Carlyle said that Workgroup I has met three times since the July 21, 2010, Commission meeting. He presented nine recommendations for the consideration of the Commission. Ms. Jennifer Vermeer, Iowa Medicaid Director, gave a presentation on how the Department of Human Services is implementing the federal PPACA in Iowa, specifically by transforming the Medicaid eligibility delivery system in the state. She also presented a road map for key decisions for policymakers in Iowa to implement the federal Act.

Workgroup II Report (Value-based Health Care). Chairperson Marcia Nichols said that the workgroup has met four times since the last Commission meeting and has heard from various presenters. Mr. David Lind of David P. Lind & Associates LC, presented his 2010 Iowa Employer Benefits Study, which illustrated increases in health coverage premiums from 1999-2010 and projected increases through 2020. Senator Hatch testified on the need for Iowa to focus on cost containment in the face of rising health care coverage and delivery costs and suggested some possible solutions. The workgroup will hold another meeting to consider recommendations that will be made at the next Commission meeting in December.

Workgroup III Report (Insurance Information Exchange). Chairperson Ted Williams said that the workgroup has met on five occasions since the last Commission meeting and heard from various presenters. The workgroup presented two recommendations for consideration by the Commission in December. Recommendation 1 deals with the Iowa Insurance

Information Exchange to be implemented in 2011 and Recommendation 2 deals with an Iowa Health Benefit (Purchasing) Exchange to be established by 2014.

Workgroup IV (Wellness). Chairperson Joe Teeling said that the workgroup has met three times since the last Commission meeting. Chairperson Teeling gave a presentation which illustrated a number of the wellness initiatives that were presented to the workgroup by numerous entities. Workgroup IV will be meeting again before the next Commission meeting to formulate its recommendations.

Chairperson and Vice Chairperson Recommendations Regarding the Iowa Insurance Information Exchange. Chairperson Carlyle and Vice Chairperson Williams presented three recommendations for the consideration of the Commission dealing with the establishment of the Iowa Insurance Information Exchange, the transition to an Iowa Health Benefit Purchasing Exchange, and the need to take action in 2011 to promote the establishment of a purchasing exchange.

Discussion of Proposed Recommendations and Voting. The only recommendation that the Commission voted on at this meeting is Recommendation 1 presented by Workgroup III, concerning the Iowa Insurance Information Exchange, in order to comply with the Commission's statutory duty to collaborate on and make recommendations to the Commissioner of Insurance on a plan of operation for the Insurance Information Exchange so that it can be operational in 2011. Recommendation 1 of Workgroup III was unanimously adopted as amended. Chairperson Carlyle said that the other workgroup recommendations will be considered and voted on at the next Commission meeting.

Upcoming Meetings. The next meeting of the Commission will be held on Wednesday, December 15, 2010, from 10:00 a.m. - 3:00 p.m. in room 103 of the State Capitol. Workgroup III will hold its next meeting on Friday, November 19, 2010, from 10:00 a.m. - 12:00 p.m. in room 19 of the State Capitol. Other workgroup meetings will be scheduled by the workgroup chairpersons.

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LEGISLATIVE HEALTH CARE COVERAGE COMMISSION

July 21, 2010

Chairperson: David Carlyle, M.D.

Vice Chairperson: Ted Williams

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Overview and Vision for 2010. Chairperson Carlyle congratulated the Commission on the passage of S.F. 2356 which included several Commission recommendations including expansion of the IowaCare program and creation of a diabetic registry. Chairperson Carlyle explained that with the passage of national health care reform in PPACA, the charges of the Commission's workgroups have been changed to reflect the Commission's new role in assuring that national health reform is implemented in Iowa in an efficient, high-quality, and practical way. Workgroup I (formerly Coverage of Adults) is now charged with IowaCare Expansion, Medicaid Expansion Readiness, and High Risk Pool. Workgroup II (formerly

Use/Creation of State Pool) is now charged with examining Value-based Health Care. Workgroup III (formerly Administration of Health Care Reform in Iowa) is now charged with creation of the Insurance Information Exchange. Newly created Workgroup IV will focus on Wellness Initiatives. Chairperson Carlyle noted that the Commission's new duties concerning health insurance mandates in the state will be assigned to Workgroup II.

Dr. JoAnn Lamphere - Health Reform Implementation, State Challenges and Opportunities. Dr. Lamphere, AARP Director, State Government Relations, Health & Long-term Care Issues, suggested that based on a tradition of civic engagement and commitment to social well-being as well as long-standing bipartisan state health policy engagement and strong, stable, and respected public health and private insurance sector leadership, the Midwest and in particular Iowa, can lead the way in implementing health reform. She enumerated some policy elements contained in the new federal health reform law and current challenges to it in some states. Dr. Lamphere discussed how states might create the health insurance exchanges which will be required in every state.

Legislator Statements. Representative Linda Upmeyer noted that Iowa provides low-cost, high-quality health care as compared to other states. She said that Iowa has provided health care coverage for most of its children, already has a high-risk pool for those who cannot obtain health insurance elsewhere, and has the IowaCare program that provides coverage for adults using a commonsense Midwestern approach. Representative Upmeyer listed six specific tasks that S.F. 389 required the Commission to address as part of its work in developing a strategic plan, as well as a requirement that the Commission consult with health care coverage experts on a number of issues, and asked that the Commission report on where the work stands as to each of those items. Chairperson Carlyle said that the items will be assigned to the workgroups to address and their findings will be included in the Commission's final report to the General Assembly.

Senator Jack Hatch thanked the individuals at the University of Iowa Public Policy Center and University of Iowa Health Care who were responsible for hosting the Forkenbrock Series on Public Policy symposium on health care reform on July 20, 2010. He noted the event was the first such event held by a state to address implementation of federal health care reform. Senator Hatch noted that there was much discussion at the federal level during development of the federal legislation regarding state implementation and there was a realization that even though the law was passed at the national capitol, implementation would take place at the foot of each state capitol. Federal officials have been surprised at the number of states that have elected to run their own high-risk pools. The role of the states is significant and will be challenging, especially in such a politically charged environment. Nonetheless, Senator Hatch encouraged the Commission to move forward to provide a forum for civic engagement and collective ideas regarding implementation.

Both Representative Upmeyer and Senator Hatch supported the continuation of the Commission beyond its final report at the end of January 2011. Senator Hatch encouraged Commission members as well as other interested parties to, as leaders, support continuation of the Commission. Representative Upmeyer noted that the Commission has been a source of nonpartisan debate on health care reform in determining what is best for Iowa. Chairperson Carlyle applauded the legislative members of the Commission and the other members of the General Assembly for their support of the Commission and its work.

Coordinator Update - National Health Care Reform - Timeline to 2014, Update on Iowa PPACA Grants. Commission Coordinator Anne Kinzel presented a timeline of changes and requirements contained in PPACA beginning in 2010 and continuing up to 2018 with the major impacts of the law culminating in 2014. Ms. Kinzel included the major components of the federal legislation and potential impacts on Iowans, particularly the uninsured.

State Agency Updates. Ms. Jennifer Vermeer, Iowa Medicaid Director, discussed the activities of the Department of Human Services in preparing for the expansion of Medicaid. She stated that the new federal eligibility provisions will be the most difficult to implement and the Department of Human Services (DHS) will require additional resources to redo its information technology (IT) and other processes. DHS is working with the Insurance Division to establish the Iowa insurance information exchange, and working on the implementation of medical homes and IT activities with the Iowa Department of Public Health (IDPH). DHS plans to pursue a federal grant for medical homes and will pursue other grants that are in line with the priorities of Iowa's Medicaid program. She noted that DHS will need legislation that provides help both financially and with policy decisions.

Mr. Tom Newton, Director of Public Health, discussed key provisions of PPACA that affect IDPH and indicated several opportunities for funding of programs that the department intends to apply for, including Maternal, Infant, and Early Childhood Home Visiting Programs, Personal Responsibility Education, Pregnancy Assistance Services, Nursing Assistant and Home Health Aide Program, Demonstration Projects to Address Health Professions Workforce Needs, and Prevention and Wellness Projects. Director Newton noted that executive agencies involved in health care reform are meeting every two weeks to develop a strategic approach to implementation of health care reform.

Ms. Kinzel, Commission Coordinator, presented a report on behalf of the Insurance Division concerning their efforts involving health care reform, including creation of the new state health insurance information exchange and a new website for the exchange and creation of a new high-risk pool as required by PPACA. The Division indicated that they have received many inquiries about the new high-risk pool and are warning that there will be limited slots for inclusion in the pool. The Division is not yet taking applications for the new high-risk pool. The Division is also heavily involved in

complying with new federal requirements related to medical loss ratios of health insurers and requirements for preventive coverage in health insurance plans.

Medical Home Demonstration Project. Ms. Beth Jones, IDPH, stated that the Medical Home Advisory Council is working on a multi-payor initiative pilot project to meet the requirement that Medicaid enrollees receive health care in the context of a medical home. Ms. Jones stated that Iowa is designing a plan with Wellmark and Medicaid that meets specific federal guidelines for participation in the federal initiative. She anticipates that the medical home project will roll out by mid-2011.

Workgroup Updates.

- **Workgroup I - IowaCare Expansion, Medicaid Expansion Readiness, and High-Risk Pool.** Chairperson Carlyle indicated that Ms. Vermeer had already presented details about the IowaCare expansion and that while expanded, IowaCare is still a limited program. Chairperson Carlyle said that the workgroup has met once and the workgroup's plans include trying to maximize participation in the state's current high-risk pool, discussion of the use of co-ops to increase health care coverage opportunities, and recommendations concerning the creation of the diabetic registry.
- **Workgroup II - Value-based Health Care.** Chairperson Marcia Nichols designated Mr. Charlie Wishman to report on the activities of the workgroup. Mr. Wishman said that the workgroup has met twice. Dr. Michael Kitchell on behalf of the Iowa Medical Society, and Ms. Shannon Strickler on behalf of the Iowa Hospital Association, presented information to the workgroup about value-based health care which has the goals of achieving both higher quality and lower costs for health care.
- **Workgroup III - Insurance Information Exchange.** Chairperson Ted Williams stated that the workgroup has held two meetings and they are in the process of educating themselves on the requirements for the state health insurance education exchange created in S.F. 2356. Chairperson Williams said that the workgroup has met with representatives of the state agencies involved, including the Medicaid Enterprise and the Insurance Division. The Insurance Division is taking the lead on planning for the new exchange but is waiting for federal guidance on how the insurance exchanges required in 2014 by PPACA will be implemented so that work done on the state information exchange is not inconsistent and can serve as a foundation for creation of the more comprehensive exchange. Commission Chairperson Carlyle asked that Workgroup III present recommendations for a plan of operation for the insurance information exchange at the next meeting of the Commission.
- **Workgroup IV - Wellness.** Chairperson Joe Teeling stated that this newly created workgroup will begin meeting in August and intends to take testimony from 20-30 organizations from both within and outside the state to discuss cutting edge cost-control efforts, including how to design incentives to change behavior for clients that will bend the curve on health care costs. Chairperson Teeling indicated that the workgroup would like to present information about wellness and prevention initiatives at a Commission meeting.

Motion Regarding PPACA Grant Opportunities. After discussion, the Commission adopted a motion encouraging the directors of state agencies, in particular the Insurance Division, DHS, and IDPH, to pursue federal grants available to such state agencies under PPACA concerning health care reform, including those grants specifically referred to by Ms. Vermeer and Director Newton in their presentations to the Commission, and to periodically provide a list to the Commission of the grants they are planning to apply for and the status of grant applications. Commissioner Teeling voted "no" on the motion.

Upcoming Meetings. Chairperson Carlyle indicated that the next meeting of the Commission will be held in November.

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