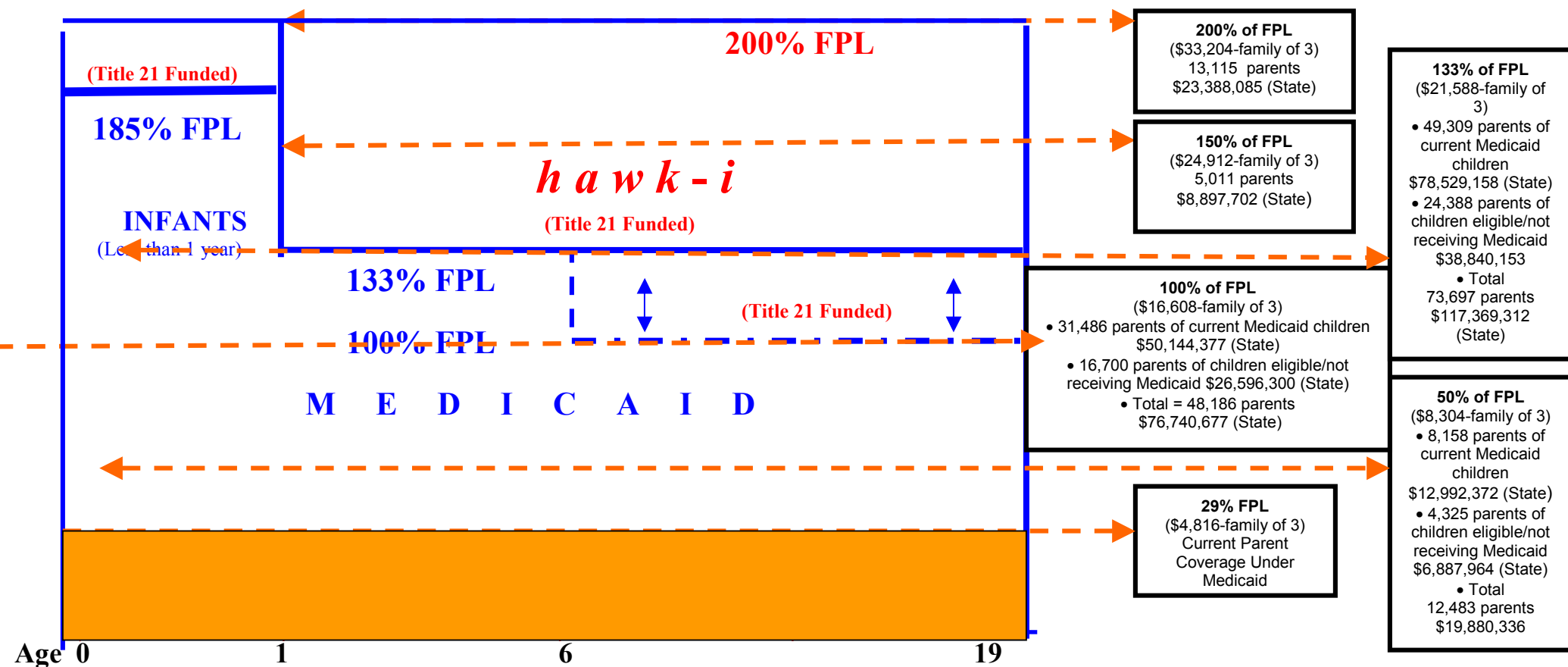


COVERING PARENTS OF CHILDREN IN MEDICAID AND *hawk-i* RFI #6414 (Last Updated by FHWS 1-22-07)

There has been considerable interest expressed in expanding the state's hawk-i program to include parents. Federal law authorizing the hawk-i program prohibits states from covering children of higher income families without also covering children of lower income families. DHS assumes that this same prohibition applies to covering parents. Consequently, in order to cover parents of hawk-i children (higher income), the state must also cover parents of children receiving Medicaid (lower income). The following chart illustrates the number of parents and additional associated costs to provide Medicaid and hawk-i coverage at different levels of household income compared to the federal poverty level (FPL). Current parent coverage on Medicaid on average equals 29% of the federal poverty level. Income as used here represents income after allowable deductions rather than gross income.

CURRENT COVERAGE FOR CHILDREN



COVERING PARENTS OF CHILDREN IN MEDICAID AND *hawk-i*
RFI #6414 (Last Updated by FHWS 1-22-07)

Notes and Assumptions:

1. Assumes SFY 08 estimated annual Medicaid cost of \$4,168 per parent.
2. State share of Medicaid costs = 38.21% of total.
3. Estimates for coverage of parents up to 150% or 200% of FPL under *hawk-i* do not include costs to provide coverage to parents with infants on Medicaid up to 200% of FPL. Data is not readily available to estimate the costs for providing Medicaid coverage to these additional parents, although the number of such parents is expected to be relatively small. Some of these parents may have other children receiving *hawk-i*, and would be included in the cost estimates provided.
4. The state cost assumes full federal funding at the enhanced FMAP rate for *hawk-i* covered parents.
5. *Hawk-i* estimates assume 30% of parents already have health insurance coverage, making them ineligible.
6. Some parents may already be receiving or be eligible for Medically Needy or IowaCare – the estimates in the chart do not take this into account, but rather assume all parents will be covered by expanding Medicaid and *hawk-i* to parents. Actual net costs for expansion therefore may be slightly less than indicated in the chart.