



Administrator
Washington, DC 20201

Jennifer Vermeer
Medicaid Director
State of Iowa
Department of Human Services
100 Army Post Road
Des Moines, IA 50315

DEC 10 2013

Dear Ms. Vermeer:

The Centers for Medicare & Medicaid Services is approving Iowa's request for two new three-year Medicaid demonstrations, "Iowa Wellness Plan", (Project Number 11-W-00289/5) and "Iowa Marketplace Choice", (Project Number 11-W-00288/5). The demonstrations are approved in accordance with section 1115(a) of the Social Security Act (the Act) and are effective as of the date of the signed approval. Through these demonstrations and associated state plan amendments, the state will ensure coverage to all adults in Iowa with incomes up to and including 133 percent of the federal poverty level (FPL). Enrollment for the new adult population began on October 1, 2013, with eligibility effective on January 1, 2014.

The CMS approval of these demonstrations is conditioned upon compliance with the enclosed sets of STCs defining the nature, character, and extent of anticipated federal involvement in the projects. The award is subject to our receiving your written acknowledgement of the award and acceptance of these STCs within 30 days of the date of this letter. Alternatively, the state may advise CMS of any modifications it would like us to consider. A copy of the STCs, waivers, and expenditure authorities are enclosed for your review.

Marketplace Choice Demonstration

The "Iowa Marketplace Choice" demonstration provides authority to Iowa to offer certain individuals in the new adult eligibility group premium assistance to enable such individuals to purchase coverage offered by qualified health plans (QHPs) in the Marketplace. The Marketplace Choice population will consist of most non-medically frail individuals aged 19-64 with incomes above 100 percent of the FPL, except those with access to cost-effective employer sponsored insurance (and with special provisions for American Indians and Alaskan Natives to choose demonstration benefits). We have granted authority in the Marketplace Choice demonstration allowing Iowa to align Medicaid timing requirements for prior authorization for drugs with requirements applicable to QHPs. The demonstration will not affect access for beneficiaries under age 21 to early and periodic screening and diagnostic treatment (EPSDT) services, and all beneficiaries in the demonstration shall be able to access out-of-network family planning.

The Iowa Marketplace Choice demonstration contains an incentive program that is intended to improve the use of preventive services and other healthy behaviors. Monthly premiums for enrollees with incomes above 100 percent of the FPL, up to and including 133 percent of the FPL, can be imposed in year 2 of the demonstration. Enrollees who complete all required healthy behaviors during year 1 of the demonstration shall have their premiums waived in year 2. For each subsequent year, enrollees will have the opportunity to complete healthy behaviors and will not need to make financial contributions if they do so. In other words, beneficiaries who meet healthy behaviors goals in year 2 will not pay premiums for year 3.

Premiums that the state can impose will not be more than Marketplace premiums and total cost sharing is subject to a quarterly aggregate cap of 5 percent of family income. We have provided authority to relieve the state from the responsibility to assure non-emergency medical transportation to and from providers for the Marketplace Choice population. This waiver authority will sunset after one year, to allow for the state and CMS to consider the impact on access to care. Beneficiaries' cost-sharing obligations (other than premiums) under this demonstration will be consistent with state plan requirements.

Health and Wellness Demonstration

Under the approved Health and Wellness Demonstration and associated state plan amendments, Iowa will serve individuals ages 19 through 64 with income up to and including 100 percent of the FPL in the new adult group, as well as individuals above 100 percent up to and including 133 percent of the FPL, who are medically frail, are American Indians and Alaska Natives, or have access to employer sponsored insurance. Covered services will be furnished in ways that promote coordinated care, including the use of managed care and Accountable Care Organizations (ACOs) under the state plan. The Health and Wellness Plan program will promote healthy behaviors through education and engagement of beneficiaries and providers, and includes an incentive component that is intended to promote healthy behaviors. Premiums are not authorized. Under the demonstration, the state is relieved of the responsibility to assure non-emergency medical transportation to and from the providers. This waiver authority will sunset after one year, to allow for reevaluation on access to care. Beneficiaries' cost-sharing obligations, which include copayments for non-emergency use of emergency room services, will be consistent with state plan requirements.

Your project officer for these demonstrations is Mrs. Vanessa Sammy. She is available to answer any questions concerning your section 1115 demonstration Mrs. Sammy's contact information is as follows:

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Center for Medicaid and CHIP Services
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Baltimore, MD 21244-1850
Telephone: (410) 786-2613
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E-mail: Vanessa.Sammy@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Mrs. Sammy and to Mr. James Scott, Associate Regional Administrator in our Kansas City Regional Office. Mr. Scott's contact information is as follows:

Centers for Medicare & Medicaid Services
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601 East 12th Street
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Email: James.Scott1@cms.hhs.gov

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If you have questions regarding this approval, please contact Mr. Eliot Fishman, Director, Children and Adults Health Programs Group, Center for Medicaid and CHIP Services, at (410) 786-5647.

Thank you for all your work with us, as well as stakeholders in Iowa, over the past several months on developing this important demonstration, and congratulations on its approval.

Sincerely,



Marilyn Tavenner

Enclosures

cc: Cindy Mann, CMCS
Eliot Fishman, CMCS
Jennifer Ryan, CMCS
James Scott, ARA, Region VI
Diane Gerrits, CMCS
Vanessa Sammy, CMCS