

HIPIOWA-FED Health Insurance Plan

HIPIOWA-FED is a federally-funded temporary program created in response to the federal health reform law (Patient Protection and Affordable Care Act). The Act created the Pre-Existing Condition Insurance Plan (PCIP) and appropriated \$5.0 billion for allocation to states. The federal Department of Health and Human Services (HHS) was authorized to contract with states to establish and operate temporary high-risk health insurance pool programs beginning in 2010 and ending on December 31, 2013. The purpose of the new pool is to provide access to health insurance for individuals with pre-existing conditions who have been uninsured for at least six months.

The Iowa Comprehensive Health Association created HIPIOWA-FED, LLC, as a member-managed limited liability corporation with a single member, i.e., the Association. The HHS contracted with HIPIOWA-FED, LLC, to administer the qualified federal PCIP for the State of Iowa. This means that the Association Board of Directors makes decisions regarding HIPIOWA-FED in the Association's role as the sole member of the member-managed organization. This is the same Association Board of Directors that also oversees State's HIPIOWA Program. The Board appointed Cecil D. Bykerk as executive director. Cecil Bykerk runs CDBykerk Consulting LLC, the actuarial and insurance consulting firm located in Omaha, Nebraska, that administers the State of Iowa's high risk pool program, HIPIOWA.

Persons are eligible for HIPIOWA-FED coverage if they (a) are a resident of Iowa and a U.S. citizen or a person lawfully present in the U.S., (b) have been uninsured for at least six months prior to applying, and (c) have been denied coverage because of a pre-existing medical condition. Applicants may support their eligibility with a letter from their physician confirming their diagnosis or a denial letter from an insurance company or a letter of acceptance with reduction or exclusion of coverage for a pre-existing condition. The pre-existing conditions include:

- Acquired Immune Deficiency Syndrome (AIDS)
- Angina Pectoris
- Arteriosclerosis Obliterans
- Artificial Heart Valve
- Ascites
- Cardiomyopathy
- Chemical Dependency
- Cirrhosis of the Liver
- Coronary Insufficiency
- Coronary Occlusion
- Cystic Fibrosis
- Dermatomyositis
- Friedreich's Disease
- Huntington's Disease
- Hydrocephalus
- Intermittent Claudication
- Juvenile Diabetes
- Kidney Failure (requiring dialysis)
- Lead Poisoning with Cerebral Involvement
- Leukemia
- Lupus
- Malignant Tumor (treated within four years)
- Metastatic Cancer
- Motor or Sensory Aphasia
- Multiple or Disseminated Sclerosis
- Muscular Atrophy or Dystrophy
- Myasthenia Gravis
- Myotonia
- Open Heart Surgery
- Paraplegia or Quadriplegia
- Parkinson's Disease
- Peripheral Arteriosclerosis (if treated within last three years)
- Polyarteritis (periarteritis nodosa)
- Postero-lateral Sclerosis
- Psychotic Disorders
- Silicosis
- Splenic Anemia (True Banti's Syndrome)
- Still's Disease
- Stroke (CVA)
- Syringomyelia
- Tabes Dorsalis (locomotor ataxia)
- Topectomy and Lobotomy
- Wilson's Disease

More Information

HIPIOWA-FED: <http://hipiowafed.com/> and <http://cciio.cms.gov/programs/pcip/index.html>

Iowa Comprehensive Health Association - HIPIOWA: <https://www.hipiowa.com/default.asp>

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HIPIOWA-FED Health Insurance Plan

HIPIOWA–FED offers a Preferred Provider Organization (PPO) benefit plan through the Midlands Choice Network with a \$1,000 deductible and a \$2,500 out-of-pocket maximum. Copayments are required for office and emergency room visits and for pharmaceuticals. The PPO offers comprehensive coverage for hospital care, primary and specialty services, and prescription drugs. The PPO plan also provides the option of choosing any provider but requires the participant to pay a higher coinsurance percentage and higher deductible of allowed charges for choosing a provider that is not part of the Midlands Choice Network (\$2,000 deductible with a \$5,000 out-of-pocket maximum).

Funding

Program participants pay a premium based on age and tobacco use. For tobacco nonusers, monthly premiums range from \$158 for a person age 17 and under to \$645 for someone 65 or older. For tobacco users, monthly premiums range from \$182 for a person age 17 and under to \$793 for someone 65 or older. Premiums are adjusted annually.

The premiums do not cover the total health care expenses for these high-risk individuals and the administration of the program. The balance of the expenses is paid by the federal grant. Federal funding for the life of the Iowa program is projected to be \$35.0 million. The federal regulations cap administrative costs at a maximum of 10.0% over the life of the program. Startup costs can cause administrative costs to exceed 10.0% in the early months of the program.

According to the federal report, through June 30, 2012, the program had an enrollment of 310. Program expenses were \$7.3 million for claims and \$1.1 million for administration for total program expense of \$8.5 million. Premiums totaled \$1.7 million leaving net expenses of \$6.7 million paid by federal support.