

Updated November 2015 | Fact Sheet

Medicaid Expansion in Iowa

In December 2013, the Centers for Medicare and Medicaid Services (CMS) approved two Section 11115 waivers for Iowa to implement the Affordable Care Act's (ACA's) Medicaid expansion. Originally, one of Iowa's waivers required newly eligible adults with income from 101-138% of the federal poverty level (FPL, up to \$16,242 per year for an individual in 2015) to enroll in a Marketplace Qualified Health Plan (QHP) with Medicaid funds as [premium assistance](#). The other waiver required newly eligible beneficiaries at or below 100% FPL to enroll in Medicaid managed care.¹ Medicaid managed care options in Iowa presently range from managed fee-for-service models to capitated managed care organizations (MCOs), depending upon where beneficiaries live. Together, both waivers cover all newly eligible adults statewide.

As of October, 2014, CMS approved Iowa's request to make Marketplace QHP enrollment voluntary for beneficiaries from 101-138% FPL, after one of the two QHPs withdrew from the Marketplace; if beneficiaries do not choose to enroll in the remaining QHP, they are enrolled in Medicaid managed care.² Subsequently, the remaining QHP informed Iowa that it will no longer accept new Medicaid members. As a result, in September 2015, Iowa submitted a waiver amendment request to CMS seeking to require all newly eligible adults to enroll in capitated Medicaid MCOs as of January, 2016.³ Iowa also submitted a Section 1915(b) waiver request to expand its capitated Medicaid managed care delivery system statewide for nearly all beneficiaries, including newly eligible adults.^{4,5} If CMS approves these waivers, newly eligible adults who are enrolled in the remaining QHP will transition to Medicaid MCOs. The state will maintain its demonstration authority to enroll Medicaid beneficiaries from 101-138% FPL in Marketplace coverage using Medicaid as premium assistance should another QHP offer coverage in the future.

Iowa's demonstration also:

- Includes premiums of \$10 per month for beneficiaries from 101-138% FPL and \$5 per month for beneficiaries from 50-100% FPL, beginning in the second year of enrollment. Medically frail beneficiaries are exempt from premiums. Premiums are waived for the first year of enrollment and can be waived in subsequent years by completing specified healthy behavior activities; however, Iowa has determined that it will need additional time during calendar year 2015 to research and develop the healthy behavior incentive program for year two.⁶ Medicaid eligibility cannot be terminated for non-payment of premiums for beneficiaries at or below 100% FPL. Those from 101-138% FPL can be disenrolled for non-payment of premiums but may re-enroll at any time;
- Includes co-payments only for non-emergency use of the emergency room, at state plan amounts;
- Offers additional dental benefits to those who complete periodic dental exams; and
- Waives non-emergency medical transportation (NEMT) services. The original NEMT waiver applied through December 31, 2014, and extension was conditioned on an evaluation of the waiver's impact on beneficiary access to care. In December 2014, CMS approved a waiver amendment extending the NEMT waiver through July 1, 2015, while noting that Iowa had submitted preliminary data that "raised concerns about beneficiary access[,] particularly for those with incomes below 100 percent of the FPL."⁷ A fall 2014 beneficiary survey

found that beneficiaries not receiving NEMT services were more likely than beneficiaries with access to NEMT services to have an unmet need for transportation to or from a health care visit, although the difference was not statistically significant. The fall 2014 beneficiary survey also found that beneficiaries not receiving NEMT are more likely than beneficiaries with access to NEMT to need assistance with travel to a health care visit because of their need to rely on others for transportation; this finding was statistically significant. After review, CMS extended the NEMT waiver through March 31, 2016, and instructed the state to conduct another survey for CMS to compare with the Fall 2014 survey results if the state seeks a further extension of the NEMT waiver. Iowa provides NEMT to beneficiaries who are medically frail and those under age 21.⁸

As of November 2015, [31 states](#) (including DC) have adopted the Affordable Care Act’s (ACA) Medicaid expansion to low-income adults, creating a new coverage option for adults who were previously excluded from the program. Iowa is one of four states (along with [Arkansas](#), [Indiana](#), and [Michigan](#)) currently implementing the Medicaid expansion using a Section 1115 demonstration waiver. [New Hampshire](#) will transition to demonstration authority as of 2016, and coverage under [Montana’s](#) recently approved demonstration will begin in January 2016. [Pennsylvania](#) had implemented the Medicaid expansion using a Section 1115 demonstration, but later transitioned to a traditional Medicaid expansion.

Other states expanding or seeking to expand Medicaid through Marketplace premium assistance include [Arkansas](#) (required for all newly eligible adults) and New Hampshire (will move expansion from direct coverage in the state’s Medicaid program to Marketplace premium assistance beginning January 2016). Additional details about Iowa’s demonstration are included in Table 1.

Table 1: Iowa’s Section 1115 Medicaid Expansion Demonstration Waivers	
Element	Iowa (approved, as amended, and with Sept. 2015 waiver amendment pending)
Overview:	Covers newly eligible adults with incomes up to 138% FPL through Medicaid managed care. Previously used Medicaid funds to pay Marketplace QHP premiums for newly eligible adults from 101-138% FPL statewide under the ACA’s Medicaid expansion. While Iowa is transitioning newly eligible adults from 101-138% FPL to Medicaid managed care, due to the loss of both Marketplace QHPs, the state maintains its waiver authority to enroll this population in Marketplace coverage should another QHP provide coverage in the future.
Duration:	12/10/13 to 12/31/16 Eligibility effective 1/1/14
Coverage Groups:	Adults ages 19-64 up to 138% FPL. People who have access to cost-effective ESI are required to receive premium assistance for ESI.
Enrollment:	As of January 1, 2016, all Medicaid beneficiaries through 138% FPL would be enrolled in Medicaid managed care organizations, pending approval of Iowa’s § 1115 waiver amendment and § 1915(b) managed care waiver that seeks to expand Medicaid MCOs statewide. Presently, most newly eligible adults in Iowa are enrolled in Medicaid managed care (either capitated MCOs or managed fee-for-service). Beneficiaries from 101-138% FPL who already were enrolled in the one remaining Marketplace QHP will transition to Medicaid MCOs after waiver approval. Beneficiaries have 90 days after enrollment to change plans.
Exempt Populations:	American Indian/Alaska Natives can voluntarily opt into demonstration.
Premiums and Healthy Behavior Incentive Program:	After the first year of enrollment, beneficiaries from 50-100% FPL pay premiums of \$5/month. Non-payment of premiums for this group cannot result in disenrollment. Also after the first year of enrollment, beneficiaries from 101-138% FPL pay premiums of \$10/month. Beneficiaries have a 90-day grace period to pay past-due premiums in full, after which beneficiaries from 101-138% FPL will be disenrolled and unpaid premiums will be considered a collectable debt

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	<p>owed to the state. These individuals can re-apply for coverage at any time.</p> <p>State must waive premiums for beneficiaries who self-attest to financial hardship. Opportunity to self-attest shall be on each premium invoice.</p> <p>All unpaid premiums will be considered a debt to the state, which will be forgiven if the beneficiary does not re-apply or is no longer Medicaid-eligible at renewal.</p> <p>Beneficiary premiums waived for the first year of enrollment. In subsequent years, premiums are waived if beneficiaries complete specified healthy behavior activities. In year 1, these include completing an online health risk assessment and obtaining a wellness examination. Iowa has retroactively broadened the definition of a qualifying wellness exam to allow providers to choose a routine medical exam in lieu of a more comprehensive annual physical, depending on the beneficiary's individual needs.</p> <p>Beneficiaries have a 30 day grace period in the year in which premiums are due to complete the prior year's healthy behaviors and have premiums waived for the remainder of the year.</p> <p>Beneficiaries who have completed the health risk assessment and wellness exam can then complete specified preventive health-related activities to earn financial rewards. Iowa will conduct additional research during 2015 and submit a protocol to CMS with the financial incentive program design for year 2.⁹</p> <p>Those with income below 50% FPL, those who are medically frail, and American Indians/Alaska Natives are exempt from premiums but still may participate in the healthy behaviors program to earn financial incentives.</p> <p>State submitted for CMS approval a protocol and must document through data and on-going monitoring that enrollees have access to providers in order to apply healthy behavior provisions. Any changes to the healthy behaviors protocol must be approved by CMS.</p>
Co-payments:	<p>Cost-sharing limited to 5% of quarterly income, including premiums.</p> <p>Beneficiaries must pay copay for non-emergency use of the emergency room (amount per state plan) beginning in the second year of enrollment.</p>
Benefits:	<p>MCOs provide services in the state's Medicaid Alternative Benefits Package (ABP) for newly eligible adults, based on the state employee plan benefits package. Because the new adult ABP is not aligned with the state plan benefit package, medically frail adults must have access to an ABP that includes the full Medicaid state plan benefit package.</p> <p><i>Dental:</i> state provides dental benefits through a capitated commercial dental plan carve-out. Core dental benefits provided through ABP SPA. Demonstration provides enhanced dental benefits if beneficiaries complete periodic exam within 6-12 months of first visit and enhanced plus dental benefits if beneficiaries continue periodic exams every 6-12 months. State must assist beneficiaries who timely report that they were unable to obtain a dental appointment and provide access to enhanced benefits for those with a demonstrable need who were unable to access periodic exams.</p> <p><i>Non-emergency medical transportation:</i> state initially was granted one year waiver of obligation to provide non-emergency medical transportation for newly eligible beneficiaries (unless medically frail), after which impact on access to care was to be evaluated. In December 2014, CMS approved waiver amendment extending NEMT waiver through July 31, 2015. After reviewing the results of a beneficiary survey conducted in Fall 2014, CMS extended the NEMT waiver through March 31, 2016¹⁰ and has instructed the state to conduct another survey for CMS to compare with the Fall 2014 survey results if state seeks a further extension of the waiver.</p> <p>Iowa provides NEMT to beneficiaries who are medically frail and those under age 21.</p>
Appeals:	<p>All demonstration enrollees use the state fair hearing process for all appeals. State may submit SPA delegating hearing responsibility to another state agency.</p>
Financing:	<p>Does not specify cost without the waiver. Estimates that the waiver will cost \$137 million in CY 2014, \$205 million in 2015, \$213 million in 2016, \$221 million in 2017, and \$230 million in 2018.</p>
Oversight:	<p>State Medicaid agency and state insurance departments will enter into MOU or agreement with QHPs regarding enrollment, payment of premiums and cost-sharing reductions, reporting and data requirements, notices, and audits.</p>

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Element	Iowa (approved, as amended, and with Sept. 2015 waiver amendment pending)
Status:	Demonstration approved 12/10/13 and amended 12/30/13, 5/1/14, 12/30/14, and 7/31/15. Pending amendment to require all Medicaid beneficiaries to be enrolled in Medicaid MCOs as of Jan. 2016. Within 6 months of implementation and annually thereafter, state must hold forum for public comment.
Evaluation:	State submitted draft evaluation design approved by CMS. ¹¹ Evaluation shall be conducted by an independent entity.
Reporting:	State must submit quarterly and annual reports to CMS.

Endnotes:

¹ Iowa Marketplace Choice Plan, CMS Special Terms and Conditions (Jan. 1, 2014-Dec. 31, 2016, amended July 31, 2015), <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-marketplace-choice-plan-ca.pdf>; Iowa Wellness Plan, CMS Special Terms and Conditions (Jan. 1, 2014-Dec. 31, 2016, amended July 31, 2015), <http://www.medicicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-wellness-plan-ca.pdf>.

² Iowa State Plan Amendment # 14-0024 at 1 (approved March 24, 2015, effective Oct. 1, 2014), <http://www.medicicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/IA/IA-14-024.pdf>; see also Iowa State Plan Amendment # 14-0023 (approved March 23, 2015, effective Oct. 1, 2014), <http://www.medicicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/IA/IA-14-023.pdf>; Letter from Cindy Mann, Director, CMS, Center for Medicaid and CHIP Services to Julie Lovelady, Interim Medicaid Director, State of Iowa at p.2 (Dec. 30, 2014), <http://www.medicicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/Market-Place-Choice-Plan/ia-marketplace-choice-plan-current-appvl-02022015.pdf>.

³ Iowa Dep't of Human Services, *Section 1115 Demonstration Amendment: Iowa Wellness Plan* (Iowa Dep't of Human Services, Sept. 3, 2015), https://dhs.iowa.gov/sites/default/files/1115WellnessPlan_Waiver_Amendment.pdf.

⁴ Iowa Dep't of Human Services, *Section 1915(b) Waiver Proposal for MCO, PIHP, PAHP, PCCM Programs and FFS Selective Contracting Programs: The Iowa High Quality Healthcare Initiative* (Sept. 3, 2015), https://dhs.iowa.gov/sites/default/files/1915bHQHI_Waiver_Narrative.pdf.

⁵ Beneficiaries will have the choice of enrolling in plans offered by Amerigroup Iowa, AmeriHealth Caritas Iowa, UnitedHealthcare Plan of the River Valley, or WellCare of Iowa.

⁶ Iowa received only one response to its RFP and determined that it was not sufficient to meet program needs. CMS Special Terms and Conditions, *Iowa Wellness Plan (#11-W-00289/5), Attachment A, Iowa Medicaid Healthy Behaviors Program and Premium Monitoring Protocols*, at 45 (amended July 31, 2015), <http://www.medicicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-wellness-plan-ca.pdf>.

⁷ Letter from Cindy Mann, Director, CMCS, CMS to Julie Lovelady, Interim Medicaid Director, State of Iowa (Dec. 30, 2014), <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-marketplace-choice-plan-ca.pdf>.

⁸ Letter from Vikki Wachino, Director, CMCS, CMS to Mikki Stier, Medicaid Director, State of Iowa (July 31, 2015), <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-marketplace-choice-plan-ca.pdf>

⁹ Examples of activities include smoking cessation program, an annual dental exam, or chronic disease management education and examples of financial rewards include over-the-counter pharmacy products, tobacco cessation supplies, dental supplies, gym memberships, and weight loss programs. The rewards will equal at least the annual premium amounts (\$60 for those from 50-100% FPL and \$120 for those from 101-138% FPL). Iowa released an RFP for a vendor to manage the healthy behaviors reward program but received only one response, which the state determined was insufficient to meet the program's needs. CMS Special Terms and Conditions, *Iowa Wellness Plan (#11-W-00289/5), Attachment A, Iowa Medicaid Healthy Behaviors Program and Premium Monitoring Protocols*, at 45 (amended July 31, 2015), <http://www.medicicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-wellness-plan-ca.pdf>.

¹⁰ Letter from Vikki Wachino, Director, CMCS, CMS to Mikki Stier, Medicaid Director, State of Iowa (July 31, 2015), <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-marketplace-choice-plan-ca.pdf>

¹¹ Iowa Wellness Plan Evaluation Design Approval, (June 4, 2014), <http://dhs.iowa.gov/sites/default/files/WellnessPlanEvaluationDesignApproval.pdf>; Iowa Marketplace Choice Plan Evaluation Design (June 4, 2014), <http://dhs.iowa.gov/sites/default/files/MarketplaceChoicePlanEvaluationDesignApproval.pdf>.