



# Iowa Medicaid Update

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**January 27, 2025**

# Medicaid Reference Guide



2024

## Medicaid Reference Guide

### Medicaid

- ▶ Age 65 or older, blind, have a disability, have families with dependent children, pregnant women, children (up to age 21), children formerly in foster care (up to age 26), adults ages 19-64 and individuals with breast and/or cervical cancer or precancerous conditions.
- ▶ Eligibility is based on financial and non-financial criteria, such as income, assets, citizenship, Iowa residency, immigration status and disability when used as a basis for eligibility.

### Iowa Health and Wellness Plan (IHAWP)

- ▶ Individuals ages 19-64.
- ▶ Same eligibility non-financial requirements as Medicaid; Income at or below 133% Federal Poverty Level (FPL); Not eligible for Medicaid under the mandatory coverage groups; Not entitled to or enrolled in Medicare.
- ▶ There are no charges for health services during a member's first year of enrollment. Beginning in the member's second year of enrollment, small monthly contributions may be required, depending on completion of Healthy Behaviors and family income.

### Healthy and Well Kids in Iowa (Hawki)

- ▶ Children under 19 years of age.
- ▶ Income at or below 302% FPL for both Hawki and Hawki Dental Only.
- ▶ Premiums are based on family income. No family pays more than \$40 per month. Some families pay nothing at all.

### Dental Wellness Plan (DWP)

- ▶ Enrolled adults and children.
- ▶ Coverage is not available for: PACE, Health Insurance Premium Payment (HIPP), Presumptive Eligibility (PE), Persons Eligible only for the Medicare Savings Program (MSP), Medically Needy (MN), Periods of retroactive eligibility, Non-qualified immigrants receiving time-limited coverage for certain emergency medical.

### Family Planning Program (FPP)

- ▶ Limited coverage for family planning-related services for individuals ages 12-54.
- ▶ Income at or below 300% FPL; Resident of Iowa, U.S. citizen or qualified non-citizen capable of bearing or fathering children; Not currently receiving Medicaid or IHAWP.

### Program of All-Inclusive Care For the Elderly (PACE)

- ▶ Age 55 or older; Live in select Iowa counties; Be certified by state as eligible for nursing home care; Live in the community (not a nursing home); Be able to live safely in the community; Agree to receive health services exclusively through the PACE organization.

# Medicaid Funding Overview



Total Medicaid budget for SFY25 is projected to be approximately \$9.0 billion

- \$2.2 billion in State funds
- \$6.8 billion in Federal and other funds



State/Federal funding distribution is determined by Federal Medical Assistance Percentage (FMAP)



Directed payment programs



Medicaid expenditures paid out primarily through capitation rates to Managed Care Organizations (MCOs)

# Governor's Medicaid Recommendations

# Current HHS Budget

- ▶ Shortfall
- ▶ Rate review
- ▶ Rebasing
- ▶ Dispensing fee
- ▶ Maternal health focus

Division	Program	Fund	SF26 Governor Recommendation	Description
Medicaid	Medicaid Shortfall	GF	\$174,124,700	December Medicaid projection with 3% trend.
Medicaid	CHIP Shortfall	GF	\$19,199,028	December CHIP projection with 3% trend.
Medicaid	Nursing Facility Rebasing	GF	\$25,000,000	Nursing facility rebasing.
Medicaid	Medicaid Rate Reviews	GF	\$4,971,128	Annual Medicaid provider rate review and adjustment to 85% of benchmark for provider group reviewed.
Medicaid	Pharmacy Dispensing Fee	GF	\$1,581,492	Pharmacy Dispensing fee.

Division	Program	Fund	SF26 Governor Recommendation	Description
Medicaid	Maternal Health Rate Adjustment	GF	\$420,000	Adjust maternal health rates to comparable average for similar states.
Medicaid	Certified Nurse Midwives	GF	\$2,000	Increase rate for certified nurse midwives under Medicaid.
Medicaid	Doula Services	GF	\$220,000	Add coverage for doula services.
Medicaid	Transition to CCBHC	GF	(3,000,000)	Implement Certified Community Behavioral Health Clinics (CCBHCs) statewide will result approximately \$3.0 million savings. The savings is the result of a reduction in integrated health home usage and assertive community treatment.

# Hospital Assessment

	Medicaid & CHIP		
	Total	Federal	State
UIHC	\$623,647,144	\$476,856,157	\$146,790,986
Iowa Hospital Association	\$1,478,197,756	\$1,094,433,307	\$383,764,449
Total	\$2,101,844,900	\$1,571,289,465	\$530,555,435



# Rate Review

- Third year
- Nursing facility, ICF/ID, hospital and FQHC rates aren't included because they get regularly updated
- Future state – more sophistication by service and access points

# Legislative Implementation

- **SF 2251** – Postpartum Coverage
- **HF 2402** – Psychiatric Medical Institutes for Children Rate Enhancement
- Psychiatric ICU Update
- Juvenile Incarceration Project

# HF-2698

## FY 2025 Budget Bill



Assisted  
Living Rate



Case Management  
Investment

# Managed Care Contract Updates



Revised withhold  
language



Clarify B3 services

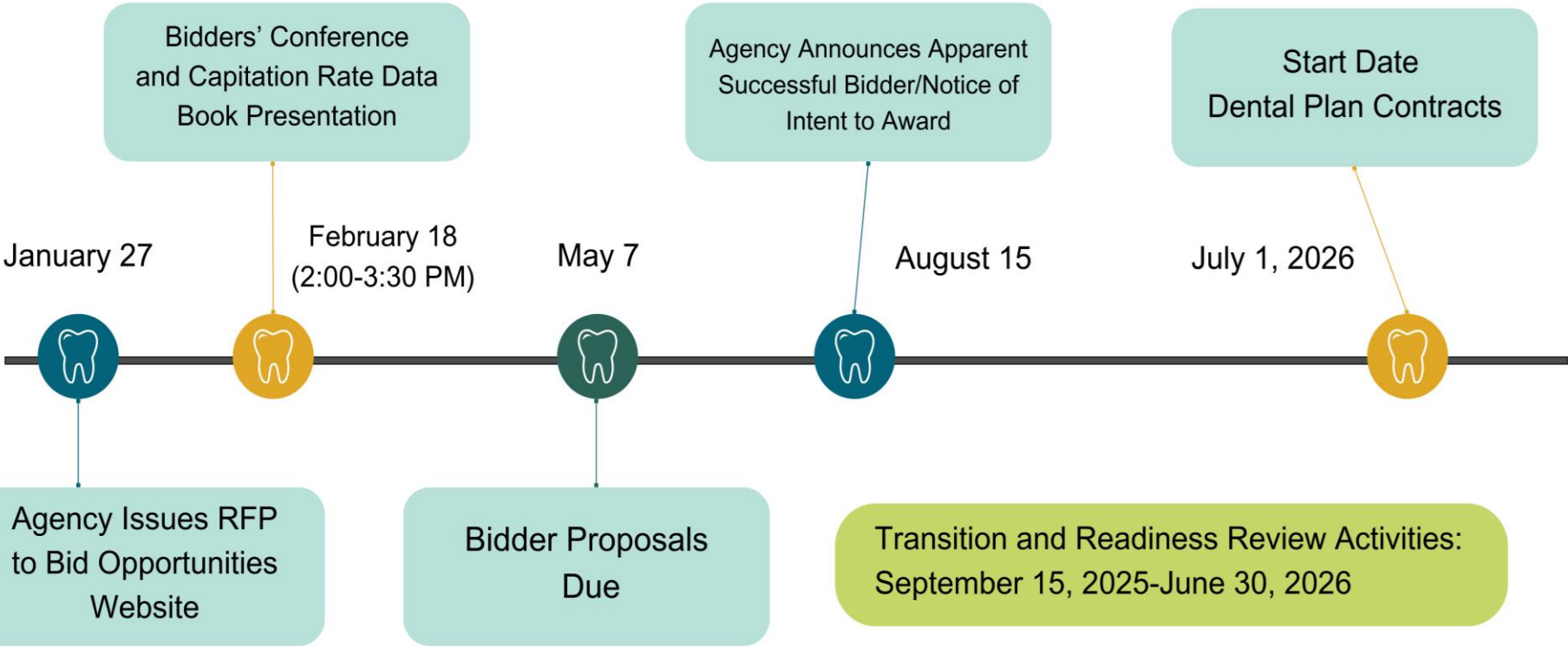


Updated case  
management ratios



Acuity adjustment

# Dental Procurement



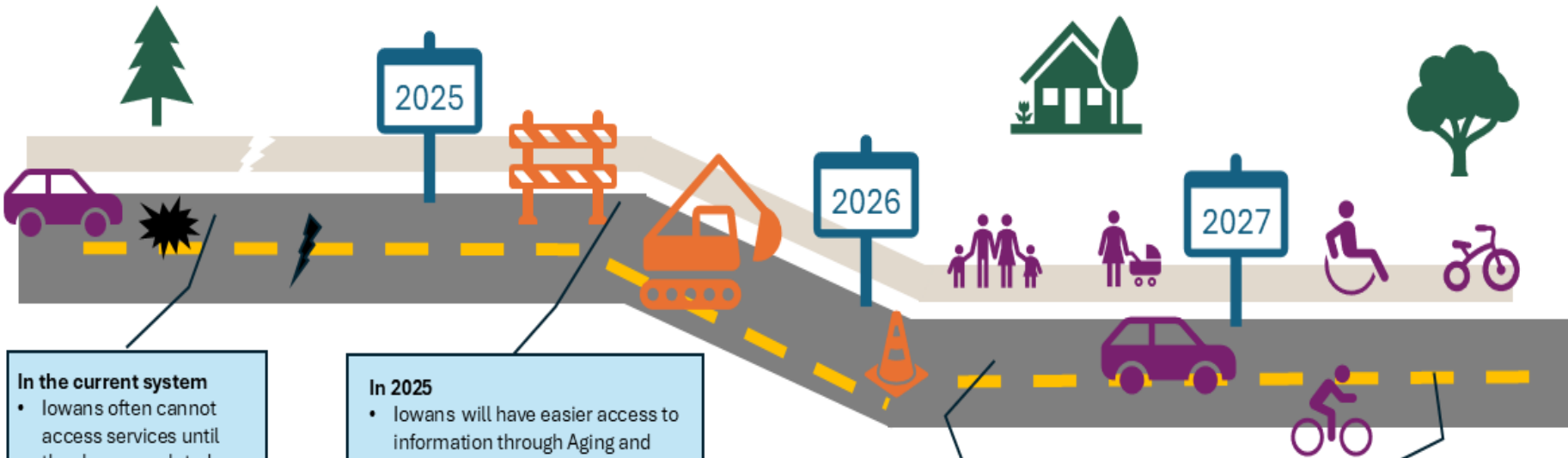
# HOME and REACH

## Paving a New Path to Integrated Services for Iowans

Currently, Iowans face roadblocks in getting behavioral health care, disability services, and support with aging.

From 2022 to 2024, Iowa HHS worked with Iowans to learn how to create a coordinated system with better access to services.

Starting in 2025, Iowans will see improvements to the programs and services that provide support for people to live independently and in their community.



### In the current system

- Iowans often cannot access services until they have escalated needs.
- Iowans do not have information to understand what services are available to them.
- Iowans with similar needs may qualify for different levels of support.

### In 2025

- Iowans will have easier access to information through Aging and Disability Resource Centers.
- Iowans with behavioral health needs will have access to Certified Community Behavioral Health Clinics (CCBHCs).
- Other services may be available to help people who live in institutions move back to the community.

### In 2026

Iowa proposes to:

- Streamline the number of Medicaid waivers it offers and base their supports on need rather than diagnosis.
- Improve the waiver waitlist system.
- Strengthen community-based services, including crisis services, for children with Serious Emotional Disturbance (SED).

### In 2027 and beyond

Iowa proposes that:

- Children with SED will access new services, including intensive case management.
- Two new services will launch under new Medicaid waivers: Peer Mentoring and Community Transition Supports.

# Medicaid Unwind

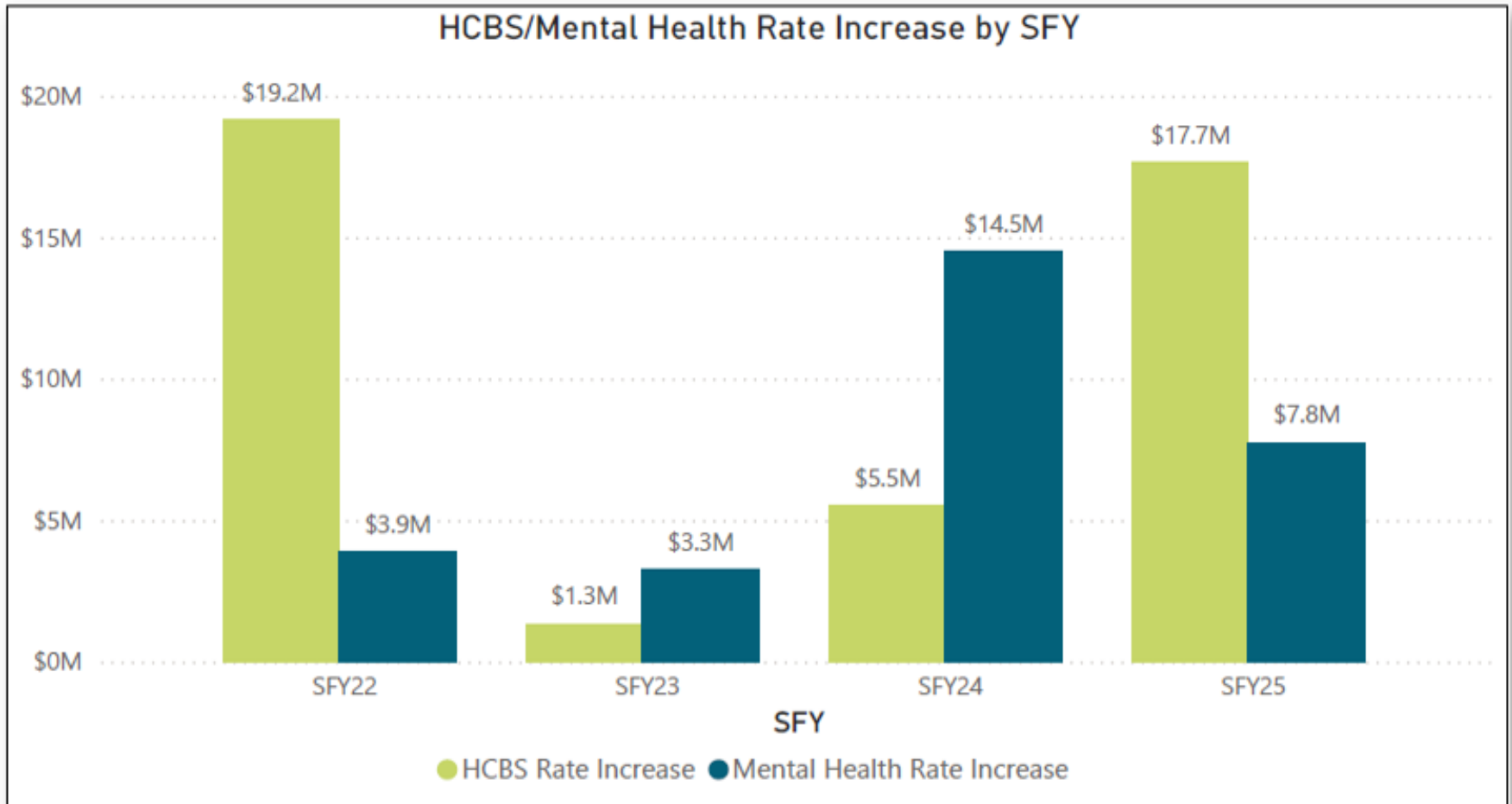
## April 2023 – March 2024

OT	\$2,954,633
OT Hours	42,972
Regular Hours	590,274

# Appendix



# Historical Mental Health and HCBS Rate Increases

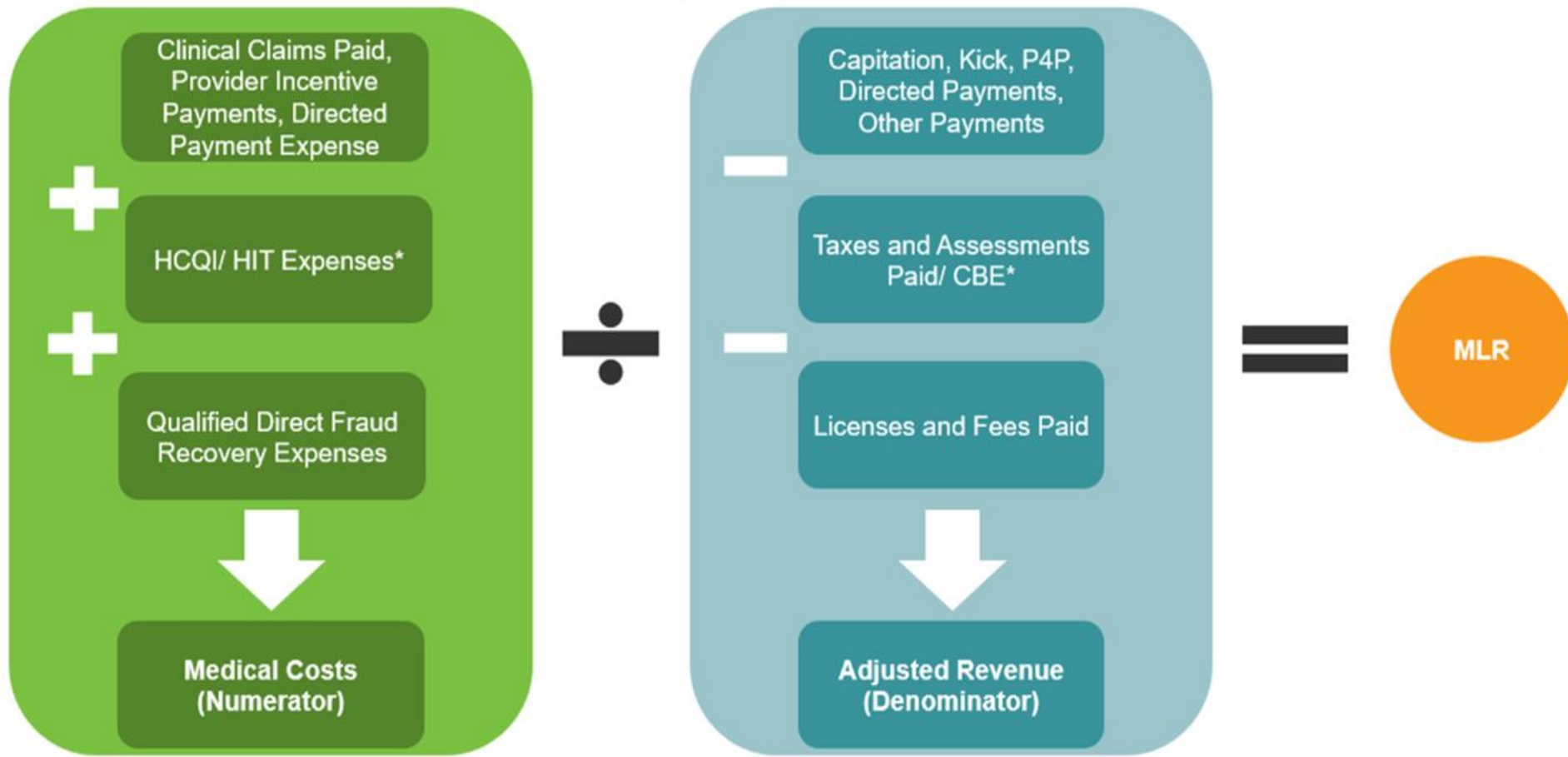


# What is the Medical Loss Ratio (MLR)

**The Medical Loss Ratio (MLR)** is an important measure of an MCP's financial performance. It shows the percentage of capitation payment a plan spends on covered health services and quality improvement activities.

The remaining funds cover administrative costs and provide profit or surplus for nonprofit plans.

MLR is used to assess how much of the Medicaid payment goes toward care and quality improvement, compared to administrative costs and profit. See 42 CFR 438.8

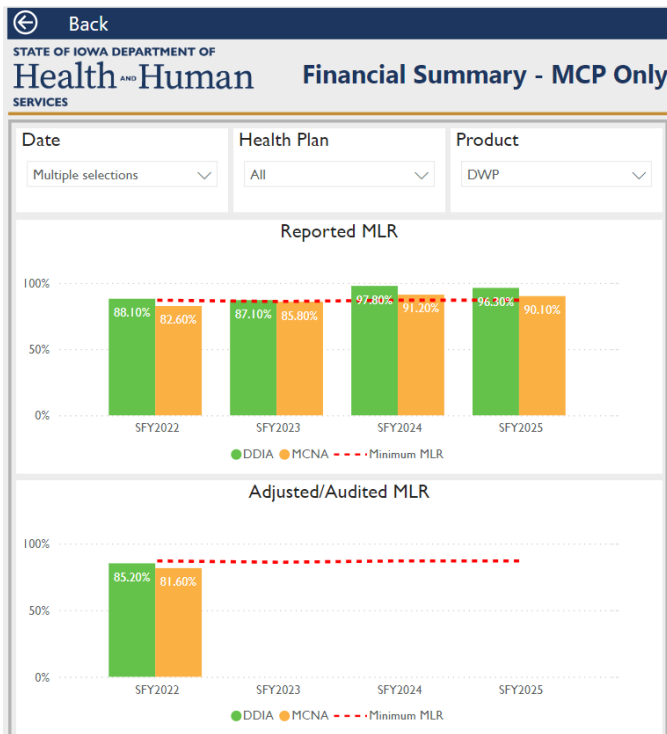


\*HCQI = Healthcare Quality Improvement Expenses  
 \*HIT = Healthcare Information Technology Expenses to support HCQI  
 \*CBE = Community Benefit Expenditures

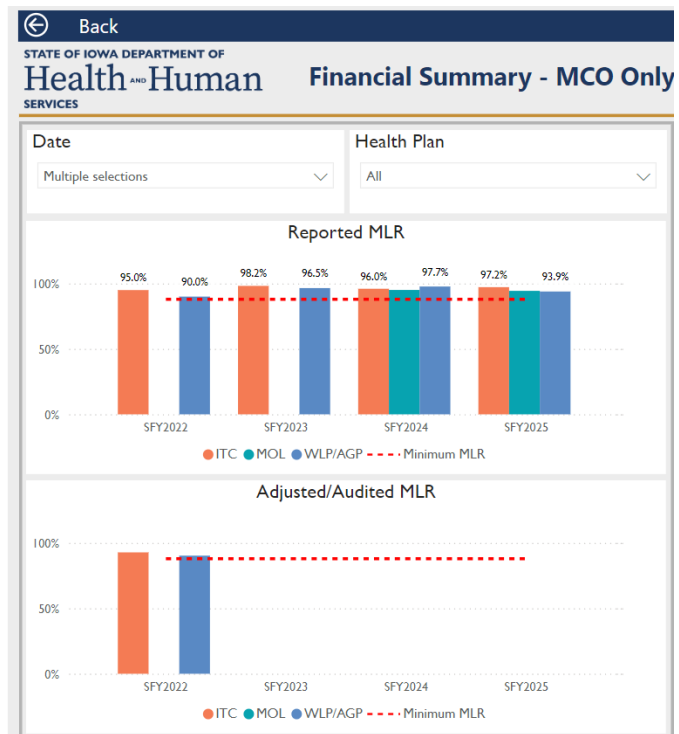
# MLR Oversight

Iowa Medicaid monitors the MLR regularly. MCPs are required to report their MLR quarterly and annually. Iowa Medicaid, along with the State’s actuary, reviews and analyzes the self-reported MLR. The quarterly and annual MLR data is displayed on the [Iowa Medicaid dashboard](#).

## Dental MLR



## MCO MLR



# MLR Oversight

- Iowa Medicaid also reconciles the MLR at the end of the state fiscal year (SFY) to ensure the accuracy of the reported data and to determine if a recoupment or payout of the capitation payment is necessary.
- In addition to the end-of-SFY MLR reconciliation, Iowa Medicaid conducts an independent audit to verify the truthfulness, accuracy, and completeness of the encounter and financial data reported by the MCP for the MLR reporting.
- MLR audit information is found on the [Medicaid Contracts and Rates](#) webpage in the Capitated Rates and Accreditation section under the Accreditation “+” sign.
- Iowa Medicaid is currently finalizing the SFY23 MLR audit.