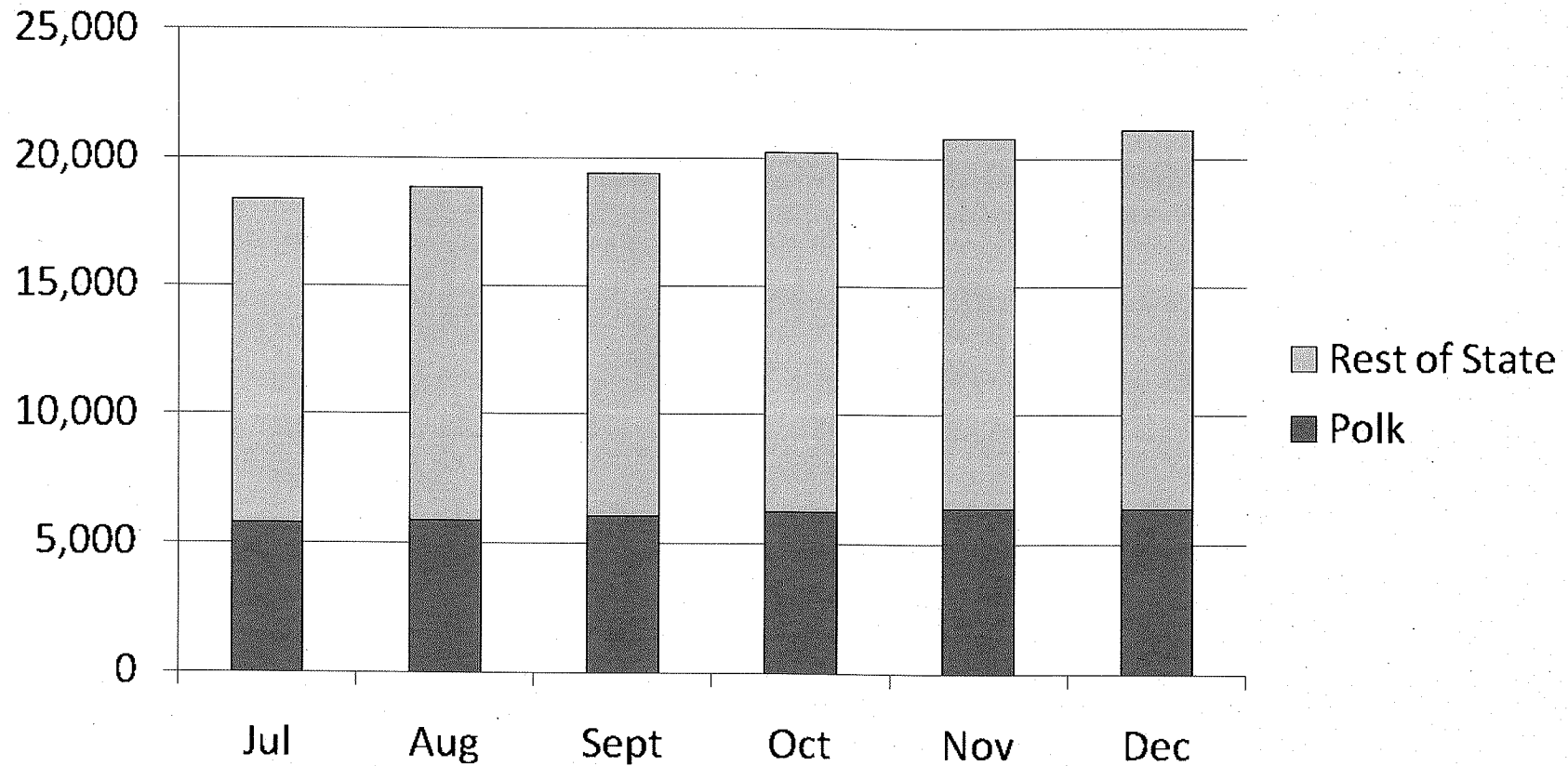


IowaCare Update

Kevin Concannon, Director
Department of Human Services

February 1, 2008

IowaCare Enrollment

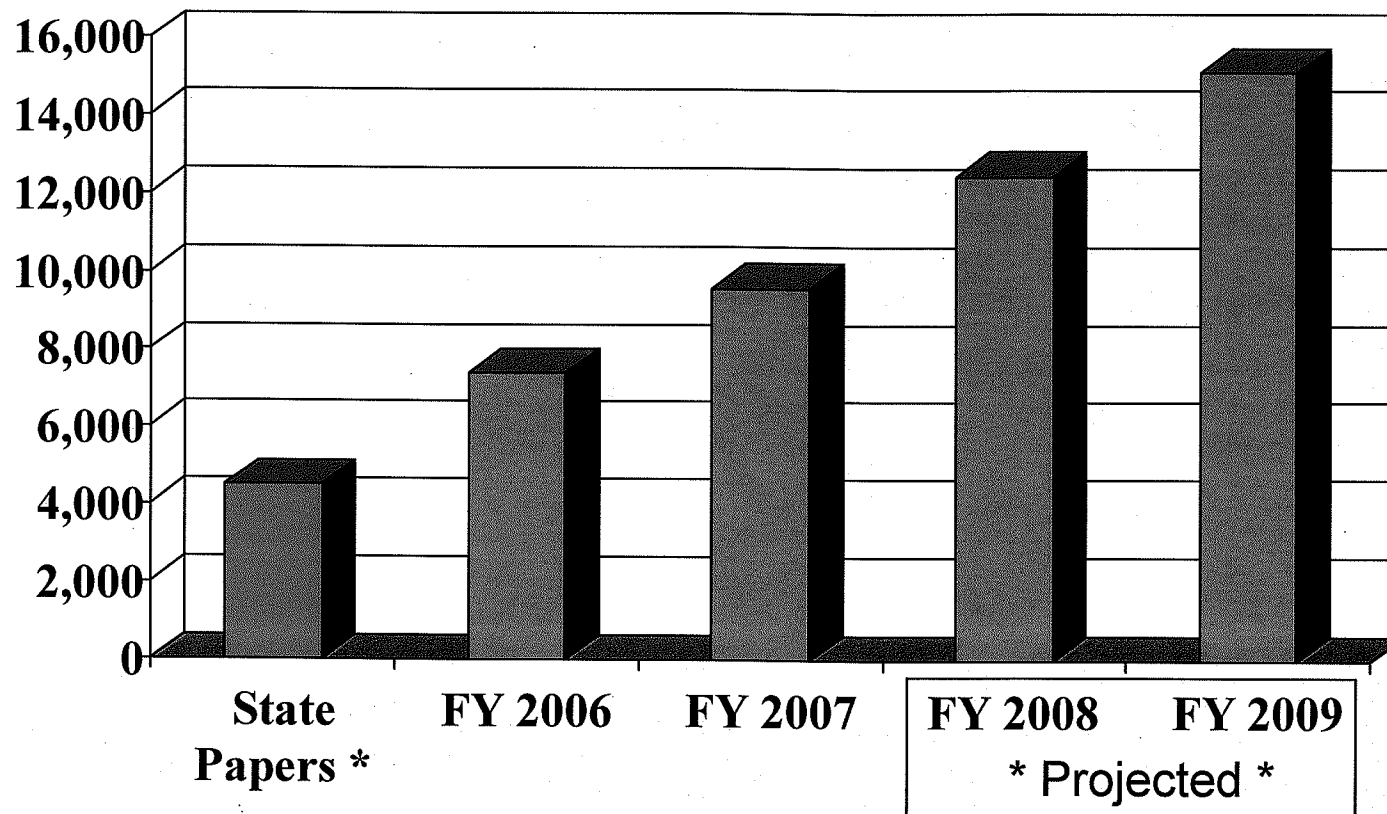


- 82% are below 100% of the Federal Poverty Level.

FY 2008 Funding Summary

- Supplemental of \$6.2 M State funds needed.
- Due to increase in number served at University of Iowa Hospitals and Clinics.
- DHS has a recommendation that would leverage state dollars to offset the shortfall.

UIHC Unduplicated Patients Served – (Outpatient Hospital)



* FY 2005 number served in State Papers program.

Shortfall Solution

- State Psych Papers – 100% General Fund appropriation to UIHC of \$7.3M.
- Eliminate that appropriation and move to the Medicaid budget (no change in State Psych Papers statutory requirements).
- Use \$7.3M in Medicaid as state match for total payments of \$19M.
 - \$7.3M Disproportionate Share Hospitals (DSH) payment to make UIHC whole.
 - \$11.8M IowaCare payment for IowaCare services provided.

Shortfall Solution

- Offsets the shortfall (no program reductions).
- Holds UIHC harmless. UIHC has concerns about what could happen to DSH funding in the future.

****This option has been built in to Governor Culver's FY 2008 & FY 2009 budget recommendation.**

****Legislation is needed prior to March to avoid cash flow shortfall at UIHC.**

FY 2009 Funding Update

- Under the federal Terms and Conditions of the Waiver, the federal funding available for payment to the MHIs decreases by \$16.9M in FY 2009. Further phase-down in FY 2010.
- State funding increases will be needed to offset the decrease in federal funds available to the MHIs.
- Also, same issues as FY 2008 regarding UIHC utilization and funding shortfalls. FY 2008 recommended solution would continue in FY 2009 to address the shortfall.
- **Governor Culver's budget recommendation addresses the FY 2009 funding needs. Legislative action will be needed.**

IowaCare Funding/Constraints

- Constraints:
 - Federal 'budget neutrality' caps.
 - Any changes require increased state appropriations to match federal funds.
- Funding reference point is the 3 original appropriations (UIHC, Broadlawns, and MHIs).
- Waiver expires at the end of FY 2010.