



Hawki Program Benefits and ABA

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Introduction

House File 2402 required that the Iowa Department of Health and Human services shall review the benefits included in a qualified child health plan under the Hawki program and shall specifically address the inclusion of applied behavior analysis services as a covered benefit. The department shall report the findings of the review to the general assembly by December 1, 2024.

History of the Hawki Program

In 1997, Congress passed legislation that authorized Title XXI of the Social Security Act. This created the Children's Health Insurance Program (CHIP). CHIP is a joint federal and state program that provides health coverage to uninsured children in families with incomes too high to qualify for Medicaid, but too low to afford private or group health plan coverage. Unlike Medicaid, CHIP is not an entitlement but rather an optional program in which states may elect to participate.

On January 1, 1999, the Hawki program was implemented. Coverage was determined for children ages 0 through age 18 whose family income was between 134% to 180% of the FPL. Later the FPL to 300%. Following the passage of the ACA and the MAGI methodology, the FPL limits for the Hawki program changed to be between 168% and 302%.

Eligibility Requirements for Hawki

Children must meet the following criteria to be eligible for the Hawki program:

- A resident of the state of Iowa
- Under 19 years of age
- Have no other health insurance
- A citizen of the United States or a qualified alien
- Be in a family that meets the Hawki income limits
- Not a dependent of a State of Iowa employee
- Not currently covered under the Medicaid program
- Not currently covered under commercial insurance

Benefit Coverage History

With the passage of the CHIP legislation, states had four options for choosing benefits for Separate CHIP.

- (1) Benchmark coverage in accordance with §457.420.
- (2) Benchmark-equivalent coverage in accordance with §457.430
- (3) Existing comprehensive State-based coverage in accordance with §457.440.
- (4) Secretary-approved coverage in accordance with §457.450.

Iowa chose the benchmark-equivalent option using the state's employee plan from 1999 as the benchmark.

The coverage for the Hawki program has not been benchmarked since original implementation. Multiple State Plan Amendments (SPAs) have been submitted and approved for additional services and coverage.

Hawki Benefit Coverage

Hawki is a limited plan that provides coverage to low-income children that do not qualify for Medicaid.

The following is a summarized comparison of services covered for Medicaid, Iowa Health and Wellness Plan (IHAWP) and Hawki. A full version of the Comparison of Benefits can be found in [Comm. 519](#). Services not covered by Hawki are indicated in italics.

Service Category	Service	Medicaid	IHAWP	Hawki
Preventive Services	Routine Check ups	Covered	Covered; limitations apply	Covered
	Immunizations	Covered	Covered; limitations apply	Covered
	Well-child and well-adolescent visits	Covered	Covered	Covered
	<i>Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)</i>	Covered	Covered up to age 21	<i>Not Covered</i>

Professional Office Visits	Primary Care Providers	Covered	Covered	Covered
	Office Visits	Covered	Covered	Covered
	Chiropractor	Covered; limitations apply	Covered; limitations apply	Covered; limitations apply
	Dentist and routine dental exam	Covered	Covered	Covered
	Gynecological and family planning	Covered	Covered; limitations apply	Covered
	Laboratory	Covered	Covered	Covered
	Podiatry	Covered if related to health care conditions	Covered if related to health care conditions	Covered
	Routine Eye Exam	Covered	Covered	Covered
	Routine Hearing Exam	Covered	Covered	Covered
	Specialist-may require referral from PCP	Covered	Covered	Covered
Hospital Services	Inpatient Hospital Admission	Preapproval required for non-emergent admission	Preapproval required for non-emergent admission	Preapproval required for non-emergent admission
	Inpatient Hospital Services <ul style="list-style-type: none"> Room and board & Supplies Physician services Surgery 	Covered	Covered	Covered
	Inpatient Hospital Services covered with limitations <ul style="list-style-type: none"> Bariatric Surgery Bone/organ transplant Reconstructive surgery 	Covered; limitations apply	Covered; limitations apply	Covered; limitations apply
	Outpatient Hospital Services <ul style="list-style-type: none"> Ambulatory Surgery Chemotherapy Dental treatment that requires hospitalization Dialysis Outpatient Diagnostic (Laboratory and Radiology) 	Covered	Covered	Covered

Emergency Care	Ambulance	Covered	Covered	Covered
	Urgent Care	Covered	Covered	Covered; may require prior authorization
	Emergency Room	Covered; \$3.00 per visit for non-emergent medical services	Covered; \$3.00 per visit for non-emergent medical services	Covered; emergency services for non-emergent conditions are subject to a \$25 copay if the family pays a premium for the Hawki program
	<i>Non-Emergency Medical Transportation (NEMT)</i>	Covered	Not covered	<i>Not covered</i>
Mental and Behavioral Health and Substance Use Disorder	Inpatient mental health treatment	Covered	Covered; residential treatment is not covered	Covered
	Inpatient substance abuse treatment	Covered	Covered; residential treatment is not covered	Covered
	Mental/behavioral health office visit	Covered	Covered	Covered
	Outpatient mental health	Covered	Covered	Covered
	Outpatient substance abuse	Covered	Covered	Covered
	<i>Assertive Community Treatment (ACT)</i>	Covered	Not covered	<i>Not covered</i>
	<i>Behavioral Health Intervention Services (BHIS), including applied behavior analysis</i>	Covered	Covered; residential treatment is not covered	<i>Not covered</i>
	<i>(b)(3) services (intensive psychiatric rehabilitation, community support services, peer support, and residential substance use treatment)</i>	Covered (MCO members only)	Not covered	<i>Not covered</i>
<i>Psychiatric Medical Institutions for Children (PMIC)</i>	Covered	Covered for 19- to 20-year-olds. Limitations apply	<i>Not covered</i>	

Outpatient Therapy Services *Prior authorization may be required, and limitations may be in place for all therapy services.	Cardiac Rehabilitation	Covered	Covered	Covered
	Physical Therapy	Covered	Limited; 60 visits per year	Covered
	Speech Therapy	Covered	Limited; 60 visits per year	Covered
	Occupational Therapy	Covered	Limited; 60 visits per year	Covered
	Respiratory Therapy	Covered	Limited; 60 visits per year	Covered
	Oxygen/Pulmonary Therapy	Covered	Limited; 60 visits per year	Covered
Prescription Drug Coverage	Generic, preferred and non-preferred medications	Covered; Copays vary by drug type and cost	Covered; \$0.00 copay	Covered; \$0.00 copay
	Oral contraceptives	Covered	Covered; \$0.00 copay	Covered; \$0.00 copay
	<i>Prescription and non-prescription drugs for smoking cessation</i>	Covered	Covered	<i>Not covered</i>
Laboratory and Radiology	Mammography	Covered	Covered	Covered
	Radiology for screening and diagnostic	Covered	Covered	Covered
	Sleep study testing	Covered	Covered	Covered
	Colorectal genetic testing	Covered	Covered	Covered
	Pap smears	Covered	Covered	Covered
	Pathology tests	Covered	Covered	Covered
	Routine lab for screening and diagnostic	Covered	Covered	Covered
	STI and STD testing	Covered	Covered	Covered

Durable Medical Equipment (DME)	Medical equipment and supplies	Covered	Covered	Covered
	Diabetes equipment and supplies	Covered	Covered; limitations apply	Covered
	Eyeglasses	Covered; limitations apply	Covered age 19 to 20; limitations apply	Covered; PA & limitations apply
	Hearing aids	Covered	Covered age 19 to 20; limitations may apply	Covered; PA & limitations apply
	Orthotics	Covered; limitations apply	Not Covered	Covered; PA & limitations apply
	<i>Sleep apnea device</i>	Covered for adults	Covered	<i>Not Covered</i>
Other Coverage not included above:	Hospice	Covered	Covered; limitations apply	Covered
	Home Health Services Including: <ul style="list-style-type: none"> • Home Health Aid • Skilled Nursing • Physical Therapy • Occupational Therapy • Speech Therapy 	Covered	Covered	Covered
	<i>Long Term Services and Supports (LTSS)- Community Based</i> <ul style="list-style-type: none"> • <i>Case Management</i> • <i>Child Care Medical</i> • <i>Private Duty Nursing</i> • <i>1915 (C) Waiver Services</i> • <i>1915(I) Habilitation Services</i> 	Covered; limitations apply	Covered; limitations apply	<i>Not covered</i>
	<i>Long Term Services and Supports (LTSS)- Institutional</i> <ul style="list-style-type: none"> • <i>ICF/ID (Intermediate Care Facility for Individuals with Intellectual Disabilities)</i> • <i>Nursing Facility (NF) and Nursing Facility for the Mentally Ill (NF/MI)</i> • <i>Skilled Nursing Facilities (SNF)</i> 	Covered; limitations apply	Covered; limitations apply	<i>Not covered</i>

Updating the Hawki Benefit Coverage

The benefits provided to Hawki covered children can be updated through State Plan amendment to add specific coverage, or the entire plan can be benchmarked again to align with the current state employee plan. Legislation is required to re-benchmark the Hawki plan. A State Plan Amendment requires submission and approval to Centers for Medicare and Medicaid Services. The full Hawki benefit package can be re-benchmarked and assessed for financial impacts using the state's employee plan, Medicaid plan, or other marketplace plan as directed.

Applied Behavioral Analysis

In March of 2017, House File 215 established an act requiring certain health insurance policies, contracts or plans to provide coverage of Applied Behavior Analysis (ABA) for the treatment of Autism Spectrum Disorder (ASD) for certain individuals. ABA is a type of therapy frequently provided to children with autism and other developmental disorders that focuses on imparting skills in specific domains of functioning, such as social skills, communication, academic and learning skills, motor dexterity, hygiene and grooming, and more. Therapy is tailored to individual needs, ABA can be delivered in a variety of settings, including school, home, clinic, and other community settings. The goal of treatment is to help children function as independently and successfully as possible.

Over the past decade applied behavior analysis (ABA) has become widely recognized as the most effective therapy for addressing the behavioral issues associated with autism.

ABA is not currently a covered benefit for children that are covered under the Hawki program unless the child utilizes the Autism Support Program.

Fiscal Impact to Add ABA Coverage

The potential Hawki population was calculated based on claims data for fiscal year 2023. Using the claims data, HHS determined the approximate number of Hawki members that have a diagnosis of autism on at least one claims in fiscal year 2023 and would potentially benefit from ABA services.

We have identified 678 children on Hawki with an Autism diagnosis. If all accessed ABA services, the expected cost would be \$15M (total); \$4M (state share). Based on Medicaid utilization data, expected provider capacity limitations, and potential offsets within the Autism Support Program, the fiscal impact will likely be significantly less than this. At this time, we expect the state cost to be somewhere between \$500K and \$3M and will be working to refine a cost estimate over the coming months. Additional detail can be found in Appendix A.

Appendix A: Fiscal Impact of ABA to Hawki

To develop a fiscal impact, the following assumptions were applied to the analysis:

- ABA would be a new service to Hawki; no actual expenditures are available to calculate the fiscal impact. Instead, Medicaid data was used as a source for estimating the fiscal impact for ABA within the Hawki program. In SFY23, the total expenditures for children with an Autism diagnosis in Medicaid was \$126.4M. Of that, \$21.9M or 17% of those expenditures were related to ABA expenditures with a cost of \$23,895.28 per member annually.
- There are currently 678 children on Hawki with an Autism diagnosis. There may be additional factors such as provider capacity limitations, the estimated fiscal impact was calculated using the annual per member cost with an 18% utilization rate. Potential offsets with the Autism Support Program also exist for this population. At this time, we expect the state cost to be somewhere between \$500K and \$4M and will be working to refine a cost estimate over the coming months.
- Number of children on Hawki with an Autism diagnosis is 678
- The average annual cost per child based on claims (Based on SFY23 experience, trended based on SFY25 ABA legislation increase) is \$23,895.28

	18% Utilization Rate			100% Utilization Rate		
	SFY26			SFY26		
	Total	Federal	State	Total	Federal	State
Fiscal Impact to add ABA to Hawki	\$ 2,895,050	\$ 2,142,047	\$ 753,002	\$ 16,201,000	\$ 11,987,120	\$ 4,213,880
Autism Support Costs	\$ (339,150)	\$ -	\$ (339,150)	\$ (339,150)	\$ -	\$ (339,150)
	\$ 2,555,900	\$ 2,142,047	\$ 413,852	\$ 15,861,850	\$ 11,987,120	\$ 3,874,730