

Iowa's Rank in Providing Health Insurance to Children

Iowa consistently ranks among the leaders in providing health insurance. There have been various calculations:

- The latest Census report (www.census.gov/prod/2006pubs/p60-231.pdf) , page 10, shows Iowa's overall insured rate is 90.9 percent (everybody, not just children, and from all sources, including insurance provided by employers and government). That's second in the country, behind Minnesota at 91.3 percent, for 2004-2005. National average is 82.1 percent. An earlier Census report (2005) showed that Iowa was among only three states in which the rate of uninsured actually dropped (joining New York and Idaho).
- The United States Health and Human Services Department, Health Resources and Services Administration, ranked Iowa 4th in its 2003 report. It showed the uninsured children rate was 4.8 percent, with only Vermont, North Dakota, and Rhode Island ranking better.
- The Annie E. Casey Foundation's latest survey shows that Iowa ranks 8th, with 7 percent of kids under age 18 not covered by insurance. (www.kidscount.org/sld/compare_results.jsp?i=110)

June 2007
DHS

Introduction to Medicaid in Iowa

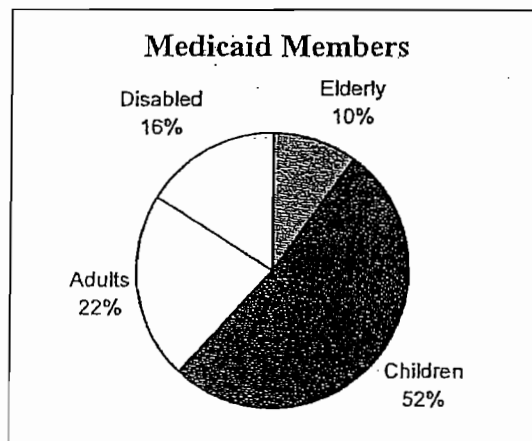
Program Description:

The Medicaid Program provides health care to Iowa’s most vulnerable populations: low-income children, frail elderly, disabled persons, pregnant women and very low-income parents. It provides these services very cost-effectively. Nationally, the cost per person in Medicaid is lower than private health insurance. In order to be eligible for Medicaid, individuals must not only be low-income, they must meet one of the criteria listed above. This leaves many single and childless couples ineligible for Medicaid, even if they have no income. Iowa created the IowaCare program in 2005 to provide a limited health care benefit for low-income individuals who are not eligible for Medicaid.

Iowa has undertaken innovative approaches to managing these programs and improving the quality of services. Iowa seeks to not simply be a payor of health services, but to manage high quality and cost-effective health care. The Iowa Medicaid Enterprise operates the Medicaid and IowaCare programs by integrating “best in breed” private contractors to efficiently process medical claims, work with providers and members, and aggressively pursue cost recovery. The Health Insurance Premium Payment (HIPP) Program purchases employer-sponsored and individual health insurance for members if cost-effective. In addition, Iowa has adopted many new and innovative programs in the past two years to achieve these goals, including disease management programs, smoking cessation coverage, an electronic health record, preventive medical exams, multi-state drug purchasing pool, Preferred Drug List and member premiums.

Who:

The Medicaid program will cover more than 445,000 Iowans over the course of SFY 2008. This program provides health care coverage for just over 15% of Iowa’s population at some point during the year. Medicaid will provide health care coverage for 241,164 (52.2%) children, 100,716 (21.8%) adults, 75,768 (16.4%) disabled, and 44,352 (9.6%) elderly. Of the adults, approximately 7,050 are pregnant women. Enrollment in the regular Medicaid program at any given point in time is estimated to be 318,461 for SFY 2008.



In 2005, Iowa implemented an 1115 waiver program known as IowaCare to cover low-income individuals who cannot qualify for Medicaid. These members are expected to number about 22,153 in any given month in SFY 2008 if the program continues to grow at the current rate (not included in the pie chart to the right).

Iowa Medicaid also includes a projected 41,930 women who receive family planning services and prescriptions through the Family Planning Waiver (not included in the pie chart).

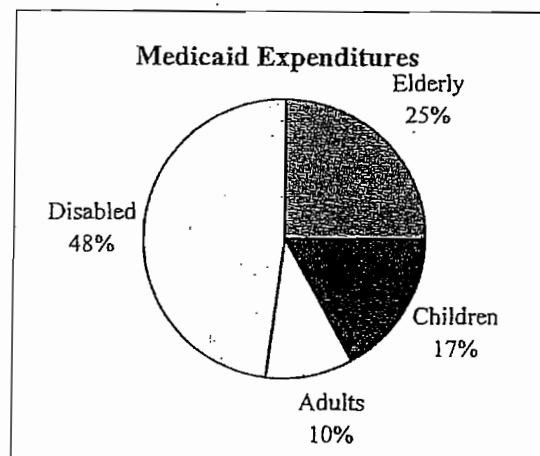
What:

Iowa Medicaid pays for medically necessary health care services, including acute care services typically covered in any health coverage program. These include hospitalization, physician and advanced registered nurse practitioner (ARNP) services, dental care, emergency transportation by ambulance, laboratory, x-ray, etc. Medicaid has become the largest single Federal funding source to states and has a significant impact on Iowa's economy. The Medicaid program has a panel of 36,000 dedicated providers including all 116 of Iowa's hospitals, over 9,000 physician providers, and providers of medical equipment, pharmacies and many other healthcare providers of all types.

In addition, Medicaid provides coverage for long-term care services, such as nursing home care, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), other congregate settings, and home and community based care that allows individuals to stay in their own homes. Long-term care services provided at home, such as home health, assistance with personal care, homemaking, and respite care are very cost effective in that they allow individuals to delay much more expensive institutional care.

The IowaCare program has a much more limited benefit package than the regular Medicaid program, including inpatient and outpatient hospital, dental, physician, and transportation services. In addition, the IowaCare provider network is limited to two designated medical centers and the four State mental health institutes for inpatient psychiatric care.

The cost of medical care for different Medicaid populations varies significantly. The cost for each child in Medicaid is much lower than the cost for each disabled or elderly person, since elderly and disabled individuals utilize more long-term, institutional services. As shown in the chart to the right, although children make up over half of the Medicaid population, they account for only 17% of expenditures while the elderly and disabled populations make up 73% of the Medicaid enrollment, but account for 73% of expenditures. This difference is true nationally as well.



How:

Medicaid is a payor of health care services, rather than a provider. This includes not just paying providers for services rendered but also setting and maintaining the corporate infrastructure for all activities associated with it. The Health Insurance Premium Payment (HIPP) Program is one that determines whether it is more cost effective to pay for employer-sponsored or individual health insurance coverage or provide medical benefits under general Medicaid. This activity is generally looked upon as a cost avoidance measure for the program.

The Iowa Medicaid Program is administered by the Iowa Medicaid Enterprise (IME), which is composed of nine performance-based contractors whose activities are overseen and directed by staff from the Department of Human Services. The goal of the IME is to make Iowa Medicaid a well-run

managed care organization, placing an emphasis on achieving and maintaining a high overall level of health status.

Staff in other areas of DHS, including Field Operations and General Administration personnel, support the operations of the Medicaid Program. Field operations staff process Medicaid applications and determine Medicaid eligibility for all Medicaid eligibility categories and programs. General Administration provides financial and accounting services, personnel services, procurement, information technology support, etc.

History of Participation of Children in Medicaid and *hawk-i*

Month	Total Children on Medicaid	SCHIP (Title XXI Program)	
		Expanded Medicaid	<i>hawk-i</i> Program (began 1/1/99)
SFY 99	91,737		
SFY 00			
Jul-99	104,156	7,891	2,104
SFY 01			
Jul-00	106,058	8,477	5,911
SFY 02			
Jul-01	126,370	11,316	10,273
SFY 03			
Jul-02	140,599	12,526	13,847
SFY 04			
Jul-03	152,228	13,751	15,644
SFY 05			
Jul-04	164,047	14,764	17,523
SFY 06			
Jul-05	171,727	15,497	20,412
SFY 07			
Jul-06	179,967	16,140	20,775
Aug-06	178,899	16,099	20,945
Sep-06	178,514	16,196	21,120
Oct. 06	179,190	16,579	21,090
Nov. 06	178,868	16,562	21,265
Dec-06	179,999	16,578	21,342
Jan-07	179,249	16,616	21,500
Feb-07	180,088	16,556	21,778
Mar-07	180,286	16,441	21,833
Apr-07	181,006	15,753	21,735
		Total SCHIP Enrollment	37,488

Total growth in Medicaid enrollment from SFY 99 to present = 89,269
 Total growth in *hawk-i* enrollment from SFY 99 to present = 21,735
 Total children covered 111,004

*Expanded Medicaid number is included in "Total Children on Medicaid" number

IowaCare

Enrollment Numbers:

Iowa Care = 16,132

Chronic Care = 84

OB/Newborn = 15

IowaCare: Iowa's New Approach to Indigent Health Care

When it comes to health care for the poor, most of the news these days is sobering at best. Against that backdrop, Iowa is bucking the trend.

Anyone with an Internet connection can see the overall picture. Try "Googling" the word Medicaid in the news section and you'll find thousands of news stories about benefit cuts, enrollment slashing, or funding shortages.

Make no mistake—Iowa's Medicaid program is also under financial pressure. A supplemental appropriation will be needed next year to keep the program at status quo levels.

Still, Iowa leaders came up with a novel answer last spring to avoid catastrophic cuts. An offshoot was creation of IowaCare, a limited benefit package for the working poor.

"IowaCare isn't wall-to-wall coverage and it's not free for customers, but it's an important health backstop for people working their way out of poverty," said Gene Gessow, director of Iowa's Medicaid program.

Why IowaCare?

It became more and more clear over the year leading up to the 2005 legislative session that federal action would soon end \$65 million in federal revenue to the Iowa Medicaid Program. This revenue represented over 11% of the funding used for the state's spending on Medicaid. Making the problem worse, loss of the \$65 million was going to coincide with reductions in other sources of funds to Medicaid due to losses of one-time funds used in the past.

In the fall of 2004, when the Governor and Legislature began looking at their FY 2006 budgets, the situation for Medicaid was dire. State revenue was not going to be sufficient to cover the Medicaid funding issues and all of the other state needs, such as education funding. Cuts to the Medicaid appeared to be inevitable.

The gap was filled when the Legislature and Gov. Tom Vilsack reached agreement with federal officials to permit a two-to-one federal match of state dollars raised for the care of indigents. That includes property taxes raised for Broadlawns Medical Center in Des Moines, and state funds spent for the four state mental health institutes and the indigent care program, known as "State Papers," at the University of Iowa Hospitals and Clinics.

The legislation not only rescued Medicaid but could allow a limited expansion of the state's indigent care program. The State Papers program served approximately 5,000

Iowans in the past and Broadlawns served approximately 9,000 people below 200% of the federal poverty level. The IowaCare Program is also estimated to cover about 14,000 Iowans in total.

The IowaCare legislation replaces Iowa's previous 100% state funded programs with a program that now receives two-to-one federal match. This was done through an expansion of the Medicaid Program. The expansion is limited, however, to mirror limits in the previous programs.

Offsetting the loss of federal revenue was the initial genesis of the IowaCare concept, but not the final goal. The goal of IowaCare is not only to expand coverage for indigent persons, but to change the way care is provided in IowaCare and Medicaid.

IowaCare also includes a number of innovative health care reform initiatives for both IowaCare and the regular Medicaid program. Iowa is leading the nation in testing reforms aimed at increasing personal responsibility in health care decision making, using incentive programs to promote healthy activities, developing strategies for electronic medical records, and rebalancing Iowa's long-term care system, to name a few.

Who is eligible for IowaCare?

IowaCare generally covers anybody aged 19-64:

- Who has an adjusted income of below 200% of the federal poverty level, which is about \$1,600 a month for a family of two.
- Who is not eligible for Medicaid.
- Who does not have other health insurance.
- Who agrees to pay a premium ranging from \$1/month to \$75/month per covered person, depending on income. There will be exemptions in hardship cases.

Eligible people include single people, childless couples, and parents of children now covered under the state's program for the working poor, called Healthy and Well Kids in Iowa, or *hawk-i*. Many of these people are not eligible for Medicaid regardless of their income.

Eligibility standards for IowaCare are statewide. Under the former program, indigent people who were not eligible for Medicaid received clearance, or "papers," from county general relief directors to qualify for care at U of I hospitals.

As of late August, 7,337 individuals had enrolled in IowaCare from all 99 counties. The program is over halfway to its goal.

Special Categories

There are two additional special categories of folks who are eligible:

- Pregnant women who, when their medical expenses are deducted from their income, have income between 200% and 300% of the federal poverty level. This is expected to total about 20 women per year; so far, seven women have enrolled in this category.
- Patients enrolled in State Papers in FY 2005 who have income greater than 200% of the federal poverty level but who have on-going chronic conditions.

These two special groups also receive coverage through IowaCare. To receive coverage under the chronic care program, the member must have received State Papers between July 1, 2004 and June 30, 2005, and have an on-going chronic medical

condition. This applies to people both above and below 200% of the federal poverty level. Persons on State Papers during this time period received a letter from DHS prior to July 1 inviting them to enroll in IowaCare and instructing them to provide information indicating if they had a chronic condition. This special category was developed to provide continuity of care from State Papers to IowaCare, and they do have additional benefits (described below).

What does IowaCare cover?

IowaCare is an expansion of the Medicaid program; however, the benefit package is limited. The limits are set in state law and approved by the federal government. The benefits provided are very similar to what has been available at Broadlawns and through State Papers in the past, but are not identical.

IowaCare provides coverage for the following:

- Inpatient hospital services (typically procedures provided in the hospital with an overnight stay, and ordered by a physician).
- Outpatient hospital services (procedures performed on a same-day basis, and ordered by a physician).
- Physician services.
- Dental Services
- Transportation services.

These services are covered by IowaCare, but only to the extent that they are offered by the provider. For example, Broadlawns does not offer tertiary hospital care, so that level of care is not available at Broadlawns and the member would need to go to the University of Iowa Hospitals and Clinics for those services. Another example is transportation. Broadlawns does not offer transportation services, while the University of Iowa does.

We often receive questions about whether specific procedures will be covered. Like any health insurance or Medicaid service, the service must be medically necessary. Most of the time this means that the member needs to see the physician to determine whether a service will be covered.

Medical Exams

Coverage expands beginning March 1, 2006 to include comprehensive medical examinations and health risk assessments. All IowaCare enrollees will be required to get an exam within 45 days of enrollment. The purpose is to ensure that each member receives a personal health improvement plan from his or her physician or nurse practitioner that will provide instructions on lifestyle and diet changes to enhance long term health outcomes.

Prescription Drug Coverage

Under the state law authorizing IowaCare, prescriptions are not covered. One exception is for prescriptions that are provided as part of an inpatient hospital stay, which may also include a 10-day take home supply. After that, the cost of prescriptions falls to the member. This will undoubtedly continue to be a difficult challenge for IowaCare members.

DHS is in the process of developing a referral list to programs offering discounted or free pharmaceuticals, but we know the need will far exceed the supply.

The only other exception for pharmaceuticals is for former State Papers recipients. If a person received State Papers between July 1, 2004 and June 30, 2005, and has a chronic medical condition, IowaCare will cover all prescription drugs related to the specific medical condition. This is for people both above and below 200% of the federal poverty level.

Where are services covered?

Under state law, the only providers covered under IowaCare are:

- University of Iowa Hospitals and Clinics
- Broadlawns Medical Center
- The state's four mental health institutes.

Coverage is limited to these providers as these are the providers who had state- or county-funded indigent care programs in the past, which are now being replaced by a federally-matched program.

The providers offer basically the same services they offered in the past, but now receive federal matching funds.

The comprehensive medical exams that begin March 1, 2006, will be available from any qualified physician or nurse practitioner in the state.

Mental Health Institutions

The state's mental health institutions in Cherokee, Clarinda, Mt. Pleasant and Independence are included in IowaCare. The services offered, process for admission, and population are unchanged under IowaCare. The program merely allows the institutions to receive federal matching funds for Medicaid and IowaCare recipients. This has previously not been allowed under federal regulations.

How to sign up?

To enroll, all members need to do is fill out an application. The applications are user friendly and the process is very quick.

People with chronic medical conditions who received State Papers between July 1, 2004 and June 30, 2005 should apply for IowaCare even if their income is over 200%. This will allow them to continue to receive coverage through IowaCare.

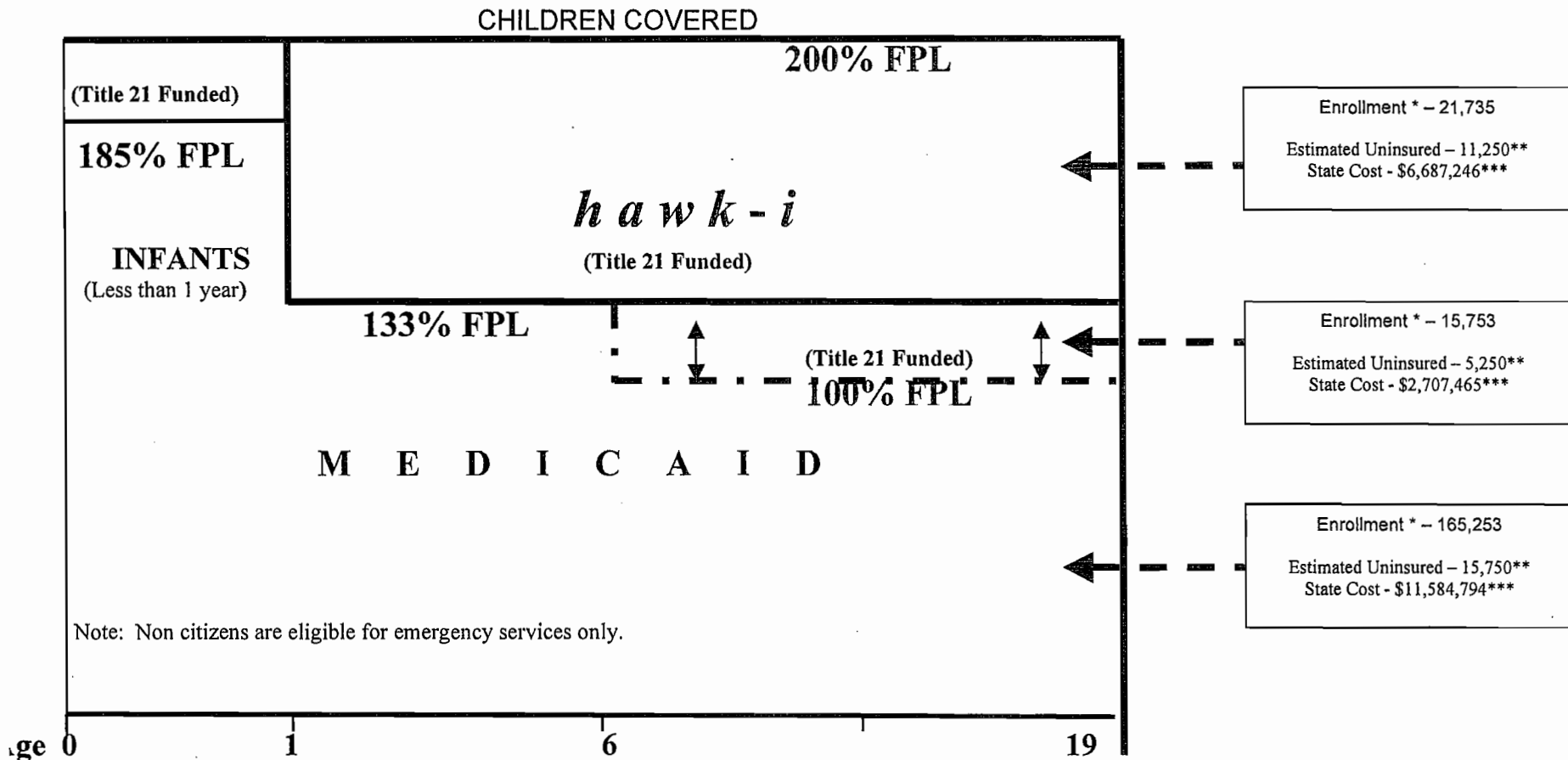
Questions?

For additional information see the Iowa Medicaid Enterprise website at www.ime.state.ia.us, or call Member Services at 1-800-338-8366 outside Des Moines and 515-725-1003 inside Des Moines.

Submitted by: Jennifer Vermeer, Assistant Medicaid Director

**POST IMPLEMENTATION OF HF 909 - COVERING REMAINING 75% OF UNINSURED CHILDREN
AGED 0 – 19 YEARS OF AGE UNDER 200% FPL IN MEDICAID AND *hawk-i*
RFI #7276**

Total Uninsured Children: 43,000 < 200% FPL, Age 0 – 19 years (estimated uninsured 2008) ***



* Enrollment as of April 30, 2007

** Assumes that 25% of uninsured children were enrolled due to HF 909 and 100% take-up rate of remaining 75%

*** State costs only represent program dollars and do not include associated administration or field costs

**Expanded Coverage of Children - Additional Dollars Needed to Fund All Uninsured Children Prior to SFY 2008 Appropriations
June 18, 2007**

CHILDREN - dollars needed to fund all uninsured children	Medicaid (0-100% FPL)		Medicaid Expansion (101-133% FPL)		<i>hawk-i</i> (134% to 200% FPL)		Total of 0-100% and 101-133% and 134-200% FPL		Expand <i>hawk-i</i> (201 to 300% FPL)		<i>hawk-i</i> "state only program" (300% and above)		Total Cost	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Approximate Covering All Uninsured Children in Iowa	21,000	\$40,425,000	7,000	\$13,475,000	15,000	\$35,388,300	43,000	\$89,288,300	9,000	\$21,232,980	10,000	\$23,592,200	62,000	\$134,113,480
Outreach Costs		\$1,000,000						\$1,000,000						1,000,000
Offset From Premium Payments Made By Families		0		\$0		(\$2,106,000)		(\$2,106,000)		(\$1,684,800)		(\$1,872,000)		(\$5,322,300)
Preliminary Estimated Administrative Costs (Includes system changes)		\$0		0		0		\$0		\$500,000		\$200,000		\$700,000
Additional FTEs														
Field	34	\$2,059,505	12	\$722,565	0	0	46	\$2,782,070		0		0	46	\$2,782,070
Central Office	1	\$66,684	0	0	0	0	1	\$66,684	0	0	0	0	1	\$66,684
Total Costs		\$43,651,189		\$14,197,565		\$35,388,300		\$91,031,054		\$20,048,180		\$21,920,200		\$134,113,480
State Dollars - Program		\$15,446,393		\$3,609,953		\$35,388,300		\$27,972,674		\$5,236,957		\$21,720,200		\$68,324,127
State Dollars - Admin, System, and Field		\$1,693,461		\$407,021		\$0		\$2,100,482		\$0		\$200,000		\$2,797,964
Total State Dollars		\$17,139,854		\$4,016,974		\$35,388,300		\$30,073,156		\$5,236,957		\$21,920,200		\$71,122,391

Expanded Coverage of Children - Additional Dollars Provided by SFY 2008 Appropriations
June 18, 2007

CHILDREN - funded by FY08 appropriations	Medicaid (0-100% FPL)		Medicaid Expansion (101-133% FPL)		<i>hawk-i</i> (134% to 200% FPL)		Total of 0-100% and 101-133% and 134-200% FPL		Expand <i>hawk-i</i> (201 to 300% FPL)		<i>hawk-i</i> "state only program" (300% and above)		Total Cost	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Approximate Covering All Uninsured Children in Iowa	5,250	10,106,250	1,750	3,368,750	3,750	8,847,075	10,750	22,322,075	0	0	0	0	10,750	\$22,322,075
Outreach Costs		\$1,866,368		\$500,000		\$500,000		\$2,866,368		\$0		\$0		\$ 2,866,368
Offset From Premium Payments Made By Families		\$ -		\$ -		(\$526,500.00)		\$ (526,500.00)		\$0.00		\$0.00		(\$526,500)
Preliminary Estimated Administrative Costs (includes system changes)		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Additional FTEs														
Field	6.2	\$ 375,557	1.84	\$ 110,793	0	\$ -	8.04	\$ 486,350	0	\$ -	0	\$ -	8.04	\$486,350
Central Office	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Total Costs		\$12,948,475		\$3,979,543		\$200,000		\$25,148,293		\$0		\$0		\$25,148,293
State Dollars - Program				\$1,023,671		\$2,473,236		\$7,858,505		\$0		\$0		\$7,858,505
State Dollars - Admin, System, and Field		\$204,528		\$68,176		\$0		\$272,704		\$0		\$0		\$272,704
Total State Dollars								\$8,131,209		\$0		\$0		\$8,131,209

**Expanded Coverage of Children - Additional Dollars Needed to Fund Uninsured Children Not Covered by SFY 2008 Appropriations
June 18, 2007**

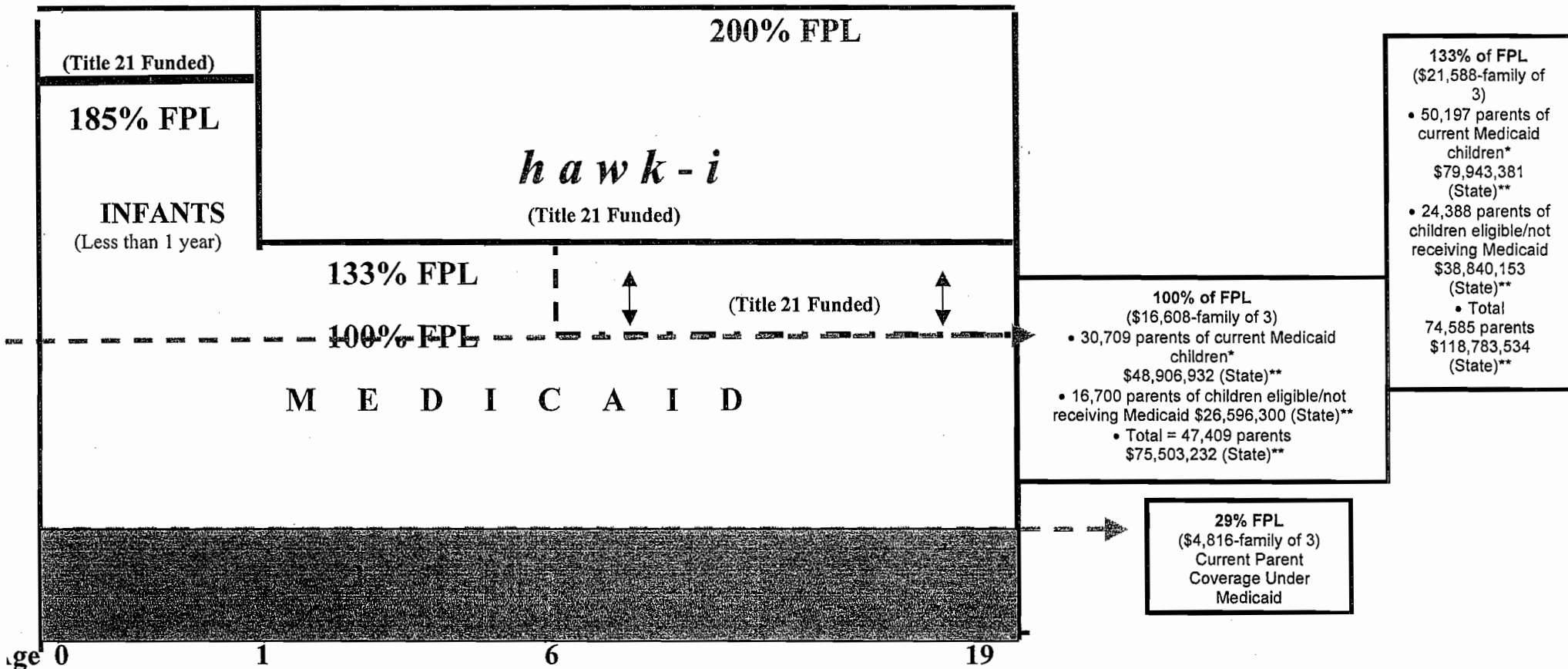
CHILDREN - dollars needed to fund uninsured children not covered by FY08 appropriations	Medicaid (0-100% FPL)		Medicaid Expansion (101-133% FPL)		hawk-i (134% to 200% FPL)		Total of 0-100% and 101-133% and 134-200% FPL		Expand hawk-i (201 to 300% FPL)		hawk-i "state only program" (300% and above)		Total Cost	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Approximate														
Covering All Uninsured Children in Iowa	15,750	\$30,318,750	5,250	\$10,106,250	11,250	\$26,541,225	32,250	\$66,966,225	9,000	\$21,232,980	10,000	\$23,592,200	51,250	\$ 111,791,405
Offset From Premium Payments Made By Families		\$ -		\$ -		(\$1,579,500)		\$ (1,579,500.00)		(\$1,684,800)		(\$1,872,000)		\$ (5,136,300)
Preliminary Estimated Administrative Costs (includes system changes)		\$ -		\$ -		\$ -		\$ -		\$500,000		\$200,000		\$ 700,000
Additional FTEs														
Field	27.8	\$1,683,948	10.16	\$611,772	0	\$ -	37.96	\$2,295,720	0	\$ -	0	\$ -	37.96	\$ 2,295,720
Central Office	1	\$66,684	0	\$ -	0	\$ -	1	\$ 66,684.00	0	\$ -	0	\$ -	1	\$ 66,684
Total/ Costs								\$ 67,749,129		\$ 20,948,180		\$ 21,920,200		\$ 111,791,405
State Dollars -- Program								\$ 20,979,505		\$ 5,236,957		\$ 21,720,200		\$ 47,096,662
State Dollars - Admin, System, and Field		\$1,488,933		\$338,845		\$ -	\$1,827,778		\$401,850		\$200,000		\$ 2,429,628	
Total State Dollars							\$ 22,807,283		\$ 5,638,807		\$ 21,920,200		\$ 50,366,290	

As the SFY 08 additional funds provided for outreach in HF 909 are intended to only address a 25% take-up of those children eligible but not enrolled, at a minimum the same amount of outreach funds must be maintained for each year for SFYs 2009-2011. No additional outreach funds are reflected/requested above as the amount included in HF 909 for SFY 08 are assumed to be part of the base budget for subsequent years.

POST IMPLEMENTATION OF HF 909 - COVERING PARENTS OF CHILDREN IN MEDICAID RFI #7276

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



Expanded Coverage of Parents - Additional Funding Required after SFY 2008 Appropriations
June 18, 2007

	0% to 100% FPL Full Medicaid Benefits		101% to 133% FPL Full Medicaid Benefits		Total of 0 - 100% and 101 - 133% FPL	
	Number	Cost	Number	Cost	Number	Cost
Covering Parents of Children Currently Receiving Medicaid up to 133% FPL	30,709 *	\$ 127,995,112	19,488 **	\$ 81,225,984	50,197	\$ 209,221,096
Administrative Costs		\$ -		\$ -		\$ -
System Costs		\$ 52,500		\$ -		\$ 52,500
Outreach Costs		\$ -		\$ -		\$ -
Additional FTEs						
Field	-	\$ -	-	\$ -	-	\$ -
Total Costs		\$128,047,612		\$81,225,984		\$209,273,596
State Dollars - Program		\$48,906,932		\$31,036,448		\$79,943,381
State Dollars - Admin, System, and Field		\$ 13,125		\$ -		\$ 13,125
Total State Dollars		\$ 48,920,057		\$ 31,036,448		\$ 79,956,506

Covering Parents of Uninsured Children who are Not Currently Receiving Medicaid	16,700 ^	\$ 69,605,600	7,688 ^^	\$ 32,043,584	24,388	\$ 101,649,184
Administrative Costs		\$ -		\$ -		\$ -
System Costs		\$ 52,500		\$ -		\$ 52,500
Outreach Costs		\$ -		\$ -		\$ -
Additional FTEs						
Field	-	\$ -	-	\$ -	-	\$ -
Total Costs		\$69,658,100		\$32,043,584		\$101,701,684
State Dollars - Program		\$26,596,300		\$12,243,853		\$38,840,153
State Dollars - Admin, System, and Field		\$ 13,125		\$ -		\$ 13,125
Total State Dollars		\$ 26,609,425		\$ 12,243,853		\$ 38,853,278

	0% to 100% FPL Full Medicaid Benefits		101% to 133% FPL Full Medicaid Benefits		Total of 0 - 100% and 101 - 133% FPL	
	Number	Cost	Number	Cost	Number	Cost
Total - Expanded Coverage of Parents	47,409	\$ 197,600,712	27,176	\$ 113,269,568	74,585	\$ 310,870,280
Administrative Costs		\$ -		\$ -		\$ -
System Costs		\$ 105,000		\$ -		\$ 105,000
Outreach Costs		\$ -		\$ -		\$ -
Additional FTEs		0		0		0
Field		\$ -		\$ -		\$ -
Total Costs		\$197,705,712		\$113,269,568		\$310,975,280
		0		0		0
State Dollars - Program		\$75,503,232		\$43,280,302		\$118,783,534
State Dollars - Admin, System, and Field		\$ 26,250		\$ -		\$ 26,250
Total State Dollars		\$ 75,529,482		\$ 43,280,302		\$ 118,809,784

* Nov. 2006 counts using Medicaid aid type 920 and active/considered adults less than 101% of FPL. SFY 2008 appropriation of \$9,337,435 increased the income disregard for parents from 50% to 58%. This results in approximately 6,435 new eligibles. Decreases the number of parents needing coverage from 37,144 to 30,709.

** Nov. 2006 counts using Medicaid aid type 920 and active/considered adults between 100 - 133% FPL. This includes the 0 - 100% estimate.

^ Additional 16,700 adults based on 18,000 uninsured children divided by 1.8 children per family and using hawk-i statis of 33% one parent and 67% two p

^^ Additional 7,688 adults based on 8,000 uninsured children divided by 1.8 children per family and using *hawk-i* stats of 27% one parent and 73% two par

System costs – Sandy Paris estimated 700 hours at \$75 per hour. This is based on a new aid type and a new poverty table.

There are no additional field costs to add parents to existing children's Medicaid cases between 0 - 100% FPL and 101 - 133% FPL because either a case already exists or the cost of new cases is included in the children's costs.

Additional health insurance coverage as result of 2007 legislative action

Adults:

While Medicaid provides a broad range of coverage for children it does not offer comparable coverage for their parents. Adults who do not fit into specific need categories (elderly, pregnant, disabled) are not eligible for Medicaid unless their incomes are less than half of federal poverty guidelines. Legislation approved this year does not increase the income threshold for being eligible for Medicaid but it increases the earned income disregard. The Iowa Medicaid Enterprise estimates that an additional 6,400 working parents will become eligible for Medicaid in fiscal 2008.

When parents have health coverage they are more likely to be healthy themselves and access health care for their children. This improves stability for the family by providing medical assistance for the very neediest of parents and allows family resources to be used for the benefit of the child

Children:

Together, Medicaid and *hawk-i* provide health insurance for about 200,000 of Iowa's 720,000 children. It is estimated there are an additional 59,000 children who have no coverage. Of those, an estimated 41,000 live in families at or below 200 percent of federal poverty guidelines, which is the upper limit for government coverage in Iowa. The 2007 Legislature approved funding to serve as many as 25 percent of the uninsured children living in households where income is at or below 200 percent of poverty. Also approved was funding for an outreach campaign to increase awareness of *hawk-i*.

Estimate of uninsured children and adults in 2008

By calendar year 2008, the population of Iowa is projected to be slightly over three million people, of which 24%, 720 thousand, will be children (age 18 and under) and 76%, 2.3 million, will be adults over the age of 18. In 2008, 10% of Iowa's total population is projected to be uninsured under the currently available public programs and private insurance – including 62 thousand children (9% of all children and 2% of total population) and 36 thousand young adults ages 19-22 (23% of young adults and 1% of total population).

During the first eleven months of FY07, an average of 370 thousand Iowans were covered by publicly funded health insurance each month (including more than 200 thousand children covered by Medicaid and *hawk-i*).

Due to various factors, many of those covered by public insurance are covered for only part of a year. As a result, there is significant turnover in the programs and over the course of the current fiscal year, almost half-a-million Iowans will be covered at some point.

Who are the uninsured in 2008?

- Estimate of total uninsured in Iowa: 301,000
- Only 9% of children will be uninsured, but 11% of adults (ages 19 and over) will be uninsured
- Only 2 thousand, or 1%, of those over age 65 will be uninsured
- Estimate of uninsured in Iowa under 200% FPL: 180,000
- Estimate of total children through age 18 uninsured in Iowa: 62,000
- Estimate of total children through age 18 eligible for Medicaid or *hawk-i*: 43,000
- 22% (180 thousand) of those under 200% FPL are estimated to be uninsured
- 23% of young adults (36 thousand), ages 19 through 22, are projected to be uninsured in 2008
- 35% of young adults (23 thousand), ages 19 through 22, under 200% FPL are projected to be uninsured – the highest rate for any age group.
- 34% of adults (94 thousand) of middle-aged adults, ages 31 through 50, under 200% FPL are forecast to be uninsured.
- 28% of children are covered by publicly funded insurance; 63% by private insurance; and 9% of children are uninsured
- 7% of adults are covered by publicly funded insurance; 82% by private insurance; and 11% of adults are uninsured

Filling the gap

If the goal is to insure all Iowans by 2010, then will need to pick up an average of 75 thousand each year, in a combination of public and private insurance, in order to insure an additional 300 thousand. Of these, 122 thousand are above 200% FPL.

* 2008 Forecast of 9% uninsured children. US Census Bureau estimates uninsured rate of approximately 6%.

Forecast of Uninsured Iowans in 2008

In Thousands		<100% FPL			100 to 133% FPL			<133% FPL			134 to Below 200% FPL			Below 200% FPL			200% to Below 350% FPL			350% FPL and Above			Total		
2008 Uninsured Forecast	Total Pop., Woods and Poole Fcst.	Insured	Uninsured	Total	Insured	Uninsured	Total	Insured	Uninsured	Total	Insured	Uninsured	Total	Insured	Uninsured	Total	Insured	Uninsured	Total	Insured	Uninsured	Total	Insured	Uninsured	Total
		Total	3,002	228	81	309	126	37	162	354	118	472	302	62	365	655	180	835	765	64	829	1,281	58	1,338	2,701
Children 0-18	720	82	17	98	42	10	52	123	26	150	85	17	102	208	43	252	208	11	219	242	8	250	658	62	720
Adults 19 and over	2,282	146	64	211	84	27	111	230	91	322	217	46	263	447	136	583	557	53	610	1,039	50	1,088	2,043	240	2,283
Ages 19-22	157	23	8	31	6	4	11	29	12	41	13	11	24	42	23	65	31	5	36	48	8	56	121	36	157
Ages 23-30	347	31	22	53	16	8	23	47	30	77	34	11	45	81	40	121	92	14	107	110	8	118	284	62	346
Ages 31-50	803	36	24	59	16	11	27	52	34	86	50	21	71	102	54	156	200	22	222	406	18	425	708	96	804
Ages 51-64	537	24	11	35	9	4	13	34	15	48	23	4	27	57	19	75	111	11	122	327	14	340	494	43	537
Ages 65 and Over	439	32	1	33	36	0	36	69	1	69	96	0	96	165	1	166	124	0	124	148	1	149	436	2	439

Adults on MAC Cases

< 100% FPL	26,603
100% - 130% FPL	14,154
130% - 200% FPL	4,166
Total Below 200% FPL	44,923

The following estimates were used previously in calculating the costs of covering parents of Medicaid or hawk-i eligible children

	0-<100% FPL	101-133% FPL	134-200% FPL	Total
Number of parents of children currently receiving Medicaid:	37,144	19,488	18,900	75,732
Number of parents of uninsured children who are not currently receiving Medicaid	16,700	7,688	15,300	39,688
Number of parents who are not receiving Medicaid but whose income is counted in the Medicaid eligibility determination of their children				40,911
Number of pregnant women receiving Medicaid (report of Oct. 2006)				4,871
Number of parents of hawk-i eligible children			18,735	18,735

**HOME AND COMMUNITY BASED SERVICE
WAIVERS
FISCAL YEAR 2007**

Waivers	Enrolled	Waiting Lists
AIDS/HIV	47	11
Brain Injury	860	311
CMH	250	96
Elderly	8,606	0
Ill & Handicapped	2,358	1,241
MR		
Adults	Unknown	Unknown*
State Cases/Adults	411	79
Children	2,302	0
Total Cases on MR	9,876	
PD	679	927
Totals	22,676	2,665

*The individual counties manage adult cases with legal settlement. There are usually very few applicants on their waiting lists.

**DHS – Medical Assistance
Elimination of Waiver Waiting Lists
As of 6/18/07**

	Aids	Brain Injury	Ill & Handicapped	MR Children	MR State Cases	Physical Disability	CMH
Waiting List	11	311	1,241	0	79	927	96
Current Annual Cost	\$11,088	\$19,112	\$10,291	\$15,835	\$41,771	\$6,007	\$18,000
State Match Cost (38.21%)	\$4,237	\$7,303	\$3,932	\$6,051	\$15,961	\$2,295	\$6,878
Current Annual Cost (State \$)	\$46,607	\$2,271,233	\$4,879,612	0	\$1,260,919	\$2,127,465	\$660,288

State Dollars to Eliminate All Waiting Lists - \$11,246,124

June 18, 2007