



JUN 16 1999

Mr. Charles M. Palmer
Director
State of Iowa
Department of Human Services
Hoover State Office Building
Des Moines, Iowa 503 19-0114

Dear Mr. Palmer:

We are pleased to inform you that the amendment to your Children's Health Insurance Program (Title XXI) plan, dated February 25, 1999, as mended **by** the additional information you submitted on May 12 and **June 8**, 1999, has been approved. **This** amendment, effective retroactively to January 1, 1999, implements the Healthy and Well Kids in Iowa (Hawk-I) program, which **will** provide health care coverage to targeted low-income children **up** to age 19, in families **with** incomes at or below 185 percent of the Federal **poverty** level. We appreciate your **efforts and** the efforts of your staff, **and** extend our congratulations to **Iowa** on the approval of your Title XXI **plan amendment**.

Your **project** officer is **Dan** McCarthy. Mr. McCarthy **is** available to answer **any** questions concerning the your Title XXI plan and can be reached at (410) **786-2079**. His address is:

Health Care Financing Administration
Center for Medicaid and State Operations, Mail Stop **C3-18-26**
7500 Security Boulevard
Baltimore, Maryland 2 1244-1850

Official communications regarding program matters should be sent simultaneously to the project officer and to either Candice Hall or Karen Miller in the HCFA **Kansas City** Regional Office. The Regional Office address **is** as follows:

Health Care Financing Administration
Region VII
601 East 12th St.
Room 235
Kansas City, MO 64106

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Again, **we** extend our congratulations and **look** forward to **working with** you during the course of the program.

Sincerely,

Nancy-Ahn Min DeParle
Administrator

**IOWA TITLE XXI STATE PLAN
AND AMENDMENT SUMMARY**

Name of Plan: Healthy and Well Kids in Iowa (**HAW-I**)

Date Plan Submitted: 6/1/98
Date Amendment Submitted: 2/25/99

Date Plan Approved: 9/1/98
Date Amendment Approved : 6/16/99

Effective Date for Plan: 7/1/98
Effective Date for Amendment: 1/1/99

Background

- o On June 1, 1998, **Iowa** submitted a Title XXI State **Plan** to provide health insurance coverage to uninsured children through an expansion of the State's Title XIX Medicaid program. The plan provides Medicaid coverage to children ages 6 through 18 in families **with** income **up to 133 per cent** of the Federal **Poverty Level** (FPL).
- **On February 25, 1998**, the State submitted **an** amendment to its approved **Title XXI** plan. This amendment, entitled the **HAWK-I** program, is the non-Medicaid component of Iowa's CHIP program. **HAWK-I** provides health care coverage, via contracts **with** commercial health **care** plans, to children whose family income does not exceed 185% of FPL.
- The original CHIP plan had an effective date of July 1, **1998**.
- The proposed effective date for the amendment is retroactive **to January 1, 1999**.

Children Covered Under Program

- **As of April 1, 1998**, there **over 95,000** children receiving Medicaid in **Iowa**. The Medicaid expansion is expected to **provide** an estimated additional 15,500 children with health **care** coverage by June 1999.
- **Iowa Department of Human Services (DHS)** has entered into a contract with a third-party administrator to determine eligibility and enroll an estimated 39,500 children into health **plans** participating in the **HAWK-I** program by October 1, 1999.

Administration

- This expanded coverage for children **will** be administered by the Iowa **DHS** .
- The Iowa **DHS** has contracted with a third **party** administrator to provide, at a minimum, the following services for the non-Medicaid *CHIP*
 - distribute applications;
 - determine eligibility;
 - screen for Medicaid eligibility and coordinate with local D S. offices;
 - calculate, bill, and collect cost sharing;
 - assist the family in selecting a health plan and enrolling the child in the selected **plan**;
 - gather encounter data from the health plans; and
 - provide D.S. with demographic, statistical, **and** encounter **data** for federal reporting and other reporting requirements.

Health Care Delivery System

- Children newly-eligible under this amendment will receive health care services through the same delivery systems that operate in the current Medicaid program.

Benefit Package

- The Medicaid benefit **package** is provided in the Medicaid *CHIP* expansion.
- **The** Hawk-I program provides a benchmark **plan** that is equivalent to the Iowa State Employees benefit package.

Cost Sharing

- **HAWK-I** premiums are \$10 per child per month, with a **maximum** of \$20 per family for families whose countable income is **equal** to or greater **than** 150% of **FPL** .
- **Families** whose countable income **is equal** to or greater **than** 150% of **FPL** shall be **assessed a \$25** copayment for each emergency room visit if the child's medical condition does not meet the definition of emergency medical condition.
- The third party administrator will track ER copayment to ensure cost **sharing** does **not** exceed 5% of family income.

State Action to Avoid Crowd-Out

- The State imposes a six-month waiting period when employer-related group health insurance coverage has been dropped unless certain exclusions apply. The six-month period begins with the last day of coverage.

Outreach Activities

- The State has been educating the public about HAWK-I through presentations by staff at various conferences and organizational meetings (school nurses conference, Des Moines Chamber of Commerce, AC, Headstart) There were also a significant number of newspaper articles about HAWK-I published throughout the State
- On December 3, 1998, a State-wide Iowa Cable Network presentation was held at 108 sites to introduce the HAWK-I program to providers and organizations who are in contact with potentially eligible families. Approximately 2,000 individuals attended these sessions and orders for over 10,000 brochures, applications, and posters were received.
- Future outreach efforts will be a more "grass roots" approach. The State is currently evaluating options for this type of an outreach effort

Coordination Between CHIP and Medicaid

- All applications are screened for Medicaid eligibility and the presence of health insurance coverage.
- If the applicant is not Medicaid eligible, HAWK-I eligibility is determined. If the child has health insurance coverage and is not Medicaid-eligible, coverage under HAWK-I is denied.
- If a child appears medicaid-eligible, the application is forwarded to Iowa DHS for eligibility determination.

Financial Information

Total CHIP Reserved allotment --
SFY 98 -- \$32,622,875
SFY 99 -- \$32,460,463

Enhanced SFY 99 Federal Matching rate -- **74.32%**
SFY 99 costs:
State share -- **\$3,326,624**
Federal share -- **\$9,627,519**
Total -- **\$12,954,143**

SFY 00 costs:

State share -- El 1,265,000

Federal share -- \$32,296,485

Total -- \$43,5561,455