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## Shortfall endangers kids' coverage

Congress struggles with the program; thousands may lose health benefits.

By JANE NORMAN  
 REGISTER WASHINGTON BUREAU

March 12, 2007

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### HOLLY MCQUEEN/THE REGISTER

Graham Ruff, 6, and sister Jenci Ruff, 11, right, of Knoxville are enrolled in Hawk-I, which provides health insurance for kids. Their mother, Marci, credits Hawk-I with clearing the way for Jenci to receive help with vision problems.

**Washington, D.C.** — When Jenci Ruff had trouble seeing the blackboard in third grade, her mother was worried. But without health insurance, and living paycheck to paycheck, the Knoxville family put off a doctor visit.

Fourth grade began, and teachers again said Jenci - who was also having headaches — needed to visit an eye doctor.

By then, her mom, Marci Ruff, had found out about Iowa's Hawk-I program, which pays for kids' health insurance, and enrolled Jenci and her younger brother. The family was referred to an eye specialist in Des Moines.

Come late June, the help provided by Hawk-I might be harder to come by for many youngsters.

The program in Iowa - and 13 other states - faces a shortfall that could leave thousands of Iowa kids without insurance.

Congress is scrambling to come up with a solution, and kids' insurance is seen as a top priority for the Democratic majority, but nothing's certain yet at a time of tight federal budgets.

Through, Hawk-I, Jenci was able to join a medical study and her eye patches, supplies and medication were provided at no cost to the government or the Ruffs. A year and a half later, Jenci's vision is so much better that the 11-year-old needs no more treatment, and her headaches are over.

"Before, she was having such a hard time to get through the reading," said Marci Ruff. "Her grades have improved. Her attitude about school has improved ... but if we hadn't had the Hawk-I insurance, we never would have made it to a specialist."

More than 30,000 Iowa kids such as Jenci have health insurance because of a decade-old, federal-state program known as the State Children's Health Insurance Program. Nationally, it covers 6 million children during the year, and it's credited with a 36 percent drop in the number of uninsured children between 1997 and 2005.

Anita Smith, chief of the bureau of medical

### ZOOM: insurance program faces shortfall

Iowa children whose parents lack health insurance may qualify for a federal-state program known as Hawk-I, which stands for Healthy and Well Kids in Iowa. More children have been served as health costs rise and employers are dropping health insurance. Now the Iowa program faces a shortfall in federal money, and Congress will examine the overall structure of its involvement in states' children's health insurance initiatives.

#### IOWA CHILDREN ENROLLED IN THE HAWK-I PROGRAM BY FEDERAL BUDGET YEAR

|      |        |
|------|--------|
| 2000 | 8,699  |
| 2001 | 16,672 |
| 2002 | 21,134 |
| 2003 | 23,059 |
| 2004 | 26,640 |
| 2005 | 30,109 |
| 2006 | 31,819 |

Source: Annual report of the Hawk-I Board to the governor, General Assembly and Council on Human Services, 2006

### ADVERTISEMENT

supports at the Iowa Department of Human Services, told Congress in February that unless more money comes from Washington, some 15,700 Iowa children will have to be dropped.

Popular with both Democrats and Republicans, the program with a \$5 billion national budget this year is aimed at working families who aren't the poorest of the poor - they hold down jobs but can't afford the rising price of health insurance.

In Iowa, the initiative includes the Hawk-I program, which stands for Healthy and Well Kids in Iowa, as well as an expansion of Medicaid, the federal-state health program for the poor. Those enrolled in Hawk-I have insurance that looks like private insurance, complete with a card from a private plan, so as to avoid the stigma of a "welfare" plan.

The National Governors Association sent a letter to congressional leaders late last month, asking for speedy action on the shortfall.

Sen. Tom Harkin, D-Ia., said he will try to add \$700 million in emergency spending to a \$100 billion supplemental bill that would provide money for the war in Iraq. Iowa needs about \$15 million to continue operations this year.

In addition, Congress is looking at the long-term future of the program and trying to decide whom to cover and at what cost.

Advocacy groups such as the Mount Vernon-based Iowa Policy Project, a liberal-leaning research group, contend Congress has to not just plug the shortfall but also expand the program's budget in the years ahead - though the Bush administration is not backing an increase. The project says more than 55,000 children in Iowa remain uninsured.

Iowa lawmakers and state officials say the program's structure is deeply flawed and puts states like Iowa at a particular disadvantage. They're pushing for changes so Iowa doesn't come up short on money again.

Compared with some states, Iowa has been modest in its approach to the program, lawmakers say. Iowa restricts health insurance coverage to people under age 19, while some states have included pregnant women, parents and even childless adults.

The top income limit for eligible Iowa families is 200 percent of the federal poverty level, which comes out to about \$34,000 a year for a family of three. But 15 states - many on the East or West coasts - set limits higher, saying their cost of living is higher.

Sen. Chuck Grassley, R-Ia., is the top Republican on the Senate Finance Committee, which will reauthorize the program. Grassley is a longtime supporter of the program. At a February hearing, he praised it for improving children's lives - but he also criticized extending coverage to adults when many children aren't yet enrolled.

It's beneficial for families to have parents included, but the program was aimed at children, he said. "When states use funds intended for children to instead cover adults, that means fewer dollars are available for kids," Grassley said.

Harkin said he's more comfortable with covering adults. "What I understand is when parents enroll,

maybe kids are more likely to enroll, so maybe that's OK," Harkin said.

Another problem is that the current formula used to figure states' allocations is based on a method of census tabulation that does not adequately take into account rural areas, Iowa congressional aides say.

Newer census estimating techniques cover every county and small town in a state, and can more accurately predict the number of uninsured children, the aides say. Grassley and Harkin want to see a more accurate count.

Yet another problem is that some states haven't spent all the money they were given for their programs. That's because they have to come up with matching money - but the federal money can't be distributed to states with shortfalls. Earlier in the decade, \$1.1 billion in unspent money even reverted to the federal government. Grassley tried unsuccessfully in 2006 to redistribute some of the money.

Grassley last week declined to cite a dollar figure for how much additional money the children's health program should receive, but he said it likely should be higher than the \$5 billion annual budget proposed by President Bush, if more children are to be covered.

Senate Finance Committee Chairman Max Baucus, D-Mont., said he wants \$50 billion over five years, though he hasn't yet found a way to come up with the money. Grassley said he believes that much of an increase is unlikely.

The two also are at odds over coverage of adults, with Baucus reluctant to cut off adults who are already enrolled.

Iowa supporters of the program also have been unhappy that states, in effect, are penalized if they enroll more children, since allocations are based on how many low-income, uninsured kids there are in the state.

Whatever the debate in Washington, Ruff said the Hawk-I program has been of great assistance.

"I've been married to my husband for 18 years, and we've always had health insurance," she said. But when he lost his job, then found a new one, the health insurance was an "astronomical" \$90 a week and they chose to go without, she said.

Now that her youngest is in kindergarten, she said, she plans to find a job outside the home and try to buy private insurance.

"Hard-working Americans are out there trying to make ends meet and trying to do right by their kids," Ruff said. "They just need help, some of us. We live in the greatest country in the world and a lot of our kids don't have health insurance, and it's not because we're just lazy and sitting around."

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**STORYCHAT** 

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