



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

DEPARTMENT OF HUMAN SERVICES  
JESSIE K. RASMUSSEN, DIRECTOR

MAY 12 1999

Mr. Dan McCarthy  
Division of Integrated Health Systems  
Health Care Financing Administration  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Dear Mr. McCarthy:

This is a response to your request for additional information on Iowa's amendment to the State Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act.

Questions and Responses:

Section 2. General Background and Description of State Approach to Child Health Coverage.

Section 2.3

Q1. HCFA has issued guidance ("Dear State Health Official" letter of September 10) that clarifies that a Social Security Number (SSN) must be supplied only by applicants for and recipients of Medicaid benefits. In all other cases, including non-applicant parents of children applying for Medicaid and children applying for a separate State CHIP program. States are prohibited from making the provision of an SSN of another family member a condition of eligibility. This also applies to other members of the household whose income might be used in making the child's eligibility determination.

The application referenced in this section and included as an attachment does not make it clear that providing SSNs is optional. Please clarify that SSNs will only be required for children applying for Medicaid.

R1. Children applying for the CHIP program will not be denied eligibility if a SSN is not provided. Once the current supply of applications has been depleted, the application form will be revised to state that SSN for children is optional. Training and notification of this change will occur with the third party administrator and at an upcoming outreach conference. Additionally, Iowa's administrative rules will be amended to clarify this policy.

Q2. Section 2.3 of the approved plan indicated in the first paragraph that the State would monitor crowd-out for the Phase 1 portion of the plan. Does the State plan to continue to monitor for instances of crowd-out in Phase 1?

R2. Iowa will continue to monitor for crowd-out in Phase I and have amended the section 2.3 Phase I to include this. The revised page is enclosed.

#### Section 4. Eligibility Standards and Methodology.

##### Section 4.3

Q3. Please describe when premiums are due, and what notification process takes place before someone is disenrolled for nonpayment of premiums. Is there a waiting period for re-enrollment after being disenrolled for nonpayment of premiums? Is there a "due process" provision for disenrollment? Is there a "grace period" or other method used to account for hardship to families?

R3. The following procedures are used to identify when premiums are due and the process that occurs before someone is disenrolled for non-payment of premiums.

Before the month in which the premium is due, monthly billing statements are mailed 5 business days prior to the end of the month. All premiums are due on the 10<sup>th</sup> of the following month. For example, billing statements are sent out March 26, 1999, for those members who owe a premium for the month of May 1999, coverage. This payment is due to the HAWK-I program by April 10<sup>th</sup>, which is reflected on the billing statement. If the premium payment is not received by April 10<sup>th</sup>, a notice is mailed to the member to remind them that the premium for May coverage is due. If no payment is received by the time the enrollment file is sent to the health plans, which is 5 business days prior to the end of the month, the member will have a cancellation date on the member file of the last day of that month. In this scenario, the member file will indicate a cancellation date of April 30, 1999. The HAWK-I program waits until approximately the 10<sup>th</sup> of every month before sending cancellation notices to members. In this example, if a member paid the premium and it was postmarked on or before April 30, 1999, this would not be considered a late payment. The payment of the premium would be posted and the next weekly file to the health plan would indicate that the cancellation date has been removed. If the member does not pay the premium postmarked by the end of the month, in this example by April 30, 1999, the member will be sent a cancellation notice. All appeal rights are identified on the notice.

There is one "grace period" allowed per 12-month enrollment. If a member has been canceled from the HAWK-I program for the first time and subsequently pays all premiums due within the calendar month following the month of nonpayment, a reinstatement occurs. The member is reinstated on the HAWK-I program without a break in coverage. Once the grace period has been utilized, if the member is canceled again for non-payment of premiums, the member would again be notified that coverage of the HAWK-I program has been terminated. In this scenario the member would need to re-apply for the HAWK-I program by providing us with a new application and corresponding information. The case is treated separately as a new application.

Section 4.4.3

- Q4. The 6 month waiting period related to the crowd-out policy specifically references children who have dropped an “employer group health plan.” How does this section pertain to individual health insurance being dropped without good cause?
- R4. The Iowa legislation only imposes the 6-month waiting period when employer sponsored coverage is dropped. However, this same legislation also waives the 6-month waiting period when employer sponsored coverage is dropped due to “economic hardship.” The State is currently promulgating administrative rules defining economic hardship and will be submitting a state plan amendment for the April-June quarter. These rules follow the same rationale in the Title XXI legislation in that cost sharing for families in this income level cannot exceed 5% of family income. Therefore, if the cost of covering the children through the employer-sponsored plan exceeds 5% of the families’ gross income, the 6-month waiting period will be waived if the coverage is dropped. The State is not imposing a waiting period when individual health insurance is dropped because for this population the individual health insurance is generally more than 5% of the gross income.

Section 4.4.5

- Q5. Although this section has been checked, the nature of the coordination with other public and private programs to provide creditable coverage for low-income children is not described. Please provide an overview of this coordination.
- R5. As described in Section 2.1, the only public program providing creditable coverage for low income children in Iowa is Medicaid. The coordination of Medicaid and HAWK-I is described in Attachment U.

Section 2.1 also describes the Iowa Caring Program for Children, which is a private program. The Caring Program plans to cease operation on July 1, 1999. This is a creditable coverage program.

Section 6. Coverage Requirements for Children’s Health Insurance

Section 6.1.2

- Q6. Do both benchmark-equivalent packages cover all ACIP-recommended immunizations?
- R6. Yes, both benchmark-equivalent packages cover all ACIP-recommended immunizations. See attached documents.

- Q7. Which schedule of well child care visits is covered by both benchmark-equivalent packages?
- R7. Wellmark provides well child services as defined by current recommendations for Preventative Pediatric Health Care of the American Academy of Pediatrics. Iowa Health Solutions follows the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) guidelines.
- Q8. Please identify the benchmark plan to which both plans will be equivalent?
- R8. As identified on page 1 of the Actuarial Report by Deloitte & Touche LLP (Attachment BB), the State of Iowa employees coverage provided by Principal Health Care of Iowa Primary Care, is the benchmark benefit package to which both plans will be determined equivalent.

## Section 6.2

- Q9. The State checked off services being provided in section 6.2, but there is no explanation in this section about which specific services will be included. Attachments AA and CC include information about benefits offered by the specific plans, but there seem to be differences between the plans in some places. Is there a Statewide benefit package? Is there a single definition being used by the State for well child care and well baby care? What are the differences between the services offered by Iowa Health Solutions and those offered by Wellmark?
- R9. The Iowa legislation identifies services that must be covered, including well-child and well-baby care. However, there is no single definition of well child care and well baby care. There may be variances among the plans as long as the plan meets the benchmark equivalent. Both plans provide comprehensive well-child and well-baby care.

## Section 8. Cost Sharing and Payment

- Q10. The State would like to impose a \$25 copayment on families above 150% for the inappropriate use of the emergency room. How will patients be notified of this charge and the reason for its assessment? (Section 2103(e)(1)(A)).
- R10. Both the Wellmark and Iowa Health Solutions evidence of coverage booklets provided to the families upon enrollment state that a copayment will be imposed for those families that are above 150% when a visit to the emergency room is not considered an emergency using prudent lay person standards. Both plans also have this listed on the identification cards provided to the family.
- Q11. Please provide a revised budget that will:
- list total, Federal share and State share dollars, and include sources of the non-Federal share, i.e., general fund for a three-year period;
  - delete "Impact on Medicaid as a result of HAWK-I" insert a footnote to explain this entry;
  - include update information based upon February 15, 1999 HCFA 37 and 21B forms (historical actual expenditures and current projections of future quarters expenditures).

R11. Per clarification with Mark Byler of the HCFA Regional Office, this response is to reflect the three years beginning with fiscal year 1998. In fiscal year 1998 there were no expenditures.

CHIP Budget  
Revised SFY 1999

	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion HAWK-I premiums Fiscal agent cost of processing Medicaid claims	42,593	123,268	165,861
Outreach	126,850	367,114	493,964
Administration	217,185	628,551	845,736
Totals	\$3,326,624	\$9,627,519	\$12,954,143

Note: \$90,000 of State dollars are from  
Robert Wood Johnson Grant and remainder  
from State general fund

Administration and Outreach Percent: 10.5%

CHIP Budget  
Revised SFY 2000

	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion HAWK-I premiums Fiscal agent cost of processing Medicaid claims	91,353	261,907	\$353,260
Outreach	129,300	370,700	\$500,000
Administration	338,324	969,967	\$1,308,291
Totals	\$11,265,000	\$32,296,485	\$43,561,485

Note: All state dollars are from State  
general fund

Administration and Outreach Percent: 5.0%

Mr. ~~Dan~~ McCarthy  
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During a conference call with the HCFA ~~Kansas~~ City Regional Office, it was brought to my attention that printed materials must include the statement of our non-discrimination policy. DHS is in the process of updating all printed material to include this policy.

Sincerely,

Jessie K. Rasmussen  
Director

Enclosure

JKR/ar

CC: HCFA Region VII Office  
Don Herman  
Anita Smith  
HAWK-I Board

**Attachment for Response 2**

providers, civic organizations, churches, Sunday school classes, other religious organizations, and from Foundation participants.

Initially, it was believed that the Medicaid expansion that became effective on July 1, 1998, would eliminate the need for The Caring Program for Children because both programs had income limits of 133% of the federal poverty level. However, not all potentially eligible children applied and of those that did, many were found ineligible because they failed to follow through with the application process or were ineligible due to Iowa's \$10,000 (liquid) assets test.

With the implementation of HAWK-I, which has no assets test, The Caring Program for Children will no longer need to exist because, financially, their enrollees will be absorbed into either the Medicaid or HAWK-I programs.

As of this submission, DHS continues to work with The Caring Program for Children to transition their enrollees into Medicaid and HAWK-I. The current Caring Program for Children will end on June 30, 1999. The future of the Caring Program for Children has not been determined. However, it is anticipated they will maintain their role in some capacity as a "safety-net" insurer for children who do not qualify for Medicaid.

- 2.3. Describe how the new State Title XXI program(s) is (are) designed to be coordinated with such efforts to increase the number of children with creditable health coverage so that only eligible targeted low-income children are covered:

(Section 2102)(a)(3)

Phase 1: Medicaid Expansion

The Medicaid program was expanded to include children up to the age of 19 at financial eligibility levels up to 133% of the federal poverty level, effective July 1, 1998. Studies have shown that crowd out is more prevalent at income levels near or above 200% of the FPL. Since Iowa's Medicaid was only expanded to 133% of the FPL, it is not anticipated that crowd out will be a significant issue among the expansion population. We anticipate that many of the children who will be covered through the expansion will be siblings of younger children who are already receiving coverage through Medicaid. If experience proves that "crowd-out" is significant, the State will develop strategies to address it.

In preparing the budget for the enrollment of the additional children, the Division of Medical Services does not anticipate the need to hire any additional Medicaid eligibility workers. Workers in all 99 counties will enroll children who are eligible

for Medicaid under current eligibility rules as well as those who are eligible for the Medicaid expansion.

Information regarding the expanded Medicaid eligibility was widely disseminated through out the State. In addition to the training of eligibility workers about the new limits, an article was published in "*The Difference*" which is a quarterly news letter for clients and advocates. (Refer to Attachment "Q")

#### Phase 2: 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 185% of the federal poverty level and who are not eligible for Medicaid. The State has designed a universal application form that can be used to determine eligibility for either program. (Refer to Attachment "R").

Interested persons can call **1-800-257-8563** 24 hours/7 days a week to obtain information about the HAWK-I program. This number is staffed with bi-lingual personnel from 6:00 a.m. - 10:00 p.m. and has bi-lingual voice messaging service for the hours it is not staffed. Additionally, information and applications can be found on the HAWK-I web site at [www.hawk-i.org](http://www.hawk-i.org).

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 the county DHS office for an eligibility review. 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.

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. Refer to Section 4.4.3 for an explanation of the conditions that waive the six-month exclusion.

Attachment for Response 6

3. If You remain in a Nursing Facility after discharge by the Plan Physician, or after the maximum benefit period is reached, You will be responsible for all associated ~~costs~~ for the services.

M. Dental Care Services

General dental services, including preventative, basic and major services are covered under the Evidence of Coverage, services related to temporomandibular joint conditions (TMJ) are not covered under the plan. (Refer to the attached dental rider for more information). The following limited oral surgical procedures will be provided in an inpatient or outpatient setting when approved by a Plan Physician:

1. Treatment for accidental injury to sound natural teeth, the jaw bones, or surrounding tissues. Treatment and repair must begin within fifteen (15) days for the date of a documented injury.
2. Treatment or correction of a non-dental physiological condition which has resulted in severe functional impairment.
3. Treatment for tumors and cysts requiring pathological examination of the jaw, cheeks, lips, tongue, roof and floor of the mouth are covered.

N. Health Maintenance and Preventative Services

1. Annual gynecological examination and cytologic screening for females age 18 and over.
2. Pediatric preventative services which shall include a history and complete physical examination as well as developmental assessment, anticipatory guidance, immunizations, vision and hearing screening and laboratory screening benefits for well child care will be covered at the following intervals: birth, two (2) weeks, two (2) months, four (4) months, six (6) months, nine (9) months, twelve (12) months, fifteen (15) months, eighteen (18) months, two (2), three (3), four (4), five (5) and six (6) years.
3. Immunizations and vaccinations according to generally accepted medical practice standards.

O. Plastic and Reconstructive Surgery

Plastic and Reconstructive Surgery is covered when:

1. Reconstructive surgery is incidental to or follows surgery resulting from trauma, infection, or other diseases of the involved part.
2. A congenital disease or anomaly has caused a function defect, but only when the surgery is reasonable and expected to correct the condition.
3. Reconstructive surgery following a mastectomy on one or both breasts. The procedure includes but is not limited to augmentation mammoplasty, reduction mammoplasty and mastopexy.

P. Allergy Care

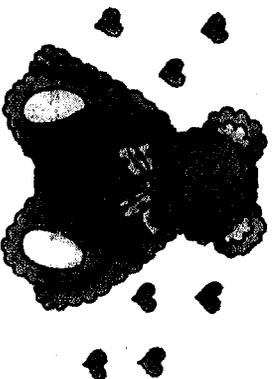
1. Coverage is provided for allergy testing and evaluation when provided by Your Primary Care Physician or an authorized Specialty Physician.
2. Coverage is provided for the preparation of Allergy serum when prepared by the Primary Care Physician or authorized Specialty Physician.
3. Allergy Injections are covered when provided by a Plan Physician or an authorized Specialty Physician.

Q. Hospice Care

A terminally ill Member is entitled to receive Hospice care. All care must be provided by a certified Hospice organization and must be arranged by a Plan Physician and authorized by Iowa Health Solutions.

Iowa Health Solutions  
550 Middle Road, Suite #405  
Bettendorf, IA 52722  
319/359-8999  
800/928-8004

## My Child's Immunization Record



### Immunize Them

Immunizing your child is one of the most loving things you can do for him or her. Immunization prevents dangerous diseases. These include: polio, measles, rubella, diphtheria, pertussis (whooping cough), tetanus, mumps, *H. influenzae* type b, hepatitis B and Varicella (chickenpox).  
**Because you love your child:**

- Start shots at birth.
- Make sure your child's immunizations are up-to-date. See schedule on other side.
- Each time you visit or call your doctor or clinic, ask when the next shots are due and make an appointment.
- Take this immunization record with you when you visit healthcare providers. Have the doctor or nurse write in the date of each shot given and sign your card.
- Carefully read over any information you receive about the shots that your child is having. Ask questions if you have them.

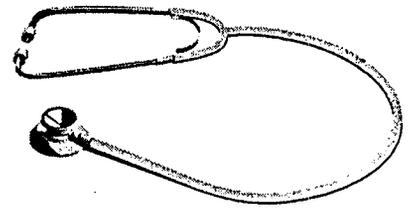
### Many Childhood Diseases

DTP and DTaP vaccines protect against diphtheria, tetanus and pertussis. Possible serious effects of diseases: Diphtheria: choking, paralysis and possibly death. Tetanus (lockjaw): stiff muscles, seizures, breathing and heart problems. Pertussis (whooping cough): pneumonia, brain damage, or death. MMR vaccine protects against: measles, mumps, rubella. Possible serious effects of diseases: Measles: ear infections, pneumonia, brain damage or death. Mumps: hearing loss, brain damage, and sterility in males. Rubella (German measles): if a pregnant woman gets rubella, she may lose the baby or have a baby with serious birth defects. Polio vaccine protects against polio. Possible serious effects of polio: paralysis and death. Hib vaccine protects against *H. influenzae* type b. Possible serious effects of *H. influenzae* type b: severe ear, nose and throat infections; pneumonia; meningitis and death. Hep B vaccine protects against hepatitis B. Possible serious effects of hepatitis B: liver cancer, liver failure or chronic liver disease. Varicella vaccine protects against chickenpox. Possible serious effects of chickenpox: severe infections.

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# Iowa Health Solutions

## Wellness Program



**It is important that children and young adults have check-ups at these ages:**

Birth - 3 days	9 months	3 years	10 years
1 month --	12 months	4 years	12 years
2 months	15 months	5 years	14 years
4 months	18 months	6 years	16 years
6 months	24 months	8 years	18 years
			20 years



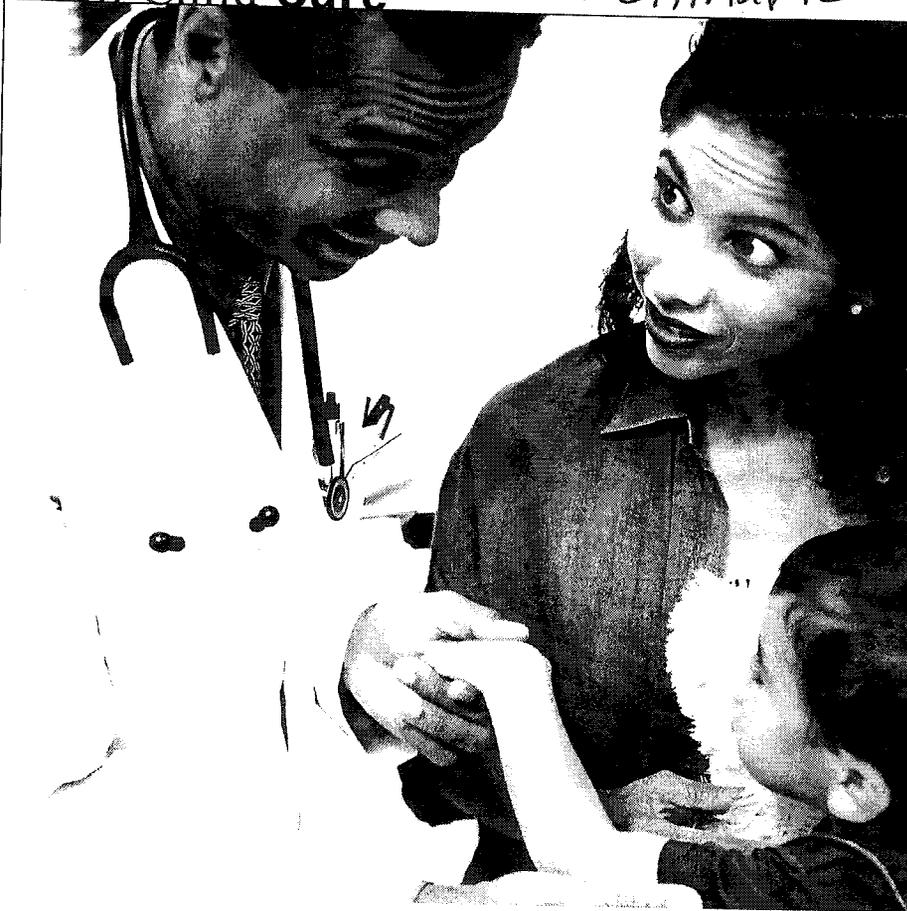
**The following services will be provided at NO COST to eligible HAWK-I members:**

Comprehensive Physical Examinations  
Review of Growth and Development  
Health Education and Child Safety  
Dental Check-ups and Treatment  
Hearing and Vision Screenings  
Eye check-ups and glasses (if needed)  
Behavioral Health Services  
TB Testing  
Blood and Urine Tests  
Immunizations  
Blood Pressure Checks  
Suggestions for Healthy Eating Habits  
Treatment for Problems Found During the Exam  
Other Health Services As Needed

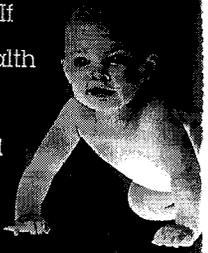
If you have questions about any HAWK-I services, please contact Iowa Health Solutions at (319)359-8999 or **1-800-928-8004**.

We will be glad to help!





Your physician's practices may vary from the schedule shown here. If you have chronic health problems or special needs, you may need to visit your physician more frequently. The services shown here are covered in full.



Be sure to read your benefits policy for benefit limitations. An immunization schedule and pediatric preventive care guidelines are included in this section.

**Childhood Immunization Reminder Program**

Immunizations are a critical part of keeping children healthy. Wellmark Blue Cross and Blue Shield of Iowa is working to keep children immunized against life-threatening diseases. Our immunization reminder program is part of that initiative.

One of the most important things you can do for your health is to schedule regular check-ups with your physician. The well child care health benefit provides regularly scheduled health checkups and proper care for any health problems found during a well child care health checkup.

**Recommended Childhood Immunization Schedule<sup>1</sup>**

Use this chart to keep accurate records of your child's immunizations.

Vaccine	Birth	1 mo.	2 mo.	4 mo.	6 mo.	12 mo.	15 mo.	18 mo.	4-6 yrs.	11-12 yrs.	14-16 yrs.
Hepatitis B	Hep B-1	Hep B-2			Hep B-3					Hep B <sup>2</sup>	
DTP or DTaP		DTP or DTaP	DTP or DTaP	DTP or DTaP		DTP or DTaP	DTP or DTaP		DTP or DTaP	Td	
H. influenza Type B		Hib	Hib	Hib	Hib						
Poliovirus		Polio	Polio	Polio					Polio		
MMR <sup>3</sup>						MMR			MMR or MMR		
Varicella <sup>4</sup> zoster virus (Chicken pox)						Var				Var <sup>5</sup>	
Annual influenza <sup>6</sup>					Flu					Flu	Flu
Rotavirus			RV	RV	RV						

<sup>1</sup> Recommended vaccines are listed under the routinely recommended ages. Shaded bars indicate range of acceptable ages for vaccination.  
<sup>2</sup> Adolescents who have not received three doses of hepatitis B vaccine should initiate or complete the series at age 11-12 years. The second dose should be administered at least one month after the first dose, and the third dose should be administered at least four months after the first dose and at least two months after the second dose.  
<sup>3</sup> The second dose of measles-mumps-rubella vaccine should be administered either at 4-6 years of age OR at 11-12 years of age.  
<sup>4</sup> Varicella zoster virus vaccine (VAR) can be administered to susceptible children any time after age 12 months.  
<sup>5</sup> Unvaccinated children who lack a reliable history of chicken pox should be vaccinated at age 11-12 years. Susceptible children 13 years of age or older should receive two doses at least one month apart.  
<sup>6</sup> Recommended for high risk patients. Discuss with your physician.

