



STATE OF IOWA

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

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

SEP 11 2001

Mr. Mark Cooley
Center for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Mr. Cooley:

I am submitting the 5th amendment to Iowa's State Children's Health Insurance Program, Healthy and Well Kids in Iowa, **hawk-i**. This amendment updates the information on the health plans that are participating in **hawk-i**.

Effective July 1, 2001, Unity Choice from Wellmark Health Plan of Iowa is no longer participating as a managed health plan in **hawk-i**. The Iowa counties that Unity Choice had been covering are now covered by either John Deere Health Plan of Iowa, Iowa Health Solutions, or Classic Blue from Wellmark Blue Cross Blue Shield of Iowa. These three health plans have met the bench-mark equivalency requirement. All **hawk-i** enrollees that were enrolled with Unity Choice were notified in May that Unity Choice would no longer be participating as of July 1, 2001. For those counties in which both John Deere Health Plan and Iowa Health Solutions are currently participating, **hawk-i** enrollees were given a choice of which health plan to select. If a choice was not made, a plan was randomly selected for them. In those counties where there is only one health plan participating, enrollees were enrolled in that plan because of this change. No enrollees had any **loss** of coverage.

This amendment also includes an updated budget. This is because some of the counties that were covered only by Unity Choice are now covered by Classic Blue from Wellmark Blue Cross Shield of Iowa, an indemnity plan. The per member per month rate for managed health care plans participating in **hawk-i** is now \$106.52, while the per member per month rate for the indemnity plan is \$131.98.

Please call Anita Smith at 515-281-8791 or Anna Ruggle at 515-281-4186 with any questions.

Sincerely,

Jessie K. Rasmussen
Director

JKR/ar

1305 E WALNUT STREET - DES MOINES, IA 50319-0114

CC: Tom Lenz
Division of Medicaid and State Operations
Associate Regional Administrator
601 E. 12th, Room 227
Kansas City, MO 64106-2808

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

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue to Section 5.

4.1 The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102(b)(1)(A))

Phase 2: Healthy and Well Kids in Iowa (*hawk-i*) Program

4.1.1 Geographic area served by the Plan: The State has been divided into six regions for the purpose of establishing plan participation. (Refer to Attachment "S") If a health plan wants to provide coverage in any county within a region, it must provide coverage in every county within that region in which it is licensed and has a provider network established. Under *hawk-i*, Managed care plans can only provide which a provider network has been established.

Effective July 1, 2001:

Wellmark Health Plan of Iowa was no longer providing coverage under their Unity Choice health plan for the *hawk-i* program.

John Deere Health Plan was providing coverage in the following Iowa counties:

Black Hawk	Cedar	Dubuque	Johnson	Polk
Benton	Clayton	Grundy	Jones	Scott
Bremer	Dallas	Iowa	Linn	Warren
Butler	Delaware	Jackson	Madison	Washington

Classic Blue (Wellmark Blue Cross Blue Shield of Iowa) was providing coverage in the following Iowa counties:

Adair	Crawford	Harrison	Osceola	Shelby
Adams	Davis	Henry	Mills	Sioux
Allamakee	Decatur	Howard	Mitchell	Taylor
Appanoose	Dickinson	Humboldt	Monona	Union
Audubon	Emmet	Ida	Monroe	Wapello
Buena Vista	Fayette	Iowa	Page	Wayne
Carroll	Floyd	Jasper	Palo Alto	Webster
cass	Franklin	Jefferson	Plymouth	Winnebago
Cerro Gordo	Fremont	Keokuk	Pocahontas	Winneshiek
Cherokee	Greene	Kossuth	Pottawattamie	Woodbury
Clarke	Guthrie	Montgomery	Poweshiek	Worth
Clay	Hancock	O'Brien	Sac	Wright

Iowa Health Solutions was providing coverage in the following Iowa counties:

Benton	Clinton	Jackson	Mahaska	Scott
Boone	Des Moines	Lee	Marion	story
Buchanan	Dubuque	Linn	Marshall	Tama
Calhoun	Hamilton	Louisa	Muscatine	Van Buren
Clayton	Hardin	Lucas	Polk	Warren

Section 6. Coverage Requirements for Children's Health Insurance (Section 2103)

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 7.

6.1 The state elects to provide the following forms of coverage to children:

(Check all that apply.)

6.1.1 Benchmark coverage; (Section 21039(a)(1))

6.1.1.1. FEHBP-equivalent coverage; (Section 2103(b)(1))
(If checked, attach copy of the plan.)

6.1.1.2. State employee coverage: (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.)

6.1.1.3. HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)

6.1.2. Benchmark-equivalent coverage; (Section 2103(a)(2)) Specify the coverage, including the amount, scope and duration of each service, **as** well **as** any exclusions or limitations. Please attach signed actuarial report that meets the requirements specified in Section 2103(c)(4). See instructions.

Effective July 1, 2001, these are the health plans currently participating in the *hawk-i* program:

John Deere Health Plan

Iowa Health Solutions

Wellmark Blue Cross Blue Shield of Iowa

Phase 2: Healthy And Well Kids in Iowa (*hawk-i*) - Although the State's initial approach to the design of the program (i.e. a combination approach) is described above, additional public involvement has been secured in the development of Phase 2, the *hawk-i* program as follows:

- State legislation created the *hawk-i* Board, as described in Section 1.3. The *hawk-i* Board holds monthly meetings which include a public comment period and public discussion of any correspondence received from advocates or others relating to the program design or other issues.
- Focus groups (both rural and urban) were held to garner input on the application form and on outreach materials and strategies.

9.10. Provide a budget for this program. Include details on the planned use of funds and sources of the non-Federal share of plan expenditures. (Section 2107(d))

DHS - Medical Assistance
CHIP State Plan Amendment
SFY 2002

	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion	\$ 5,693,907	\$16,205,735	\$ 21,899,642
HAWK-I premiums (Net of deductions for cost)	\$ 4,707,394	\$13,397,967	\$
Administrative Costs			
Fiscal agent cost of processing Medicaid claims	\$ 101,346	\$ 288,447	\$ 389,793
Outreach	\$ 130,000	\$ 370,000	\$ 500,000
	\$		
Total CHIP SFY 2002	\$ 11,037,954	\$31,415,716	\$ 42,453,670
Administration Percent: 5.77%			

SFY 2003

	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion	\$ 7,233,385.42	\$ 20,737,943	\$ 27,971,328
HAWK-I premiums (Net of deductions for cost sharing)	\$ 8,184,144.61	\$ 23,463,746	\$ 31,647,891
Administrative Costs			
Fiscal agent cost of processing Medicaid claims	\$ 114,069.49	\$ 327,035	\$ 441,104
Outreach	\$ 258,600	\$ 741,400	\$ 1,000,000
Administration	\$ 496,875.59	\$ 1,424,530	\$ 1,921,406
Total CHIP SFY 2003	\$ 16,287,075	\$ 46,694,654	\$ 62,981,729

Administration Percent: 5.4%

SFY 2004

	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion	\$ 9,089,419	\$ 26,061,866	\$ 35,151,285
HAWK-I premiums (Net of deductions for cost sharing)	\$ 11,474,091	\$ 32,899,377	\$ 44,373,468
Administrative Costs			
Outreach	\$ 258,580	\$ 741,420	\$ 1,000,000
Administration	\$ 493,903	\$ 1,416,156	\$ 1,910,059
Total CHIP SFY 2004	\$ 21,453,332	\$ 61,512,606	\$ 82,965,938

Administration Percent: 4.15%

DHS - Medical Assistance
 CHIP State Plan Amendment Assumptions
 August 27, 2001

	<u>FY 2002</u>	<u>FY2003</u>	<u>FY2004</u>
Monthly average enrollment - Medicaid expansion	8,354	10,092	12,109
Monthly average enrollment - Medicaid expansion (MAC) infants	292	438	570
Monthly average enrollment - HAWK-I managed care	7,410	10,915	12,104
Monthly average enrollment - HAWK-I indemnity	5,782	8,517	11,490

		<u>State \$</u>	<u>Federal \$</u>	<u>Total \$</u>
HAWK-I cost sharing	FY 2002	\$(136,032)	(387,168.00)	\$ (523,200)
These have been deducted against	FY 2003	\$(204,222)	(585,498.41)	\$ (789,720)
premiums on summary page	FY 2004	\$(275,471)	(789,768.94)	\$(1,065,240)

<u>PM/PM Rates</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Medicaid expansion	\$203.54	\$211.68	\$220.15
Medicaid expansion - (MAC) infants	\$427.70	\$444.81	\$462.60
HAWK-I managed care	\$106.52	\$122.50	\$140.88
HAWK-I indemnity	\$131.98	\$151.77	\$174.54