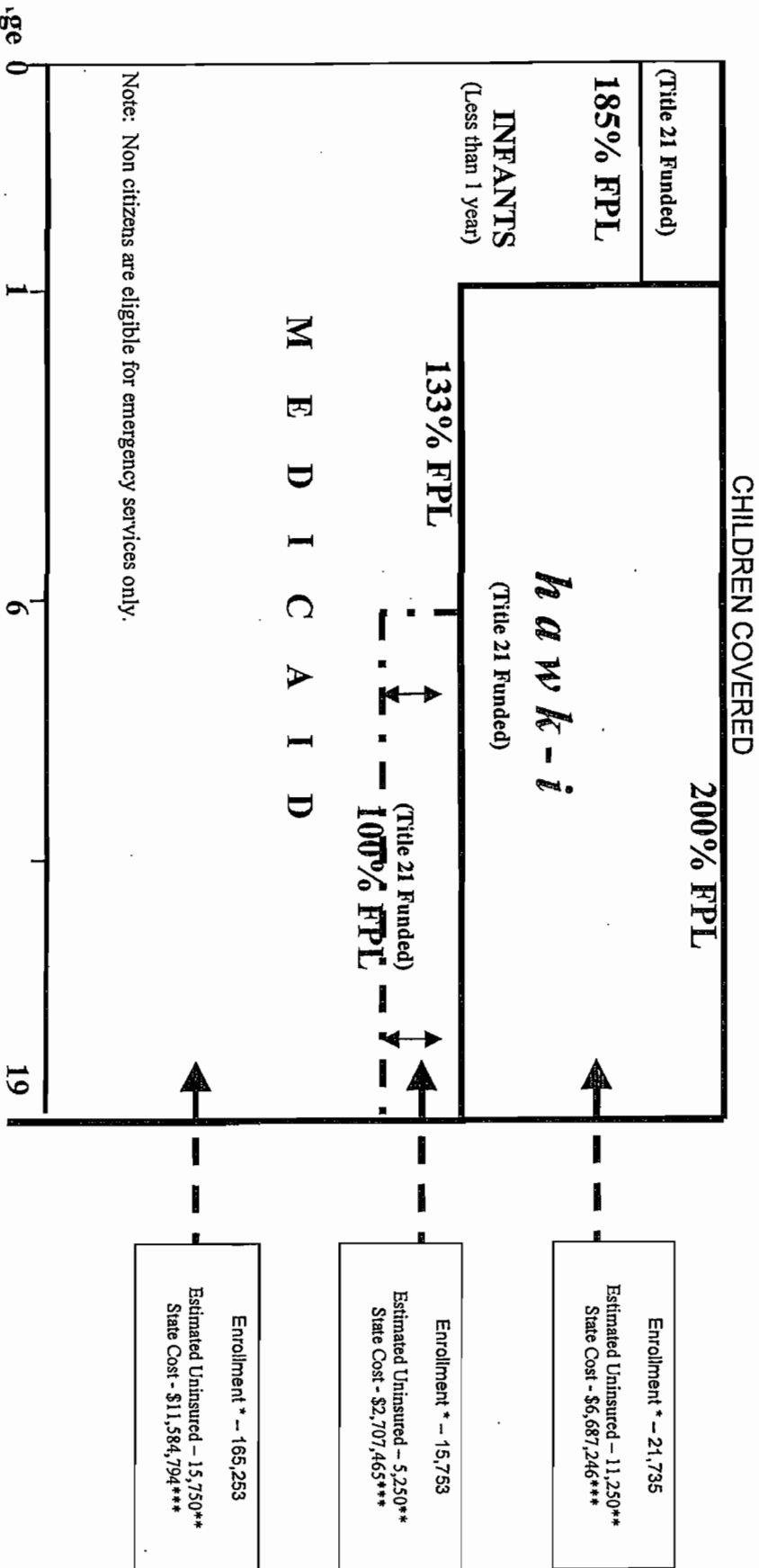


**POST IMPLEMENTATION OF HF 909 - COVERING REMAINING 75% OF UNINSURED CHILDREN
AGED 0 – 19 YEARS OF AGE UNDER 200% FPL IN MEDICAID AND *hawk-i*
RFI #7276**

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



Note: Non citizens are eligible for emergency services only.

* 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	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Approximate Children In Iowa	0-100% FPL	Medical Aid (101-133% FPL)	Medical Expansion (134% to 200% FPL)	hawk/i (201 to 300% FPL)	hawk/i ("state only program" (300% and above))	Total Cost								
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)		(\$1,684,800)				(\$1,872,000)
Preliminary Estimated Administrative Costs (includes system changes)								\$0		\$500,000				\$200,000
Additional FTEs														
Field	34	\$2,059,505	12	\$722,555	0	0	46	\$2,782,070	0	0	0	0	46	\$2,782,070
Central Offices	1	\$86,684	0	0	0	0	1	\$86,684	0	0	0	0	1	\$86,684
State Dollars - Program		\$15,446,393		\$3,609,953				\$19,056,346		\$5,236,957				\$24,293,303
State Dollars - Admin, System, and Field		\$1,693,461		\$407,021		\$		\$2,100,482						\$2,100,482
Total State Dollars		\$17,139,854		\$4,016,974				\$21,156,828						\$21,156,828

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)	Hawk-I (134% to 200% FPL)	Total of 0-100% and 101-133% and 134-200% FPL	Expand Hawk-I to 300% FPL (201)	Hawk-I "state only program" (300% and above)	Total Cost
Approximate	Number	Number	Number	Number	Number	Number	Number
Covering All Uninsured Children in Iowa	Cost	Cost	Cost	Cost	Cost	Cost	Cost
Outreach Costs	5,250	1,750	3,750	10,750	0	0	10,750
Offset From Premium Payments Made By Families	\$1,866,368	\$500,000	\$500,000	\$2,866,368	\$0	\$0	\$2,866,368
Preliminary/ Estimated Administrative Costs (includes system changes)	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$0
Additional FTEs							
Field	6.2	1.84	0	8.04	0	0	8.04
Central Office	\$ 378,557	\$ 110,793	\$ -	\$ 489,350	\$ -	\$ -	\$ 489,350
State Dollars - Program	0	0	0	0	0	0	\$0
State Dollars - Admin, System, and Field	\$204,528	\$68,176	\$2,473,236	\$272,704	\$0	\$0	\$272,704
Total State Dollars				\$8,131,209	\$0	\$0	\$272,704

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

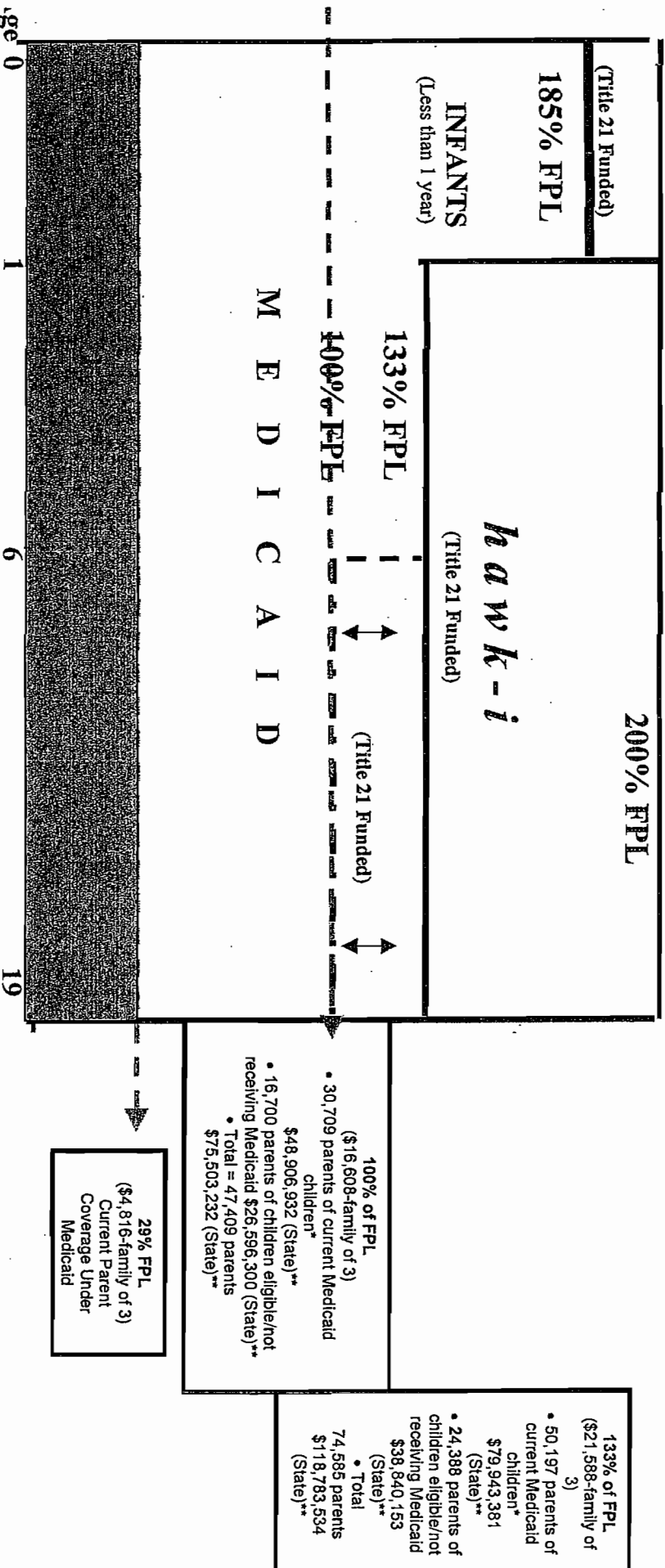
Approximate Covering All Uninsured Children in Iowa	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Total Cost
CHILDREN - dollars needed to fund uninsured children not covered by FY08 appropriations	Medicaid (0-100% FPL)	Medicaid Expansion (101-133% FPL)	hawk-i (134% to 200% FPL)	Total of 0-100% and 101-133% and 134-200% FPL	Expand hawk-i to 300% FPL)	hawk-i "state only program" (300% and above)	Total Cost								
Offset From Premium Payments Made By Families	15,750	\$30,318,750	5,250	\$10,106,250	11,250	\$28,541,225	32,250	\$66,966,225	9,000	\$21,232,980	10,000	\$23,592,200	51,250	\$111,791,405	
Preliminary Estimated Administrative Costs (includes system changes)		\$		\$		(\$1,579,500)		\$ (1,579,500.00)		(\$1,684,800)		(\$1,872,000)		\$ (5,136,300)	
Additional FTEs		\$		\$		\$		\$		\$500,000		\$200,000		\$ 700,000	
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															
State Dollars - Program								\$20,979,505		\$5,236,957		\$21,720,200			
State Dollars - Admin, System, and Field		\$1,489,933		\$338,845		\$		\$1,827,778		\$401,850		\$200,000		\$ 2,429,628	
Total State Dollars								\$22,807,283		\$5,638,807		\$21,920,200			

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		\$ 79,956,505

	Covering Parents of Uninsured Children Who are Not Currently Receiving Medicaid		Administrative Costs		System Costs		Outreach Costs		Additional FTEs		Field		Total Costs	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Covering Parents of Uninsured Children Who are Not Currently Receiving Medicaid	16,700 ^	\$ 69,605,600	7,688 ^^	\$ 32,043,584		\$ -		\$ -		\$ -		\$ -		\$ -
Administrative Costs		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
System Costs		\$ 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 Benefits	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 Field		\$ -		\$ -		\$ -
Total Costs		\$ 197,705,712		\$ 113,269,568		\$ 310,975,280
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		\$ 75,503,232		\$ 43,280,302		\$ 118,783,534

* 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 stats of 33% one parent and 67% two parent

^^ 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 parent

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										
	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured									
2008 Uninsured Forecast	Total Pop., Woods and Poole and Foest.																								
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	301	3,004
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

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