

Budget Unit Brief

FY 2017



State Children's Health Insurance Program

Background

The federal State Children's Health Insurance Program (SCHIP) was established by the federal Balanced Budget Act of 1997 to provide health care coverage to uninsured low-income children, under age 19, living in families with incomes below 200.0% of the federal poverty level (FPL). Iowa implemented the SCHIP through a combination of Medicaid expansion and a new program entitled Healthy and Well Kids in Iowa (hawk-i). Medicaid expansion was mandated in [HF 2517](#) (1998 hawk-i Program Act), and expanded coverage for children with family income up to 133.0% of the FPL, effective July 1, 1998.

House File 2517 created the hawk-i Program providing coverage for children living in families with incomes between 133.0% and 185.0% of the FPL, effective January 1, 1999. [House File 2555](#) (FY 2001 Tobacco Settlement Fund Appropriations Act) expanded the hawk-i Program to provide coverage for children with family incomes ranging from 185.0% to 200.0% of the FPL, effective July 1, 2000.

[House File 2539](#) (FY 2009 Health Care Reform Act) created a Healthy and Well Kids in Iowa (hawk-i) Expansion Program to cover children of families with income up to 300.0% of the FPL beginning in FY 2010, with cost sharing for families with incomes between 200.0% and 300.0% of the FPL.

[Senate File 389](#) (FY 2010 Health Care Omnibus II Act) created a dental-only option to cover children that have private health insurance but limited or no dental coverage. Dental-only coverage is available to children with family income up to 300.0% of the FPL. Medically necessary orthodontia coverage has also been added to the dental coverage as required by the federal government.

Services

Beginning April 1, 2016, both the Medicaid Expansion and the hawk-i Programs receive services through one of three managed care contractors who also service the Medicaid Program. Benefits include:

- Inpatient hospital services
- Outpatient hospital services
- Medical and surgical physician services
- Laboratory and x ray
- Well-baby and well-child care, including immunizations
- Prescription drugs
- Mental health services
- Vision services
- Hearing services
- Dental services
- Speech therapy
- Physical therapy

Current plans are available through Amerigroup, AmeriHealth Caritas, and United Healthcare of the River Valley. Dental Plans are available through Delta Dental of Iowa and MCNA Dental.

Administration

The Department of Human Services contracts with MAXIMUS Inc. to administer the hawk-i Program. MAXIMUS has been the third-party administrator of the Program since 2000. As an administrator, MAXIMUS is responsible for maintaining a customer service unit; processing applications; assisting applicants with health plan selections; billing, tracking, and collecting premium payments; and collecting and reporting hawk-i Program data. Federal legislation requires that the amount of funding spent on administration of the Program cannot exceed 10.0% of federal services per federal fiscal year.

More Information

Budget Schedules and Related Documents

SCHIP Website: <http://www.hawk-i.org/>

Iowa General Assembly: <http://www.legis.iowa.gov>

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Enrollment

As of July 1, 2016, there were a total of 61,254 individuals enrolled in the SCHIP Program. Of that, 41,702 were enrolled in hawk-I, 15,982 were enrolled in Medicaid Expansion, and 3,570 were enrolled in the Dental-Only Program. Enrollment is anticipated to grow by approximately 2.0% per year for the next two fiscal years.

Funding

Unlike Medicaid, SCHIP is not an entitlement program and is funded with a set allotment of funds for each state. The federal allotment of funding for SCHIP is authorized through September 20, 2017. Iowa receives an enhanced Federal Medical Assistance Percentage (FMAP) matching rate for the SCHIP of approximately 70.0% annually. In addition, Iowa is operating under an additional 23.0% enhanced federal match that passed as part of the federal Affordable Care Act. That additional 23.0% enhancement expires September 30, 2019. With the additional 23.0% FMAP rate, the federal government is funding approximately 86% of the Program in FY 2017, with the state funding 7.3% and the remaining 6.7% being funded by premiums, drug rebates, and other recoveries.

Related Statutes and Administrative Rules

Iowa Code chapter [514I](#)

[441](#) Iowa Administrative Code chapters [86](#)

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