

## **INSURING IOWA'S KIDS**

### *What Health Reform Means for Iowa's Children*

Iowa has been a leader in making sure that its children have access to health insurance.<sup>1</sup> The Patient Protection and Affordable Care Act (Affordable Care Act) will help thousands more Iowa children and their parents gain access to quality health insurance and health care.



#### ***Impact of Health Reform Provisions on Iowa's Children***

##### ■ ***The End of Pre-Existing Condition Exclusions***

The days in which coverage for children's pre-existing conditions could be excluded are gone. That era ended on September 23, 2010 — six months after the enactment of the Affordable Care Act. This means that the parents of as many as 51,300 Iowa children need never worry about their child being denied coverage for a pre-existing condition again.<sup>2</sup> That's over 7 percent of all Iowa children. Nationally, 4,952,000 children will never again be denied coverage for a pre-existing condition.<sup>3</sup>

##### ■ ***Expansion of Medicaid***

The Affordable Care Act achieves the largest insurance coverage gains through an expansion of the Medicaid program. Presently, only low-income children, pregnant women, some adults with disabilities and parents whose incomes fall below 71 percent of the federal poverty level (FPL) — or \$15,868.50 for a family of four<sup>4</sup> — are eligible for Medicaid in Iowa.

In 2014, Medicaid will be expanded to cover all Iowans whose income is less than 133 percent of the federal poverty level or \$29,725.50 for a family of four.<sup>5</sup> About 107,600 uninsured Iowans had income below that level in 2010,<sup>6</sup> including 16,228 children.<sup>7</sup>

##### ■ ***Help with insurance premiums for low- and middle-income families***

Families that do not get their health insurance through an employer and earn more than the Medicaid threshold will have new, affordable health insurance options. The Affordable Care Act creates health insurance marketplaces, or exchanges, within each state.<sup>8</sup> Within the exchange, families will be able to compare health insurance plans on price, quality and a host of other criteria. To help low- and moderate-income families buy the health coverage they need, the Affordable Care Act created a tax credit scheme. Families earning between 133 percent and 400 percent of the FPL, or \$89,400 for a family of four,<sup>9</sup> will be eligible for premium tax credits.

Additionally, child-only health plans will be available for purchase in the exchange.<sup>10</sup> This will benefit parents who have job-based insurance coverage that does not include dependent coverage, grandparents caring for children and families with mixed immigration status.

### ■ **Preventive Medical Care**

Parents and caretakers of young children will be able to receive recommended preventive care without needing to worry about co-pays, co-insurance or meeting a deductible. The new health law requires insurers to make a number of preventive services — including immunizations, vision and hearing screenings and developmental screenings — available free of cost-sharing requirements.<sup>11</sup>

### ■ **Coverage for Young Adults**

Iowa has been a leader in helping young adults maintain health coverage. Under a 2008 Iowa law, young adults with disabilities or pursuing higher education can remain on their parents' health plan up to age 25.<sup>12</sup> However, the law was limited to those with disabilities, pursuing education, and the unmarried. These eligibility limitations left thousands of young Iowans without insurance coverage options.

The Affordable Care Act gives young adults up to age 26 — regardless of disability, marital or work status — the option of staying on their parents' coverage. According to data from the U.S. Census Bureau's 2008-10 Current Population Survey, about 7,700 uninsured 19- to 24-year old Iowans were married, and thus ineligible to remain on their parents' coverage.<sup>13</sup> An additional 28,000 uninsured 19- to 24-year-old Iowans would not have been eligible to remain on their parents coverage under Iowa law because they were not in school, did not have any disabilities, and were working.<sup>14</sup> Over 9,800 uninsured 25-year-old Iowans who aged out of eligibility for the Iowa law may now be eligible for coverage under the Affordable Care Act.<sup>15</sup>

### ■ **Easier Enrollment Procedures for hawk-i and Medicaid**

Most work support programs (such as the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families and the Low Income Heating and Energy Assistance Program, to name a few) determine program eligibility using the same information that both Medicaid and *hawk-i*, Iowa's public health insurance program for children require. However, because each of these programs is managed by different bureaus and offices of state government, the databases do not "talk" to each other — that is, rather than one agency determining eligibility for all programs, each program must verify an individual's eligibility separately.

The Affordable Care Act strengthens and expands steps made in the 2009 Children's Health Insurance Plan Reauthorization Act to streamline enrollment. The idea is to allow these different government databases to "talk" to the Medicaid and *hawk-i* program to help fill in information and determine eligibility. This reduces the amount of verification and documentation that parents must provide and helps them get their children covered by Medicaid or *hawk-i* much more quickly.<sup>16</sup>

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<sup>1</sup> The Kaiser Family Foundation, *statehealthfacts.org*. Data Source: Holding Steady, Looking Ahead: Annual Findings of a 50-state Survey of Eligibility Rules, Enrollment and Renewal procedures, and Cost Sharing Practices in Medicaid and CHIP, 2010-2011. <<http://www.kff.org/medicaid/8130.cfm>>. Accessed January 31, 2011. And Charles Bruner and Carrie Fitzgerald, "Covering Iowa Children Better: The Increasing Role — and Success — of Public Health Coverage," Iowa Fiscal Partnership. July 27, 2010. <<http://www.iowafiscal.org/2010docs/100727-IFP-HCR-chip-bgd.pdf>>.

<sup>2</sup> Christine Sebastian, Kim Bailey, and Kathleen Stoll, "Health Reform: A Closer Look. Help for Iowans with Pre-Existing Conditions," Families USA. May 2010. <<http://www.familiesusa.org/assets/pdfs/health-reform/pre-existing-conditions/iowa.pdf>>.

<sup>3</sup> Christine Sebastian, Kim Bailey, and Kathleen Stoll, "Health Reform: Help for Americans with Pre-Existing Conditions," Families USA. May 2010. <<http://www.familiesusa.org/assets/pdfs/health-reform/pre-existing-conditions.pdf>>.

<sup>4</sup> *Federal Register*, January 20, 2011 (Volume 76, Number 13). 3637-8. <<http://edocket.access.gpo.gov/2011/pdf/2011-1237.pdf>>.

<sup>5</sup> *Federal Register*.

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<sup>6</sup> Miriam King, Steven Ruggles, J. Trent Alexander, Sarah Flood, Katie Genadek, Matthew B. Schroeder, Brandon Trampe, and Rebecca Vick. *Integrated Public Use Microdata Series, Current Population Survey: Version 3.0*. [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

<sup>7</sup> This is due, in no small part, to Iowa's strong efforts to insure children. See Bruner and Fitzgerald. King, Ruggles, Alexander, et al.

<sup>8</sup> See Andrew Cannon, "Exchanges: Making Health Reform Work for Iowans," Iowa Fiscal Partnership, December 20, 2010. <<http://www.iowafiscal.org/2010docs/101220-IFP-exchanges.pdf>>.

<sup>9</sup> *Federal Register*.

<sup>10</sup> Lisa Shapiro and Catherine Hodgetts, "What the Passage of Health Reform Means for Children," First Focus, March 25, 2010. <<http://www.firstfocus.net/sites/default/files/HealthReformPassage.pdf>>.

<sup>11</sup> For a complete list of covered preventive services, see "Preventive Services Covered under the Affordable Care Act," healthcare.gov, Accessed January 20, 2011. <<http://www.healthcare.gov/law/about/provisions/services/lists.html>>.

<sup>12</sup> Iowa Code, Title XIII, §514E.7.

<<http://coolice.legis.state.ia.us/Cool-ICE/default.asp?category=billinfo&service=IowaCode&ga=83&input=514E#514E.7>>.

<sup>13</sup> King, Ruggles, Alexander, et al.

<sup>14</sup> King, Ruggles, Alexander, et al.

<sup>15</sup> King, Ruggles, Alexander, et al.

<sup>16</sup> Laura Parisi and Jennifer Sullivan, "Express Lane Eligibility: What Is It, and How Does It Work?" Families USA, October 2010, <<http://www.familiesusa.org/assets/pdfs/Express-Lane-Eligibility.pdf>>.