

September 23, 2024

To: Eric Richardson, Legislative Services Agency
 Deena Klesel, Department of Management

From: Jess Benson, Department of Health and Human Services

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

This is to notify you that pursuant to 2023 Iowa Acts, Chapter 112, Section 13, Subsections 12 and 13a, 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 \$396,218.

REASON AND AUTHORITY FOR CHANGE:

2023 Iowa Acts, Chapter 112, Section 13, Subsections 12 and 13a 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 \$2.3 million in SFY24, as summarized below. The \$396,218 state administrative spending was necessary to accomplish this level of cost containment.

<u>SFY24 HIPP Costs</u>	<u>Total</u>	<u>State</u>
Annual HIPP Premium Payments	\$5,317,993	\$1,870,675
HIPP Administration	\$792,435	\$396,218
Total HIPP Costs	\$6,110,428	\$2,266,892
<u>SFY24 HIPP Savings</u>		
Third Party Liability Payments for HIPP (7/1/2023 thru 6/30/2024) ¹	(\$13,576,401)	(\$4,565,842)
NET COST/(SAVINGS)	(\$7,465,973)	(\$2,298,950)
<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.		