

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.

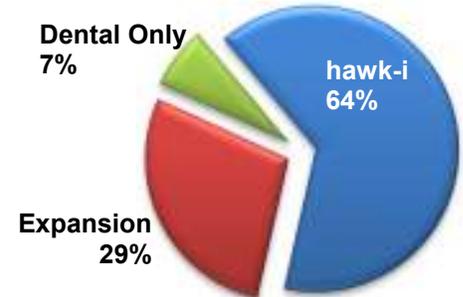
Who Is Helped

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

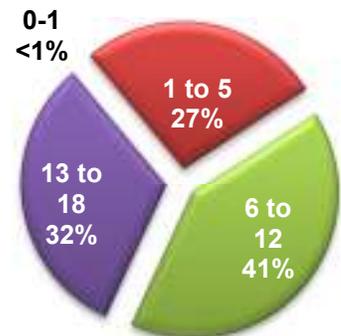
CHIP has three parts; a Medicaid expansion, a separate program called Healthy and Well Kids in Iowa (*hawk-i*), and a dental-only plan.

- **Medicaid expansion** provides coverage to children ages 6-18 whose family income is between 100 percent and 133 percent of the Federal Poverty Level (FPL), and infants whose family income is between 185 percent and 300 percent of the FPL.
- The *hawk-i* program provides coverage to children under age 19 in families whose gross income is less than 300 percent of FPL, or \$57,270 for a family of three. Families with incomes in the upper end of the range pay a premium not to exceed \$40 a month.
- On March 1, 2010, the department implemented a **dental-only plan** for children who meet the *hawk-i* program's income guidelines but do not qualify for full coverage because they have health insurance.
- Total CHIP enrollment increased by 6.2 percent (3,249 enrollees) in SFY12, and is projected to increase by 7.37 percent in SFY14 and 6.87 percent in SFY15.
- The typical *hawk-i* family has four members, is Caucasian, has children between the ages of 6-12, income between 151 percent and 200 percent of the FPL (\$34,575-\$46,100) and pays a total premium of \$20 per month.

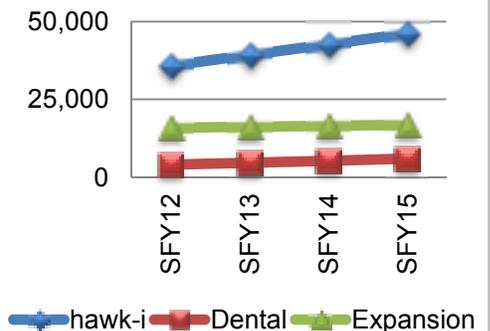
CHIP Members SFY2012



Age of CHIP Children (June 30, 2012)



CHIP Enrollment



- ✓ As of June 30, 2012, 16,213 children were covered in the Medicaid expansion program, 35,842 in hawk-i, and 4,012 in the dental-only plan.
- ✓ The CHIP program is projected to cover a total of 64,995 children in SFY14 and 69,459 children in SFY15.
- ✓ A comprehensive outreach campaign involves the Department of Education, the Department of Public Health, and the Department of Revenue. Activities include 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.

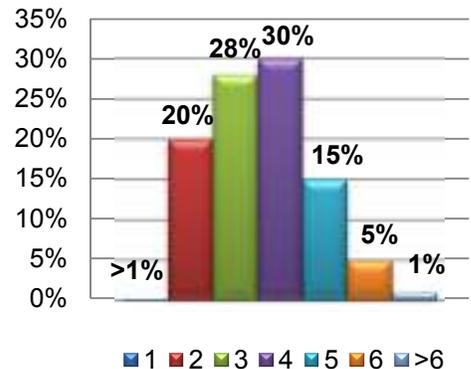
Services

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.

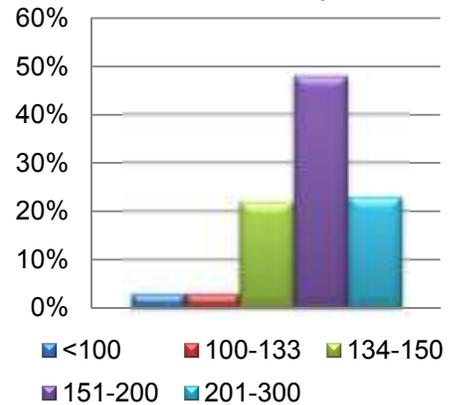
Key components of the CHIP program are:

- 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** health and dental coverage is provided through contracts with Wellmark Health Plan of Iowa, United Healthcare, and Delta Dental of Iowa.
- **hawk-i** families with incomes at the upper end of the eligibility range pay a monthly premium not to exceed \$40.
- **hawk-i** services include doctor visits, inpatient and outpatient hospital, well child visits, immunizations, emergency care, prescription medicines, eye glasses and vision exams, dental care and exams, speech and physical therapy, ambulance, and mental health and substance abuse care.
- The **hawk-i** program pays premiums to commercial insurers and the insurers provide benefits in the same manner as for their commercial beneficiaries.
- Required dental coverage includes diagnostic and preventive services, routine and restorative services, endodontic and periodontal services, cast restorations, prosthetics and medically necessary orthodontia.

**hawk-i Family Size
(June 30, 2012)**



**hawk-i Members by
Federal Poverty Level
(June 30, 2012)**



- ✓ Iowa is one of only nine 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).
- ✓ November 2010 the hawk-i program implemented electronic premium payment capabilities and as of June 2012 over 5,500 members (35.98 percent of those with premiums) pay on-line.

Goals & Strategies

Goal: Improve Iowa's Health Status

Strategies:

- Provide access to health care services.
- Promote best practice health care delivery.
- Promote and provide patient centered care.
- Promote better health and nutrition.

Goal: Effectively Manage Resources

Strategies:

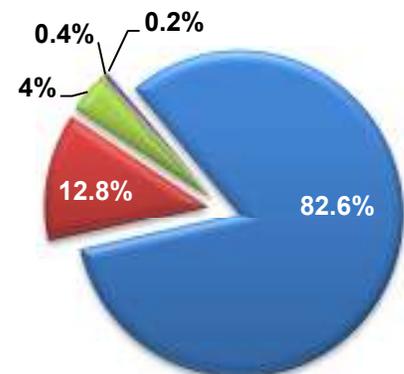
- Sustain projected percentage of federal financial participation.

2012 Satisfaction Survey Ease of Application Process



SFY12 Satisfaction With Care

■ Very Satisfied ■ Satisfied
■ Neutral ■ Unsatisfied

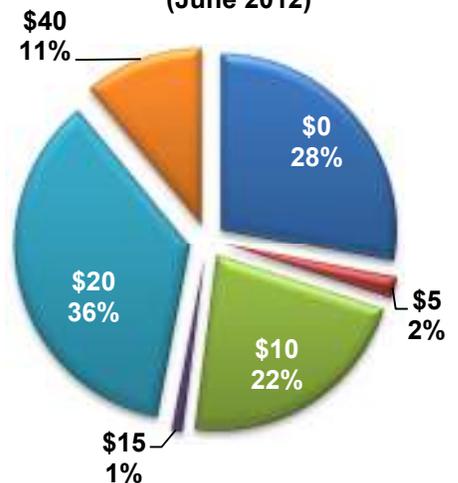


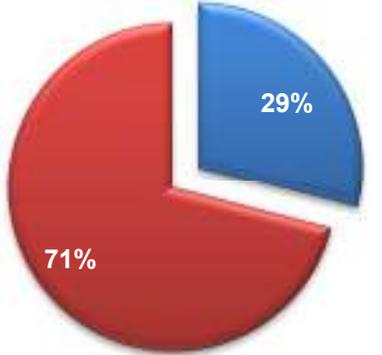
Cost of Services

CHIP is projected to cover approximately 65,000 children in SFY14 at a total (federal and state) program cost of \$149 million.

- Families with incomes at the upper end of the eligibility range pay a monthly premium of \$10-\$20 per child with a maximum of \$40.
- The SFY13 total annual cost per member for Medicaid expansion children is \$2,101.
- The SFY13 total annual cost per member for *hawk-i* children enrolled with the Wellmark health plan is \$2,631 and for those enrolled with United Healthcare is \$2,515. This cost represents the premiums paid to health plans.
- The SFY13 average annual cost for children in dental only program is \$336.
- The SFY13 average total annual cost of administering the CHIP program (including the third party administrator, claims processing, outreach and state staffing) is \$8.5 million.

Premiums Paid by *hawk-i* families (June 2012)



	<ul style="list-style-type: none"> ✓ <i>Iowa was the first state to qualify for and receive an additional \$28 million in federal contingency funding in SFY11.</i> ✓ <i>Unlike Medicaid, the department contracts with a third party administrator for all aspects of application processing, eligibility determination, customer service, management of information systems, premium billing and collection, and health and dental plan enrollment. State staff provides policy guidance, contract management, and general program oversight.</i> 						
<p>Funding Sources</p>	<p>The CHIP program is funded by state general funds, and federal matching funds through the Federal Medical Assistance Percentage (FMAP). Premiums not retained in the program are distributed to the federal government based on the FMAP rate.</p> <p>The total budget for SFY14 is \$149 million:</p> <ul style="list-style-type: none"> • \$42.2 million (29 percent) is state general fund. • \$105.8 million (71 percent) is federal funding. • Approximately \$3.3 million in enrollee premiums are projected to be collected in SFY14 and \$3.6 million in SFY15. • A portion of premiums collected is redistributed to the federal government based on the FMAP rate. The remaining state share is used to offset the cost of premium payments to the health plans. • CHIP programs are eligible to receive performance bonus payments though FFY13 for adopting strategies that streamline enrollment and for meeting enrollment thresholds. Iowa has received performance bonus payments for several years and is projecting a payment for SFY13. The performance bonuses are used in the Medicaid budget. <div style="text-align: right;"> <p>SFY14 Funding</p> <p>■ State General Fund ■ Federal</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>SFY14 Funding Breakdown</caption> <thead> <tr> <th>Funding Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>State General Fund</td> <td>29%</td> </tr> <tr> <td>Federal</td> <td>71%</td> </tr> </tbody> </table> </div>	Funding Source	Percentage	State General Fund	29%	Federal	71%
Funding Source	Percentage						
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	<ul style="list-style-type: none"> ✓ <i>The department expects the SFY13 CHIPRA bonus payment award to be approximately \$8.3 million.</i> ✓ <i>The federal CHIP match rate has been declining since SFY10, and is projected to decline by 0.7 percent in SFY14 and another 0.7 percent in SFY15.</i> 						

SFY14 & SFY15 Budget Drivers	<p>The total SFY14 budget reflects a \$6,430,958 (17.5 percent) general fund increase from SFY13. The SFY15 budget reflects a \$5,906,605 (13.7 percent) general fund increase over SFY14</p> <p>The key budget drivers of the increases are:</p> <ul style="list-style-type: none"> • Declining FMAP rate (\$1,087,631 in SFY14; \$1,157,489 in SFY15). • Total CHIP enrollment is projected to increase by 7.4 percent in SFY14 and 6.9 percent in SFY15. • Growth in enrollment and capitation payments result in an increase of \$5.34 million in SFY14 and an additional increase of \$4.75 million in SFY15 above SFY14. • Due to enrollment increases collection of enrollee premiums are projected to increase 9.7 percent and 8.9 percent respectively in SFY14 and SFY15. 	<p style="text-align: center;">Total Budget Funding Mix</p> <p>■ State General Fund ■ Federal ■ Other Funding</p> <table border="1"> <caption>Total Budget Funding Mix (Millions)</caption> <thead> <tr> <th>Year</th> <th>Federal</th> <th>State General Fund</th> <th>Other Funding</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>SFY13</td> <td>~95</td> <td>~40</td> <td>~0</td> <td>~135</td> </tr> <tr> <td>SFY14 est</td> <td>~105</td> <td>~45</td> <td>~0</td> <td>~150</td> </tr> <tr> <td>SFY15 est</td> <td>~115</td> <td>~50</td> <td>~0</td> <td>~165</td> </tr> </tbody> </table>	Year	Federal	State General Fund	Other Funding	Total	SFY13	~95	~40	~0	~135	SFY14 est	~105	~45	~0	~150	SFY15 est	~115	~50	~0	~165
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	<ul style="list-style-type: none"> ✓ <i>Total CHIP enrollment is projected to be 64,995 in SFY14 and 69,459 in SFY15.</i> ✓ <i>The total state annual cost is projected to increase by an average of 15.6 percent in SFY14 and SFY15.</i> 																					
Legal Basis	<p>Federal:</p> <ul style="list-style-type: none"> • Title XXI of the Federal Social Security Act. • The Affordable Health Care Act (ACA), signed into law on March 23, 2010. <p>State:</p> <ul style="list-style-type: none"> • Iowa Code Chapter 514I • Iowa Administrative Code 441 IAC Chapter 86 																					