



# MINUTES

## Legislative Health Care Coverage Commission

November 10, 2010

### MEMBERS PRESENT:

#### Voting Public Members

Dr. David Carlyle, Chairperson  
Mr. Ted Williams, Vice Chairperson  
Mr. Mike Abbott  
Ms. Betty Ahrens  
Ms. Jennifer Browne  
Ms. Diane Crookham-Johnson  
Ms. Joan Jaimes  
Ms. Marcia Nichols  
Mr. Tim Stiles  
Mr. Joe Teeling

#### Nonvoting Legislative Members

Senator Jack Hatch  
Representative Mark Smith (via telephone)  
Representative Linda Upmeyer

#### Nonvoting Ex Officio Members

Ms. Jennifer Vermeer (designee of Mr. Charles Krogmeier)  
Mr. Tom Newton  
Ms. Susan Voss

## MEETING IN BRIEF

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Organizational staffing provided by:  
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- I. Procedural Business.
- II. Welcome, Overview and Comments by Members
- III. Workgroup Reports
  - A. Workgroup I (IowaCare Expansion, Medicaid Expansion Readiness, and High Risk Pool)
  - B. Workgroup II ( Value-Based Health Care)
  - C. Workgroup III (Insurance Information Exchange)
  - D. Workgroup IV (Wellness)
- IV. Chairperson and Vice Chairperson Recommendations
- V. Discussion and Voting — Workgroup III Recommendations on Iowa Insurance Information Exchange
- VI. Next Meeting
- VII. Materials Filed with Legislative Services Agency



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### I. Procedural Business.

**Call to order, approval of minutes, and adjournment.** The meeting was called to order at 10:08 a.m. in Room 103 of the State Capitol. The minutes for the January 6, 2010, and July 21, 2010, meetings of the Commission were approved as distributed. The meeting was adjourned at 3:00 p.m.

### II. Welcome, Overview and Comments by Members

Chairperson Carlyle welcomed the members and thanked them for their hard work participating in the workgroups and developing recommendations for the Commission. Following comments by each member with regard to their vision for health care reform in Iowa, Chairperson Carlyle added that Iowa can do the best for Iowa; there are elements of federal reform that the state can embrace; and the Commission should make recommendations for the practical implementation of health care reform measures. He noted that the Commission would only vote on recommendations regarding the health information exchange at this meeting and leave voting on other recommendations submitted by the workgroups until the December meeting of the Commission.

Representative Upmeyer commented on the hard work of the members and their ability to engage Iowans in their work. She cautioned that she would move more slowly in implementing health care reform, allowing Iowa to learn from other states by taking a more cautious approach.

Senator Hatch acknowledged that while Representative Upmeyer cautioned the Commission not to be overly exuberant in expanding health care, the Commission members are not responsible for balancing the budget and should make recommendations they believe are the best for the health and future of Iowans. While political debate has tempered the exuberance about the new law, the Commission members should make recommendations in the context of what is best for Iowa.

### III. Workgroup Reports

Chairperson Carlyle called on the Chairpersons of the four workgroups to make their reports to the full Commission.

#### A. Workgroup I (IowaCare Expansion, Medicaid Expansion Readiness, and High Risk Pool)

Workgroup I Chairperson Carlyle reported that Workgroup I met three times since the previous Commission meeting on July 21. With reference to high risk pools, there are currently 53 participants in the new federal high risk pool, HIPIowa-Fed, and approximately 3,000 participants in the existing state high risk pool, HIPIowa. Those who are applying to HIPIowa-Fed and are eligible, are automatically enrolled. He referred to three Workgroup I recommendations relating to the high risk pools, two of which relate to attaining greater parity in the premiums of the two pools, and the third which relates to the marketing of the pools.

Chairperson Carlyle deferred to Jennifer Vermeer, Medicaid Director and member of Workgroup I, who made a presentation on implementing the federal Patient Protection and Affordable Care Act relative to the Medicaid program, and highlighted some of the areas the Commission could



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consider in making recommendations. Ms. Vermeer cautioned that although many changes take effect in 2014, the state must plan and make decisions regarding these changes as soon as possible, and preferably during the coming legislative session. Chairperson Carlyle noted the six Workgroup I recommendations relating to the Medicaid program in the workgroup's report for consideration by the Commission.

### **B. Workgroup II (Value-Based Health Care)**

Workgroup II Chairperson Nichols stated that the workgroup had met on four occasions since the previous Commission meeting, but that the workgroup would not present recommendations until the Commission's December meeting. She deferred to Mr. David Lind to present portions of the 2010 Iowa Employer Benefits study completed by David P. Lind and Associates, LC, the 12th such annual study, and to Senator Hatch to present cost containment recommendations.

Mr. Lind presented information relating to single and family health care coverage premiums from 1999 to 2010, projections of future premium increases for family coverage through 2020 assuming varying average growth rates, projected deductibles for single and family coverage through 2020, as well as projected employee contributions for single and family coverage through 2020. In response to inquiries, Mr. Lind stated that health insurance premiums are derivative of health care costs, which can only be addressed through payment reform. There are a number of variables to consider in payment reform including outcomes, incentives vs. disincentives, and delivery of health care which involves lifestyle choices. Data provided by Iowa Workforce Development Department demonstrates that while average annual incomes have increased by under 4 percent in recent years, health care premiums continue to increase by double digits, resulting in increased contributions by employees to their health care coverage.

Senator Hatch presented testimony for referral to Workgroup II, regarding strategies to consider in containing health care costs while improving care. He noted that the strategies were not necessarily all-inclusive or connected, and that some are short-term while others are long-term strategies. The strategies included those relating to use of telehealth; establishment of databases to collect health insurance claims information; development of wellness and health promotion services; strengthening of quality care; creation of an annual health care budget; use of medical homes in the Medicaid program; better management of pharmaceuticals; creating of a health care provider payment system; and increased in-home care to reduce nursing home admissions.

### **C. Workgroup III (Insurance Information Exchange)**

Workgroup III Chairperson Williams noted that the workgroup had met five times since the July Commission meeting, and has developed recommendations regarding both the 2011 Insurance Information Exchange and the 2014 Iowa Health Benefit Purchasing Exchange. He reminded the Commission that the only recommendations requiring a vote at this meeting were those relating to the 2011 Exchange.

### **D. Workgroup IV (Wellness)**

Workgroup IV Chairperson Teeling reported that the workgroup had met three times since the previous Commission meeting, and made a presentation highlighting the various presentations



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made to the workgroup during its meetings. He noted that recommendations from the workgroup would be developed before the December meeting of the Commission.

### **IV. Chairperson and Vice Chairperson Recommendations**

Commission Chairperson Carlyle and Vice Chairperson Williams presented recommendations to the Commission regarding the Iowa Insurance Information Exchange and the transition to the Iowa Health Benefit Purchasing Exchange for review by the Commission. Further action was deferred until the December meeting of the Commission.

### **V. Discussion and Voting — Workgroup III Recommendations on Iowa Insurance Information Exchange**

The Commission members discussed the recommendations of Workgroups I and III in more depth. Chairperson Carlyle reminded the members that for purposes of voting at this meeting, the focus would be solely on Recommendation I presented by Workgroup III relating to the 2011 Iowa Insurance Information Exchange. The Commission discussed the governance structure as proposed, and following discussion amended the proposal to replace “governing board” with “advisory board.” The Commission also amended the proposal to include the concept that at such time as a governing board is established for the 2014 Iowa Health Benefit Purchasing Exchange, that governing board should replace and assume the duties of the advisory board of the Iowa Insurance Information Exchange. The Commission adopted the recommendation as amended.

### **VI. Next Meeting**

The Commission tentatively scheduled its next meeting for December 15, 2010, from 10:00 a.m. until 3:00 p.m., with a specific location at the Capitol to be determined.

### **VII. Materials Filed with Legislative Services Agency**

The following materials were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the <Additional Information> link on the Committee’s Internet Web page:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=484>

1. 2010 Iowa Employer Study by David P. Lind & Associates
2. Cost Containment Presentation submitted by Senator Hatch
3. Eligibility Transformation Presentation II submitted by Ms. Vermeer
4. Recommendations Regarding the Iowa Insurance Information Exchange from Chairperson Carlyle and Vice Chairperson Williams
5. Roadmap for Key Decisions for Policy Makers - PPACA submitted by Ms. Vermeer
6. State Legislatures Exchanges



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7. Workgroup I - 2010 Report
8. Workgroup II - 2010 Report
9. Workgroup III - 2010 Report
10. Workgroup IV - 2010 Report
11. Workgroup IV Wellness PowerPoint from Mr. Teeling
12. Chairperson Carlyle, M.D. Letter

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