Fields of Opportunities

STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

December 31, 2008

Michael Marshall
Secretary of the Senate
State Capitol Building
L O C A L

Mark Brandsgard
Chief Clerk of the House
State Capitol Building
L O C A L

Dear Mr. Marshall and Mr. Brandsgard:

Enclosed please find the Annual Report of the Healthy and Well Kids in Iowa (***hawk-i***) Board.

This report was prepared pursuant to Iowa Code Section 514.I(7)(g) and reflects the activities of the ***hawk-i*** Board for calendar year 2008.

This report is also available on the Department of Human Services website at http://www.dhs.state.ia.us/Partners/Reports/PeriodicReports/HawkI/HawkiAnnual.html.

Sincerely,

Molly Kottmeyer

Molly Kottmeyer
Legislative Liaison

Enclosure

cc: Legislative Services Agency
Governor Culver
Kris Bell, Senate Majority Staff
Peter Mathes, Senate Minority Staff
Zeke Furlong, House Majority Staff
Brad Trow, House Minority Staff

Fields of Opportunities

STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

December 31, 2008

The Honorable Chester J. Culver
Governor
State Capitol Building
L O C A L

Dear Governor Culver:

Enclosed please find the Annual Report of the Healthy and Well Kids in Iowa (***hawk-i***) Board.

This report was prepared pursuant to Iowa Code Section 514.I(7)(g) and reflects the activities of the ***hawk-i*** Board for calendar year 2008.

This report is also available on the Department of Human Services website at http://www.dhs.state.ia.us/Partners/Reports/PeriodicReports/HawkI/HawkiAnnual.html.

Sincerely,

Molly Kottmeyer

Molly Kottmeyer
Legislative Liaison

Enclosure

cc: Michael Marshall, Secretary, Iowa Senate
Mark Brandsgard, Chief Clerk, Iowa House

hawk-i

Healthy and Well Kids in Iowa

Annual Report of the *hawk-i* Board to the Governor, General Assembly, and Council on Human Services Calendar Year 2008

CONTENTS

ANNUAL REPORT OF THE ***hawk-i*** BOARD
DECEMBER 1, 2007 – NOVEMBER 30, 2008

EXECUTIVE SUMMARY i

I. BUDGET 1
- B. Program Description 1
- C. SCHIP Program Federal Funding History 1
- D. Reauthorization Federal Funding 2
- E. State Funding 3

II. ENROLLMENT 3
- B. Uninsured Children in Iowa 4
- C. Number of applications Received and Referred to Medicaid 4
- D. Unduplicated Number of ***hawk-i*** Children Ever Enrolled by Federal Fiscal Year 5
- E. Results of ***hawk-i*** Disenrollment Survey 6

III. HOUSE FILE 2539, HEALTH REFORM BILL 6

IV. OUTREACH 8
- A. Overview of Outreach Conducted by Iowa Department of Human Services in SFY 2008 8
- B. Overview of Grassroots Outreach Conducted by Iowa Department of Public Health in SFY 2008 9

V. DHS DISASTER RESPONSE 12

VI. U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES' OFFICE OF INSPECTOR GENERAL (OIG) AUDIT OF IOWA'S SCHIP PROGRAM 12

VII. PAYMENT ERROR RATE MEASUREMENT (PERM) PROJECT 13

VIII. PARTICIPATING HEALTH AND DENTAL PLANS 13

IX. HAWK-I BOARD MEMBERSHIP 14

X. HIGHLIGHTS OF BOARD ACTIVITIES & MILESTONES 15

ATTACHMENTS:

Attachment 1 — Allotment and Expenditure Federal Funding History, SFY 2008 Final Budget Report, and SFY 2009 Budget 21

EXECUTIVE SUMMARY

Annual Report of the *hawk-i* Board to The Governor, General Assembly and Council on Human Services

Calendar Year 2008

Iowa Code Section 514I.5(g) directs the ***hawk-i*** Board to submit an annual report to the Governor, General Assembly, and Council on Human Services concerning the Board's activities, findings, and recommendations. Highlights of the report are listed below:

Reauthorization: Two bills reauthorized the State Children's Health Insurance Program (SCHIP), H.R. 976 and H.R. 3963, were vetoed by President Bush late in 2007. President Bush's decision to veto these bills led Congress to simply extend the existing SCHIP program with additional funding through March 31, 2009. The extension was included in S.2499, the Medicare, Medicaid, and SCHIP extension. The Extension Act was passed by Congress on December 19, 2007, and signed into law by President Bush on December 29, 2007. The Act ensures that all states will have at least the amount of federal SCHIP funding that they projected needing in November 2007 through March 31, 2009.

Although President-elect Obama has indicated his support for providing healthcare coverage to children, matters concerning the economy will be a priority of the new administration and at this point it is unclear how the Obama administration will address reauthorization of the SCHIP program. There is some speculation that SCHIP will be reauthorized quickly after the new administration assumes office, using the previously vetoed Children's Health Insurance Program Reauthorization Act legislation as the model. Others believe that there will be another funding extension and that SCHIP will become part of the larger healthcare reform debate. In either case, Iowa will need additional funding if the program is to continue beyond March 31, 2009.

State Funding: The total appropriation of state funds for State Fiscal Year (SFY) 2008 was $28,944,161, inclusive of $5,857,339 ***hawk-i*** trust fund dollars held in reserve at SFY 2007 year-end and $27,200 in grants. Of this amount, $19,284,602 was expended. Thus, the program ended SFY 2008 with a balance of $9,659,560 in the ***hawk-i*** trust fund that was taken into account in the development of the SFY 2009 budget request.

The total appropriation of state funds for SFY 2009 is $25,673,405 ($13.9 million state appropriation; $9.7 million estimated carry forward in the trust fund; $2 million from the Health Care Reform Bill (House File (HF) 2539); and $144,960 possible outreach and PERM dollars from Medicaid).

Enrollment: Governor Chet Culver has made a commitment to cover 100 percent of the state's eligible children by the end of his term through his Health Opportunities for Every Iowan Initiative.

- AmeriChoice from the UnitedHealthcare of the River Valley, Inc. (managed care) and Delta Dental of Iowa is offered in 44 counties.
- Wellmark Classic Blue (Indemnity) and Blue Access Dental are offered in 16 counties.
- Wellmark Health Plan of Iowa (WHPI) (managed care) and Blue Access Dental are offered in 83counties.

Currently, families in 44 counties have a choice between two health and dental plans.

Delta Dental of Iowa requested that ***hawk-i*** families be allowed to choose Delta Dental statewide. Currently, Delta Dental is only offered as the dental benefit in counties with United Health Care Coverage and those counties with Wellmark health plan have Blue Dental. This expansion will require Wellmark to carve out separate premiums for health and dental rather than the current combined health and dental payment. Wellmark was also offered the opportunity to expand and the Department is currently waiting on their proposal. The Department is working with Delta Dental on an implementation plan.

The ***hawk-i*** Board remains very committed to meeting challenges set forth by the Governor and the Iowa General Assembly ensuring that Iowa's children have access to quality health care coverage. The Board has been supported in its work by the Department of Human Services, the Department of Public Health, the Department of Education, the Division of Insurance, advisory committees, health plans, advocacy groups, and providers.

Respectfully submitted,

Susan Salter, Chair
hawk-i Board

ANNUAL REPORT OF THE *hawk-i* BOARD 2008

I. BUDGET:

A. Program Description

Congress established the State Children's Health Insurance Program (SCHIP) with passage of the Balanced Budget Act of 1997, which authorized $40 billion for the SCHIP program through Federal Fiscal Year (FFY) 2007. Under the program, a federal block grant was awarded to states to provide health insurance to children from families with income above Medicaid eligibility levels. From the total annual appropriation, every state was allotted a block of funding for the year (its "original allotment"), based on a statutory formula established in the original legislation. States were given three years to spend each year's original allotment, and at the end of the three-year period, any unused funds are redistributed to states. States receiving redistributed funds have one year to spend them. Unused funds remaining at the end of the year are reverted to the U.S. Treasury.

Title XXI of the Social Security Act enabled states to provide health care coverage to uninsured, targeted low-income children. In Iowa, targeted low-income children are those children covered by Medicaid Expansion (M-CHIP) or a separate program called Healthy and Well Kids in Iowa (***hawk-i***). The Medicaid Expansion component covers children ages 6 to 19 years of age whose countable family income is between 100 and 133 percent of the Federal Poverty Level (FPL) and infants 0 to 1 year of age whose countable family income is between 185 and 200 percent of the FPL. The ***hawk-i*** program (SCHIP) provides health care coverage to children under the age of 19 whose countable family income is between 133 and 200 percent of the FPL who live in families who are not eligible for Medicaid and who are not covered under a group health plan or other health insurance.

B. SCHIP Program Federal Funding History

The SCHIP program is authorized and funded through Title XXI of the Social Security Act. SCHIP is a capped entitlement program with a fixed appropriation for each year established by the legislation authorizing the program. Since its implementation in 1997, SCHIP has provided health care coverage to many uninsured children in all states, but many states, including Iowa, have encountered funding and policy issues limiting the program's potential to serve additional children.

In order to draw down approximately $3.00 in federal funds, Iowa must spend approximately $1.00 in state funds. In the infancy of the program, adequate federal funding was available through the redistribution process addressing potential shortfalls in states that expended their full allotments. This is no longer true. The amount of funds available for redistribution has shrunk considerably in

The Extension Act was passed by Congress on December 19, 2007, and signed into law by President Bush on December 29, 2007. The Act ensures that all states will have at least the amount of federal SCHIP funding that they projected needing in November 2007 through March 31, 2009, including initiatives to cover more uninsured children.

Although President-elect Obama has indicated his support for providing healthcare coverage to children, matters concerning the economy will be a priority of the new administration and at this point it is unclear how the Obama administration will address reauthorization of the SCHIP program. There is some speculation that SCHIP will be reauthorized quickly after the new administration assumes office, using the previously vetoed Children's Health Insurance Program Reauthorization Act legislation as the model. Others believe that there will be another funding extension and that SCHIP will become part of the larger healthcare reform debate. In either case, Iowa will need additional funding if the program is to continue beyond March 31, 2009.

D. State Funding:

The total appropriation of state funds for SFY 2008 was $28,944,161, inclusive of $5,857,339 ***hawk-i*** trust fund dollars held in reserve at SFY 2007 year-end and $27,200 in grants. Of this amount, $19,284,602 was expended. Thus, the program ended SFY 2008 with a balance of $9,659,560 in the ***hawk-i*** trust fund that was taken into account in the development of the SFY 2009 budget request.

Available state funding for state fiscal year 2009 totals $25,673,405 ($13.9 million state appropriation; $9.7 million estimated carry forward in the trust fund; $2.0 million from the Health Care Reform Bill (HF 2539); and $144,960 possible outreach and PERM dollars from Medicaid).

A copy of the SFY 2008 final expenditure report and the SFY 2009 budget are attached. These reports reflect state-only dollars.

Attachment 1: Allotment and Expenditure Federal Funding History, SFY 2008 Final Budget Report, and SFY 2009 Budget

II. ENROLLMENT:

Governor Chet Culver has made a commitment to cover 100 percent of the state's children by the end of his term through his Health Opportunities for Every Iowan Initiative.

As of October 31, 2008, a total of 39,809 children were enrolled in both components of Iowa's SCHIP program. Of the total number enrolled, 17,329 children were enrolled in the Medicaid Expansion (M-CHIP) program and 22,480 (projected) in the ***hawk-i*** (SCHIP) program.

Continuous enrollment was implemented in the Medicaid program beginning July 1, 2008. Between October 31, 2007, and June 30, 2008, applications referred to ***hawk-i*** from Medicaid averaged 550 applications per month. Referrals from Medicaid declined between July 31, 2008, and October 31, 2008, with an average referral rate of 250 per month slowing the growth in the ***hawk-i*** program. The combination of the disaster relief (extending renewals in Medicaid), and the implementation of continuous eligibility impacted the number of applications referred to ***hawk-i*** from Medicaid.

*Attachment 2: Organization of the **hawk-i** Program Chart,*
*History of Participation of Children in Medicaid and **hawk-i**,*
*Iowa's SCHIP Program Combination Medicaid Expansion and **hawk-i***

C. Unduplicated Number of *hawk-i* Children Ever Enrolled by Federal Fiscal Year

The table below reflects the number of children enrolled (**unduplicated**) in the ***hawk-i*** program at any time during the FFY (October 1, 2007, through September 30, 2008) by FPL level for FFY 2000 through 2008. Each child enrolled in ***hawk-i*** is counted once regardless of the number of times a child was enrolled or re-enrolled in the ***hawk-i*** program during the year. This unduplicated count represents the total children served by the ***hawk-i*** program rather than point-in-time enrollment.

Unduplicated Number of *hawk-i* Children Ever Enrolled by Federal Fiscal Year

	Federal Poverty Level				Total Children Served
	<=100%	>100%<=150%	>150%<=200%	>200%	
Federal Fiscal Year 2000	285	4,840	3,416	158	8,699
Federal Fiscal Year 2001	679	8,760	6,977	256	16,672
Federal Fiscal Year 2002	682	10,415	10,034	3	21,134
Federal Fiscal Year 2003	956	10,617	11,486	0	23,059
Federal Fiscal Year 2004	1,235	11,595	13,810	0	26,640
Federal Fiscal Year 2005	1,236	13,420	15,453	0	30,109
Federal Fiscal Year 2006	1,018	13,072	17,729	0	31,819
Federal Fiscal Year 2007	1,143	14,469	16,700	0	32,312
Federal Fiscal Year 2008	1,468	14,263	16,950	0	32,681

- Required the Department to develop options and recommendations to allow children eligible for ***hawk-i*** to participate in employer plans through a premium assistance program. A report is due to the Governor and Legislature by January 1, 2009
- Directed the Department to streamlined enrollment (express lane eligibility); conditional eligibility (presumptive eligibility); expedited renewals; and implementation of the Family Opportunity Act by January 1, 2009 for ***hawk-i*** and Medicaid.

The Department continues to work with advocates, Covering Kids and Families, the ***hawk-i*** Board, and other state agencies researching the provisions as outlined in the Health Reform Bill. Meetings have also been held with other groups for recommendations

Attachment 4: HF 2539 -- Iowa's Health Care Programs for Non-Disabled Children

Health Care Summit – Process for Developing Recommendations:

A SCHIP and Medicaid Summit, "Maximizing Opportunities for Children in Iowa" was held at the Hotel Savery in Des Moines on September 11 – 12, 2008. Billed as a "health care summit", the conference gathered presenters from across the country. Presenters included Donna Cohen Ross from the Center on Budget and Policy Priorities; Cindy Mann, Liz Arjun, and Tricia Brooks from Georgetown Center for Children and Families in Washington D.C.; Charlie Bruner and Carrie Fitzgerald from Iowa Child and Family Policy Center; Ruth Kennedy, Director of Louisiana SCHIP program called LaCHIP; and Anita Smith from DHS. The Heath Care Summit was sponsored by the Child and Family Policy Center with Finish Line Grant funding from David and Lucille Packard Foundation.

A broad scope of people attended the conference including ***hawk-i*** Board members, legislators, representatives from insurance and business industry, health care providers, Governor's office staff, multi-state agency staff, advocates, and national experts.

The first day addressed the importance of aligning health care benefits with private health coverage while remaining affordable to families. In addition, potential changes to cost sharing, co-payments, out-of-pocket expenses, and parental responsibility were discussed as viable options that Iowa could adopt to alleviate some of the costs of the Medicaid and ***hawk-i*** programs.

Day two of the conference addressed strategies to improve Medicaid and ***hawk-i*** retention as well as increased enrollment for children. An overview of the current enrollment process was explained. Simplified enrollment processes were discussed as well as policy changes that might result in more eligible children. Additionally, renewal procedures were examined to understand what works today and where

campaign skewed slightly towards females and used a variety of stations and materials to cover the racial and ethnic aspects of Iowa's population.

The advertising vehicles included broadcast and cable television, radio, newspapers, gas pump toppers, bus transit, and billboards.

- Broadcast television spots aired for 21 weeks covering all 99 counties.
- Cable television spots aired for 17 week and covered 41 counties.
- Radio spots aired statewide for 24 weeks.
  - Radio extended the message to the hard-to-reach rural areas of the state.
  - Radio advertisements aired on stations targeted to African-American and Hispanic populations.
  - Total traffic sponsorship announcements were aired to supplement the campaign.
- Newspaper advertisements included eight half-page ads, free standing inserts in metro papers and a special section in 83 papers for "Cover the Uninsured Week".
- Gas pump toppers were posted statewide from March to July and then received bonus posting from August to October. Some stations also posted free window clings.
- Transit ads were posted in Sioux City, Dubuque, Cedar Rapids, Waterloo, Clinton, and Des Moines. The Des Moines posting specifically included the Iowa State Fair buses.
- Outdoor billboards were posted between February and April in both metro and rural areas. They were strategically placed in counties where family income is typically below $40,000 per year and in areas to reach a diverse population.
- In addition, the Department received $1,019,400 in added values advertisement through 3,543 broadcast TV public service announcements, 27,262 cable TV public service announcements, 3,067 bonus radio spots, and 2,496 extra posting days on billboards.

ZLR Ignition held kick-off events in Des Moines and Cedar Rapids; promoted "Cover the Uninsured Week"; and began "Cover the Kids Day", where more than 1,000 churches shared information about ***hawk-i*** with their congregations. In addition, they also created the new ***hawk-i*** logo (see report cover), designed new letterhead, and redesigned the brochure cover, bookmark and website.

B. Overview of Grassroots Outreach Conducted by Iowa Department of Public Health in SFY 2008:

On July 11, 2006, the Department contracted with the Iowa Department of Public Health (IDPH) to provide oversight for a statewide ***hawk-i*** grassroots outreach program. The three-year contract is for the period, July 1, 2006, through June 30, 2009, with three one-year extensions. Approval of the extensions is at the discretion of the ***hawk-i*** Board.

- The coordinator from the Siouxland Community Health Center is working with the Catholic Diocese that covers much of Northwest Iowa making information available to congregations in addition to their local private schools.

Outreach to Medical Providers:

Outreach coordinators are continuously developing new ways to work with Iowa's medical and dental providers. An emphasis continues to be placed on engaging hospitals, medical clinics, oral dental offices, and pharmacists across the state and asking these trusted community leaders to talk to families about the ***hawk-i*** program.

- Community Health Centers have always played a large role in ***hawk-i*** outreach, but in the previous year this was taken to a new level in Polk County. Staff from this local agency work several hours a week at a Des Moines Community Health Center offering families application assistance.
- The outreach coordinator in the Ottumwa area created crayons with ***hawk-i*** information on them and distributed them to local doctors to share with their patients.
- The state outreach coordinator from IDPH and the local coordinator from Black Hawk County attended the Iowa's Mission of Mercy clinic and handed out information on the ***hawk-i*** program. The event was held in Waterloo and provided free dental care to approximately 1200 people.

Outreach to Diverse Ethnic Populations:

Reaching out to underserved populations about the ***hawk-i*** program is a top outreach priority in Iowa. Outreach efforts are as diverse as the populations that call Iowa home. Efforts are tailored to the populations that are being targeted. Outreach is offered through potential employers, businesses, churches, medical and dental clinics, and schools. Information is also made available at Iowa Welcome Centers and immigration resource agencies. Additionally, outreach continues to be conducted at local and statewide ethnic health fairs, conferences, festivals, ethnic radio stations, print press, and numerous other events that target ethnic populations. Coordinators are offered culturally competent resources and information throughout the year to help in their local outreach efforts. These resources are usually print/web resources, face–to-face trainings, and webinars.

Additional Outreach Activities:

Every year outreach coordinators go beyond the four focus areas to reach families who may have eligible children. Summer months are always a very busy time of year for coordinators. Many local efforts focus on seasonal programs such as bible schools and parks and recreational programs, Girl Scouts and 4-H Chapters.

- The local coordinator in Taylor County produced baseballs with the ***hawk-i*** logo and disseminated them to the local baseball leagues.
- On a statewide level, outreach staff were present every day to hand out ***hawk-i*** information and answer questions about the program at the Iowa State Fair.

VII. PAYMENT ERROR RATE MEASUREMENT (PERM) PROJECT

The Improper Payments Act of 2002 (Public Law 107-300) requires the CMS to estimate improper payments (due to overpayments, underpayments, and payments made to ineligible persons) in the Medicaid and SCHIP programs. CMS has contracted with three entities to operate the project and Iowa is mandated to participate in federal fiscal year 2008. Lewin is the statistical contractor and is responsible for fathering documentation and claims data, as well as calculating error rates. Livanta is gathering Medicaid and SCHIP policies and will request the records for the medical reviews. Health Data Insights will perform the data processing and medical review. CMS and the national contractors estimate the amount of improper payments, report these estimates to Congress, and, if necessary, submit a report on actions the state agency is taking to reduce erroneous payments.

The PERM project operates on a federal fiscal year basis (October 1 – September 30). Iowa was selected to participate in FFY 2008 and will be reviewed every three years thereafter. The intended effect of this project is to reduce the rate of improper payments and produce an increase in program savings at both the state and federal levels.

PERM is an unfunded mandate by the federal government estimated to cost the state $2.6 million for the first three-year period. It is a quality initiative where the state has to have an entity outside of the policy development, eligibility, and administrative arm of the agency review both Medicaid and ***hawk-i***. A Request for Proposal (RFP) was issued for competitive bid to oversee the eligibility quality review in SFY 2007. Meyers and Stauffer was awarded the contract. CMS requires that the state develop a sample plan to pull a sample of cases monthly to be reviewed; the sample plan has been approved by CMS.

The Department's Division of Results Based Accountability and Meyers and Stauffer have developed a PERM project plan and have selected sample cases for FFY 2008. Case files are being reviewed to make sure eligibility was determined correctly and if claims were paid appropriately for any service members received.

The Department will have the opportunity to develop a corrective action plan that will be submitted to CMS in the spring of 2009. The results of Iowa's SCHIP and Medicaid eligibility and claim reviews, will be released in a final report in June 2009.

VIII. PARTICIPATING HEALTH AND DENTAL PLANS:

Three health plans and two dental plans provided benefits to children participating in the ***hawk-i*** program in 2008:

- AmeriChoice from the UnitedHealthcare of the River Valley, Inc. (managed care) and Delta Dental of Iowa is offered in 44 counties.
- Wellmark Classic Blue (Indemnity) and Blue Access Dental are offered in 16 counties

Julie McMahon	Designee of Director of Public Health	
Susan Voss	Commissioner of Insurance Iowa Department of Commerce	Statutory
Angela Burke Boston	Designee of Commissioner of Insurance Division	

Ex officio members from the General Assembly

	Senate	
Amanda Ragan	Mason City	April 30, 2009
Dave Mulder	Sioux Center	January, 2009
	House	
Polly Granzow	Eldora	January 2009
Ako Abdul-Samad	Des Moines	April 30, 2009

*Attachment 8: Healthy and Well Kids in Iowa (**hawk-i**) Board Bylaws*

X. HIGHLIGHTS OF BOARD ACTIVITIES & MILESTONES:

December 2007

- The Attorney General's office provided an update to the Board on the status of the third party administrator Request for Proposal (RFP) that they approved at their October meeting.

  The Board voted to award the contract to MAXIMUS. Pursuant to the terms of the RFP, parties have a right to appeal that decision to the Director of the DHS. Health Management Systems (HMS) submitted a letter to Director Concannon appealing the decision of the award to MAXIMUS. The letter alleged that there was a math error in the way the formula was applied and that the RFP required all bidders to submit an implementation plan. HMS claimed that MAXIMUS did not submit an implementation plan. The Director considered the letter, as well as all the documentation surrounding the appeal. The Director determined that he would exercise his authority under the terms of the RFP to cancel the RFP and reissue it. As a result, the RFP was cancelled and a new one released. In the meantime, an agreement was reached with MAXIMUS to extend the terms of their reprocurement process again.

  The Board unanimously approved a fourth amendment to the MAXIMUS contract to extend the contract from June 30, 2008, to December 31, 2008. The extension allows the Department time to go through the new RFP process, award the contract, and give the winning contractor time to get up and running. The contract amendment provides that the price per month for the additional six-month period will increase from $90,000 to $160,400 per month.

- The Department updated the Board that even though the outreach campaign for Medicaid and SCHIP funded under HF 909 was delayed due to the uncertainty around SCHIP reauthorization, Governor Culver and the Department decided to move forward. The outreach campaign kick-off took place in January 2008 and included television and radio commercials, newspaper ads, gas pump toppers, billboard, and bus signs designed by ZLR Ignition, a contracted marketing group.

insurance on that date. If that is the case, coverage will be effective the first day of the month after the child loses that coverage.
    - define the first day of the ten days allowed for an enrollee to report changes that may affect eligibility as the first working day after the change takes place instead of the date the change occurred.
    - clarify the effective date of a positive or negative change in eligibility or benefits resulting from a change in family circumstances, depending on whether the change is reported timely.
    - make other technical changes to make the rules more precise and easier to understand.
- The Board unanimously approved an amendment to Chapter 86 Healthy and Well Kids in Iowa program administrative rules. The amendment adopts and files as emergency subrule 86.2(2)"b"(44). This rule will become effective April 8, 2008. The subrule exempts both federal and state earned income tax credit payments as income. This rule is adopted and filed emergency because going through the Notice process would delay the effective date of the rule until after the current tax period, which would be contrary to the intent of the amendment.
- The Assistant Attorney General presented to the Board the process used for the issuance of the RFP for the ***hawk-i*** program's Third Party Administrator and presented the RFP Evaluation Committee's recommendation to the Board. The Board unanimously approved to accept the recommendation of the committee and awarded the contract to Policy Studies, Inc.

May 2008
No Meeting

June 2008
- The Department updated the Board that DHS has been impacted by recent flooding in Iowa, in particular the Cedar Rapids area. The Department asked CMS for a statewide waiver so that the local offices will not have to do any eligibility reviews for any program for the next three months; essentially granting continuous eligibility during this period. A waiver would provide "good cause" criteria to waive many administrative requirements for customers who live in disaster-declared counties and have issues about premium payments or reviews.
- The Department updated the Board that since the outreach campaign began in January , ***hawk-i*** enrollment continues to rise. The number of children enrolled in ***hawk-i*** is expected to exceed 22,000 in April when the final numbers come in. There was a significant increase in the number of children enrolled in Medicaid with 5,160 being added since January.
- The Department informed the Board that continuous eligibility will be implemented July 1, 2008, in Medicaid resulting in not as many children being referred to ***hawk-i*** because they will not be losing Medicaid eligibility as often.
- The Department updated the Board on the provisions in HF 2539, Health Care Reform Bill that directly impact the Department.
- The Board unanimously approved the Second Amendment to the contract with the Iowa Foundation for Medical Care (IFMC). IFMC does the analysis of the survey

premiums for health care and dental rather than the one payment made currently that includes both. The Board directed the Department to move forward with discussions with Delta Dental to expand their network statewide.

- The Department updated the Board that the new ***hawk-i*** website has been launched. ZLR Ignition updated the website to reflect the "new look" developed for the program. The site can be navigated in several different ways; with menu search options across the top and specific questions to select from across the bottom of the home page.

September 2008
No Meeting

October 2008

- The Department updated the Board on the health care summit held in September. Several national experts attended, including Cindy Mann from Georgetown University, and a wide variety of participants were invited. The first day included a discussion of cost sharing and an overview of Iowa's Health Insurance Premium Payment (HIPP) Program. The second day dealt with the more specific requirements of HF 2539 regarding streamlined eligibility and maximization of enrollment. Breakout sessions were held and the results of those discussions will be incorporated into the report due to the legislature.
- A Delta Dental expansion update was presented to the Board. In August, Delta Dental approached the Board about the possibility of expanding their coverage statewide. The Department contacted Wellmark and requested that they split out the current premium that includes both health and dental coverage into two separate premiums. The Department also informed Wellmark that if they chose to offer their dental product statewide, the Department would consider that as well.
- The Department advised the Board that rule amendments for Notice of Intended Action at the July, 2008 meeting was being amended. No public comments were received as a result of the Notice, however, the Department made four changes to the rule.
    - The proposed amendment to 86.3(4) has been dropped based on a legal opinion that the Department already has the authority to accept electronic signatures through Iowa Code Chapter 554D.
    - The definition of "client error" in 86.19(1) is revised to clarify that the client's action must be intentional or negligent.
    - On the advice of the Department's attorney, the first sentence in 86.19(2) is revised to change the verb from "shall recover" to "may recover".
    - Subrule 86.19(4) is revised to clarify that recovery will be made from the person who completed the application and had responsibility for reporting changes, whether that is the enrollee or the enrollee's parent, guardian, or other responsible person, and that the recovery may be

Attachment 1: Allotment and Expenditure Federal Funding History, SFY 2008 Final Budget Report, and SFY 2009 Budget

Allotment and Expenditure Federal Funding History
For Iowa's SCHIP Program
2008

Federal Fiscal Year (FFY)	Allotment	Balance Carryforward (from previous years)	Retained Dollars	Redistributed Dollars	Supplemental Dollars	Total Federal Dollars Available	Total Federal Dollars Spent	Balance Remaining	
1998	$32,460,463	$-	$-	$-	$-	$32,460,463	$276,280	$32,184,183	
1999	$32,307,161	$32,184,183	$-	$-	$-	$64,491,344	$10,562,636	$53,928,708	
2000	$32,382,884	$53,928,708	$-	$-	$-	$86,311,592	$15,493,125	$70,818,467	*1*
2001	$32,940,215	$64,690,045	$3,957,863	$-	$-	$101,588,123	$24,846,556	$76,741,567	*2*
2002	$22,411,236	$65,323,099	$4,787,171	$-	$-	$92,521,506	$28,724,907	$63,796,599	*3*
2003	$21,368,268	$55,351,451	$4,222,574	$-	$-	$80,942,293	$32,885,307	$48,056,986	*4*
2004	$19,703,423	$43,779,504	$2,138,741	$-	$-	$65,621,668	$37,273,256	$28,348,412	*5*
2005	$28,266,206	$28,348,412	$-	$4,379,212	$-	$60,993,830	$40,757,756	$20,236,074	*6*
2006	$26,986,944	$20,236,074	$-	$-	$6,108,982	$53,332,000	$47,861,826	$5,470,174	*7*
2007	$36,229,776	$5,470,174	$-	$-	$14,001,050	$55,701,000	$51,337,743	$4,363,257	*8*
2008	$33,200,000	$-	$-	?	?	$33,200,000		$33,200,000	*9*
2009									

1 $6,128,422 of the FFY98 allotment that remains unspent added to redistribution pool

2 $11,418,468 of the FFY99 allotment that remains unspent added to redistribution pool

3 $8,445,148 of the FFY00 allotment that remains unspent added to redistribution pool

4 $4,277,482 of the FFY01 allotment that remains unspent added to redistribution pool

5 $0 of the FFY02 allotment that remains unspent added to redistribution pool

6 $0 of the FFY03 allotment that remains unspent added to redistribution pool

7 $0 of the FFY04 allotment that remains unspent added to redistribution pool

8 $4,363,257 of the FFY07 supplemental that remains unspent reverts to treasury

9 Iowa has received two Continuing Resolution (CR) federal allotments:

1) Continuing resolution 10-1-2007 to 11-16-07 Iowa received $8,567,133 federal funds, and

2) Continuing resolution 11-17-07 to 12-14-07 Iowa has received $5,707,198.

3) With the two Continuing Resolution's Iowa has received a total of $14,846,331 = 42.99% of its FFY 2008 allotment (at current funding levels/formula) compared to less than 25% of the FFY having expired.

SFY 2008 Final Budget Report

CHIP Budget
SFY 2008
Jun-08
plus 90- FINAL

FY 2008 Appropriation (minus approp transfer)	$	14,430,052	
Amount of hawk-i Trust Fund dollars added to appropriation	$	5,857,339	
Amount funded by Healthy Iowans Trust Fund	$	8,329,570	
Outreach dollars from Medicaid	$	300,000	
Total state appropriation for FY 2008	$	28,916,961	
donations	$	-	
Wellmark Grant dollars earned	$	27,200	($27,200 available)
total	$	28,944,161	

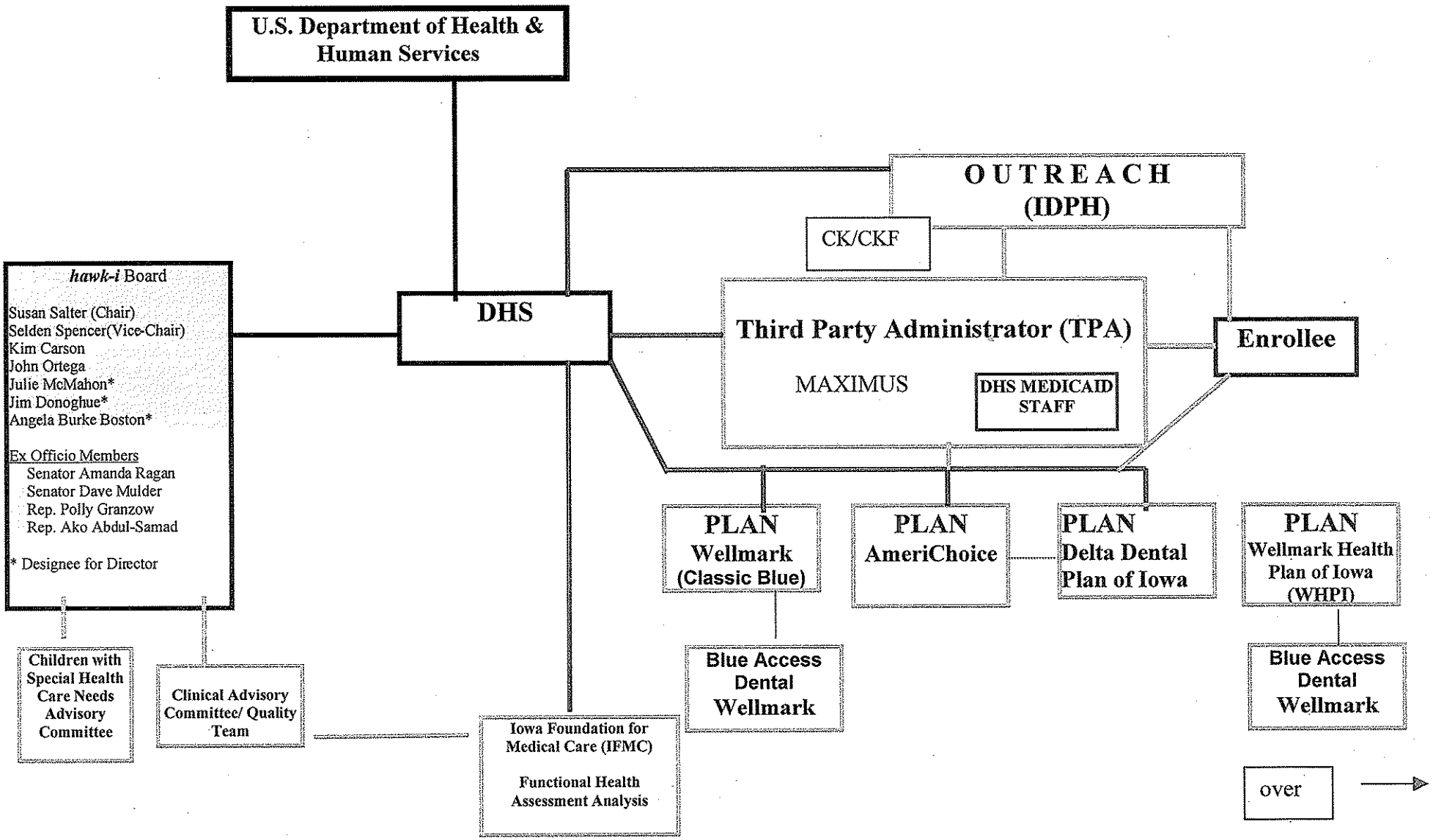
State Dollars

Budget Category	Projected Expenditures	YTD * Expenditures
Medicaid expansion	$7,600,972	$5,846,306
HAWK-I premiums	$14,833,181	$12,622,612
Fiscal agent costs of processing Medicaid claims	$156,735	$0
Outreach	$901,850	$554,944
HAWK-I administration	$753,751	$685,678
Earned interest from HAWK-I fund	$ -	-$424,938
Totals	$ 24,246,489	$ 19,284,602

HAWK-I Trust Fund Balance (In State Dollars)

Attachment 2: Organization of *hawk-i* Program Chart,
History of Participation of Children in Medicaid and *hawk-i*,
Iowa's SCHIP Program Combination Medicaid Expansion and *hawk-i*

Organization of the ***hawk-i*** Program



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

			SCHIP (Title XXI Program)	
Month		Total Children on Medicaid	Expanded Medicaid*	*hawk-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
SFY 08	Jul-07	181,515	16,071	21,877
SFY 09	Jul-08	190,054	17,024	22,456
	Aug-08	194,860	17,197	22,358
	Sep-08	199,238	17,591	22,111
	Oct-08	200,773	17,329	**22,480
			Total SCHIP Enrollment	39,809

Total growth in Medicaid enrollment from SFY 99 to present =	109,036
Total growth in ***hawk-i*** enrollment from SFY 99 to present =	**22,480
Total children covered	131,516

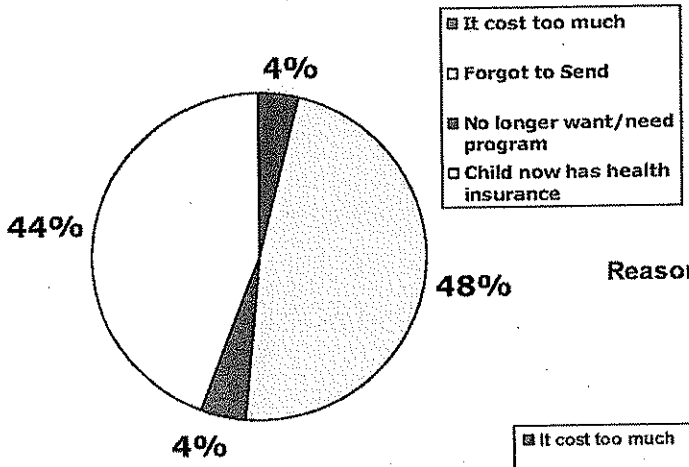
*Expanded Medicaid number is included in "Total Children on Medicaid" number

***hawk-i* enrollment as of October 31, 2008 includes projected number of children that will receive retroactive coverage

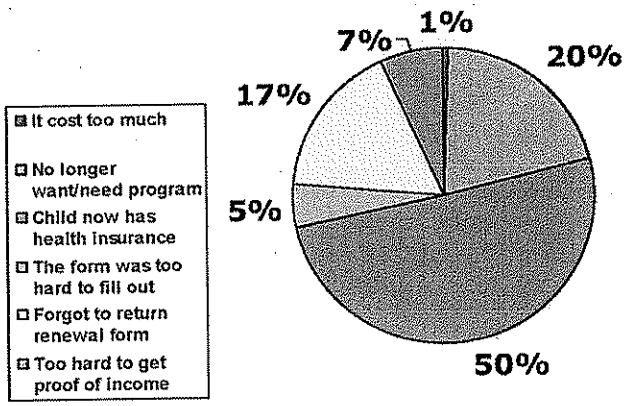
Attachment 3: Results of *hawk-i* Disenrollment Survey SFY 2008

Results of ***hawk-i*** Disenrollment Survey

Reasons for Not Sending Premium Payment SFY 08

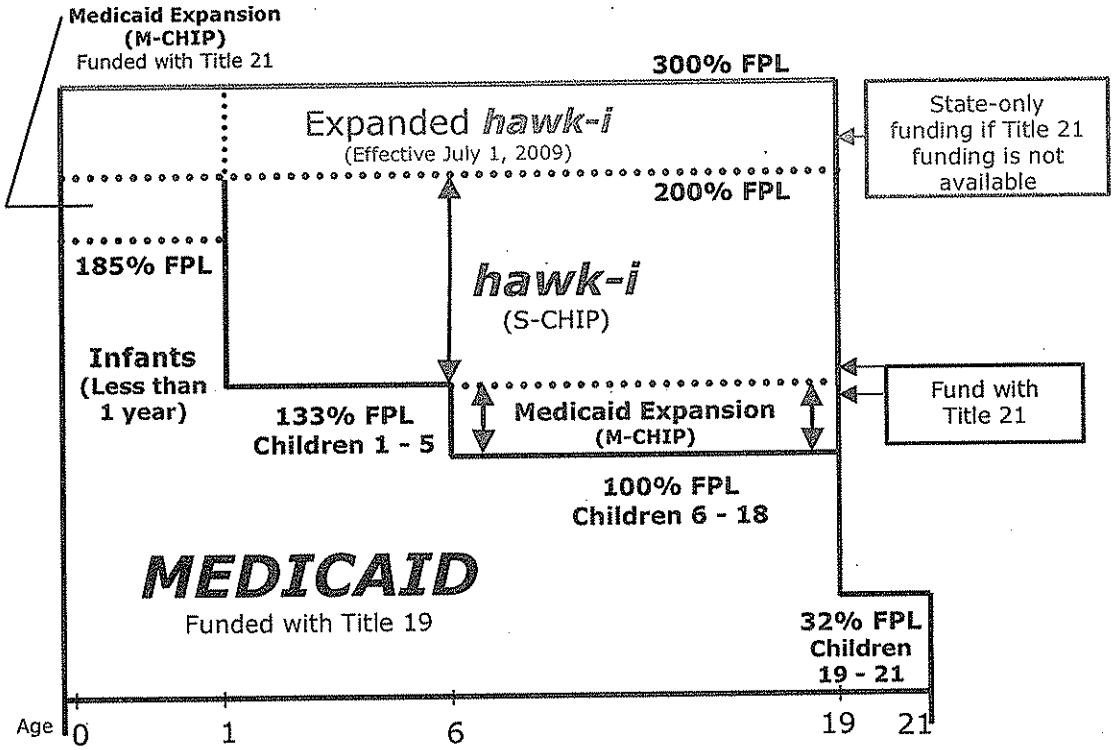


Reasons for Not Renewing hawk-i Coverage SFY 08



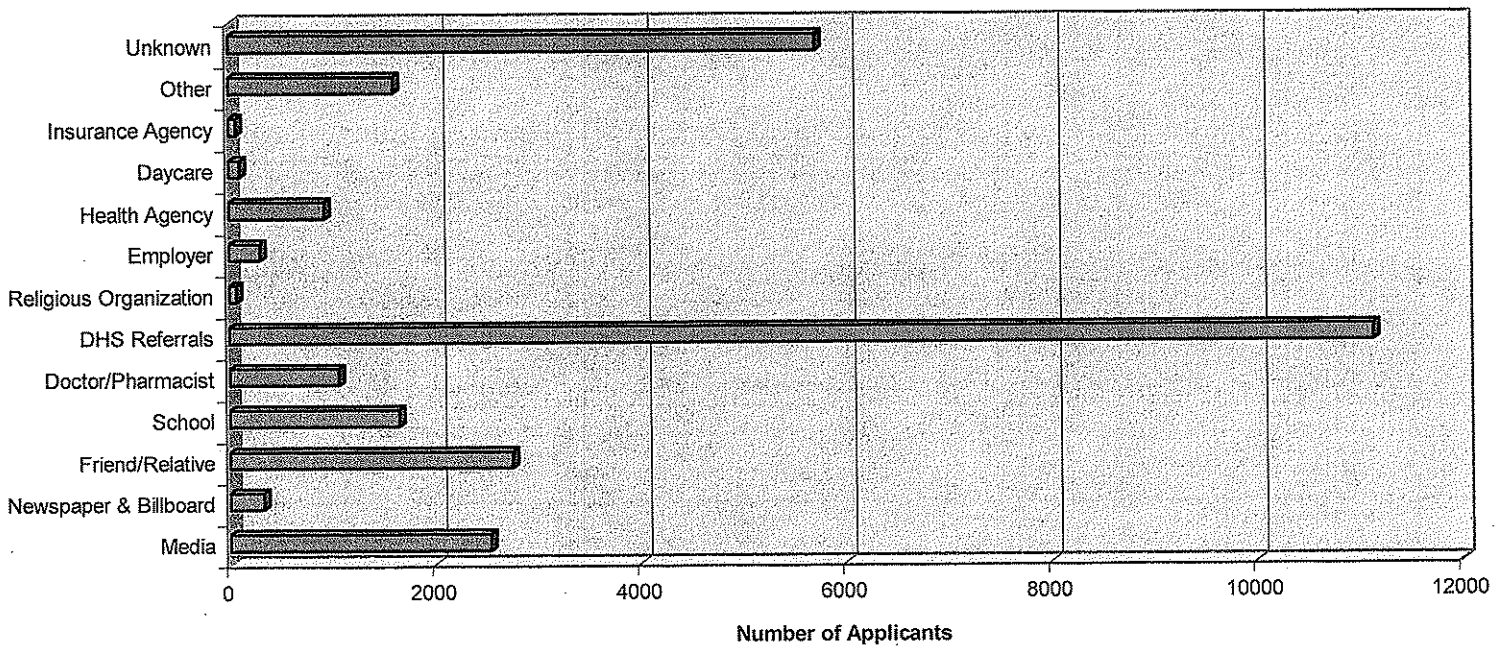
Attachment 4: H.F. 2539 – Iowa's Health Care Programs for Non-Disabled Children

Iowa's Health Care Programs for Non-Disabled Children



Attachment 5: How Applicants Heard About *hawk-i* in Calendar Year 2008

How Applicants Heard About hawk-i in Calendar Year 2008



Attachment 6: Healthy and Well Kids in Iowa (*hawk-i*) Estimated Disaster Costs State and Federal

Healthy and Well Kids in Iowa (*hawk-i*) Disaster Costs State and Federal

Cost *hawk-i* Renewals Waived Due to Disaster			
Month	**Total Cost**	**State Share**	**Federal Share**
June 2008 (25 Cases, 41 Children)	$82,433.55	$21,713.87	$60,719.68
July 2008 (428 Cases, 537 children)	$942,460.75	$247,398.28	$695,062.47
August 2008 (517 Cases, 659 Children)	$1,157,542.71	$303,683.70	$853,859.01
Total	**$2,182,437.01**	**$572,795.85**	**$1,609,641.16**

Note: Children will continue to be eligible for an additional 12 months unless otherwise becoming ineligible during this period; i.e. child ages out, fails to pay premium, child becomes insured.

Cost *hawk-i* Premium Payments Waived Due to Disaster			
Month	**Total Cost**	**State Share**	**Federal Share**
June 2008 (412 Cases, 703 Children)	$88,837.10	$23,799.46	$65,037.65
July 2008 (630 Cases, 1,059 Children)	$133,730.69	$35,826.45	$97,904.24
Total	**$222,567.79**	**$59,625.91**	**$162,941.89**

Note: Children remain eligible for a month; eligibility for August and subsequent months requires premium payment, otherwise they are cancelled. Assumption is that this action only results in one additional month of eligibility and no premium collected; i.e. if the family truly doesn't want their child(ren) to continue coverage they'll simply fail to pay the premium the next month.

Change Order Cost MAXIMUS			
Month	**Total Cost**	**State Share**	**Federal Share**
August-08	$60,654.00	$16,249.21	$44,404.79
Total	**$60,654.00**	**$16,249.21**	**$44,404.79**

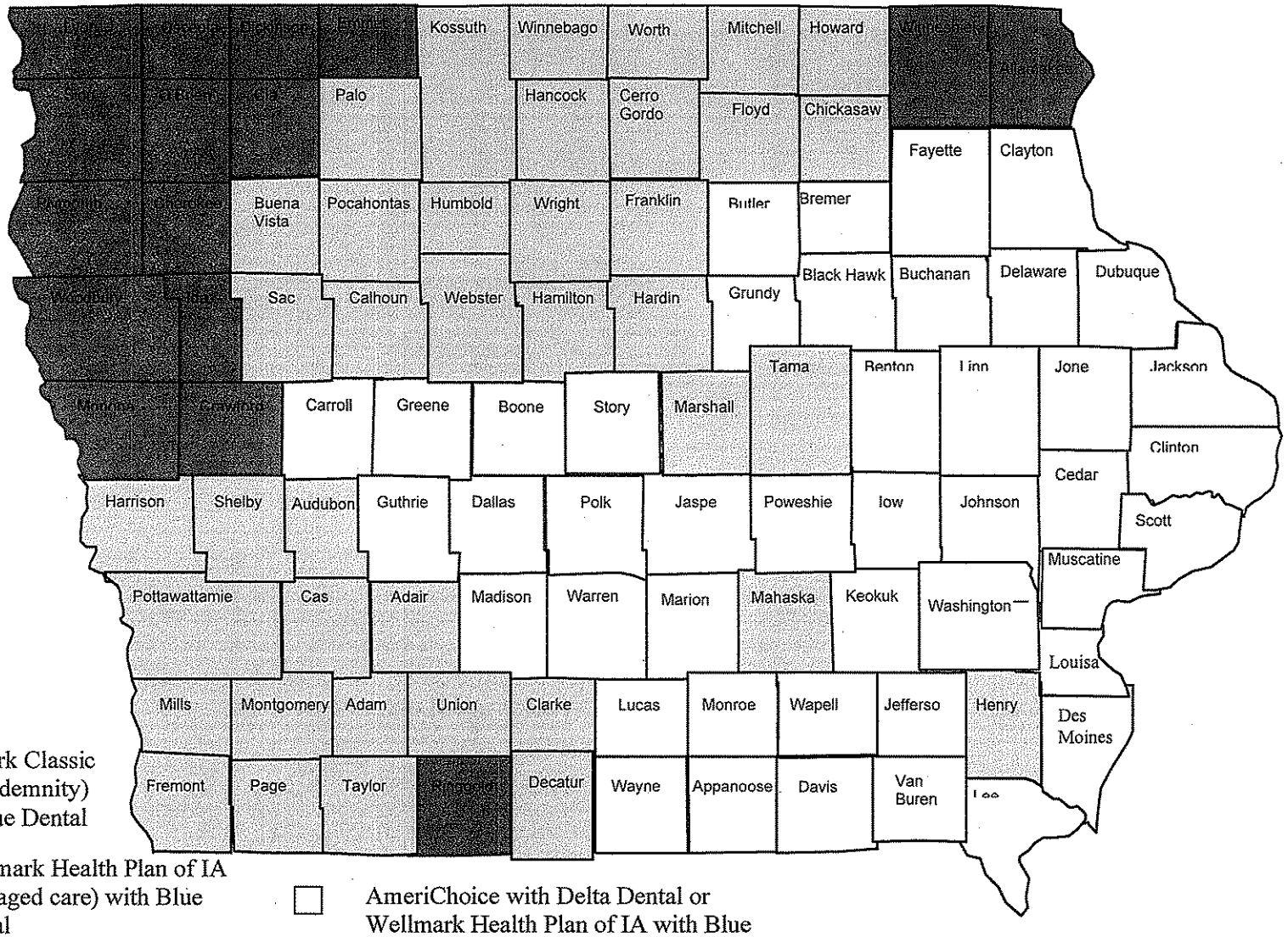
Note: The Department entered into a change order agreement with MAXIMUS, the ***hawk-i*** program's third party administrator, to implement a disaster relief plan to systematically prevent disenrollments for failure to renew coverage in June, July and August 2008 and failure to pay premium payments June and July 2008.

Total Cost Disaster			
	Total Cost	**State Share**	**Federal Share**
Waive *hawk-i* Renewals	$2,182,437.01	$572,795.85	$1,609,641.16
Waive *hawk-i* Premium Payments	$222,567.79	$59,625.91	$162,941.89
MAXIMUS Change Order	$60,654.00	$16,249.21	$44,404.79
Total Cost	**$2,465,658.80**	**$648,670.97**	**$1,816,987.84**

Attachment 7: County Heath Plan Map and History of Per Member Per Month Capitation Rate for *hawk-i*

Health & Dental Plan Coverage Area

Enrollment Effective 03-01-08



Wellmark Classic Blue (indemnity) with Blue Dental

Wellmark Health Plan of IA (managed care) with Blue Dental

AmeriChoice with Delta Dental or Wellmark Health Plan of IA with Blue

History of Per Member Per Month Capitation Rate for *hawk-i*
SFY 2000 to SFY 2009

State Fiscal Year (SFY)	Managed Care Health and Dental Monthly Capitation Rate		Managed Care Health and Dental Capitation Percent Increase (SFY)	Wellmark Classic Blue (Indemnity) & Blue Dental Monthly Capitation Rate		Indemnity Capitation Percent Increase (SFY)
	Federal Share	State Share		Federal Share	State Share	
	$84.97			$110.63		
SFY '00	$63.00 74.14%*	$21.97 25.86%*		$82.02 74.14%*	$28.61 25.86%*	
	$90.92		7%	$118.37		7%
SFY '01	$67.16 73.87%*	$26.76 26.13%*		$87.44 73.87%	$30.93 26.13%	
	$106.52			$131.98		
SFY '02	$78.82 74.00%*	$27.70 26.00%*	17%	$97.67 74.00%*	$34.31 26.00%*	12%
	$119.30			$155.87		
SFY '03	$88.82 74.45%*	$30.48 25.55%*	12%	$116.05 74.45%*	$39.82 25.55%*	18%
	$131.23			$169.59		
SFY '04	$98.09 74.75%*	$33.14 25.25%*	10%	$126.77 74.75%*	$42.82 25.25%*	9%
	$148.30			$169.59		
SFY '05 (7-1-2004)	$110.85 74.75%*	$37.45 25.25%*	13%	$126.77 74.75%	$42..82 25.25%	0%
SFY '05 (1-1-2005)	John Deere			Wellmark Classic Blue and Blue Access Dental		
Health Only	$132.74					
	$98.88 74.49%*	$33.86 25.51%*	N/A			N/A
Health and Dental	$148.30			N/A		
	$110.47 74.49%*	$37.83 25.51%*	N/A			
SFY '05 (1-1-2005)	Delta Dental of Iowa					
	$15.94					
	$11.87 74.49%*	$4.07 25.51%*	N/A	N/A		N/A
SFY '06 (7-1-05)	AmeriChoice (formerly John Deere Health Plan)			Wellmark Classic Blue and Blue Access Dental		
Health Only	$143.36					
	$106.79 74.49%*	$36.57 25.51%*	8%			
Health and Dental	$160.16			$176.13		
	$119.30 74.49%*	$40.86 25.51%*	8%	$131.19 74.49%	$44.94 25.51%	3.9%
	Delta Dental of Iowa					
Dental Only	$15..94					
	$11.87 74.49%	$4.07 25.51%	0%	N/A		N/A
Dental Only (1-1-2006)	Delta Dental of Iowa					
	$16.58					
	$12..35 74.53%	$4.23 25.47%	4%	N/A		N/A

Attachment 8: Healthy and Well Kids in Iowa (*hawk-i*) Board Bylaws, Healthy and Well Kids in Iowa (*hawk-i*) Board Members

BYLAWS

Healthy and Well Kids in Iowa (*hawk-i*) Board

I. **NAME AND PURPOSE**

A. The ***hawk-i*** Board, hereafter referred to as the Board, is established and operates in accordance with the Code of Iowa.

B. The Board's specific powers and duties are set forth in Chapter 514I of the Code of Iowa.

II. **MEMBERSHIP**

The Board consists of eleven (11) members. Four members are appointed by the Governor to two-year terms. Statutory members are the Director of the Department of Education, the Director of the Department of Public Health, and the Commissioner of Insurance, or their designees. Ex officio members from the General Assembly are appointed: two Senate members and two House members.

III. **BOARD MEETINGS**

A. The Board shall conduct its meetings in accordance with Iowa's Open Meetings Law.

B. The Board shall conduct its meetings according to parliamentary procedures as outlined in Robert's Rules of Order. These rules may be temporarily suspended by the Chairperson with a majority vote of the Board members in attendance.

C. The Board shall meet at least six times a year at a time and place determined by the chairperson.

D. Department of Human Services (DHS) staff will ship the meeting packets (including the agenda) to Board members at least five days prior to Board meetings.

E. Special meetings may be held at any time at the call of the chairperson, the DHS program manager or at the call of any five members of the Board, provided that notice thereof be given to all Board members at least twenty-four hours in advance of the special meeting.

F. A quorum at any meeting shall consist of five or more voting Board members.

G. DHS staff shall be present and participating at each meeting of the Board.

H. The Board shall record its proceedings as minutes and shall maintain those minutes in accordance with the Iowa Open Records Law.

IV. **OFFICERS AND COMMITTEES**

A. The officers of the Board shall be chairperson and vice-chairperson. DHS staff will serve as Secretary. The chairperson and vice-chairperson shall be elected at the first regular meeting of each fiscal year and shall assume their duties at next meeting or immediately upon the resignation of the current officers.

Healthy and Well Kids in Iowa

Board Members

as of August, 2008

Susan Salter, Chair **Dr. Selden Spencer, Vice Chair**

PUBLIC MEMBERS:

Susan Salter
P. O. Box 128
Mt. Vernon, Iowa 52314
Phone: 319-895-6043
Fax: 319-895-6198
e-mail: susansalter@mac.com

Kim Carson
2816 Woodland Avenue
Des Moines, Iowa 50312
Phone: 515-313-3810
e-mail: hurdlesinc@yahoo.com

John Ortega
2360 West Dale Court
Bettendorf, Iowa 52722
Phone: 563-370-9065
e-mail: johnjortega@msn.com

Dr. Selden Spencer
823 Ashwood
Huxley, Iowa 50124
Phone: 515-231-2745

STATUTORY MEMBERS:

Susan Voss, Commissioner
Insurance Division
Iowa Department of Commerce
330 E Maple Street
Des Moines, Iowa 50319-0065
Phone: 515-281-5523
Fax: 515-281-3059
e-mail: susan.voss@iid.state.ia.us

Commissioner Voss' designee:
Angela Burke Boston
Phone: 515-281-5705
e-mail:
angela.burke.boston@iid.state.ia.us

Judy Jeffrey, Director
Iowa Department of Education
Grimes State Office Bldg., 2nd Floor
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515-281-3436
e-mail: judy.jeffrey@iowa.gov

Director Jeffrey's designee:
Jim Donoghue
Phone: 515-281-8505
e-mail: Jim.Donoghue@iowa.gov

Thomas Newton, Director

Iowa Department of Public Health

DEPARTMENT OF HUMAN SERVICES STAFF:

Anita Smith, Bureau Chief
Bureau of Medical Supports
Financial, Health, & Work Supports
Iowa Department of Human Services
Hoover State Office Building
1305 E Walnut
Des Moines, Iowa 50319
Phone: 515-281-8791
Fax: 515-242-5456
e-mail: asmith@dhs.state.ia.us

Anna Ruggle, Management Analyst
Bureau of Medical Supports
Financial, Health, & Work Supports
Iowa Department of Human Services
Hoover State Office Building
1305 E Walnut
Des Moines, Iowa 50319
Phone: 515-281-5487
Fax: 515-242-5456
e-mail: aruggle@dhs.state.ia.us

Shellie Goldman, Management Analyst
Bureau of Medical Supports
Financial, Health, & Work Supports
Iowa Department of Human Services
Hoover State Office Building
1305 E Walnut
Des Moines, Iowa 50319
Phone: 515-281-7315
Fax: 515-242-5456
e-mail: sgoldma@dhs.state.ia.us

Mike Baldwin, Policy Specialist
Bureau of Medical Supports
Financial, Health, & Work Supports
Iowa Department of Human Services
Hoover State Office Building
1305 E Walnut
Des Moines, Iowa 50319
Phone: 515-281-8785
Fax: 515-242-5456
e-mail: mbaldwi@dhs.state.ia.us

Dee Johnson, Administrative Assistant
Bureau of Medical Support
Financial Health & Work Supports
Iowa Department of Human Services
Hoover State Office Building
Des Moines, Iowa 50319
Phone: 515-281-4174
Fax: 515-242-5456
e-mail: djohnso8@dhs.state.ia.us