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## Iowa Receives Children's Health Insurance Bonus

DES MOINES, Iowa – Iowa's children's health insurance program on Monday received a high performance bonus that will almost certainly eliminate the need for a supplemental Medicaid appropriation this fiscal year, according to Department of Human Services Director Charles Krogmeier

"Iowa has long been among the nation's leaders in covering the health needs of kids in low- to modest-means families, and the bonus is well deserved. And the timing couldn't be better," said Krogmeier.

Federal officials announced Monday that the bonus will be about \$6.8 million. The award recognizes efforts to simplify eligibility and enrollment processes for children who apply for either Medicaid or, in Iowa's case, the Healthy and Well Kids in Iowa – *hawk-i* – program. Fourteen other states received bonuses as well.

The award means it is likely that legislators and the incoming administration will not need to fill an estimated \$5 million hole in the Medicaid budget for this fiscal year, which ends next summer.

The bonus grants are distributed according to a formula approved when the Children's Health Insurance Program was reauthorized by Congress in the spring of 2009. The formula recognizes efforts to sign up uninsured children and helps to offset the state cost of doing so.

The *hawk-i* program covers children in families with incomes up to 300 percent of the federal poverty level, but about 40 percent of children who apply for *hawk-i* are eligible instead for Medicaid, which covers children in families at or below 133 percent of poverty.

About 30,000 children are enrolled in *hawk-i* and about 240,000 children are covered by Medicaid. In July 2008, the numbers were 22,500 and 190,000.

To qualify, a state's program must have adopted at least five of eight measures aimed at streamlining enrollment. Iowa's program includes six of the eight, such as using one form for applying for either Medicaid or *hawk-i* and eliminating the requirement of an in-person interview upon application.

The need for a supplemental expenditure for Medicaid arose last summer when Congress voted to extend the Medicaid stimulus on a stepped-down scale. Iowa Legislators last spring had assumed the stimulus would be extended in full.

Originally, the need for a Medicaid supplemental was in the range of \$35 million but the estimate has been dropping because Medicaid enrollment has not grown as fast as estimated due to a recovering economy. About 380,000 Iowans are covered by Medicaid.

"One of the priorities of my administration has been to provide health coverage to every single child in families who cannot afford private or employer coverage. I'm proud that we're among the top-ranked states in that regard, and this bonus underscores our effort," said Gov. Chet Culver.

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