Annual Report of the *hawk-i* Board
to the Governor, General Assembly
and Council on Human Services
Calendar Year 2007

CONTENTS

ANNUAL REPORT OF THE ***hawk-i*** BOARD
DECEMBER 1, 2006 – NOVEMBER 30, 2007

EXECUTIVE SUMMARY i

I. BUDGET 1
- A. Program Description 1
- B. SCHIP Program Federal Funding History 1
- C. Reauthorization Federal Funding 2
- D. Enrollment 4
- E. State Funding 5

II. ENROLLMENT 5
- Unduplicated Number of ***hawk-i*** Children Ever Enrolled by Federal Fiscal Year 6

III. OUTREACH 6
- A. Overview of Outreach Conducted by Iowa Department of Public Health in Calendar Year 2007 7
- B. Outreach to Schools 8
- C. Outreach to Faith-Based Community 9
- D. Outreach to Medical Providers 9
- E. Outreach to Diverse Ethnic Populations 9
- F. Additional Activities 10
- G. Training 10

IV. CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) SITE VISIT REPORT 10

V. U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES' OFFICE OF INSPECTOR GENERAL (OIG) AUDIT OF IOWA'S SCHIP PROGRAM 11

VI. PAYMENT ERROR RATE MEASUREMENT (PERM) PROJECT 12

VII. ANALYSIS OF FUNCTIONAL HEALTH ASSESSMENT SURVEY 13

VIII. PARTICIPATING HEALTH AND DENTAL PLANS 16
- A. Health Plan Enrollment 16
- B. Capitation Rates 16

IX. ***hawk-i*** BOARD MEMBERSHIP 17

X. HIGHLIGHTS OF BOARD ACTIVITIES & MILESTONES 17

ATTACHMENTS:

Attachment 1	Allotment and Expenditure Federal Funding History, SFY 2007 Final Budget Report, and SFY 2008 Budget
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***
Attachment 3:	How Applicants Heard About ***hawk-i*** in Calendar Year 2007
Attachment 4:	County Health Plan Map and History of Per Member Per Month Capitation Rate for ***hawk-i***
Attachment 5:	Healthy and Well Kids in Iowa (***hawk-i***) Board Bylaws, Healthy and Well Kids in Iowa (***hawk-i***) Board Members

EXECUTIVE SUMMARY

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

Calendar Year 2007

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: The most important issue for Iowa, and all states in 2007, is the federal reauthorization of the State Children's Health Insurance Program (SCHIP).

Congress originally authorized SCHIP for ten years. Congressional action to reauthorize the program is necessary in order for the program to continue beyond September 30, 2007.

In his budget, President Bush increased funding for the program by $5 billion dollars over five years. Recognizing that the funding level proposed by the Administration would not even fund current enrollment, much less cover additional uninsured children, the House and Senate passed bills that significantly increased funding but President Bush vetoed the House and Senate version (please refer to Page 2, Budget, C. Reauthorization Federal Funding for a more comprehensive overview).

A six-week continuing resolution (CR) was signed by President Bush on September 29, 2007, that temporarily funded SCHIP at FFY 2007 levels, up to November 16, 2007. A resolution was not reached by the expiration of the first CR so, a second CR was passed on November 13, 2007, in order to make funds available through December 14, 2007 and a third CR was passed on December 10, 2007 to make federal funds available through December 21, 2007.

To date, no federal resolution has been reached, but Iowa continues to honor its commitment to provide coverage to uninsured children.

State Funding: The total appropriation of state funds for state fiscal year (SFY) 2008 is $29 million ($14.8 million state appropriation; $5.3 million estimated carry forward in the trust fund; $8.3 million from the Healthy Iowans Trust Fund; and $500,000 SCHIP/Medicaid outreach dollars).

Enrollment: As of November 30, 2007, a total of 33,934 children were enrolled in both components of Iowa's SCHIP program. Of the total number enrolled, 12,249 children were enrolled in the Medicaid Expansion (M-CHIP) program and 21,685 (projected) in the ***hawk-i*** (S-CHIP) program.

Enrollment continues to grow. Iowa is projecting that by June 30, 2008, with the continuation of outreach efforts, the total number of children enrolled will reach approximately 39,004.

Outreach: 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.

Appropriation bill House File (H.F.) 909 passed the legislature and signed by the Governor appropriated additional funds for several items related to ***hawk-i*** and Medicaid expansion. It included funds to expand outreach to cover children eligible for, but not enrolled in, the Medicaid and ***hawk-i*** programs.

Identifying uninsured children through community outreach efforts remains a primary focus of the ***hawk-i*** Board. In addition to expanding outreach efforts with ZLR*IGNITION*, the Iowa Department of Public Health continues to provide oversight of a statewide grassroots outreach program. Local child health agencies develop and execute approved outreach plans. Community outreach workers focus on outreach to schools, faith-based communities, health care providers, and underserved populations.

Centers for Medicare and Medicaid Services (CMS) Site Visit Report: In June 2007, CMS conducted a site visit of Iowa's SCHIP program. The main goal of monitoring is to assure compliance with statutory and regulatory requirements under Title XXI, and assure compliance with the specifications of the State Plan. In addition, monitoring allows CMS to track the submission of requested data related to SCHIP.

Five best practices were noted by CMS in their final report to the Department. CMS also recognized Governor Chet Culver for his commitment to a goal of insuring 100 percent of the State's eligible but uninsured children by the end of his term. Additionally, CMS recognized the State Legislature for their commitment to the ***hawk-i*** program by passing legislation making it mandatory for every school district that provides a school breakfast or lunch program to participate in referring the names of children to the ***hawk-i*** and Medicaid programs and allocating additional funds for the purpose of enhancing outreach.

U.S. Department of Health and Human Services' Office of Inspector General (OIG) Audit of Iowa SCHIP Program: On November 19, 2002, the Department was notified by the Centers for Medicare and Medicaid Services (CMS) that the Office of the Inspector General (OIG) would conduct a SCHIP audit in Iowa beginning in December 2002. The audit covered the period of July 1, 2000, through June 30, 2002.

On October 20, 2006, the OIG released the final report to CMS. The Department's response to CMS disputed several of the findings and the methodology by which the overpayment was calculated. It will be up to CMS to determine the final amount of funds that have to be paid back, if any.

As of December 1, 2007, CMS has not made a final decision on the amount of funds that the state will be required to pay back, if any. State staff continues to meet with CMS and provide additional information as requested.

Payment Error Rate Measurement (PERM) Project: As a result of the Improper Payments Act, all states must participate in the PERM project every three years, beginning November 1, 2006 (FFY 2007). Iowa was designated by CMS to participate in the federal PERM project in FFY 2008 (October 1, 2007 to September 30, 2009) and every three years thereafter.

Iowa will be required to review Medicaid and SCHIP eligibility processes, and submit claims and managed care payments to CMS for review. PERM is an unfunded mandate by the federal government estimated to cost the state $2.6 million. The Department's Division of Results Based Accountability (RBA) and Meyers and Stauffer have developed a PERM project plan, including a sample plan, to select cases for review. CMS approved the sample plan. The first monthly sample of cases (October 2007) has been selected.

CMS and the national contractors will 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.

Participating Health and Dental Plans: Three health plans and two dental plans provided benefits to children participating in the ***hawk-i*** program in 2007:

- AmeriChoice from the UnitedHealthcare of the River Valley, Inc. and Delta Dental of Iowa is offered in 44 counties.
- Wellmark Classic Blue (Indemnity) and Blue Access Dental is offered in 17 counties.
- Wellmark Health Plan of Iowa (WHPI-managed care) and Blue Access Dental is offered in 81 counties.

Currently, families in 43 counties have a choice between two health and dental plans.

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

John Baker, Vice-Chair
hawk-i Board

ANNUAL REPORT OF THE *hawk-i* BOARD

Calendar Year 2007

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 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 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% of the Federal Poverty Level (FPL) and infants 0 to 1 year of age whose countable family income is between 185% and 200% of the FPL. The ***hawk-i*** program (S-CHIP) provides health care coverage to children under the age of 19 whose countable family income is between 133% and 200% 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. Of most critical concern is the increasing number of states expected to experience shortfalls in funding and the cumulative amount of the estimated shortfalls in FFY 2008 and beyond.

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 past few years while the number of states eligible for these funds has increased, as has the amount needed to meet demand.

Prior to FFY 2005, states were allocated federal funding based on the estimated number of uninsured children in the state who could qualify for the program. In FFY 2006 the allocation formula was based on 50 percent of the number of low-income children for a fiscal year and 50 percent of the number of low-income uninsured children defined in the three most recent current population surveys of the Bureau of Census, with an adjustment for duplication.

The current funding formula does not take into consideration the number of children currently enrolled in the program. Additionally, over the years, the Center for Medicaid and Medicare Services (CMS) has approved state plan amendments that allowed states to expand coverage to populations beyond just children. As a result, because some states expanded their program to cover uninsured children at levels significantly above 200% of FPL, childless adults, parents of enrolled children or pregnant women. The amount of funding that is available to states that remained focused on covering uninsured children has been reduced. It should be noted that the Centers for Medicare and Medicaid Services (CMS) approved state plan amendments allowing some states to expand their SCHIP program to these populations through waivers.

As a result, redistribution dollars shrank in the later years of the 10-year block grant funded SCHIP program. When all redistribution dollars were exhausted, Congress appropriated additional federal funding to shortfall states, including Iowa. To date, Iowa has not had to implement contingency rules due to lack of federal funding.

C. Reauthorization Federal Funding

The most important issue for Iowa, and all states, in 2007, is the federal reauthorization of the State Children's Health Insurance Program (SCHIP).

Congress originally authorized SCHIP for ten years. Congressional action to reauthorize the program is necessary in order for the program to continue beyond September 30, 2007.

In his budget, President Bush increased funding for the program by $5 billion dollars over five years. Recognizing that the funding level proposed by the administration would not even fund current enrollment, much less cover additional uninsured children, the U. S. House and Senate passed bills that significantly increased funding.

The House passed the Children's Health and Medicare Protection Act (CHAMP) (H.R. 3162) on August 1, 2007. The legislation provided nearly $50 billion in additional funding over five years and is paid for by an increase in the federal tobacco tax.

Strong bipartisan support in the Senate, lead by Senators Charles Grassley and Max Baucus, resulted in the passage of S. 1893/ H.R. 976 on August 2, 2007. It would increase by $35 billion the federal SCHIP allotment, from $25 billion over the next five years (baseline) to $61.4 billion over five years. The package is funded by a 61-cent

increase in the tobacco tax (raising the federal tobacco tax to $1.00). This bill was passed by a veto-proof margin.

On August 17, 2007, the Centers for Medicare and Medicaid Services (CMS) issued new guidelines that will make it virtually impossible for states to cover many uninsured children. The guidance is directed at states that want to cover children in families with incomes above 250% of the federal poverty level (FPL) and sets up several barriers to children's health coverage. One requirement is that states must enroll 95% of children in families with incomes under 200% FPL in either Medicaid or SCHIP before using SCHIP funds to cover children in families with incomes over 250% FPL. At this time, Iowa is not impacted by the new guidelines but at least 20 states will be affected. Several states have issued lawsuits stating that CMS did not post the new rules for public comment.

The House and Senate reached a compromise bill, H.R. 976, on September 24, 2007. The compromise bill is very similar to the SCHIP legislation passed by the Senate on August 2, 2007, but also includes some additional provisions from the legislation passed by the House. Like the original Senate bill, this legislation would cost $35 billion over five years and would be paid entirely by a 61-cent increase in the tobacco tax. However, the bill did not pass by a veto-proof margin and President Bush vetoed it on October 3, 2007, citing the following concerns:

Children's Health Insurance Program Reauthorization Act of 2007—Veto Message from the President of the United States
by George W. Bush

This is H. Doc. No. 110-62, and was printed in the *Congressional Record* at 2007 H11203.

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 976, the "Children's Health Insurance Program Reauthorization Act of 2007," because this legislation would move health care in this country in the wrong direction.

The original purpose of the State Children's Health Insurance Program (SCHIP) was to help children whose families cannot afford private health insurance, but do not qualify for Medicaid, to get the coverage they need. My Administration strongly supports reauthorization of SCHIP. That is why I proposed last February a 20 percent increase in funding for the program over 5 years.

This bill would shift SCHIP away from its original purpose and turn it into a program that would cover children from some families of four earning almost $83,000 a year.

In addition, under this bill, government coverage would displace private health insurance for many children. If this bill were enacted, one out of every three children moving onto government coverage would be moving from private coverage. The bill also does not fully fund all its new spending, obscuring the true cost of the bill's expansion of SCHIP, and it raises taxes on working Americans.

Because the Congress has chosen to send me a bill that moves our health care system in the wrong direction, I must veto it. I hope we can now work together to produce a good bill that puts poorer children first, that moves adults out of a program meant for children, and that does not abandon the bipartisan tradition that marked the enactment of SCHIP. Our goal should be to move children who have no health insurance to private coverage, not to move children who already have private health insurance to government coverage.

GEORGE W. BUSH

THE WHITE HOUSE, *October 3, 2007.*

A six-week continuing resolution (CR) was signed by President Bush on September 29, 2007, that temporarily funded SCHIP at FFY 2007 levels, up to November 16, 2007. A resolution was not reached by the expiration of the first CR so, a second CR was passed on November 13, 2007, in order to make funds available through December 14, 2007, and a third CR was passed on December 10, 2007, to make federal funds available through December 21, 2007.

To date, no federal resolution has been reached but Iowa continues to honor its commitment to provide coverage to uninsured children.

It is important to note that although Iowa, like all other states, has received funding under CRs commensurate with its needs for the respective time periods the overall FFY 2007 funding level or formula for calculating allotments has not changed. Consequently, unless subsequent legislation changes either the overall funding or formula, Iowa's total FFY 2008 allotment will be less than its FFY 2007 allotment and it will have already spent a disproportionate amount of the total funding available for the year from October 1, 2007 – December 14, 2007, resulting in a significant shortfall later in FFY 2008.

At the FFY 2007 federal funding level, Iowa projects a shortfall in SFY 2008. Iowa is expected to exhaust all of its SCHIP funding in late March or early April 2008.

D. Enrollment

As of November 30, 2007, a total of 33,934 children were enrolled in both components of Iowa's SCHIP program. Of the total number enrolled, 12,249 children were enrolled in the Medicaid Expansion (M-CHIP) program and 21,685 (projected) in the ***hawk-i*** (S-CHIP) program.

Enrollment continues to grow. Iowa is projecting that by June 30, 2008, with the continuation of outreach efforts, the total number of children enrolled will reach approximately 39,004.

If Iowa is to continue serving children currently enrolled and potentially eligible, federal funds greater than either the FFY 2007 funding level or the $5 billion increase over the next 5 years proposed by the President will need to be authorized.

E. State Funding:

The total appropriation of state funds for SFY 2007 was $23,867,321 inclusive of $3,465,015 ***hawk-i*** trust fund dollars held in reserve at SFY 2006 year-end and $498,891 in trust fund interest and grants. Of this amount, $18,009,981 was expended. Thus, the program ended SFY 2007 with a balance of $5,857,339 in the ***hawk-i*** trust fund that was taken into account in the development of the SFY 2008 budget request.

Available state funding for state fiscal year 2008 totals $29 million ($14.8 million state appropriation; $5.3 million estimated carry forward in the trust fund; $8.3 million from the Healthy Iowans Trust Fund; and $500,000 outreach dollars).

A copy of the SFY 2007 expenditure report and the SFY 2008 budget are attached. These reports reflect state-only dollars.

Attachment 1: Allotment and Expenditure History, SFY 2007 Final Budget Report, SFY 2008 Budget

II. ENROLLMENT:

The ***hawk-i***, Medicaid Expansion, and Medicaid programs continued to experience growth in 2007.

Growth in Program's Enrollment

Program	Enrollment as of October 31, 2006	Enrollment as of October 31, 2007
Medicaid	163,315	168,496
Medicaid Expansion	15,984	16,107
hawk-i Program	20,860	21,390
Total Enrollment	200,159	205,993

From January 1, 2007, through October 31, 2007, the ***hawk-i*** program received 24,790 applications; approximately 6,613 (27 %) were referred to 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***

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 through September 30) by FPL level for FFY 2000 through 2007. Each child enrolled in ***hawk-i*** is counted once regardless of the number of times he or she 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

III. OUTREACH:

The Balanced Budget Act of 1997 requires states to conduct outreach activities. The Department continues to educate the public about the ***hawk-i*** program by giving presentations to various groups who can assist with enrolling uninsured children in the ***hawk-i*** program.

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

Appropriation bill House File (H.F.) 909 passed the legislature and signed by the Governor appropriated the Department additional funds for several items related to expanding the ***hawk-i*** and Medicaid programs. It included funds to expand outreach to cover children eligible for, but not enrolled in, Medicaid and ***hawk-i*** programs. The Medicaid program received a total of $500,000 for outreach. The Department was given the authority to transfer these funds to SCHIP to get the higher federal matching dollars. HF 909 also provided $3,496,907 for outreach and enrollment of kids in ***hawk-i***. Of that, $267,000 is specifically targeted for additional outreach. After applying the federal match to the

$767,000 state dollars, $2.8 million may be spent on Medicaid and ***hawk-i*** outreach. H.F. 909 also included $135,000 that has been budgeted in the past to sustain current outreach efforts conducted by the Department of Public Health.

In addition to the outreach contract with the Department of Public Health, the Department issued a request for proposal (RFP) for a media buyer. The successful bidder, ZLR*IGNITION* (ZLR) from Des Moines will create TV and radio commercials and purchase airtime statewide. Additionally, ZLR will design other media (e.g. billboards, newspaper ads, bus ads, etc.). The outreach media campaign will target both ***hawk-i*** and Medicaid audiences.

H.F. 909 also included language that mandates schools to refer children to the ***hawk-i*** program through the free and reduced meals program, which was previously an option for the schools. The Department has a contract with the Department of Education to coordinate the submission of families with children potentially eligible for the ***hawk-i*** program. The ***hawk-i***'s Third Party Administrator, MAXIMUS, collected the names submitted on an encrypted website. MAXIMUS is responsible for mailing brochures including application information to the families.

Identifying uninsured children in Iowa through community outreach efforts remains a primary focus of the ***hawk-i*** Board. In addition to expanding outreach efforts with ZLR*IGNITION,* the Iowa Department of Public Health continues to provide oversight of a statewide grassroots outreach program. Local child health agencies develop and execute approved outreach plans. Community outreach workers focus on outreach to schools, faith-based communities, health care providers, and underserved populations. An overview of the Iowa Department of Public Health's outreach initiatives are outlined below:

A. Overview of Outreach Conducted by Iowa Department of Public Health in calendar year 2007:

On July 11, 2006, the Department of Human Services (DHS) contracted with the Iowa Department of Public Health (IDPH) to provide oversight for a statewide ***hawk-i*** grassroots outreach program. The three-year contract for the period July 1, 2006, through June 30, 2009, includes three one-year extensions that can be approved by the ***hawk-i*** Board.

DHS continues to provide leadership resulting in an effective collaboration between DHS, IDPH, and the ***hawk-i*** Board. IDPH subcontracts with the Bureau of Family Health and their local community-based Title V child health agencies. Each child health agency designates a local outreach coordinator to conduct community outreach efforts. Additionally, there is one state outreach coordinator responsible for coordinating outreach activities statewide.

Local child health agencies develop and execute approved outreach plans. The plans includes action steps that address outreach to, but are not limited to, schools, the faith-based community, health care providers, and underserved populations in the communities they serve.

Outreach staff continues to collaborate with the Covering Kids and Families (CKF) program team. The Iowa Covering Kids and Families Project is a statewide collaborative effort of state and local community-based agencies, child advocacy groups, and professional organizations designed to increase access to health care coverage for all uninsured children in Iowa. The program was made possible by a Robert Wood Johnson Foundation grant that ended last year. Some components of the project were funded by Wellmark Grant Foundation to promote Health Literacy in the Medicaid and ***hawk-i*** programs. The statewide component, led by the State Covering Kids and Families Coalition and supported by the DHS and IDPH, continue to seek and identify barriers to enrollment into children's health insurance program and to recommend system changes to remove barriers. CKF has been instrumental in assisting and implementing successful outreach activities in Iowa.

Below is a summary of effective outreach strategies implemented at a statewide and local level.

B. Outreach to Schools:

Collaboration with stakeholders in education at the local and statewide level is crucial to ***hawk-i*** outreach efforts. Successfully identifying uninsured children eligible for the ***hawk-i*** program takes place through a number of venues. Every year emphasis is placed on reaching children and their parents through back-to-school activities. Activities range from local health fairs, press releases, and back-to-school events across Iowa.

In Polk County, the Healthcare Coverage for Kids Coalition, with assistance from CKF and state outreach staff, planned and implemented the second annual "Back-to-School Health Fair" that took place at McKinley Elementary in Des Moines. McKinley elementary school has the largest number of Spanish-speaking students in Polk County. While the fair took place at McKinley elementary school, families across Polk County attended the event. Children received ***hawk-i*** and Medicaid information, school physicals, dental screenings, lead testing, school supplies, backpacks, and more. Many local businesses contributed food, funding, and school supplies to make this event a huge success. Local medical professionals, dentists, and other community volunteers also helped to make this event a success.

Outreach was also conducted at school conferences and events on a statewide level through exhibit booths and presentations. Outreach at conferences across the state allows local outreach coordinators to introduce the ***hawk-i*** program to school nurses, teachers, and additional school personnel.

On an ongoing basis local outreach coordinators reached families by collaborating with their local schools throughout the school year. The Visiting Nurse Association of Dubuque is a great example of these local efforts. This year the local agency developed and promoted a sports packet highlighting the importance of health care coverage, health care options, and preventative care to sports groups in their eight

county area. Outreach also continued to take place through collaboration with statewide and local empowerment and Iowa's Early ACCESS programs.

C. Outreach to the Faith-based Community:

Last year outreach coordinators built upon previous successes in conducting outreach through faith-based communities. Local coordinators continued to work with their local ministerial associations and churches across Iowa to promote the ***hawk-i*** program. Many churches reach out to underserved populations in their community. Information regarding the ***hawk-i*** program is made available to the faith-based community through mailings, presentations, and church events such as fairs, Sunday school classes, bible camps, and picnics.

The local outreach coordinator in Humboldt County is a great example of local outreach to families through the faith-based community. She presented information about the ***hawk-i*** program to 50 women at the local Faith United Methodist women's group. Those who attended the presentation took ***hawk-i*** information with them to share with others in their community.

D. Outreach to Medical Providers:

Working with Iowa's medical and dental providers has continued to be a successful way to reach eligible families. Local outreach coordinators continue to work with hospitals, medical clinics, oral health offices, and pharmacists across the state to make sure they are aware of the ***hawk-i*** program. Coordinators work with staff on all levels at these facilities to ensure families will have more than one opportunity to hear about the program. Information about the program is made available to families by staff if a family identifies themselves as uninsured. The medical and dental community continues to be very responsive in assisting with ***hawk-i*** outreach.

The local outreach coordinator from Taylor County was very creative in finding new ways to work with their local hospitals. The coordinator had tray liners printed with ***hawk-i*** information. The tray liners were placed on all food trays in the hospital cafeterias.

E. Outreach to Diverse Ethnic Populations:

A large emphasis continues to be placed on reaching out to underserved populations in Iowa. Outreach takes place through providers of services, employers, businesses, churches, and schools. Additionally, outreach is conducted at local and statewide ethnic health fairs, conferences, festivals, ethnic radio stations, print press, and numerous other events.

Coordinators are offered culturally competent resources and information throughout the year to help in their local outreach efforts. Information on the ***hawk-i*** program was made available at both a *Juneteenth* and *I'll Make Me a World* celebrations. Both of these celebrations are statewide events celebrating African American culture and the end of slavery and are good examples of outreach targeting minority populations. State

staff also attended an annual American Indian Symposium to learn new ways to engage the Native American population.

F. Additional Activities:

Every year new, innovative ways to conduct ***hawk-i*** outreach are implemented that move beyond the four initial focus areas. On a local level, coordinators worked with summer recreational programs and swimming pools to reach children during the summer months. Many coordinators have also worked with local utility companies to have ***hawk-i*** information placed into monthly billings. Additionally, local outreach coordinators continue to find success in working with local businesses, workforce offices, and chambers of commerce.

Outreach had a large presence at Iowa's State Fair again this year. An outreach staff person was present every day to hand out ***hawk-i*** information and answer questions about the program. CKF designed and provided ***hawk-i*** frisbees, pens, magnets and fans to families. Office Depot contributed 1,100 backpacks that were handed out at both the state fair and at the McKinley school event.

State outreach staff continued to coordinate with the Institute for Social and Economic Development to have ***hawk-i*** information available at tax preparation assistance sites. Most of those receiving tax assistance qualify for an earned income credit. Income levels for the tax credit are similar to those for ***hawk-i*** eligibility. A presentation on the ***hawk-i*** program was conducted at a conference for service coordinators for the South Central Iowa Federation of Labor. Many of the members were not familiar with the program and were excited to share the information with their local entities.

G. Training:

Outreach coordinators receive various trainings throughout the year that assist in their outreach efforts. Outreach to diverse populations continues to be a priority topic. Coordinators also attended two outreach taskforce meetings where coordinators shared best practices and were updated on program and policy changes. Additionally, new local coordinators receive onsite training from the statewide outreach coordinator.

Attachment 3: How Applicants Heard About ***hawk-i*** in Calendar Year 2007

IV. CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) SITE VISIT REPORT:

In June 2007, CMS conducted a site visit of Iowa's SCHIP program. The main goal of monitoring is to assure compliance with statutory and regulatory requirements under Title XXI, and assure compliance with the specifications of the State Plan. In addition, monitoring allows CMS to track the submission of requested data related to SCHIP.

During the onsite review, the CMS team interviewed staff responsible for administering the ***hawk-i*** program. The review protocol included outreach screening and enrollment,

application enrollment and renewal, access and delivery; and quality and appropriateness of care.

Five Best Practices were noted by CMS in their final report to the Department:

- **Incident Report:** DHS has implemented an "incident report" process used by the local outreach coordinators. Outreach coordinators use a formal process to submit incident reports to the Department. The report identifies enrollee issues that are unique in nature or are not being responded to in a timely manner, identify system and eligibility issues. CMS recognized this effort to continuously improve the ***hawk-i*** program operations as a best practice.
- **Automated Application Process:** MAXIMUS scans documents related to a case into their eligibility system. CMS recognizes this effort to automate the eligibility determination and referral process as a best practice for the efficiency it brings to the ***hawk-i*** program.
- **DHS Medicaid Eligibility Workers are Stationed Onsite at MAXIMUS:** CMS recognizes the co-location of DHS Medicaid and ***hawk-i*** staff at MAXIMUS as a best practice because it facilitates crucial coordination between the two programs.
- **DHS Developed Exceptionally Clear and Accurate Appeal Language Included In All Notices of Decision Letters:** CMS recognized the Department's efforts to ensure that ***hawk-i*** members are well-informed of their appeal rights as a best practice.
- **Initiative to Develop the Health Assessment Survey Process**: CMS recognized the Department's initiative to develop the health assessment survey process as a best practice. They noted that the survey provides very useful data on the impact the ***hawk-***i program is having on the health status of the children enrolled in the program and their parents.

CMS recognized Governor Chet Culver for his commitment to a goal of insuring 100% of the state's children by the end of his term through his Health Opportunities for Every Iowan initiative.

CMS also recognized the State Legislature for their commitment to the ***hawk-i*** program by passing legislation making it mandatory for every school district that provides a school breakfast or lunch program to participate in providing referrals of children to ***hawk-i*** and allocating additional funds for the purpose of enhancing outreach.

Based on the information gathered during the review, CMS found the state is effectively administering the ***hawk-i*** program in accordance with the state plan.

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

On November 19, 2002, the Department was notified by the Centers for Medicare and Medicaid Services (CMS) that the Office of the Inspector General (OIG) would conduct a SCHIP audit in Iowa beginning in December 2002. The audit covered the period of July 1,

2000, through June 30, 2002. A chronological list of events; CMS site visit, OIG audit reports, and Department responses is listed below:

- CMS conducted a site visit of the Medicaid and ***hawk-i*** programs on September 2-3 2003. The final report on the site visit, issued in February 2002, states, "The Iowa Medicaid and ***hawk-i*** programs were reviewed and found to be in compliance with Federal and State requirements." The OIG findings are thus inconsistent with the findings of CMS for this same audit period
- The Department received the preliminary audit report from the OIG in September 2003. The Department prepared a response to the preliminary audit findings in October 2003.
- Two years later, on December 6, 2005, the Department received the OIG draft report of audit findings. The Department responded to the draft OIG audit report on February 24, 2006.
- On March 15, 2006, the Department received OIG's unofficial response to the Department's February 24, 2006, comments. The Department again responded with comments to the OIG's unofficial response on April 27, 2006.
- On October 20, 2006, the OIG released the final report to CMS. The Department responded to CMS on December 20, 2006. The Department's response to CMS disputed several of the findings and the methods by which the overpayment was calculated. It will be up to CMS to determine the final amount of funds that have to be paid back, if any.

As of November 21, 2007, CMS has not made a final decision on the amount of funds that the state will be required to be paid back, if any. State staff continues to meet with CMS and provide additional information as requested.

VI. PAYMENT ERROR RATE MEASUREMENT (PERM) PROJECT

The Improper Payments Act of 2002 (Public Law 107-300) requires the Center for Medicare and Medicaid Services (CMS) to estimate improper payments (due to overpayments, underpayments, and payments made to ineligible persons) in the Medicaid and SCHIP programs. CMS has hired three contractors to perform annual reviews, with each state participating on an every three-year rotation basis, of Medicaid fee-for-service claims, SCHIP fee-for-service claims, Medicaid managed care capitation claims, and SCHIP managed care capitation payments. Additionally, states will be required to review Medicaid and SCHIP eligibility processes. CMS and the national contractors will 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 FFY basis (October 1 – September 30). Iowa was selected to participate in FFY 2008 and every three years thereafter. The intended effect of this project is to reduce the rate of improper payment 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. 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 to review both Medicaid and ***hawk-i***. A Request for Proposal (RFP) was issued for competitive bid to oversee the eligibility quality review. 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 sample cases have been selected for the first monthly review, October 2007. Case files will be reviewed to make sure eligibility was determined correctly and claims were paid appropriately for any service members received.

VII. ANALYSIS OF FUNCTIONAL HEALTH ASSESSMENT SURVEY

The Clinical Advisory Committee was created by the Legislature as part of House File 2517 to advise the Board on coverage issues and outcome measures for the ***hawk-i*** program.

As part of the quality assurance activities for the ***hawk-i*** program for SFY 2007, the Department contracted with the Iowa Foundation for Medical Care to analyze baseline and follow-up functional health assessment survey data.

The "Impact on Access and Health Status in the ***hawk-i*** program: Analysis of Functional Health Assessment Surveys" (baseline and follow-up) report analyzes information valuable for assessing both accessibility and utilization of services in the ***hawk-i*** program.

This report analyzes baseline and follow-up functional health assessment survey data and evaluates the effect of the ***hawk-i*** program in access to care, health status, and the family environment of enrolled children. Parent/guardian responses to an initial survey given at the time of enrollment (the baseline survey) are compared to responses to a follow-up survey received after their child(ren) have been enrolled in the ***hawk-i*** program for approximately one year.

Each household with a child enrolled in the ***hawk-i*** program is asked to participate in this study. To avoid duplication, MAXIMUS (the third party administrator) randomly selected one child per household to be included in the survey process. The parent or guardian of the selected child completes a survey as it related to the selected child's health and dental care.

The initial enrollment survey asked questions based on the 12-month period prior to joining the ***hawk-i*** program, including questions on the child's health status, presence of chronic conditions, physical and behavioral/emotional limitations, and access to healthcare (medical, dental, mental health, prescriptions, and vision). The follow-up survey asked the same questions as the initial survey, with additional questions regarding the specific health and dental plan in which the child was enrolled. Additional questions regarding access to chiropractic and substance abuse care were added to the follow-up survey.

A tested study design was utilized to evaluate the effect of the ***hawk-i*** program on access to care and the health status of members after enrollment in the program for one year. A data

collection process was used, beginning with a mailed survey and continuing with a telephone data collection process for non-respondents to the follow-up survey.

A summary of the evaluation of the differences in responses before and after enrollment in the ***hawk-i*** program in 2006 and 2007 report the following results:

hawk-i Comparative Analysis of Functional Health Assessment Survey Comparative Analysis 2006 to 2007

After being in the hawk-i program for one year:	2006 Report		2007 Report	
	Before	After	Before	After
Medical Care				
▪ children were less likely to be stopped from getting needed care	14.6	5.5	13.1	2.7
▪ children were less likely to be delayed in getting needed care	24.7	6.6	25.6	3.8
▪ children were more likely to have 'always' received needed care for an illness or injury	57.2	72.3	56.9	69.1
Specialty Care				
▪ children were less likely to be stopped from getting specialty care	18.2	11.2	9.8	8.2
▪ children were less likely to be delayed in getting specialty care	26.8	12.3	26.7	12.5
Dental Care				
▪ children were more likely to have a regular source of dental care	82.0	88.1	82.9	86.0
▪ children were less likely to be stopped from getting dental care	17.8	7.1	18.4	7.3
▪ children were less likely to be delayed in getting dental care	18.6	7.6	18.8	7.6
▪ children were more likely to have had a dental visit in the past year	56.3	71.1	52.1	66.9
Preventive Care				
▪ children were more likely to have 'always' received needed routine preventive care (e.g., physical exams or vaccinations)	67.8	85.1	68.2	83.2
▪ children who needed vision care were less likely to have been stopped from receiving such care	21.5	11.0	24.5	18.4
▪ children who needed vision care were more likely to have had an eye exam within the last 12 months	70.2	78.2	64.7	76.4
Behavioral/Emotional Care and Prescriptions				
▪ children who needed behavioral or emotional care were less likely to be stopped from receiving such care	24.9	16.0	30.0	17.1
▪ children's need for prescription medicine increased	69.8	71.5	71.3	73.0
▪ children were less likely to have been stopped from receiving prescription medicines	13.6	10.6	10.9	11.3
Health Status				
▪ children were more likely to have been able to perform their normal activities without illness	80.1	82.8	83.0	89.2
▪ children's overall health was reported to be excellent	46.0	48.3	44.8	51.7
Impact on Families				
▪ family worries about the ability to pay for health care was reduced significantly (X% worried 'a great deal' before vs. X% after),	49.8	20.4	43.3	18.2
▪ family activities of significantly fewer children were limited because of concerns about health care costs	19.3	12.0	16.2	10.8
▪ significantly more parents had health insurance	54.2	61.6	55.8	59.

VIII. PARTICIPATING HEALTH and DENTAL PLANS:

Three health plans and two dental plans provided benefits to children participating in the ***hawk-i*** program in 2007:

- AmeriChoice from the UnitedHealthcare of the River Valley, Inc. and Delta Dental of Iowa
- Wellmark Classic Blue (Indemnity) and Blue Access Dental
- Wellmark Health Plan of Iowa (WHPI-managed care) and Blue Access Dental

AmeriChoice, a managed health care plan, now offers health care coverage in a total of 44 counties. Delta Dental of Iowa provides dental benefits in counties where children are enrolled in the AmeriChoice Health Plan.

Wellmark Health Plan of Iowa (WHPI), a managed health care plan, now offers health care coverage in 81 counties. Blue Access Dental provides dental benefits in counties where children are enrolled in the WHPI health plan.

Currently, families in forty-three (43) counties have a choice of managed care health plans.

With the expansion of AmeriChoice and WHPI, Wellmark Classic Blue, an indemnity health plan, is now offered in 17 counties. Blue Access Dental provides dental benefits in counties where children are enrolled in Wellmark Classic Blue health plan.

A. Health Plan Enrollment

As of October 31, 2007, the ***hawk-i*** program enrollment in contracted health and dental plans was:

Health and Dental Plan	Enrollment as of October 31, 2007
AmeriChoice and Delta Dental of Iowa	6,891
Wellmark Classic Blue and Blue Access Dental	4,409
Wellmark Health Plan of Iowa (WHPI) and Blue Access Dental	10,060
Total Enrollment October 31, 2007	21,360

B. Capitation Rates

The Board approved a 3.4 percent capitation rate increase for Wellmark Classic Blue and Blue Access Dental, Wellmark Health Plan of Iowa and Blue Access Dental, a 3.2 percent increase for AmeriChoice Health Plan and a 9 percent increase for Dental Dental of Iowa effective July 1, 2007. Please refer to *Attachment 4*: History of Per Member Per Month Capitation Rate for ***hawk-i*** which outlines the historical and current per member per month (PM/PM) rate by federal and state funding and the annual percentage increase in capitation rates.

Attachment 4: County Health Plan Map and Enrollment by Health Plan Chart, History of Per Member Per Month Capitation Rate for ***hawk-i***

IX. hawk-i BOARD MEMBERSHIP:

H.F.49 requires the ***hawk-i*** Board to meet no less than six, and no more than twelve times per calendar year. The Board meets on the third Monday every other month; meeting agenda and minutes are available on the ***hawk-i*** program web site at www.hawk-i.org.

hawk-i **Board Membership in 2007**

Name	City	Term Ending Date/ Type of Appointment
Susan Salter, Chair	Mount Vernon	April 30, 2009
John Baker, Vice-Chair	Waterloo	April 30, 2008
Vacant		
Jim Yeast	Dubuque	April 30, 2007
Dr. Selden Spencer	Huxley	April 30, 2009
Judy Jeffrey	Director Iowa Department of Education	Statutory
Dann Stevens	Designee of Director of Education	
Thomas Newton	Director Iowa Department of Public Health	Statutory
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, 2008
James Seymour	Woodbine	April 30, 2007
Dave Mulder	Sioux Center	April 30, 2008
	House	
Mary Mascher	Iowa City	April 30, 2008
Polly Granzow	Eldora	April 30, 2008

*Attachment 5: Healthy and Well Kids in Iowa (**hawk-i**) Board Bylaws*

X. HIGHLIGHTS OF BOARD ACTIVITIES & MILESTONES:

December 2006

The Board unanimously approved a contract with Health Management Systems for the period January 1, 2007, through June 30, 2009. The contract is a result of legislation that requires ***hawk-i*** to match their enrollees against insurance carrier enrollees to identify children who may not qualify for ***hawk-i*** because they have health insurance.

January 2007

No meeting.

February 2007
The Department informed the Board that Ms. Anita Smith, Bureau Chief, was asked to testify before the United States Senate Finance Committee on February 1st about SCHIP reauthorization. Ms. Smith was one of five to testify that day. The discussion did not center on whether or not SCHIP would be reauthorized, but how it could be financed. The Senators were critical of states that had expanded their programs to cover parents and childless adults. They discussed the fact that of the seven states that are in imminent danger of running out of federal funding, five of those states cover parents. Georgia and Iowa do not cover parents.

The Department updated the Board on the President's proposed budget to reauthorize SCHIP for five years and increase funding by $5 billion over that five-year period. States estimate that $12 to $15 billion would be needed just to maintain current enrollment. The President is refocusing SCHIP on low-income uninsured children below 200% of FPL and he wants to seek authority to target SCHIP funds more efficiently to states with the most need. The federal funding level for FFY '08 is $5.4 billion, which is a 4% decrease from FFY '07.

The Board unanimously approved the insurance data match administrative rule amendments. The Notice of Intended Action was approved by the Board at the December 18, 2006, meeting. The amendments to rule 86.18(514I) provide that various entities with health insurance coverage information, and contractors of insurance companies who are responsible for computer match of insured persons, will provide the Department, or its designee, with the information on who is covered with health insurance.

March 2007
No meeting.

April 2007
The Department advised the Board that discussions were held about what would happen if Congress does not authorize additional federal funding in the last quarter of FFY 07. Five options were outlined:

1) Using additional state funds to supplement federal funding shortfall to cover July through September 2007,
2) Establish a waiting list beginning May 12 and disenroll approximately 13, 200 children beginning July 1 to stay within available resources,
3) Eliminate the Title 21-funded Medicaid expansion program entirely and submit a state plan amendment to cover these children under Title 19-funded Medicaid
4) Discontinue the ***hawk-i*** program in its entirety and move from a combination program to a Medicaid expansion only program effective July 1, or
5) Address the SCHIP shortfall by temporarily using state funds earmarked for Medicaid. Before options 1, 2, 3 and 4 could be implemented, the Board would have to give their approval in order to give direction to the Department on the administration if the ***hawk-i*** program.

The Department updated the Board that on April 11, 2007, Food and Nutrition Services, U.S. Department of Agriculture, issued final rules establishing requirements for disclosure of children's free and reduced-price meals or free milk eligibility information. The information that is disclosed will be used by the Department to identify eligible children and seek to enroll them. The Department currently has a contract with the Iowa Department of Education and when they send out their free and reduced lunch applications the form contains disclosure information. Last year MAXIMUS mailed 17,433 applications to potential enrollees through this outreach effort.

May 2007
No Meeting

June 2007
The Department advised the Board that a letter was received from MAXIMUS regarding the status of their current contract with the Department for third-party administrative functions for ***hawk-i***. The current contract is a three-year contract scheduled to end June 30, 2008, and includes three one-year extension options. This contract was competitively bid and when MAXIMUS submitted their bid they priced the base year plus the three one-year extensions as part of their proposal. MAXIMUS notified the Department that they are realizing substantial losses on the contract and they have asked if the three one-year optional years can be renegotiated. The Department's notified MAXIMUS that because the contract was a competitively bid procurement, it cannot be renegotiated and the terms of the original bid have to stand. The Board unanimously gave the Department authority to draft and release a Request for Proposal to reprocure a third party administrator for the ***hawk-i*** program.

July 2007
No Meeting

August 2007
The Department updated the Board that CMS issued a new guidance letter on August 12, 2007, about "crowd out" requiring states to have reasonable procedures to prevent substitution of the public SCHIP coverage for private coverage. States whose SCHIP income levels are over 250% of the Federal Poverty Level (FPL) must meet all the criteria and made the following assurances:

1) Assurance that the state has enrolled at least 95% of the children in the state below 200% of FPL who are eligible for either SCHIP of Medicaid, including a description of the steps they take to enroll these children.
2) Assurance that the number of children in the target population insured through private employers has not decreased by more than 2 percentage points over the prior 5 year period.
3) Assurances that the state is current with all reporting requirements for SCHIP and Medicaid.

It is believed that these requirements are a way that CMS can restrict expansion of the program and ensure that states stay under 200% of FPL.

September 2007
No Meeting

October 2007
hawk-i Board Chair Susan Salter updated the Board that a letter was sent to Governor Culver on August 29, 2007, advising him of the de facto resignation of a Board member. Ms. Salter will follow-up with the Governor's office regarding the status of appointing a new members.

The Department updated the Board that a report from Georgetown University's Health Policy Institute Center for Family and Children estimates that 2,000 people are losing health insurance in the United States each day. Half of the uninsured are elementary age or younger. Fifty percent live in the South, 27% in the West, and the remaining split evenly between the Midwest and Northeast. New census data estimates Iowa's uninsured rate as significantly lower than in the past. The Department's Division of Results Based Accountability is working on revised uninsured estimates.

The Department informed the Board that ***hawk-i*** enrollment declined 2% since February 2007. Although Medicaid experienced a 10% increase (17,000) between SFY 04 and SFY 06, there has been a decrease between SFY 06 and SFY 07 of about 6.8%. The decline in Medicaid enrollment has been attributed to the verification of citizenship and identity requirements and that many people are having trouble either obtaining the documentation or following through and providing it. At the National Academy for State Health Policy conference SCHIP reauthorization was one of the topics. States are concerned that the publicity about reauthorization and it being a government program for poor people may be impacting enrollment. Whether this is true is unknown.

The Department updated the Board that CMS conducted their biennial onsite review of the ***hawk-i*** program on June 5-7. The focus of the visit included outreach, screening and enrollment, application enrollment and redetermination, access and delivery, quality, and appropriateness of care. A total of five "best practices" were noted by CMS.

The Department informed the Board that CMS issued a guidance letter on August 17, 2007, which the states believe is new policy, not just an interpretation of existing policy. The guidance sets out new policy for states regarding crowd-out. The guidance imposes a one-year waiting period between dropping private coverage and enrollment with no exceptions. Additionally, guidance requires that states that wish to expand above 250% of FPL provide evidence to CMS that they have already met 95% of their uninsured needs at or below 250% of FPL. Many states are already over this poverty level and cannot live with this guidance; hence, some states have filed a lawsuit.

The Board unanimously approved a Notice of Intended Action to amendment Chapter 86 Healthy and Well Kids in Iowa program administrative rules. The amendments clarify:

- the definition of "enrollee".

- how losses from a self-employment enterprise are handled in the eligibility determination.
- family composition policy.
- when families may choose to voluntarily exclude some of their children from family size.
- that temporary absence policies apply to parents, as well as children, when determining family size.
- the circumstances under which a child voluntarily excluded from the Medicaid family size can be determined eligible for ***hawk-i***.
- that if a state contributes $10 or less toward the cost of health insurance coverage for the dependents of a state employee, the employee's children are not barred from participating in ***hawk-i*** if it is received by either the third party administrator or at a Department office.
- that an application is considered filed if it is received by either the third party administrator or at a Department office.
- the time limit for making ***hawk-i*** eligibility determination of an application that was referred to Medicaid but Medicaid eligibility was denied.
- the order in which children would be placed on a waiting list.
- updates the process that income maintenance workers follow when making referrals to ***hawk-i***, and
- that a request for an extension of the initial premium due date must be made no later than the original due date.

The amendments also give participating health plans the option of providing the specified material in an electronic format instead of a hard-copy format.

The Board carried a motion on a 4-1 vote that the Board accepts the recommendation of the DHS evaluation committee that MAXIMUS be awarded the contract for the ***hawk-i*** program third party administrator (TPA).

November 2007
No meetings.

Attachment 1: Allotment and Expenditure Federal Funding History, SFY 2007 Final Budget Report, and SFY 2008 Budget

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

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*

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 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) Through the first 2 CR'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.

CHIP Budget
SFY 2007
June plus 90 - FINAL

FY 2007 Appropriation	$19,703,715
Amount of ***hawk-i*** Trust Fund dollars added to appropriation	$3,465,015
Amount funded by Tobacco Trust Fund	$200,000
Total state appropriation for FY 2007	$23,368,730
Donations	$-
Wellmark Grant dollars earned	$-
Total	$23,368,730

	State Dollars	
Budget Category	Projected Expenditures	YTD * Expenditures
Medicaid expansion	$7,027,503	$5,426,368
hawk-i premiums	$12,152,670	$11,950,720
Fiscal agent costs of processing Medicaid claims	$145,843	$0
Outreach	$133,050	$151,990
hawk-i administration	$682,894	$480,902
Earned interest from ***hawk-***i fund	$-	-$498,591
Totals	$20,141,960	$17,511,390

hawk-i Trust Fund Balance (In State Dollars)	
Amount in ***hawk-***i Trust Fund held in reserve at FY 06 year end	$3,465,015

CHIP Budget
SFY 2008
Oct-07

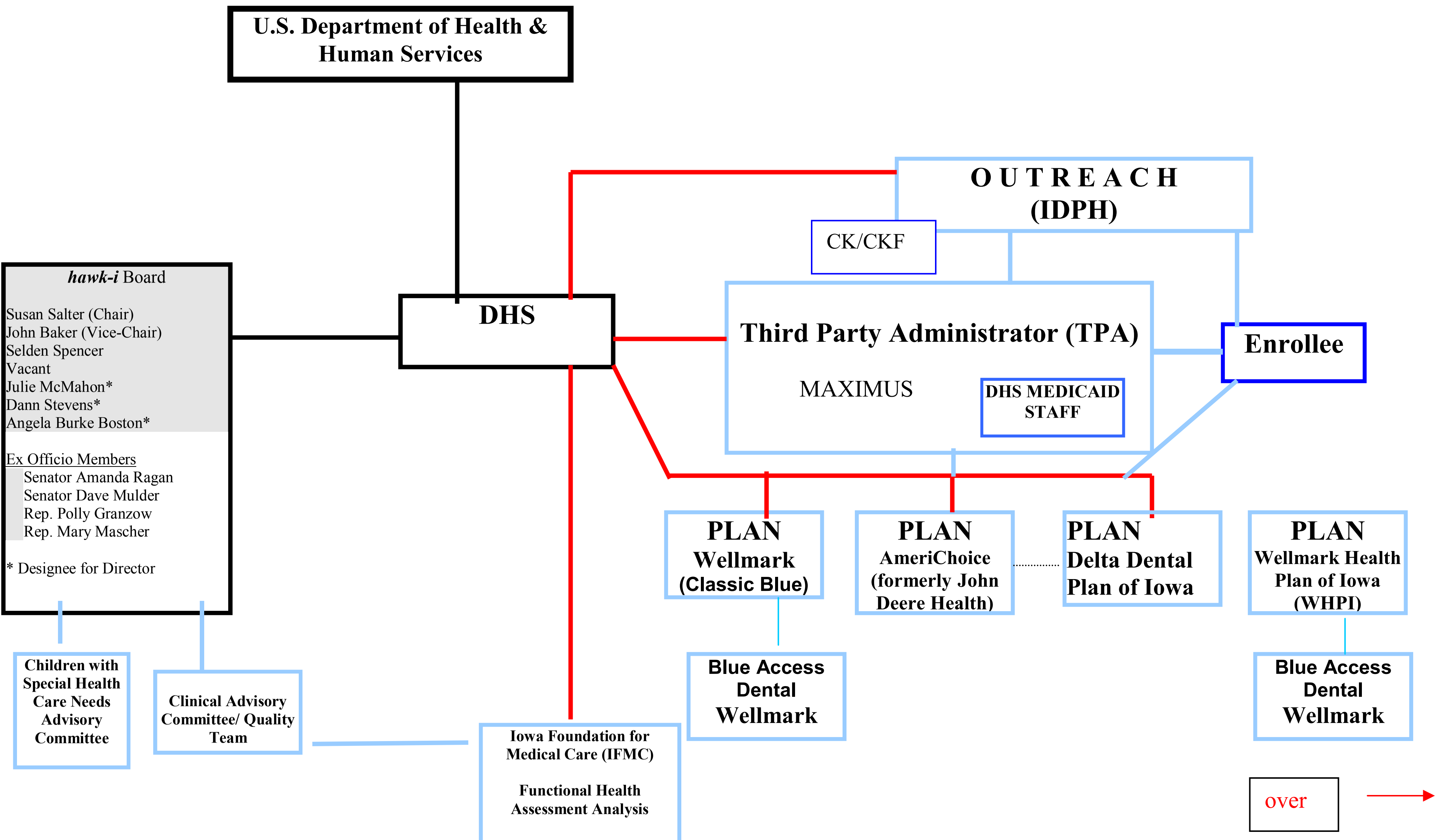
FY 2008 Appropriation	$14,871,052	
Amount of ***hawk-i*** Trust Fund dollars added to appropriation	$5,857,339	
Amount funded by Healthy Iowans Trust Fund	$8,329,570	
Possible Outreach dollars from Medicaid	$500,000	
Total state appropriation for FY 2008	$29,557,961	
Donations	$-	
Wellmark Grant dollars earned	$27,200	($27,200 available)
Total	$29,585,161	

	State Dollars	
Budget Category	Projected Expenditures	YTD * Expenditures
Medicaid expansion	$7,600,972	$1,644,486
hawk-i premiums	$14,833,181	$4,153,881
Fiscal agent costs of processing Medicaid claims	$156,735	$0
Outreach	$901,850	$10,385
hawk-i administration	$753,751	$104,663
Earned interest from ***hawk-***i fund	$-	-$60,953
Totals	$24,246,489	$5,852,462

hawk-i Trust Fund Balance (In State Dollars)	
Amount in ***hawk-***i Trust Fund held in reserve at FY 07 year end	$5,857,339

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



Referral Sources/Outreach Points

Any entity that is accessed by children or their families is potentially an outreach point where applications and information about the program could be available. In addition to local DHS offices, schools, daycare centers, WIC sites, etc., other potential sources through which information could be provided may include organizations that deal with children (Girl Scouts, Boy Scouts, Little League, Big Brothers and Sisters, YMCA, etc.) and places frequented by children and their families (churches, fast food restaurants, roller skating rinks, & toy stores). Applications would be sent to the TPA.

Function of the outreach points:
1. Disseminate information about the program.
2. Assist with the application process if able.

hawk-i **Board**

The function of the ***hawk-i*** Board includes, but is not limited to:
1. Adopt administrative rules developed by DHS
2. Establish criteria for contracts and approve contracts
3. Approve benefit package
4. Define regions of the state
5. Select a health assessment plan
6. Solicit public input about the ***hawk-i*** program
7. Establish and consult with the clinical advisory committee
8. Establish and consult with the advisory committee on children with special health care needs
9. Make recommendations to the Governor and General Assembly on ways to improve the program

Third Party Administrator (TPA)

The functions of the TPA include, but may not be limited to:
1. Receive applications and determine eligibility for the program.
2. Staff a 1-800 number to answer questions about the program and assist in the application process.
3. Coordinate with DHS when it appears an applicant may qualify for Medicaid.
4. Determine the amount of family cost sharing.
5. Bill and collect cost sharing.
6. Assist the family in choosing a plan.
7. Notifying the plan of the enrollment.
8. Provide customer service functions to the enrollees.
9. Provide statistical data to DHS.

Clinical and Children with Special Health Care Needs Advisory Committees

1. The Clinical Advisory Committee is made up of health care professionals who advise the ***hawk-i*** Board on issues around coverage and benefits.
2. The Children with Special Health Care Needs Advisory Committee is made up of health care professionals, advocates, and parents who provide input to the ***hawk-i*** Board on how to best meet the needs of children with special health care issues.

DHS

The function of DHS includes, but is not limited to:
1. Work with the ***hawk-i*** Board to develop policy for the program
2. Oversee administration of the program.
3. Administer the contracts with the TPA, plans, and U of I.
4. Administer the State Plan.
5. Coordinate with the TPA when individuals applying for the ***hawk-i*** program may be Medicaid eligible and when Medicaid eligible recipients lose eligibility.
6. Provide statistical data and reports to CMS.

Plans

The functions of the plan(s) are to:
1. Provide services to the enrollee in accordance with their contract.
2. Issue insurance cards.
3. Process and pay claims.
4. Provide statistical and encounter data to the TPA.

Medicaid Staff

The function of the Medicaid staff who are co-located at MAXIMUS is to determine Medicaid eligibility when a person who applies for ***hawk-i*** is referred to Medicaid.

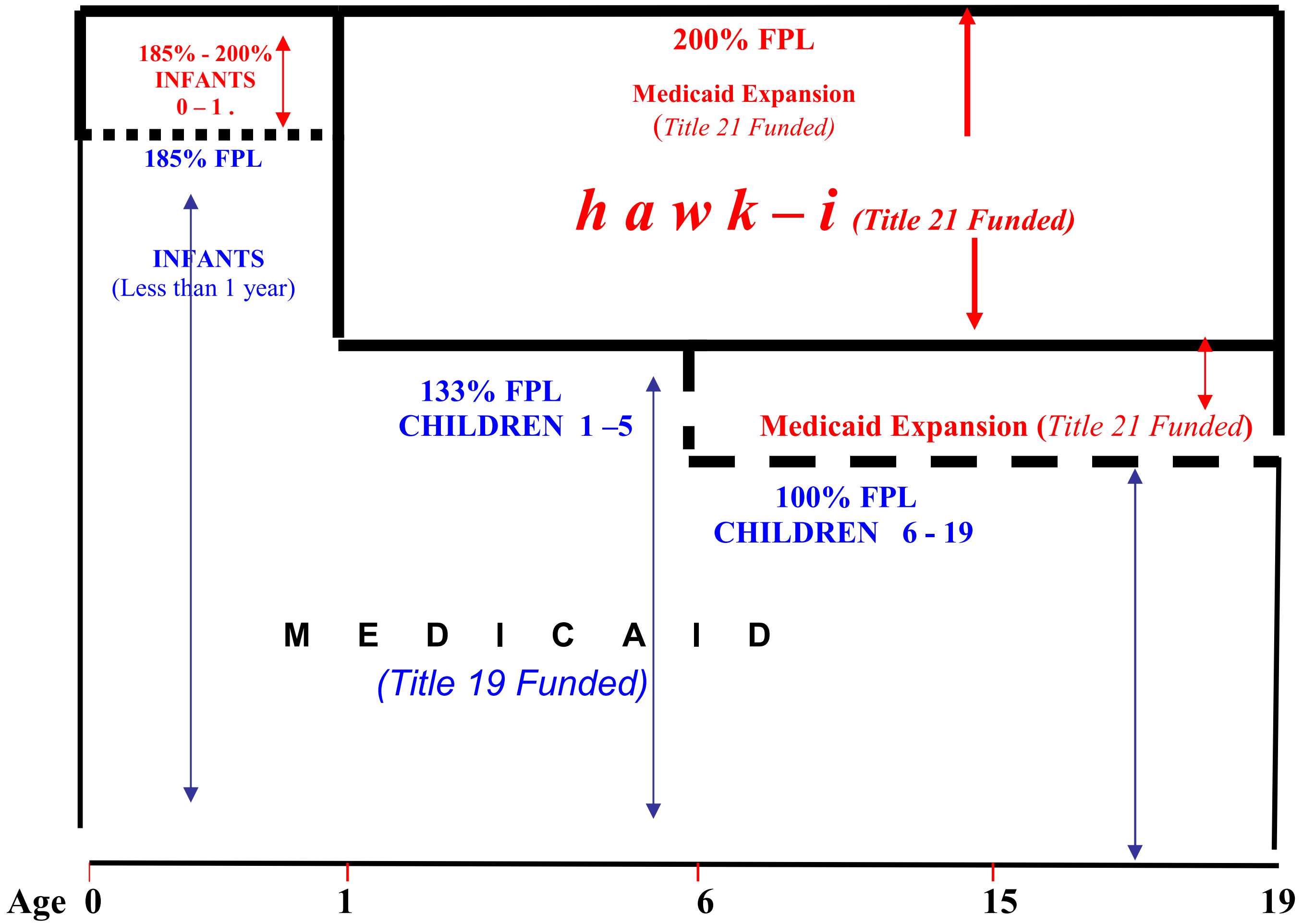
History of Participation of Children in Medicaid and *hawk-i*

		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	16,066	21,876
Aug-07	182,417	16,286	21,839
Sep-07	183,014	16,400	21,859
Oct-07	184,603	16,520	21,705
Nov - 07	184,271	16,217	21,435
		Total SCHIP Enrollment	37,652

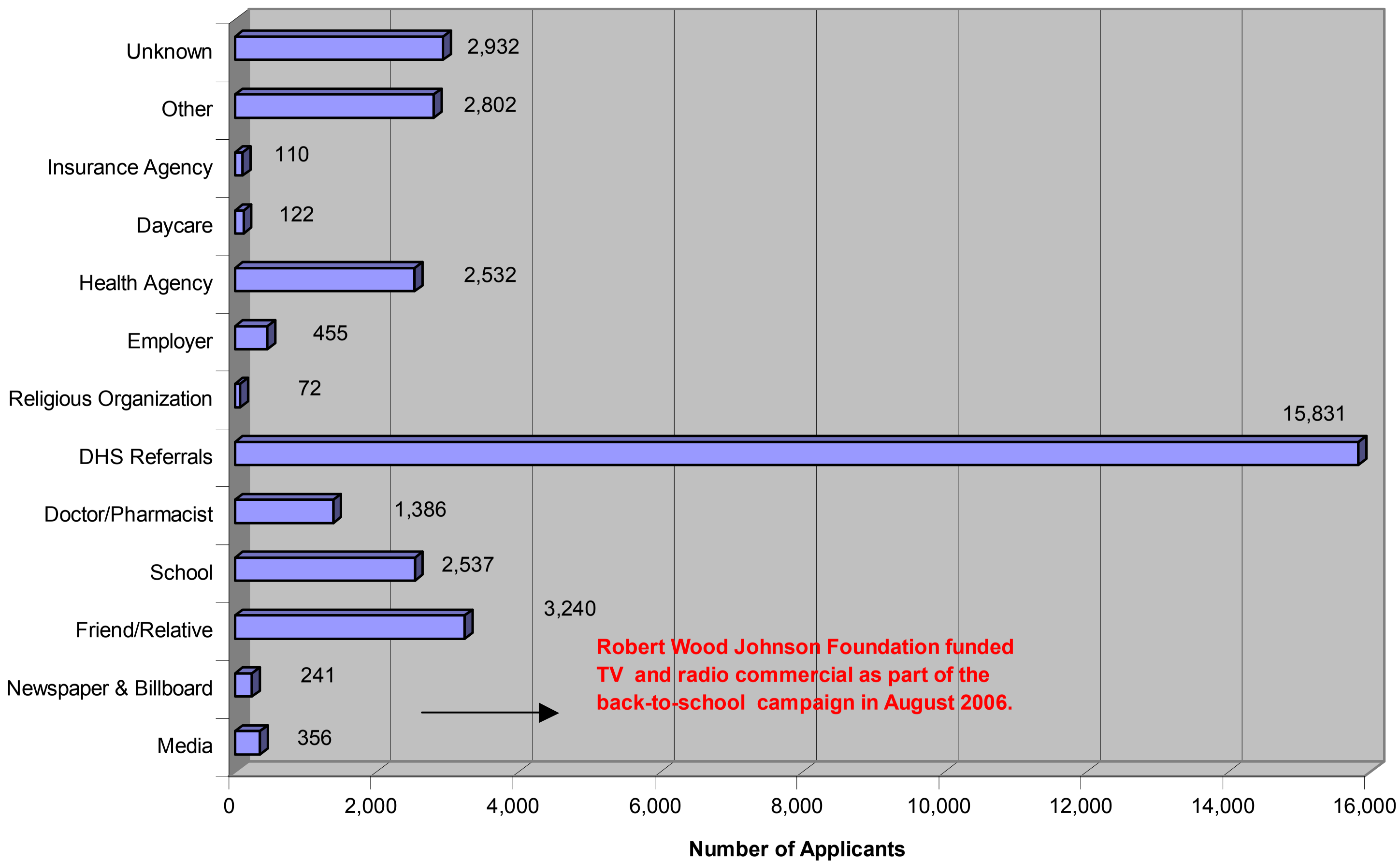
Total growth in Medicaid enrollment from SFY 99 to present =	92,534
Total growth in hawk-i enrollment from SFY 99 to present =	21,435
Total children covered	113,969

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

IOWA'S CHIP PROGRAM
COMBINATION MEDICAID EXPANSION AND ***hawk-i***

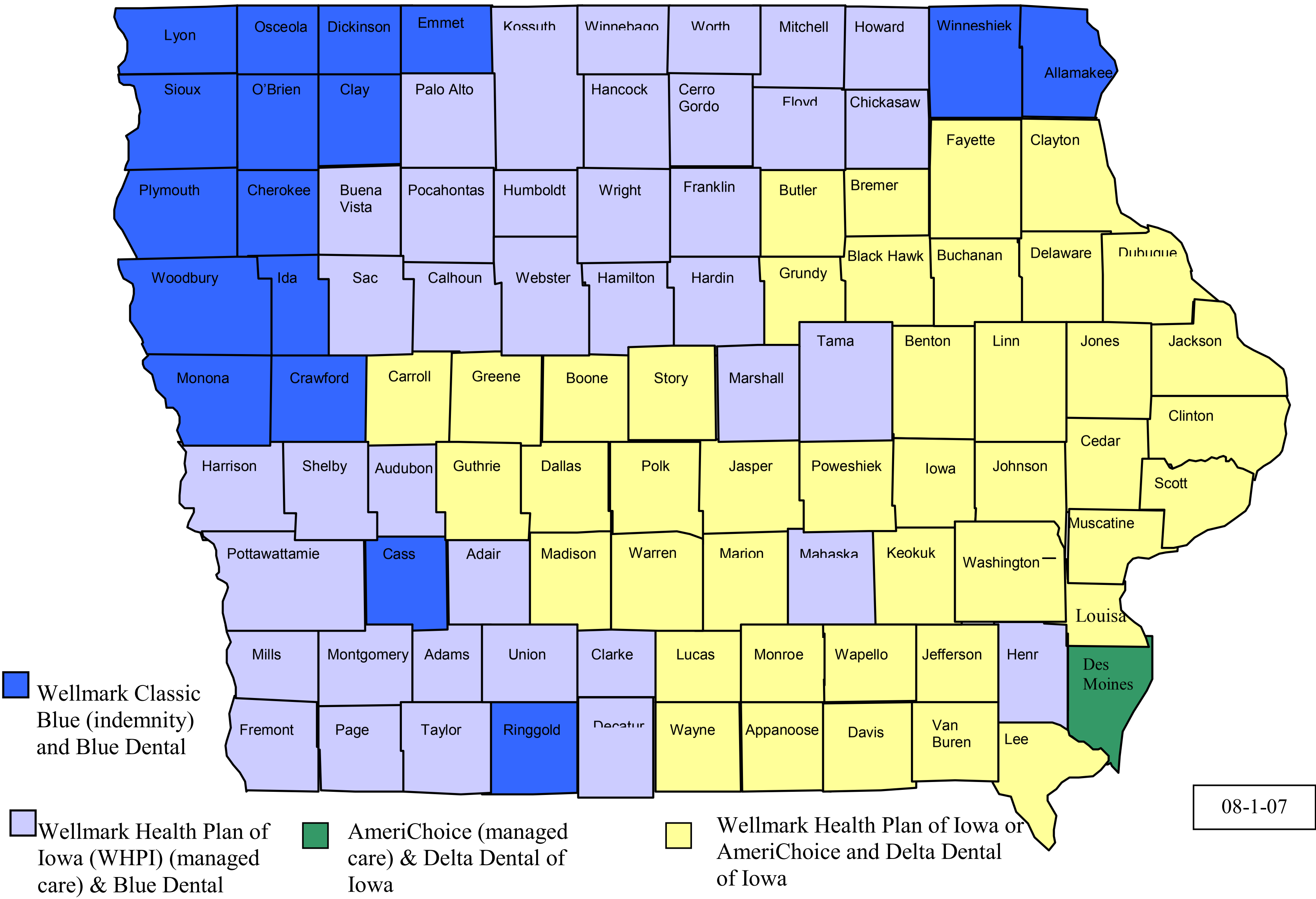


Attachment 3: How Applicants Heard About hawk-i in Calendar Year 2007


How Applicants Heard About hawk-i in Calendar Year 2007
Unknown
Other
Insurance Agency
Daycare
Health Agency
Employer
Religious Organization
DHS Referrals
Doctor/Pharmacist
School
Friend/Relative
Newspaper & Billboard
Media
2,932
2,802
110
122
2,532
455
72
15,831
1,386
2,537
3,240
241
356
Robert Wood Johnson Foundation funded
TV and radio commercial as part of the
back-to-school campaign in August 2006.
0
2,000
4,000
6,000
8,000
10,000
12,000
14,000
16,000
Number of Applicants

Attachment 4: County Heath Plan Map and
History of Per Member Per Month Capitation Rate for *hawk-i*

Health and Dental Plan Coverage Area
Enrollment Effective 08-1-07



History of Per Member Per Month Capitation Rate for *hawk-I*
SFY 2000 to SFY 2008

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	
SFY '00	$84.97			$110.63		
	$63.00 74.14%*	$21.97 25.86%*		$82.02 74.14%*	$28.61 25.86%*	
SFY '01	$90.92		7%	$118.37		7%
	$67.16 73.87%*	$26.76 26.13%*		$87.44 73.87%	$30.93 26.13%	
SFY '02	$106.52			$131.98		
	$78.82 74.00%*	$27.70 26.00%*	17%	$97.67 74.00%*	$34.31 26.00%*	12%
SFY '03	$119.30			$155.87		
	$88.82 74.45%*	$30.48 25.55%*	12%	$116.05 74.45%*	$39.82 25.55%*	18%
SFY '04	$131.23			$169.59		
	$98.09 74.75%*	$33.14 25.25%*	10%	$126.77 74.75%*	$42.82 25.25%*	9%
SFY '05 (7-1-2004)	$148.30			$169.59		
	$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 (formerlyJohn 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		0%			
	$11.87 74.49%	$4.07 25.51%		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

History of Per Member Per Month Capitation Rate for *hawk-i*

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	
SFY '07 (7-1-06)	AmeriChoice			Wellmark Classic Blue and Blue Access Dental		
Health Only	$158.86		10.8%	$183.60		4.2%
	$118.40 74.53%	$40.46 25.47%		$136.84 74.53%	$46,76 25.47%	
Dental Only **(7-1-06)	Dental Dental of Iowa**					
	$17.41					
	$12.98 74.53%	$4.43 25.47%	5%			
Health and Dental (7-24-06)	Wellmark Health Plan of Iowa (WHPI) and Blue Access Dental					
	$177.31		0%			
	$132.15 74.53%	$45.16 25.47%				
SFY '08 (7-1-07)	AmeriChoice			Wellmark Classic Blue and Blue Access Dental		
Health Only	$163.94		3.2%	$189.80		3.4%
	$120.02 73.21%	$43.92 26.79%		$138.95 73.21%	$50.85 26.79%	
Dental Only	Delta Dental of Iowa					
	$18.98		9%			
	$13.90 73.21%	$5.08 26.79%				
Health and Dental	Wellmark Health Plan of Iowa and Blue Access Dental		3.4%			
	$183.29					
	$134.19 73.21%	$49.10 26.79%				

Attachment 5: 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.

B. The duties of all officers shall be such as by custom and law and the provisions of the Act as usually devolving upon such officers in accordance with their titles.

C. The chairperson shall appoint committees as are needed and/or recommended unless provided for statutorily.

D. Each committee shall act in an advisory capacity and shall report its recommendations to the full Board.

V. DUTIES AND RESPONSIBILITIES

A. The Board shall have the opportunity to review, comment, and make recommendations to the proposed ***hawk-i*** budget request.

B. The Board shall set policy and adopt rules. The DHS program manager will periodically make policy recommendations to the Board in order to promote efficiency or to bring the program into compliance with state or federal law.

C. DHS staff shall keep the Board informed on budget, program development, and policy needs.

VI. AMENDMENTS

Amendments to these bylaws may be proposed at any regular meeting but become effective only after a favorable vote at a subsequent meeting. Any of the foregoing rules may be temporarily suspended by a unanimous vote of all the members present at any meeting provided they do not conflict with the provisions of the Act.

Healthy and Well Kids in Iowa

Board Members

as of November, 2007

Susan Salter, Chair **John Baker, Vice Chair**

PUBLIC MEMBERS:

Susan Salter

P. O. Box 128
Mt. Vernon, Iowa 52314
Phone: 319-895-6043
Fax: 319-895-6198
e-mail: susan@saltersolutions.com

Vacant

John Baker

922 Prairie Meadow Court
Waterloo, Iowa 50701
Phone: 319-235-9816
e-mail: john_tish_baker@hotmail.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: 515-281-4409
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:

Dann Stevens

Phone: 515-281-8505
e-mail: dann.stevens@iowa.gov

Thomas Newton, Director
Iowa Department of Public Health
Lucas State Office Building
321 E 12th Street
Des Moines, Iowa 50319
Phone: 515-281-7689
e-mail: tnewton@idph.state.ia.us

Director Newton's designee:
Julie McMahon
Phone: 515-281-3104
e-mail: jmcmahon@idph.state.ia.us

LEGISLATIVE MEMBERS – EX OFFICIO:

Senator Dave Mulder
Iowa Senate
State Capitol Building
Des Moines, Iowa 50319
Phone: 515-281-3371
e-mail: dave.mulder@legis.state.ia.us
Home:
1452 Third Ave SE
Sioux Center, Iowa 51250
Phone: 712-722-0601

Representative Polly Granzow
Iowa House of Representatives
State Capitol Building
Des Moines, Iowa 50319
Phone: 515-281-3221
e-mail: Polly.Granzow@legis.state.ia.us
Home:
22978 S-55
Eldora, Iowa 50627
Phone: 641-858-5210

Senator Amanda Ragan
Iowa Senate
State Capitol Building
Des Moines, Iowa 50319
Phone: 515-281-3371
e-mail: amanda.ragan@legis.state.ia.us
Home:
20 Granite Court
Mason City, Iowa 50401
Phone: 641-424-0874

Representative Mary Mascher
Iowa House of Representatives
State Capitol Building
Des Moines, Iowa 50319
Phone: 515-281-3221
e-mail: mary.mascher@legis.state.ia.us
Home:
40 Gryn Court
Iowa City, Iowa 52246
Phone: 319-351-2826

ATTORNEY GENERAL STAFF:

Diane Stahle, Legal Counsel
Attorney General's Office
Hoover State Office Building
1305 E Walnut
Des Moines, Iowa 50319
Phone: 515-281-4670
Fax: 515-281-7219
e-mail: diane.stahle@iowa.gov

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