



THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

SEP 26 2000

Mr. Edward Tregoe
Health Care Financing Administration
Center for Medicaid and State Operations
Mail stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Mr. Tregoe:

This is the fourth amendment to Iowa's state plan for the Healthy And Well Kids In Iowa (HAWK-I) program. This amendment increases the poverty level of children eligible for HAWK-I to 200% and for Medicaid expands the poverty level of pregnant women and infants to 200% of the FPL. Both of these are effective July 1, 2000. A revised 3-year budget for HAWK-I is also included.

If you need further information or have any questions, please call Anita Smith at 515-281-8791 or Anna Ruggle at 515-281-4186. Thank you.

Sincerely,

Jessie K. Rasmussen
Director

JKR: ar

Enclosure: Amendment

CC: Mr. Thomas Lenz
Associate Regional Administrator
Health Care Financing Administration, Region VII
Richard Bolling Federal Building
601 East 12th Street, Room 235
Kansas City, Missouri 64106-2808

HOOVER STATE OFFICE BUILDING - DES MOINES, IA 50319-0114

**Fourth Amendment to the
State of Iowa Children's Health Insurance Program
Healthy And Well Kids in Iowa (HAWK-I)**

Section 1. General Description and Purpose of the State Child Health Plans (Section 2101)

Add the following language:

Phase 3: Medicaid Expansion.

Effective July 1,2000, Medicaid will cover infants, up to 1 year of age, in families with income at or below 200% of the federal poverty level (FPL). Those children who are eligible under Section 1902 (a)(10)(A)(ii)(IX) of the Act whose family income is between 185% and 200% of the FPL will be reported and claimed at the enhanced rate.

Healthy And Well Kids in Iowa (HAWK-I) program.

Effective July 1,2000, the HAWK-I program will cover targeted low-income children up to age 19, in families with incomes at or below 200% FPL.

Section 2. General Background and Description of State Approach to Child Health Coverage (Section 2102 (a)(1)-(3)) and Section 2105 (c)(7)(A)-(B))

2.2.1. The third paragraph shall be deleted and the following paragraph substituted:

There are five Federally Qualified Health Centers (FQHC) in Iowa. Currently there is one outstationed eligibility worker at each of these sites.

2.3 Paragraph 3 shall be deleted and the following paragraph substituted:

All applications are screened for Medicaid eligibility and the presence of health insurance coverage. If it appears the child is eligible for Medicaid, the HAWK-I application is referred to DHS staff co-located at the third party administrator's office. If the family has an open case with DHS, the application is forwarded to the local county office of the Department, where the other benefits are administered.

Add the following language:

Phase 3: Healthy And Well Kids in Iowa (HAWK-I) Program.

The Healthy And Well Kids in Iowa (HAWK-I) program will cover children living in families whose income does not exceed 200% of the federal poverty level and who are not eligible for Medicaid. (Refer to Attachment 1).

3. Section 4. Eligibility Standards and Methodology. (Section 2102(b))

Phase 2: Healthy And Well Kids in Iowa (HAWK-I) program

4.3 The second paragraph is deleted and in its place the following paragraph substituted:

Applications are screened for completeness of information, the presence of other health insurance, verification of income, the presence of State of Iowa employment, and Medicaid eligibility. If it appears the child is Medicaid eligible, the original application is referred to Medicaid eligibility worker co-located at the third party administrator's office or the for a Medicaid eligibility determination. (Refer to Attachment 2).

4.4.2 The third paragraph shall be deleted and in its place the following paragraph substituted:

Applications are screened for completeness of information, the presence of other health insurance, verification of income, the presence of State of Iowa employment, and Medicaid eligibility. If it appears the child is Medicaid eligible, the original application is referred to Medicaid eligibility worker co-located at the third party administrator's office or the for a Medicaid eligibility determination. (Refer to Attachment 2).

Add the following language:

Phase 3: Healthy And Well Kids in Iowa Program.

4.1.1 See subsection 4.1.1 under Phase 2.

4.1.2 See subsection 4.1.2 under Phase 2.

4.1.3 Income. Effective July 1, 2000, Under HAWK-I, countable earned and gross unearned income cannot exceed 200% of the federal poverty limit for family of the same size. Effective December 1, 1999, 20% of earned income (including self-employment income) will be exempt when determining family income for the HAWK-I program.

Income from self-employment: Under HAWK-I, income from self-employment will be the gross income minus the cost of doing business. This includes the depreciation of capital assets as identified for income tax purposes.

4.1.4- 4.4.5 See subsections 4.1.4--4.4.5 under phase 2.

4. Section 9. Strategic Objectives and Performance Goals for the Plan Administration (Section 2107)

9.10 The tables shall be deleted and **the** following tables substituted:

DHS – Medical Assistance
CHIP State Plan Amendment
September 7, 2000

	State Dollars	Federal Dollars	Total Dollars
Fiscal agent cost of processing Medicaid claims	70,830.33	200,239	271,069
Outreach	130,650.00	369,350	500,000
Administration	408,001.66	1,153,428	1,561,430
Total CHIP SFY 2000	\$ 8,661,393	\$24,485,920	\$ 33,147,313

Administration Percent: 7.04%

	State Dollars	Federal Dollars	Total Dollars
--	------------------	--------------------	------------------

Total CHIP SFY 2001	\$ 13,087,556	\$36,998,767	\$ 50,086,323
---------------------	---------------	--------------	---------------

Administration Percent: 4.71%

	State Dollars	Federal Dollars	Total Dollars
--	------------------	--------------------	------------------

Total CHIP SFY 2002	\$ 18,155,461	\$51,325,830	\$ 69,481,291
---------------------	---------------	--------------	---------------

Administration Percent: 3.46%

9-30-00

4th Amendment

--	--

DHS – Medical Assistance
CHIP State Plan Amendment
September 7, 2000

	FY 2001	FY2002	FY2003
Monthly average enrollment - Medicaid expansion	5,858	6,157	6,472
Monthly average enrollment - Medicaid expansion (MAC) infants	154	154	154
Monthly average enrollment - HAWK-I managed care	7,029	12,224	17,875
Monthly average enrollment - HAWK-I indemnity	4,686	8,149	11,916

		State \$	Federal \$	Total \$
<u>HAWK-I cost sharing</u>	FY 2001	\$124,358	\$ 351,562	\$ 475,920
	FY 2002	\$216,325	\$ 611,555	\$ 827,880
	FY 2003	\$316,319	\$ 894,241	\$1,210,560

<u>PM/PM Rates</u>	FY 2001	FY 2002	FY 2003
Medicaid expansion	\$225.66	\$248.23	\$260.65
Medicaid expansion - (MAC) infants	\$518.92	\$538.88	\$565.83
HAWK-I managed care	\$91.83	\$106.65	\$117.31
HAWK-I indemnity	\$119.56	\$138.85	\$152.74