

# Children's Health Insurance Program

Healthy and Well Kids in Iowa (*hawk-i*) and *hawk-i* Dental-Only Plan



## Purpose

The Children's Health Insurance Program (CHIP) provides health care coverage for children and families whose income is too high to qualify for Medicaid but too low to afford individual or work-provided health care. The purpose of CHIP is to increase the number of children with health and dental care coverage, thereby improving their health and dental outcomes.

Effective April 1, 2016, Medicaid Modernization is a major initiative in which the Iowa Department of Human Services (DHS) has enrolled the majority of the CHIP and Healthy and Well Kids in Iowa (*hawk-i*) members in managed care organizations (MCOs). DHS has contracted with MCOs to provide comprehensive health care services including physical health, behavioral health and long term supports and services. This initiative created a single system of care to promote the delivery of efficient, coordinated and high quality health care and establishes accountability in health care coordination.

## Who Is Helped

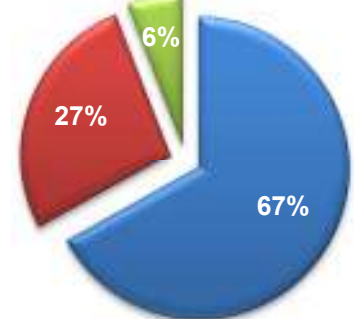
Enrollment in Iowa's CHIP program has been instrumental in providing coverage to thousands of uninsured children since 1998, and Iowa has historically been among the states with the lowest uninsured rate among children.

CHIP has three parts: a Medicaid expansion, a separate program called Healthy and Well Kids in Iowa (*hawk-i*), and a dental-only plan.

- **Medicaid expansion** provides coverage to children ages 6-18 whose family income is between 122 and 167 percent of the Federal Poverty Level (FPL), and infants whose family income is between 240 and 375 percent of the FPL.
- The *hawk-i* program provides coverage to children under age 19 in families whose family income is between 168 percent and 302 percent of the FPL based on Modified Adjusted Gross Income (MAGI) methodology.
- Total CHIP enrollment increased by 2.6 percent (1,523 enrollees) in SFY16, and is expected to increase by 2.5 percent (1,584 enrollees) in SFY17. Enrollment is projected to increase by 2.5 percent (1,620 enrollees) in SFY18 and increase by 2.5 percent (1,674) in SFY19. Projected increases are based on historical enrollment.

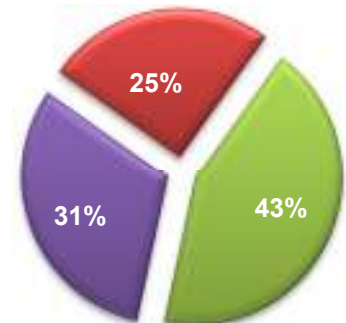
### CHIP Members SFY16

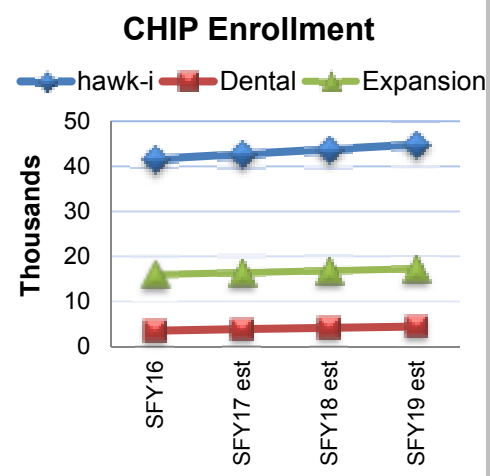
■ *hawk-i* (67%)      ■ Expansion (27%)  
 ■ Dental Only (6%)



### Age of CHIP Children on June 30, 2016

■ 0-1 (0%)      ■ 1 to 5 (25%)  
 ■ 6 to 12 (43%)      ■ 13 to 18 (31%)





- ✓ *As of June 30, 2016, 15,982 children were covered in the Medicaid expansion program; 41,702 in **hawk-i**; and 3,570 in the dental-only plan.*
- ✓ *Enrollment in the CHIP program increased to 61,254 in SFY16, and is expected to increase to 62,982 children in SFY17 and 64,747 children in SFY18.*
- ✓ *A comprehensive outreach campaign includes producing publications, free-and-reduced lunch mailings, statewide grassroots outreach, and by giving presentations to various groups who can assist with enrolling uninsured children in the **hawk-i** program. \$342,340 has been spent on outreach since 7/1/15.*

**Services**

The CHIP program is administered under Title XXI of the Social Security Act and covers a comprehensive range of health and dental services for Iowa’s children who meet the program’s eligibility criteria.

Beginning April 1, 2016, members with CHIP program began having their services administered through a managed care entity: Amerihealth Caritas Iowa Inc., Amerigroup Iowa Inc., and United Healthcare Plan of the River Valley Inc.

- Key components of the CHIP program are:
- Children covered by the Medicaid expansion receive covered services through existing Medicaid provider networks. This activity receives enhanced federal funding through Title XXI, rather than Title XIX.
  - **hawk-i** services include, but are not limited to, doctor visits, inpatient and outpatient hospital, well-child visits, immunizations, emergency care, prescription medicines, eye glasses and vision exams, dental care and exams, speech, occupational, and physical therapy, ambulance, and mental health and substance abuse care.
  - The **hawk-i** program pays premiums to plans.
  - Required dental coverage includes diagnostic and preventive services, routine and restorative services, endodontic and periodontal services, cast restorations, prosthetics and medically necessary orthodontia.

- ✓ *Iowa is one of only a limited number of states with CMS-approved plans which include basic dental coverage and medically necessary orthodontic coverage.*
- ✓ *The covered services under **hawk-i** are different from regular Medicaid and are approximately equivalent to the benefit package of the state’s largest Health Management Organization (HMO) at the time the program was initiated.*

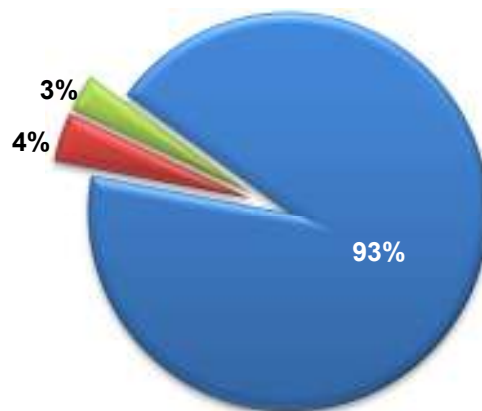
## Goals & Strategies

DHS enrolled the majority of the CHIP and *hawk-i* members in managed care organizations (MCOs). This initiative is designed to create a single system of care to address health care needs of the whole person. This includes physical health, behavioral health, and long term care services and supports. Primary goals of the initiative include:

- Improved quality and access
- Greater accountability for outcomes
- Greater stability and predictability in the CHIP and *hawk-i* budget

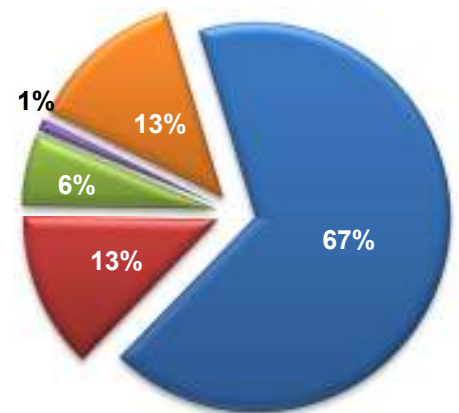
### 2016 Satisfaction Survey Is the Premium Affordable?

■ Yes (93%) ■ No (4%) ■ Not Answered (3%)



### SFY16 Satisfaction With Care

■ Very Satisfied (67%)  
■ Satisfied (13%)  
■ Neutral (6%)  
■ Unsatisfied (1%)  
■ Extremely Unsatisfied (0%)  
■ Not Answered (13%)



<p><b>Cost of Services</b></p>	<p>CHIP is projected to cover 62,982 children in SFY17 at a total (federal and state) program cost of \$127.3 million.</p> <ul style="list-style-type: none"> <li>Families pay a monthly premium of \$10-\$20 per child with a maximum of \$40 based on family income.</li> <li>The SFY17 total annual cost per member for Medicaid expansion children is \$2,092.</li> <li>The SFY17 total annual cost per member for <i>hawk-i</i> children enrolled with the health plan is \$2,190. This cost represents the premiums paid to health plans.</li> <li>The SFY17 average annual cost for children in dental only program is \$276.</li> </ul>	<p><b><i>hawk-i</i> Family Premiums in June 2016</b></p> <table border="1"> <thead> <tr> <th>Premium Amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>29%</td> </tr> <tr> <td>\$5</td> <td>1%</td> </tr> <tr> <td>\$10</td> <td>20%</td> </tr> <tr> <td>\$15</td> <td>1%</td> </tr> <tr> <td>\$20</td> <td>36%</td> </tr> <tr> <td>\$40</td> <td>12%</td> </tr> </tbody> </table>	Premium Amount	Percentage	\$0	29%	\$5	1%	\$10	20%	\$15	1%	\$20	36%	\$40	12%
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<ul style="list-style-type: none"> <li>✓ When all costs for administration and services are included, the average total annual cost per person in the CHIP program is projected to be \$2,178 in SFY17.</li> <li>✓ The SFY17 total annual cost of administering the CHIP program (including the Third Party Administrator, claims processing, outreach and state staffing) is \$7.4 million.</li> </ul>																
<p><b>Funding Sources</b></p>	<p>The CHIP program is authorized and funded through Title XXI of the Social Security Act. Funding is authorized through September 30, 2017. The budget request assumes the program continues in its current form in SFY18 and SFY19.</p> <ul style="list-style-type: none"> <li>The SFY17 appropriation amount is \$9,176,652.</li> <li>In SFY17, the state will pay a match rate of 7.6 percent, with a 92.4 percent federal match for CHIP. In SFY18, the state will pay a match rate of 6.68 percent (estimated).</li> <li>Approximately \$8.0 million in revenue from enrollee premiums, drug rebates, and other recoveries are projected to be collected in SFY17.</li> </ul>	<p><b>CHIP Funding SFY17</b></p> <table border="1"> <thead> <tr> <th>Funding Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Federal</td> <td>86%</td> </tr> <tr> <td>State</td> <td>7.3%</td> </tr> <tr> <td>Other</td> <td>6.7%</td> </tr> </tbody> </table>	Funding Source	Percentage	Federal	86%	State	7.3%	Other	6.7%						
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	<ul style="list-style-type: none"> <li>✓ <i>The federal CHIP match rate has been increasing since SFY16, and is projected to increase by 6.6 percent in SFY17. This rate change will result in an estimated \$8.4 million increase in funding.</i></li> <li>✓ <i>The enhanced CHIP match is projected to end September 30, 2019, so will be in place for both SFY18 and SFY19.</i></li> <li>✓ <i>Federal funding for CHIP is authorized to end September 30, 2017. If Congress does not extend the authorization, CHIP will no longer receive any federal funding. Iowa's CHIP program will have to make decisions about the program. For the Medicaid Expansion (ME) part of Iowa's CHIP, ME will continue but at the Medicaid FMAP instead of the enhanced CHIP FMAP. The hawk-i part of CHIP can either:</i> <ul style="list-style-type: none"> <li>○ <i>Be discontinued</i></li> <li>○ <i>Move the hawk-i members to Medicaid and receive the Medicaid FMAP</i></li> <li>○ <i>Continue but with all state funding</i></li> </ul> </li> </ul>
<p><b>Legal Basis</b></p>	<p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>• Title XXI of the Federal Social Security Act. The Affordable Health Care Act (ACA), signed into law on March 23, 2010, continues CHIP programs through September 30, 2019. The ACA prohibits states from reducing their current eligibility standards until this date. Under Children's Health Insurance Reauthorization Act of 2009 (CHIPRA), funding for the program is authorized through September 30, 2017.</li> </ul> <p><b>State:</b></p> <ul style="list-style-type: none"> <li>• Chapter 514I of the Code of Iowa; 441 IAC Chapter 86</li> </ul>