

**MODEL APPLICATION TEMPLATE FOR  
STATE CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT  
STATE CHILDREN'S HEALTH INSURANCE PROGRAM**

(Required under 4901 of the Balanced Budget Act of 1997 (New section 2101(b)))

State/Territory: Iowa  
(Name of State/Territory)

As a condition for receipt of Federal funds under Title XXI of the Social Security Act, (42 CFR, 457.40(b))

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(Signature of Governor, or designee, of State/Territory, Date Signed)

submits the following State Child Health Plan for the State Children's Health Insurance Program and hereby agrees to administer the program in accordance with the provisions of the approved State Child Health Plan, the requirements of Title XXI and XIX of the Act (as appropriate) and all applicable Federal regulations and other official issuances of the Department.

The following state officials are responsible for program administration and financial oversight (42 CFR 457.40(c)):

Name: Kevin W. Concannon	Position/Title: Director, Iowa Department of Human Services
Name: Anita Smith	Position/Title: Bureau Chief, Bureau of Health Insurance

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0707. The time required to complete this information collection is estimated to average 160 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, N2-14-26, Baltimore, Maryland 21244.

care issues faced by children with special needs and make recommendations on how to address those needs. The Quality Assessment and Improvement Advisory Committee is made up of members of the Clinical Advisory Committee who advise the *hawk-i* Board on clinical issues, quality improvement and utilization management.

Health Plans: The Department of Human Services contracts with health plans licensed by the Division of Insurance within the Department of Commerce to provide health care coverage to eligible children under the *hawk-i* program.

The University of Iowa Public Policy Center: The Department of Human Services contracts with the University of Iowa Public Policy Center to conduct analysis of the functional health assessment and analysis of the encounter data.

- 1.2 X Please provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))
- 1.3 X Please provide an assurance that the state complies with all applicable civil rights requirements, including Title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42CFR 457.130)
- 1.4 Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment (42 CFR 457.65):

Effective date:

Amendment 7 - Expansion of counties for Iowa Health Solutions 6-1-2003 and elimination of 6-month waiting period 7-1-2003

Implementation date:

Amendment 7 - Expansion of counties for Iowa Health Solutions 6-1-2003 and elimination of 6-month waiting period 7-1-2003

**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 on 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)) (42CFR 457.305(a) and 457.320(a))

4.1.1. X Geographic area served by the Plan: The State has been divided into six regions for the purpose of establishing plan participation (See Attachment 1). 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 licensed and has a provider network established. Under *hawk-i*, managed care plans can only provide coverage in those areas of the state in which they are licensed and in which a provider network is established.

Effective July 1, 2001:

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

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

Effective June 1, 2003, Iowa Health Solutions is providing coverage in the following Iowa Counties:

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

- 4.1.2. X Age: Under **hawk-i**, children up to the age of 19 are covered. Coverage ends effective the first day of the month following the month of the nineteenth birthday.
- 4.1.3. X Income: Effective July 1, 2000, under **hawk-i**, countable earned and gross unearned income cannot exceed 200% of the FPL 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.
- Effective February 1, 2000, 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. Resources (including any standards relating to spend downs and disposition of resources):
- 4.1.5. X Residency (so long as residency requirement is not based on length of time in state): Under **hawk-i**, the child must be a resident of the State of Iowa. There is no minimum period of time in which the child must reside in the State to establish residency. A resident is one:
- Who is living in Iowa voluntarily with the intention of making that person's home in Iowa and not for a temporary purpose; or
  - Who, at the time of application, is not receiving assistance from another state and entered Iowa with a job commitment or to seek employment or who is living with parents or guardians who entered Iowa with a job commitment or to seek employment.
- 4.1.6. Disability Status (so long as any standard relating to disability status does not restrict eligibility):
- 4.1.7. X Access to or coverage under other health coverage: A child who is covered under other health insurance is not eligible for coverage under **hawk-i** unless the coverage is a single service coverage such as a dental

4.4.4. The insurance provided under the state child health plan does not substitute for coverage under group health plans. Check the appropriate box. (Section 2102(b)(3)(C)) (42CFR 457.805) (42 CFR 457.810(a)-(c))

4.4.4.1. X Coverage provided to children in families at or below 200% FPL: describe the methods of monitoring substitution.

A child who is currently enrolled in an individual or group health plan is not eligible to participate in the *hawk-i* program.

**Exception:** A child who is enrolled in a single service plan that provides coverage only for a specific disease or service (e.g. dental only or vision only) is considered uninsured for the purpose of

Effective July 1, 2003, the State no longer imposes a 6-month waiting period for children who have been insured through an employer group health plan in the six months prior to the month of application. Iowa House File 565 included provisions that require the Department to monitor the effects of eliminating the 6-month waiting period and report back to the General Assembly on the findings. The state is continuing to ask insurance history questions on the application form and the information is being tracked by the state's third party administrator. A quarterly report will identify the impact of this change on the program and be reported to the General Assembly.

4.4.4.2. Coverage provided to children in families over 200% and up to 250% FPL: describe how substitution is monitored and identify

The state will send a copy of any proposed rule for the *hawk-i* program to the Native American Tribes for review and comment.

Contracts with local grassroots organizations require that the action plan for local outreach activities must show the contractor will engage the special populations in their area, including not limited to, Native American tribes for development of the action plan and concurrent activities.

- 9.9.2 For an amendment relating to eligibility or benefits (including cost sharing and enrollment procedures), please describe how and when prior public notice was provided as required in §457.65(b) through (d).

See the response for 9.9.

- 9.10. Provide a one year projected budget. A suggested financial form for the budget is attached. The budget must describe: (Section 2107(d)) (42CFR 457.140)

Planned use of funds, including --

- Projected amount to be spent on health services;
- Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
- Assumptions on which the budget is based, including cost per child and expected enrollment.

Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.

CHIP State Plan Amendment

SFY 2004			
	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion	\$5,965,962	\$17,661,612	\$23,627,574
<i>hawk-i</i> premiums (Net of deductions for cost sharing)	\$7,367,445	\$21,810,556	\$ 29,178,001
Administrative Costs			
Fiscal agent cost of processing Medicaid claims	\$102,210	\$302,582	\$404,792
Outreach	\$126,250	\$373,750	\$500,000
Administration	\$409,527	\$1,212,362	\$1,621,889
Total CHIP SFY 20034	\$13,971,394	\$41,360,862	\$55,332,256
		Administration Percent:	4.57%

Assumptions

		<u>FY2004</u>		
Monthly average enrollment - Medicaid expansion		10,650		
Monthly average enrollment - Medicaid expansion (MAC) infants		295		
Monthly average enrollment - <i>hawk-i</i> managed care		9,417		
Monthly average enrollment - <i>hawk-i</i> indemnity		7,349		
		<u>State \$</u>	<u>Federal \$</u>	<u>Total \$</u>
<u><i>hawk-i</i> cost sharing</u>	FY 2004	\$(153,092)	\$(453,212)	\$606,304)
This has been deducted against premiums on summary page				
		<u>FY 2004</u>		
<u>PM/PM Rates</u>				
Medicaid expansion		\$172.09		
Medicaid expansion - (MAC) infants		<del>\$444.81</del> \$462.60		
<i>hawk-i</i> managed care		\$131.23		
<i>hawk-i</i> indemnity		\$169.58		

Attachment 10  
Six Month Waiting Report

## MAXIMUS CHANGE ORDER

**Number:** 2003-04

**Date of Request:** 5-12-03

**Project Title:** 6-month waiting period cost report

**Required Completion Date:** July 1, 2003

**Requestor:** Anna Ruggle

**Phone:** 281-5487

**Fax:** 281-7791

**E-mail:** aruggle@dhs.state.ia.us

**Project Description:** HF 565 requires the Department to monitor and report annually to the legislature the impact of deleting the 6-month waiting period for employer-sponsored insurance. The following new report should be sent to the Department on a quarterly basis beginning October 2003. This report shall be due on the 10<sup>th</sup> of the month following the end of the quarter.

- A. The total number of *hawk-i* enrollees who answer yes to the question "Does any child you are applying for have insurance now or have they been covered by health insurance in the past 6 months?"
- B. A breakdown of the number of *hawk-i* enrollees in A who checked Private, COBRA and Employer to the question "Coverage is/was through?"
- C. The number in A who also:
  1. Checked the Employer box to the question: "Coverage is/was through?"; and
  2. Last date of coverage is less than 6 months; and
  3. The annual amount paid for the health insurance is less than 5% of the gross income.
  4. For each of these *hawk-i* enrollees the dollar amount of capitation payments made. The dollar amount shall be a calculation that is the difference between the number of uninsured months from 6 months multiplied by the capitation payment for the child.

Example: Family applies to *hawk-i* in July. Employer sponsored coverage ended May 31<sup>st</sup>. Coverage with *hawk-i* begins August 1<sup>st</sup>. The 6-month waiting period would be June, July, Aug, Sept, Oct., and November.

6	-	2	=	4	x	\$
Required months of uninsured status under old rules		Months actually uninsured		Months of <i>hawk-i</i> coverage obtained under new rules	monthly capitation payment	Impact on program

Effective Date: 7-1-03

93

Approval Date: