

## HF 2438 would take health insurance away from Iowa children and families

By imposing new, burdensome eligibility verification requirements for safety-net programs, HF 2438 would set up nearly 8,000 Iowans, including children, to lose Medicaid and Hawki<sup>1</sup> — insurance that helps them get the health care they need and helps Iowa further its goal of becoming the healthiest state in the nation. **This bill will increase bureaucratic red tape and administrative costs and make it harder for Iowans to stay healthy and support their families.**

- **The bill is pricey.** The Legislative Services Agency estimates DHS will need to add 43 full-time employees by FY 24 to administer the bill's provisions at an annual cost of over \$1.3 million to the state (and a total annual cost of \$2.6 million, including the portion covered by federal dollars).<sup>2</sup> This is a waste of valuable taxpayer dollars that will go toward increasing red tape instead of covering health care for those who need it.
- **The bill attempts to solve a problem that doesn't exist.** Iowa state agencies are already required to verify eligibility for public assistance programs. DHS verifies identity, income and other criteria using an array of state and federal sources. Iowa DHS has worked to lower its SNAP error rate — which includes over- and under-payments and is one of the ostensible reasons for this legislation — from 10% in 2018 to 6%, which is below the national average.
- **It will harm children and their families.** Making it harder for Iowans to keep health insurance will create gaps in coverage, which have been shown to increase hospitalizations and expensive ER visits that Iowa taxpayers cover in the end. Data show that children with health insurance are more likely to do better in school, graduate at higher rates, earn higher incomes and pay taxes that support Iowa's economy. And when parents are covered, they are healthier and better able to care for their children.
- **Eligible families will be among those who lose coverage.** Analysis of enrollment patterns across safety-net programs has shown that burdensome eligibility requirements snare eligible families. A 15-year study of California's SNAP program found that, because of re-enrollment paperwork requirements, for everyone ineligible household screened out of the program, three eligible households also left. Putting up unnecessary hurdles will confuse and discourage those who need it the most from getting and keeping the coverage they need.

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<sup>1</sup> Legislative Services Agency, HF 2438 Fiscal Note, 23 Feb. 2022, accessed at <https://www.legis.iowa.gov/docs/publications/FN/1287572.pdf>

<sup>2</sup> Ibid.