

September 21, 2022

To: Sandi Hurtado-Peters, Department of Management  
 Eric Richardson, Legislative Services Agency

From: Jean Slaybaugh, Department of Human Services  
 Jess Benson, Department of Human Services

RE: Notice of Health Insurance Premium Payment Program Administrative Allocation Change

This is to notify you that pursuant to 2021 Iowa Acts, Chapter 182, Section 13, Subsections 13 and 14a, the Department of Health and Human Services increased the amount allocated for the administration of the health insurance premium payment (HIPP) program from \$349,011 to \$366,303.

**REASON AND AUTHORITY FOR CHANGE:**

2021 Iowa Acts, Chapter 182, Section 13, Subsection 14a provides authority for the department to increase the amounts allocated for salaries, support, maintenance, and miscellaneous purposes associated with the medical assistance program, as necessary, to sustain cost management efforts. The HIPP program generated a net state savings of approximately \$2.0 million in SFY22, as summarized below. The \$366,303 state administrative spending was necessary to accomplish this level of cost containment.

<u>SFY22 HIPP Costs</u>	<u>Total</u>	<u>State</u>
Annual HIPP Premium Payments	\$5,808,746	\$1,848,922
HIPP Administration	\$732,607	\$366,303
<b>Total HIPP Costs</b>	<b>\$6,541,353</b>	<b>\$2,215,225</b>
<u>SFY22 HIPP Savings</u>		
Third Party Liability Payments for HIPP (7/1/2021 thru 6/30/2022) <sup>1</sup>	(\$14,089,866)	(\$4,211,713)
<b>NET COST/(SAVINGS)</b>	<b>(\$7,548,513)</b>	<b>(\$1,996,488)</b>
<u>Notes</u>		
1. This is the amount that would have become the responsibility of the Medicaid program had these recipients not been enrolled in HIPP. Excludes prescription drug TPL savings because TPL information is not included on pharmacy claims. Also excludes savings where the third party paid the provider in full. These claims would not have been submitted to Iowa Medicaid.		