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SENATE FILE 26

BY RAGAN

(COMPANION TO LSB 1058HH

BY GREIMANN)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the healthy and well kids in Iowa program.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 26 HUMAN RESOURCES

1 Section 1. Section 514I.4, subsection 4, Code 2003, is
2 amended to read as follows:

3 4. The department shall do or shall provide for all of the
4 following:

5 a. Develop a program application form not to exceed two
6 pages in length, which is consistent with the rules of the
7 board, which is easy to understand, complete, and concise, and
8 which, to the greatest extent possible, coordinates with the
9 medical assistance program.

10 b. Establish the family cost sharing ~~amount, based on a~~
11 ~~sliding fee scale, if established by~~ amounts with the approval
12 of the board.

13 c. Perform annual, random reviews of enrollee applications
14 to ensure compliance with program eligibility and enrollment
15 policies. Quality assurance reports shall be made to the
16 board and the department based upon the data maintained by the
17 administrative contractor.

18 ~~e.~~ d. Perform other duties as determined by the department
19 with the approval of the board.

20 Sec. 2. Section 514I.5, subsection 7, paragraphs d and e,
21 Code 2003, are amended to read as follows:

22 d. Develop, with the assistance of the department, an
23 outreach plan, and provide for periodic assessment of the
24 effectiveness of the outreach plan. The plan shall provide
25 outreach to families of children likely to be eligible for
26 assistance under the program, to inform them of the
27 availability of and to assist the families in enrolling
28 children in the program. The outreach efforts may include,
29 but are not limited to, ~~a comprehensive statewide media~~
30 ~~campaign,~~ solicitation of cooperation from programs, agencies,
31 and other persons who are likely to have contact with eligible
32 children, including but not limited to those associated with
33 the educational system, and the development of community plans
34 for outreach and marketing.

35 e. In consultation with the clinical advisory committee,

~~1 select-a-single,-nationally-recognized-functional-health~~
~~2 assessment-form-for-an-initial-assessment-of-all-eligible~~
3 assess the initial health status of children participating in
4 the program, establish a baseline for comparison purposes, and
5 develop appropriate indicators to measure the subsequent
6 health status of ~~eligible~~ children participating in the
7 program.

8 Sec. 3. Section 514I.5, subsection 7, paragraph i, Code
9 2003, is amended by striking the paragraph.

10 Sec. 4. Section 514I.5, subsection 7, paragraph 1,
11 unnumbered paragraph 1, Code 2003, is amended to read as
12 follows:

13 Establish an advisory committee to make recommendations to
14 the board and to the general assembly ~~on-or-before~~ by January
15 1, 1999, annually concerning the provision of health insurance
16 coverage to children with special health care needs ~~under-the~~
17 program. The committee shall include individuals with
18 experience in, knowledge of, or expertise in this area. The
19 recommendations shall address, but are not limited to, all of
20 the following:

21 Sec. 5. Section 514I.5, subsection 8, paragraph e, Code
22 2003, is amended by adding the following new subparagraphs:

23 NEW SUBPARAGRAPH. (15) Care coordination. For the
24 purposes of this subparagraph, "care coordination" means
25 coordinating the provision of services to children and
26 families to assure that the children receive health care
27 services by promoting the coordination of social supports and
28 medical services across organizations and providers. Care
29 coordination may include but is not limited to educating
30 families about the services provided under the family's health
31 insurance coverage plan; assisting families in selecting
32 providers; assisting families with scheduling of health care
33 appointments, transportation to attend health care
34 appointments, and translation during health care appointments;
35 and assisting families in accessing community support

1 services.

2 NEW SUBPARAGRAPH. (16) Dental services, including the
3 coverage of partial dentures and dentures, with an annual
4 coverage maximum of one thousand five hundred dollars.

5 NEW SUBPARAGRAPH. (17) Mental health and substance abuse
6 benefits, including coverage of Axis I and Axis II diagnoses
7 as specified in the diagnostic and statistical manual of
8 mental disorders; coverage of the full continuum of
9 evaluation, treatment, and services; provision of adequate
10 provider panels; use of admission, discharge, continued stay,
11 and placement criteria specific to children and adolescents;
12 and the use of Iowa juvenile placement criteria for substance
13 abuse services.

14 NEW SUBPARAGRAPH. (18) Medically necessary nutrition
15 services provided by a licensed dietician based upon a
16 physician referral.

17 NEW SUBPARAGRAPH. (19) Physical and occupational therapy
18 services provided by a licensed physical therapist or a
19 licensed occupational therapist, after referral by a
20 physician.

21 NEW SUBPARAGRAPH. (20) Case management for children with
22 special health care needs. For the purposes of this
23 subparagraph, "case management" means services intended to
24 coordinate various clinical services to ensure the best
25 clinical outcomes, and "children with special health care
26 needs" means children who have or are at increased risk for a
27 chronic physical, developmental, behavioral, or emotional
28 condition and who also require health and related services of
29 a type or amount beyond that required by children, generally.

30 Sec. 6. Section 514I.5, subsection 8, paragraph h, Code
31 2003, is amended to read as follows:

32 h. The amount of any cost sharing under the program which
33 ~~shall~~ may be assessed ~~on-a-sliding-fee-scale~~ based on family
34 ~~income, which provides for a minimum amount of cost sharing,~~
35 and which complies with federal law.

1 Sec. 7. Section 514I.5, subsection 8, paragraph m, Code
2 2003, is amended by striking the paragraph.

3 Sec. 8. Section 514I.6, subsection 3, Code 2003, is
4 amended by striking the subsection.

5 Sec. 9. Section 514I.7, subsection 2, paragraph c, Code
6 2003, is amended to read as follows:

7 c. Forward names of children who appear to be eligible for
8 medical assistance ~~or other public health insurance coverage~~
9 ~~to local~~ to the department of human services ~~offices or other~~
10 ~~appropriate person or agency~~ for ~~follow-up~~ follow-up and
11 retain the identifying data on children who are referred.

12 Sec. 10. Section 514I.7, subsection 2, paragraph h, Code
13 2003, is amended by striking the paragraph.

14 Sec. 11. Section 514I.8, subsection 2, paragraph e, Code
15 2003, is amended to read as follows:

16 e. Is not currently covered under or was not covered
17 within the prior six months under a group health plan as
18 defined in 42 U.S.C. § 300gg-91(a)(1) ~~or other health benefit~~
19 ~~plan, unless the coverage was involuntarily lost or~~ unless
20 ~~dropping the coverage is~~ allowed by rule of the board.

21 Sec. 12. Section 514I.10, Code 2003, is amended to read as
22 follows:

23 514I.10 COST SHARING.

24 1. Cost sharing for eligible children whose family income
25 is ~~at or~~ below one hundred fifty percent of the federal
26 poverty level shall not exceed the standards permitted under
27 42 U.S.C. § 1396(o)(a)(3) or § 1396(o)(b)(1).

28 2. Cost sharing for eligible children whose family income
29 ~~is between~~ equals or exceeds one hundred fifty percent ~~and two~~
30 ~~hundred percent~~ of the federal poverty level ~~shall~~ may include
31 a premium or copayment amount ~~which is at least a minimum~~
32 ~~amount but~~ which does not exceed five percent of the annual
33 family income. The amount of ~~the~~ any premium or the copayment
34 amount shall be based on family income and size.

1 This bill amends portions of the Code relating to the
2 healthy and well kids in Iowa (hawk-i) program and the medical
3 assistance program.

4 The bill deletes the requirement that the department of
5 human services (DHS) establish family cost sharing based on a
6 sliding fee scale. The new language reflects current practice
7 which is establishment of a cost sharing amount approved by
8 the hawk-i board. The bill also directs DHS to perform
9 annual, random reviews of enrollee applications to ensure
10 program compliance. Quality assurance reports are to be made
11 to the board and to DHS based upon the data maintained by the
12 administrative contractor of the program.

13 The bill eliminates the requirement that the outreach
14 efforts developed by the board include a comprehensive
15 statewide media campaign. The bill directs the board, in
16 consultation with the clinical advisory committee, to assess
17 the initial health status of children participating in the
18 program, establish a baseline, and develop appropriate
19 indicators to assess the subsequent health status of children
20 participating in the program, rather than directing the board
21 to select a single, nationally recognized assessment form for
22 children participating in the program. The bill eliminates
23 the requirement that the board perform periodic random reviews
24 of enrollee applications to assure program compliance, as this
25 function is given to the department under the bill. The bill
26 also directs the advisory committee on children with special
27 health care needs to make recommendations, annually, by
28 January 1, rather than only one time by January 1, 1999.

29 The bill adds benefits to the hawk-i benefit package,
30 including care coordination, dental services, mental health
31 and substance abuse benefits, medically necessary nutrition
32 services, physical and occupational therapy services, and case
33 management for children with special health care needs.

34 The bill eliminates the directive to the hawk-i board to
35 adopt rules to address approval of a program application in

1 cases in which prior employer-sponsored coverage ended less
2 than six months prior to determination of eligibility for the
3 program. The bill also eliminates a requirement that
4 participating insurers submit a marketing plan to the hawk-i
5 board consistent with the board's outreach plan, for approval
6 by the board.

7 The bill amends the directive to the administrative
8 contractor to forward names of children who appear to be
9 eligible for health insurance coverage, other than medical
10 assistance, to local offices of DHS or other appropriate
11 persons, and limits the directive to forwarding the names of
12 children who appear to be eligible for medical assistance only
13 to the state offices of DHS. The bill also eliminates the
14 directive to the administrative contractor to make program
15 applications available through the mail and through local
16 sites, as determined by DHS, including to schools, local
17 health departments, local department of human services
18 offices, and other locations.

19 The bill also provides that a child may participate in the
20 hawk-i program if, among other criteria, the child is not
21 currently covered or was not covered in the past six months
22 under a group health plan unless allowed by rule of the board.

23 The bill also allows for cost sharing based upon the family
24 income percentage which is either below 150 percent of the
25 federal poverty level or which equals or exceeds 150 percent
26 of the federal poverty level.

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Description

Senate File 26 amends various requirements of the Healthy and Well Kids in Iowa (*hawk-i*) Program. The *hawk-i* Program provides medical coverage for children whose family income is higher than Medicaid allows, but below 200% of the Federal Poverty Level. Among other changes, the Bill adds new benefits to the Program, which have a fiscal impact. The new benefits include: care coordination, dental services, mental health and substance abuse benefits, medically necessary nutrition services, physical and occupational therapy services, and case management for children with special health care needs.

Assumptions

1. The estimated number of children eligible for *hawk-i* is 20,000 in FY 2004 and 24,000 in FY 2005.
2. The federal matching rate is 74.75% for FY 2004 and 74.62% for FY 2005.
3. Care Coordination includes educating families about their benefits, assisting with scheduling appointments, and assisting with transportation to a provider's office to assure that children receive health care services. The health plans currently provide some types of care coordination at varying service levels.
4. The estimated cost per eligible to expand care coordination and make the level of benefit consistent through all of the health plans is \$0.63 per member per month. This reflects a midpoint of the range of \$0.50 to \$0.75 per member per month.
5. The FY 2004 estimated cost for care coordination is \$151,000, of which \$38,000 is State funds. The FY 2005 estimated cost is \$181,000, of which \$46,000 is State funds.
6. The Bill increases dental benefits to a yearly maximum of \$1,500. Currently, one of the health plans offers dental benefits at that level, and the other two plans offer dental benefits at a yearly maximum of \$1,000.
7. Increasing the benefits so that all plans offer a yearly maximum of \$1,500 is estimated to cost \$1.78 per member per month. The FY 2004 estimated cost is \$427,000, of which \$108,000 is State funds. The FY 2005 estimated cost is \$513,000, of which \$130,000 is State funds.
8. Currently, the health plans have limits on the number of covered outpatient visits and inpatient hospital days for mental health and substance abuse benefits. The Bill provides coverage for a "full continuum of evaluation, treatment, and services."
9. The estimated cost to make the health plan benefits comparable is \$0.37 per member per month. The FY 2004 estimated cost is \$88,000, of which \$22,000 is State funds. The FY 2005 estimated cost is \$107,000, of which \$27,000 is State funds.
10. The Bill adds coverage for medically necessary nutrition services, which include nutrition education by a licensed dietitian.

11. The estimated cost is \$0.27 per member per month. The FY 2004 estimated cost is \$65,000, of which \$16,000 is State funds. The FY 2005 estimated cost is \$78,000, of which \$20,000 is State funds.
12. The Bill adds coverage for physical and occupational therapy. The health plans already provide coverage for physical and occupational therapy. As a result, this provision does not have an additional cost.
13. Case management for children with special health care needs is defined as coordination of various clinical services to assure the best clinical outcomes. Children with special health care needs are those who have or are at risk to have chronic physical, developmental, behavioral, or emotional conditions and who also need a level of health services beyond that required by children generally.
14. This provision is estimated to cost \$0.32 per member per month. This reflects a midpoint of the range of \$0.29 and \$0.34 per member per month. The FY 2004 estimated cost is \$77,000, of which \$19,000 is State funds. The FY 2005 estimated cost is \$92,000, of which \$23,000 is State funds.
15. In total, the FY 2004 estimated cost is \$808,000, of which \$203,000 is State funds. In FY 2005, the estimated cost is \$971,000, of which \$246,000 is State funds.

Fiscal Impact

The estimated fiscal impact of Senate File 26 is an increase in General Fund expenditures of \$203,000 in FY 2004 and \$246,000 in FY 2005.

Source

Department of Human Services

/s/ Dennis C Prouty

February 19, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

SF 26 – *hawk-i* Children's Health Insurance (LSB 1058 XS.1)

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Fiscal Note Version — Revised

Description

Senate File 26 amends various requirements of the Healthy and Well Kids in Iowa (*hawk-i*) Program. The *hawk-i* Program provides medical coverage for children whose family income is higher than Medicaid allows, but below 200% of the Federal Poverty Level. The provisions adding new benefits to the Program which would have a fiscal impact, have been removed from the Bill.

Assumptions

The prior fiscal note addressed the estimated cost of adding new benefits to the Program. These provisions have been removed from the Bill. The remaining changes made by the Bill are not expected to have a fiscal impact.

Fiscal Impact

There is no fiscal impact associated with Senate File 26.

Source

Department of Human Services

/s/ Dennis C Prouty

February 24, 2003

