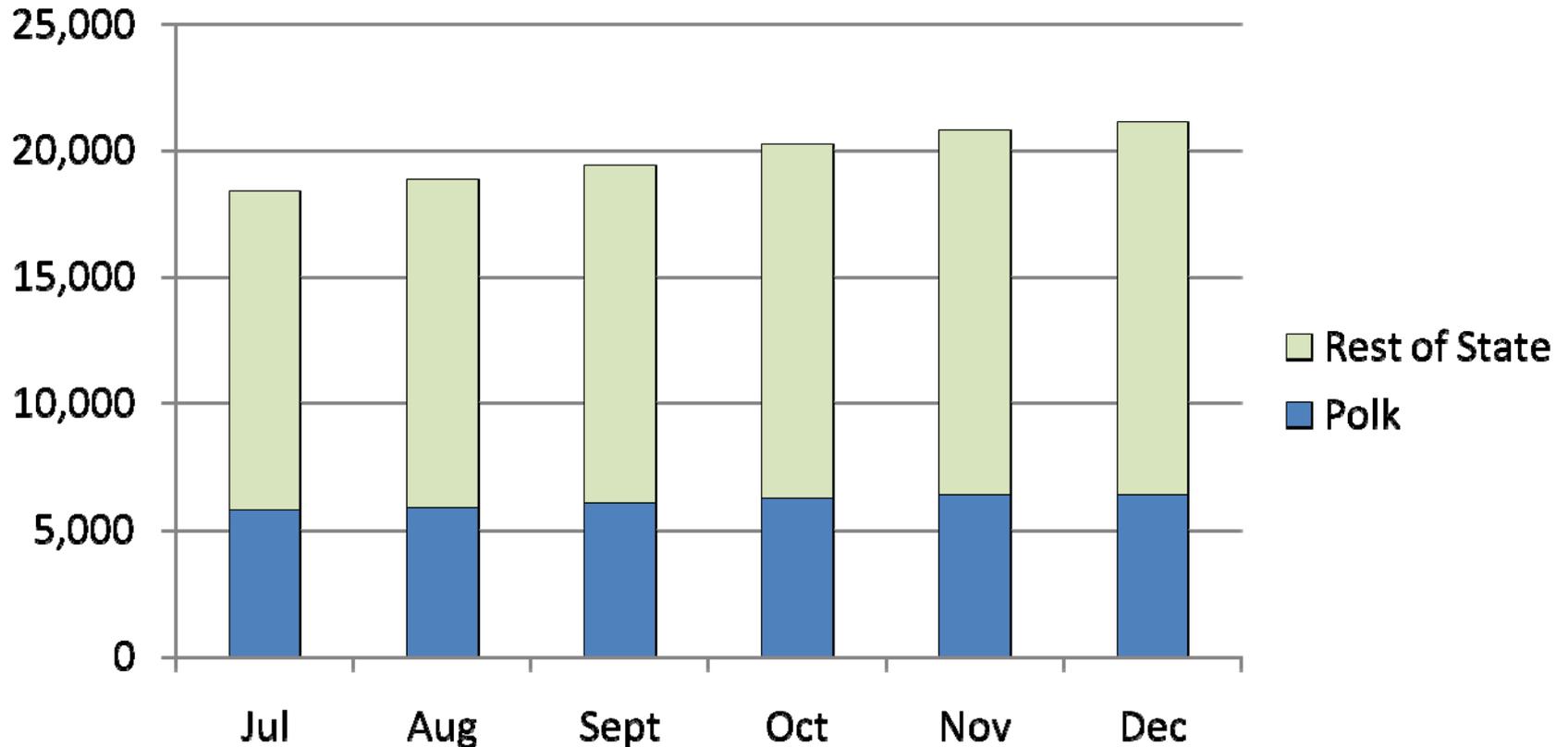


IowaCare Update

Kevin Concannon, Director
Department of Human Services

February 1, 2008

IowaCare Enrollment

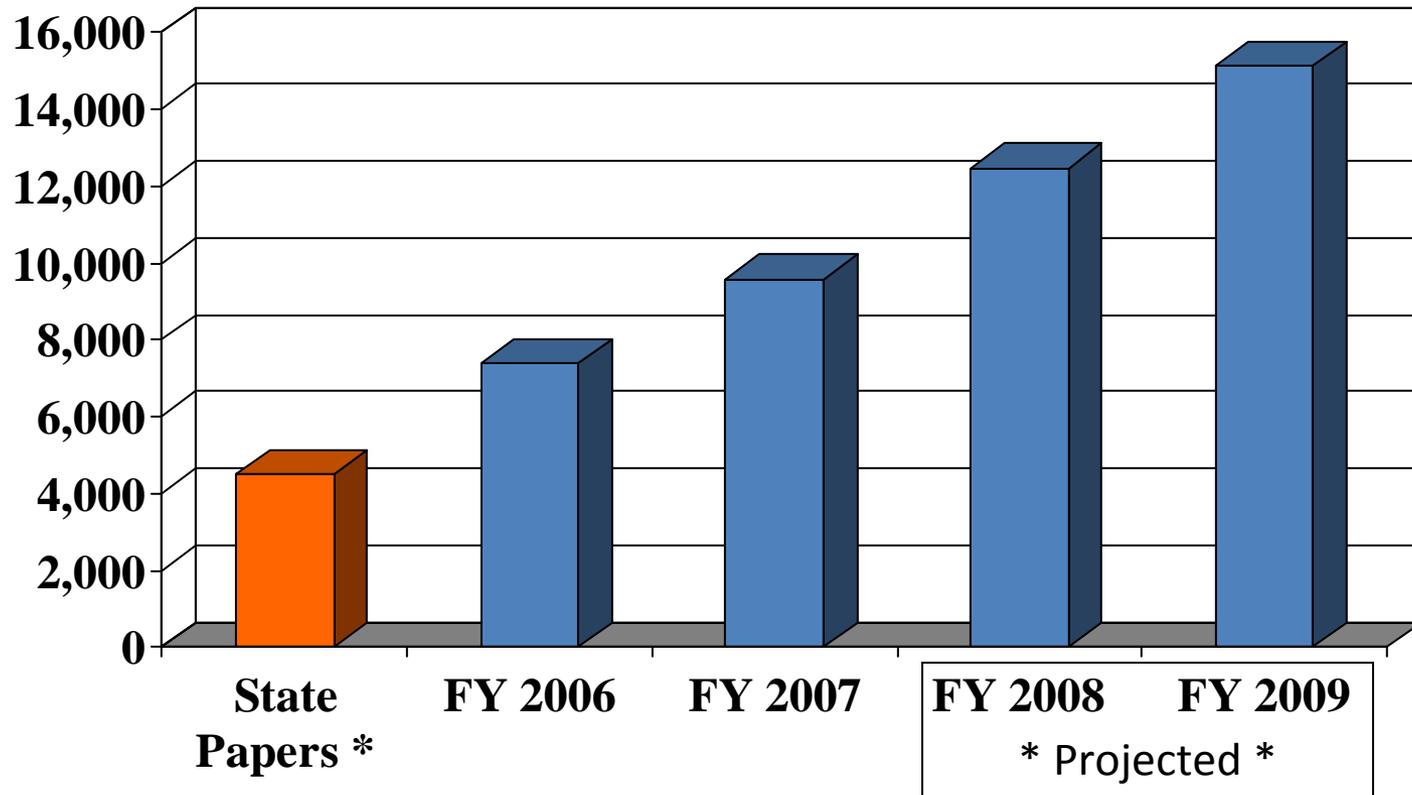


- 82% are below 100% of the Federal Poverty Level.

FY 2008 Funding Summary

- Supplemental of \$6.2 M State funds needed.
- Due to increase in number served at University of Iowa Hospitals and Clinics.
- DHS has a recommendation that would leverage state dollars to offset the shortfall.

UIHC Unduplicated Patients Served – (Outpatient Hospital)



* FY 2005 number served in State Papers program.

Shortfall Solution

- State Psych Papers – 100% General Fund appropriation to UIHC of \$7.3M.
- Eliminate that appropriation and move to the Medicaid budget (no change in State Psych Papers statutory requirements).
- Use \$7.3M in Medicaid as state match for total payments of \$19M.
 - \$7.3M Disproportionate Share Hospitals (DSH) payment to make UIHC whole.
 - \$11.8M IowaCare payment for IowaCare services provided.

Shortfall Solution

- Offsets the shortfall (no program reductions).
- Holds UIHC harmless. UIHC has concerns about what could happen to DSH funding in the future.

****This option has been built in to Governor Culver's FY 2008 & FY 2009 budget recommendation.**

****Legislation is needed prior to March to avoid cash flow shortfall at UIHC.**

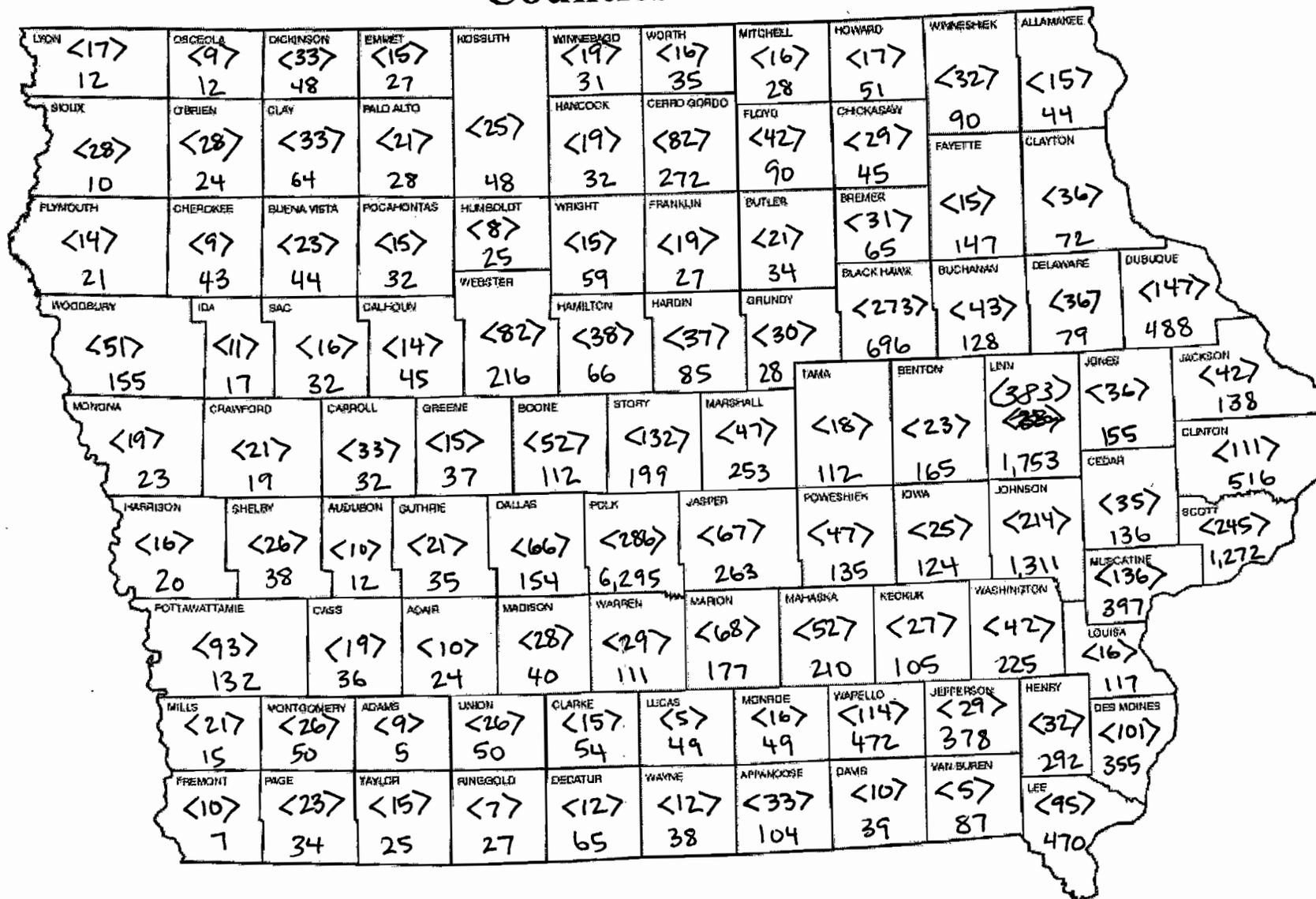
FY 2009 Funding Update

- Under the federal Terms and Conditions of the Waiver, the federal funding available for payment to the MHIs decreases by \$16.9M in FY 2009. Further phase-down in FY 2010.
- State funding increases will be needed to offset the decrease in federal funds available to the MHIs.
- Also, same issues as FY 2008 regarding UIHC utilization and funding shortfalls. FY 2008 recommended solution would continue in FY 2009 to address the shortfall.
- **Governor Culver's budget recommendation addresses the FY 2009 funding needs. Legislative action will be needed.**

IowaCare Funding/Constraints

- Constraints:
 - Federal 'budget neutrality' caps.
 - Any changes require increased state appropriations to match federal funds.
- Funding reference point is the 3 original appropriations (UIHC, Broadlawns, and MHIs).
- Waiver expires at the end of FY 2010.

Counties in Iowa



Top number = < FY05 State Papers >

Bottom number = January 2008 Iowa Care enrollment

IowaCare Account Analysis

	STATE MATCH FUNDS			
	0.3761	0.3821	0.3821	0.3760
SFY 2007	SFY 2008 Original Estimate	SFY 2008 Gov with State Psych Papers	SFY 2009 Gov with Psych Papers	
Revenues:				
Polk County Revenue	\$ 34,000,000	\$ 34,000,000	\$ 34,000,000	\$ 34,000,000
Transfer from HCTA (per HF 909)	\$ 3,000,000	\$ 5,000,000	\$ 5,000,000	\$ 2,000,000
Transfer from Medicaid (State Psych Papers)		\$ 4,524,235	\$ 4,568,899	
Additional transfer for HCTA		\$ 1,000,000		
Interest		\$ 700,000	\$ 700,000	\$ 700,000
Prior Year Carry-Over	\$ 2,676,456	\$ 883,881	\$ 717,573	\$ 286,310
Total Revenues	\$ 39,676,456	\$ 39,883,881	\$ 45,941,808	\$ 41,555,209
Expenditures:				
Original IowaCare Appropriations (per HF 841)				
UIHC (\$27,284,584 total funds)	\$ 10,261,732	\$ 10,425,440	\$ 10,425,440	\$ 10,259,004
Broadlawns (\$37,000,000 total funds)	\$ 13,915,700	\$ 14,137,700	\$ 14,137,700	\$ 13,912,000
Additional Funding to Broadlawns (\$1,120,286 total funds)	\$ -	\$ -	\$ 428,061	
MHIs (\$25,874,211 total funds -- reduced to \$9,000,000 in SFY 2009, see below)	\$ 9,731,291	\$ 9,886,536	\$ 9,886,536	\$ 3,384,000
<i>* Assumes 100% of state expenditures can be matched with Federal funds).</i>				
Replacement of Federal funds with General Fund				
<u>Repayment</u> of federal funds due to lack of claims to support the federal match for the Mt Pleasant MHI ^{1 2 3}	\$ 1,122,852	\$ 963,807	\$ 963,807	\$ 519,492
<u>Replacement</u> - Replacement of phased-down federal funds available to the MHIs due to federal Terms and Conditions of the 1115 Waiver ⁴				See Medicaid Budget
Enrollment & Claims Growth beyond Original Appropriation				
Enrollment & claims growth (UIHC \$10,000,000 FY 2008 current appropriation total funds)	\$ 5,150,478	\$ 3,821,000	\$ 3,821,000	\$ 3,760,000
Enrollment & claims growth (UIHC \$15,684,258 FY 2008 need for add. total funds)		\$ 5,992,955	\$ 5,992,955	\$ 5,897,281
Enrollment & claims growth (UIHC \$10,285,107 FY 2009 need for add. total funds)				\$ 3,867,200
Total Expenditures	\$ 40,182,053	\$ 45,227,438	\$ 45,655,499	\$ 41,598,977
IowaCare Account Ending Balance	\$ (505,597)	\$ (5,343,557)	\$ 286,310	\$ (43,768)

1/ Includes State funds to repay federal funds previously drawn down, due to lack of claims to support the federal match for the Mt Pleasant MHI. The FY 07 number includes \$524,679 attributable to FY 2006, but repaid in FY 2007 because the reconciliation cannot be done until after the end of the fiscal year, and it also includes a repayment of federal funds for May and June of 2007 due to a disallowance.

2/ The FY 08 number includes \$524,679 attributable to FY 2007, but repaid in FY 2008 because the reconciliation cannot be done until after the end of the fiscal year, and it also includes a repayment of federal funds for July and 1/2 of August, 2007 due to a disallowance.

3/ The FY 09 number includes \$524,679 attributable to FY 2008, but repaid in FY 2009 because the reconciliation cannot be done until after the end of the fiscal year.

4/ General Fund cost to offset this reduction in federal funds is \$16,874,211 in FY 2009. The Governor's budget has this funded in the Medical Assistance Appropriation.