

## State Children's Health Insurance Program (SCHIP)

- The Balanced Budget Act of 1997 authorized the State Children's Health Insurance Program by adding a new Title XXI to the Social Security Act.
- Title XXI gives states the option of providing health care coverage to targeted, uninsured low-income children. All 50 states have implemented a program.
- Congress authorized the program for 10 years – up for reauthorization in 2007.
- States have three options to implement a program:
  - Expand existing Medicaid program up to 200% of FPL (M-CHIP)
  - Create a separate child health program up to 200% of the FPL (S-CHIP)
  - Take a combination approach

### Iowa's Combination Program

#### Medicaid Expansion (M-CHIP)

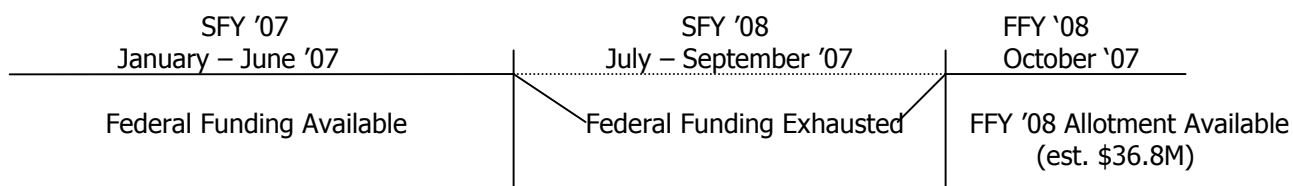
- Provides coverage to eligible children who are:
  - Age 6 through 18 whose family income is between 100–133% of the Federal poverty guidelines.
  - Infants whose family income is between 185-200% of the Federal poverty guidelines.
  - U.S. citizens or legal permanent residents for at least 5 years.
  - Children receive the same services as any other child eligible for Medicaid through existing Medicaid provider networks.
  - 16,018 children were enrolled in the Medicaid expansion as of December 31, 2006.

#### Healthy and Well Kids in Iowa (*hawk-i*) Program (S-CHIP)

- Provides health care coverage to children whose families have too much income to qualify for Medicaid but who do not have health care coverage. Eligible children:
  - Are under age 19.
  - Are uninsured and do not qualify for Medicaid.
  - Are U.S. citizens or legal permanent residents for at least 5 years.
  - Live in a family whose income is between 133 - 200% of the Federal poverty guidelines. For a family of four, the maximum annual income is about \$41,300.
  - Receive covered services through providers contracted with participating health and dental plans.
- The administrative functions of the *hawk-i* program are handled through a contractual arrangement with a third party administrator (TPA). The current TPA is MAXIMUS.
- 21,005 children were enrolled in *hawk-i* as of December 31, 2006.

#### Funding Issues

- State expenditures are matched approximately 3:1 by Federal funds.
- Expenditures have exceeded the available federal allotment for the past 2 years. Iowa's allotment has been supplemented with redistribution dollars and federal supplemental funding. Iowa is one of 17 states expecting a shortfall of federal funding for FFY '07. The DHS SFY '08 budget request assumes Congress will authorize supplemental funding to prevent a shortfall.



- States are requesting that Congress reauthorize SCHIP at sufficient funding levels using a formula that doesn't penalize them for making progress in insuring children.
- The President's 2008 budget proposes to:
  - Reauthorize SCHIP for 5 years and add \$5 billion in funding over the 5-year period (states estimate the shortfall for same time period is \$12 - \$15 billion)
  - Refocus SCHIP on low-income, uninsured children below 200% of FPL
  - Seek authority to target SCHIP funds more efficiently to States with the most need
  - Fund FFY '08 at \$5.4 billion – a 4% decrease from FFY '07