



Iowa Health and Wellness Plan Section 1115 Demonstration Amendment

Project #1 I-W-00289/8

Public Comment DRAFT: April 15, 2025



Health and
Human Services

I. Summary

The Iowa Legislature is currently considering legislation which would require the Iowa Department of Health and Human Services (HHS) to request federal approval to incorporate work requirements as a condition of maintaining eligibility for Iowa Health and Wellness Plan (IHAWP) members ages nineteen (19) to sixty-four (64) who are not otherwise exempt. In anticipation of the passage of legislation, HHS is seeking to amend the IHAWP 1115 Demonstration (Project Number 11-W-00289/8) to implement these requirements. Note, the State is also in the process of negotiating an extension of its current IHAWP Demonstration, to be effective July 1, 2025. The State respectfully requests Centers for Medicare & Medicaid Services' (CMS) review and approval of this work requirements Demonstration amendment request to also allow for an effective date of July 1, 2025. HHS will conduct implementation activities throughout 2025, with a target date of January 1, 2026, to operationalize the work requirements.

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II. Background Information

IHAWP Demonstration History

Below is a high-level history of Iowa's IHAWP 1115 Demonstration.

INITIAL DEMONSTRATION APPROVAL: 2014 - 2016

In 2013, the Iowa Legislature passed with bi-partisan support the Iowa Health and Wellness Plan (IHAWP) to provide access to healthcare for uninsured, low-income Iowans, using a benefit design intended to improve health outcomes for members, increase personal responsibility, and ultimately lower costs. The IHAWP sought to provide a comprehensive, commercial-like benefit plan to ensure provision of Essential Health Benefits, indexed to the State Employee Plan benefits, with supplemental dental benefits similar to those in the Medicaid State Plan. Original options provided coverage to adults ages nineteen (19) to sixty-four (64) as follows:

1. The Iowa Wellness Plan (IWP) for those with household incomes at or below one hundred percent (100%) of Federal Poverty Level (FPL); and
2. The Marketplace Choice Plan (MPC) for those with household incomes of one hundred one percent (101%) to one hundred thirty-three percent (133%) of FPL.

On December 10, 2013, the CMS approved the Iowa Wellness Plan 1115 Demonstration Waiver (Project #11-W-00289) and the Marketplace Choice 1115 Demonstration Waiver (Project # 11-W-00288), thereby enabling the State to implement the IHAWP on January 1, 2014.

CMS approved several amendments to the Demonstrations during the initial approval period, including amendments to both Demonstrations to provide tiered dental benefits to all expansion adults and to extend Iowa's waiver of the non-emergency medical transportation (NEMT) benefit. On January 1, 2016, Iowa transitioned MPC Demonstration enrollees to the IWP Demonstration, extending coverage in that Demonstration to one hundred thirty-three percent (133%) of FPL. At that time, the IWP became known as the IHAWP.

INITIAL WAIVER EXTENSION AND AMENDMENTS: 2017 - 2019

On November 23, 2016, the State received approval to extend the IHAWP for an additional three (3)-year period. This initial extension was approved with no program modifications. Subsequently, CMS approved two amendment requests as follows:

1. Modify the Dental Wellness Plan (DWP) to implement an integrated dental program for Medicaid enrollees aged nineteen (19) and over; and
2. Waive the three (3)-month retroactive eligibility period, except for pregnant women and infants under age one (1). This change became effective for new Medicaid applications filed on or after July 1, 2018.

SECOND WAIVER EXTENSION AND AMENDMENTS: 2020-2024

On June 20, 2019, the State submitted an extension application under Section 1115(f) for a five (5)-year extension. CMS granted approval for the renewal on November 15, 2019. In extending the approval period, CMS updated the waiver of retroactive eligibility to exempt children under nineteen (19) years of age.

The State subsequently submitted an amendment request that was effectuated July 1, 2021, to provide dental benefits for children under age nineteen (19) through Prepaid Ambulatory Health Plans (PAHPs). In December 2021, the State further modified the DWP by discontinuing the dental Healthy Behaviors program. With this change, members enrolled in the DWP are no longer required to complete two Healthy Behavior activities annually or pay a monthly dental contribution to receive full dental coverage.

THIRD WAIVER EXTENSION: 2025

On July 9, 2024, Iowa submitted a Section 1115 Demonstration extension application and received a temporary extension that is set to expire June 30, 2025. The State is in process of working with CMS to receive a five (5)-year Demonstration extension to be effective July 1, 2025. Through this extension, Iowa will work to further the objectives of Title XIX by working to achieve the following key goals:

1. Improving enrollee health and wellness through the encouragement of healthy behaviors and use of preventive services;
2. Increasing enrollee engagement and accountability in their health care; and
3. Increasing enrollees access to dental care.

Additionally, the DWP seeks to achieve the following goals specific to dental services:

1. Ensure member access to and quality of dental services;
2. Allow for the seamless delivery of services by providers;
3. Improve the oral health of DWP enrollees by encouraging engagement in preventive services and compliance with treatment goals; and
4. Encourage linkage to a dental home.

Iowa's Demonstration has been effective to date. Through IHAWP, the State has expanded access to healthcare for Iowans statewide with over one hundred eighty thousand (180,000) individuals enrolled as of January 2025. Trends in quality measures indicate this coverage has resulted in access to preventive services higher than national rates, particularly among adults ages twenty (20) to forty-four (44) years of age. The proposed Demonstration extension will enable Iowa to continue providing access to otherwise Medicaid ineligible Iowans.

III. Proposed Amendment

Iowa HHS has a societal vision that “individuals, families, and communities are safe, resilient, and empowered to be healthy and self-sufficient.” HHS believes that employment is crucial to a good quality of life as it contributes to financial stability, opportunities for personal growth, and a sense of community and purpose. Therefore, concurrent with the State’s third waiver extension request, Iowa seeks approval for a waiver amendment to incorporate work requirements as a condition of maintaining IHAWP eligibility.

Iowa has a strong economy with low unemployment and a robust state budget. Our workforce is crucial to this success and must be healthy, prepared, and have a strong foundation to fully realize economic mobility in Iowa’s marketplace. Financial, physical, and emotional stability for individuals and families create a foundation for making meaningful contributions to our community and economy.

Iowa’s overarching goal for implementing work requirements is to reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility. Implementation of these work requirements will also further Iowa’s intent for IHAWP to increase personal responsibility of members and ultimately lower costs and will increase Iowa’s current efforts to promote employment and education. For example, IHAWP members are served through the State’s Medicaid managed care program, and managed care organizations (MCOs) are required to support community-based efforts to build interfaces with agencies, including job training, placement, and vocational service agencies. They also provide recovery-oriented support to individuals with substance use disorder (SUD), including activities for development and maintenance of employment and school performance. Certified peer specialists work to establish recovery, and self-help supports where members with SUD can learn employment skills, giving recovering persons volunteer or employment opportunities through which they support their own recovery.

The State also intends to align work requirements and exemptions for the IHAWP population with the Supplemental Nutrition Assistance Program (SNAP) to the extent possible to maximize fiscal stability and administrative efficiency. As such, HHS Medicaid and SNAP leadership are collaborating on work requirements to assure that IHAWP members are not required to meet two sets of requirements. Those who are enrolled in SNAP and are compliant with work requirements within that program will automatically be deemed compliant for IHAWP enrollment. Additionally, the State intends to build on existing infrastructure by exploring changes to existing technology that will enable data sharing across programs (e.g., eligibility, work requirement status, etc.) and to automate processes.

A. Requested Amendment

HHS is requesting approval to amend IHAWP eligibility requirements to require non-exempt individuals who are ages nineteen (19) to sixty-four (64) to meet one of the following qualifying activities as a condition of maintaining eligibility:

- Work at least one hundred (100) hours per month or earn wages monthly at least equal to the State minimum wage multiplied by one hundred (100) hours;
- Enrolled in an educational/job skills program;
- Enrolled in and compliant with Iowa's Temporary Aid to Needy Families (TANF) or SNAP work requirements; or
- Have been exempted from SNAP work requirements.

See Appendix A, Work Requirements and Exemptions in Iowa's Public Programs, for a listing of TANF and SNAP work requirements and exemptions.

IHAWP members who meet one of the following criteria will be exempted from work requirements:

- Individuals who are under nineteen (19) years of age or who are sixty-five (65) years of age or older;
- Individuals who are pregnant and the pregnancy is high-risk;
- Individuals determined disabled by the United States Social Security Administration (SSA);
- Individuals identified as medically exempt under the Medicaid program;
- Caretakers of children under the age of six (6);
- Individuals who are receiving unemployment compensation as determined by Iowa Workforce Development;
- Individuals participating in substance use disorder (SUD) treatment, not to exceed a consecutive six (6)-month period; and
- Individuals who provide proof of good cause as defined by HHS.

B. Impacts of Proposed Amendments

IMPACT TO ELIGIBILITY

HHS's target date for operationalizing work requirements is January 1, 2026. HHS will use a phased implementation approach for operationalizing work requirements for IHAWP members. When operationalized, the State will begin compliance checks six (6) months after enrollment for all new applicants determined eligible. Compliance checks for existing members will begin on their next eligibility renewal period. HHS will use information available in existing systems (e.g., eligibility system) to confirm compliance. HHS will also develop a mobile application and other electronic solutions for member use in submitting verification documentation when HHS does not have sufficient information to confirm compliance.

At this time, HHS will implement changes to its eligibility processes to include the following:

- **Initial Application Requirements:** HHS will maintain its existing IHAWP application process. New applicants will not be required to comply with work requirements to gain initial IHAWP eligibility.
- **IHAWP Member Compliance Checks:** HHS will conduct compliance checks for members every six (6) months to confirm they continue to meet a qualifying activity or continue to meet an exemption criterion. Examples of outcomes to these checks are as follows:
 - IHAWP member continues to meet requirements or an exemption and maintains IHAWP enrollment.
 - IHAWP member does not submit verification information. IHAWP enrollment for the member is suspended. If the member continues to be non-compliant, the member is disenrolled on his or her annual renewal date.
 - IHAWP member provides verification but failed to complete a qualifying activity for the period reviewed. IHAWP enrollment for the member is suspended. If the member continues to be non-compliant the following six (6) months, the member is disenrolled on his or her annual renewal date.
 - IHAWP member provides other information indicating he or she is no longer eligible for IHAWP (e.g., are working and income is above the FPL allowed for IHAWP enrollment). The member's enrollment in IHAWP is discontinued.

When HHS determines that an IHAWP member no longer meets an exemption criterion or has not completed a qualifying activity within the given time period, the member will be issued a notice as follows:

- For suspensions, the notice will indicate the reason for and timing of suspension and instructions for steps necessary for the member to take to request HHS lift the suspension; and
- For disenrollments, the notice will indicate the reason for and timing of disenrollment. It will also indicate the timeframe an individual must wait to reapply. If basic eligibility criteria are not met a notice of denial or termination will be issued.

Individuals will have appeal rights, including the right to appeal the State's decision that the individual does not meet the work requirements or exemption classifications.

IMPACT TO DELIVERY SYSTEM

The delivery system under the current State Plan and IHAWP Demonstration will not vary for individuals who are impacted by this proposed Demonstration amendment. This Demonstration amendment will apply statewide.

IMPACT TO COVERED BENEFITS AND COST-SHARING

The Demonstration amendment will not modify current covered benefits and cost sharing arrangements defined under the current State Plan and IHAWP Demonstration.

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IV. Title XIX Waiver Request

The State requests all necessary waiver authority to implement this amendment request, including the provisions listed below. Further, the State seeks to align the amendment timeframe with the extension currently under CMS review.

- **Comparability of Eligibility Requirements:** Section 1902(a)(10)(A) to the extent necessary to enable the State to require all non-exempt IHAWP eligible individuals to meet one of the defined work requirements as a condition of maintaining eligibility.
- **Provision of Medical Assistance:** Section 1902(a)(8) to the extent necessary to suspend and terminate eligibility for individuals who fail to meet work requirements.
- **Amount, Duration and Scope of Services and Comparability:** Section 1902(a)(10)(B) and 1902(a)(17) to extent necessary to enable the State to suspend benefits for current members who do not meet work requirements.
- **Methods of Administration on Basis of Information Available to the Agency:** Section 1902(a)(17) and 42 CFR 435.916 to the extent necessary to enable the State to require individuals to provide additional information to verify compliance and to permit the State to deny or discontinue eligibility to persons who do not provide verification.
- **Methods of Application:** 42 CFR 435.907 to the extent necessary to implement electronic modalities exclusively for confirmation of having met work requirements to maintain eligibility.

V. Evaluation and Program Oversight

The State will continue with its planned evaluation and reporting for the Demonstration and will incorporate data specific to this amendment. Additionally, Table 1 outlines the proposed hypotheses the State proposes to evaluate to test the impact of work requirements on increasing the employment rate for IHAWP members. The goal of the amendment is to implement work requirements to reduce the dependence of low-income lowans on public assistance programs through efforts that advance economic stability and mobility. The State's objectives include increasing the number of individuals in the State who have earned income or who are in process of receiving education and training to increase their skillsets and knowledge to support gainful employment opportunities, and to reduce IHAWP enrollment over time as individuals gain access to alternate health insurance options.

Table 1. Proposed Evaluation Hypotheses

Proposed Hypotheses	Research Question	Analytic Approach
1. The implementation of work requirements will increase the employment rate of IHAWP members.	<ul style="list-style-type: none"> a. How do the number and percentage of IHAWP members who must meet work requirements compare to the number and percentage of IHAWP members who are exempted from work requirements? b. What are the number and percentage of IHAWP members suspended after six (6) months for not meeting work requirements? 	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
2. The implementation of work requirements will increase the rate of IHAWP members engaged in training or educational activities.	<ul style="list-style-type: none"> a. What are the number and percentage of IHAWP members attending school? b. What are the number and percentage of IHAWP members completing training activities? 	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
3. The implementation of work requirements will increase earned income for IHAWP members.	<ul style="list-style-type: none"> a. What is the average household income of IHAWP applicants? b. Has the average household income changed since the implementation of the Demonstration amendment? c. Have the number and percentage of households with no income decreased? 	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
4. The implementation of work requirements will decrease the reliance on	<ul style="list-style-type: none"> a. Have the number and percentage of applications for 	Descriptive statistics, univariate analysis, time trends to track

Proposed Hypotheses	Research Question	Analytic Approach
public assistance programs.	<p>IHAWP decreased during the Demonstration period?</p> <p>b. What are the number and percentage of applicants unenrolled due to inability to demonstrate satisfaction with training, education, or work requirements after the six (6)-month compliance period?</p> <p>c. Has the enrollment in Employer Sponsored Insurance increased during the Demonstration period?</p>	performance throughout the Demonstration period.

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VI. Budget Neutrality

Currently, no expenditure authorities are required to operate the Demonstration, and the State is not requesting any federal expenditure authorities for this amendment. The following presents the projected caseload of this statewide Demonstration, expenditures, and budget neutrality estimate.

Demonstration Period

The Demonstration spans five years, from January 1, 2026, through December 31, 2030.

Demonstration Impact on Medicaid Group VIII

This Demonstration will implement eligibility restrictions for non-medically exempt adult expansion (Group VIII) individuals as outlined in Section B, Impacts to Eligibility. Group VIII individuals not meeting the proposed requirements will be disenrolled from the Medicaid program. These requirements apply to Group VIII enrolled in fee-for-service and Health Link managed care.

Projected Enrollment

HHS projects the following enrollment and annual member months for each Demonstration year based on estimates about which individuals will qualify for enrollment through meeting the exemptions or coverage requirements.

Table 2 presents the average number of enrollees and annual member months projected for the base period and each Demonstration period.

Table 2 – Projected Average Enrollment and Annual Member Months

Demonstration Year (DY)	Projected Average Monthly Enrollment	Projected Annual Member Months
Without Waiver Base Period	171,436	1,851,194
DY 1 – January 1, 2026 – December 31, 2026	144,085	1,555,849
DY 2 – January 1, 2027 – December 31, 2027	124,106	1,340,113
DY 3 – January 1, 2028 – December 31, 2028	126,589	1,366,916
DY 4 – January 1, 2029 – December 31, 2029	129,120	1,394,254
DY 5 – January 1, 2030 – December 31, 2030	131,702	1,422,139

Budget Neutrality Projections

HHS projected the caseload (enrollment) and costs of the current program without work requirements as a condition of enrollment, referred to as “Without Waiver,” and the caseload and costs of the program with work requirements, referred to as “With Waiver,” in Table 3.

The projections presented in this Table are Total Computable and include the combined federal and state share of expenditures.

The difference represents the Without Waiver less the With Waiver projected amounts. The state share is ten percent (10%) of the Total Computable.

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Table 3 – Projected Without and With Waiver

Without Waiver (Total Computable)					
	DY 1	DY 2	DY 3	DY 4	DY 5
Avg. Enrollment	176,619	180,152	183,755	187,430	191,178
Member Months	1,907,161	1,945,304	1,984,210	2,023,895	2,064,373
Per Capita	\$941.05	\$992.81	\$1,047.41	\$1,105.02	\$1,165.80
Expenditures	\$1,794,733,859	\$1,931,317,264	\$2,078,281,396	\$2,236,444,453	\$2,406,646,043
With Waiver (Total Computable)					
	DY 1	DY 2	DY 3	DY 4	DY 5
Avg. Enrollment	144,085	124,106	126,589	129,120	131,702
Member Months	1,555,849	1,340,113	1,366,916	1,394,254	1,422,139
Per Capita	\$1,049.09	\$1,147.57	\$1,210.70	\$1,277.28	\$1,347.53
Expenditures	\$1,632,221,743	\$1,537,879,951	\$1,654,918,914	\$1,780,859,611	\$1,916,378,534
Difference (Without Waiver minus With Waiver)					
Total Computable	\$162,512,116	\$393,437,313	\$423,362,482	\$455,584,842	\$490,267,510
State Share	\$16,251,212	\$39,343,731	\$42,336,248	\$45,558,484	\$49,026,751

VII. Public Notice and Comment Process

A. Public Notice

In accordance with 42 CFR §431.408, the public had an opportunity to comment on this Demonstration amendment through a public notice and thirty (30)-day public comment process that occurred April 15, 2025 through May 15, 2025. The public notice and all Demonstration amendment documents were available as follows:

- Posted on the HHS website at: [Public Comment Period for Iowa Health and Wellness Plan \(IHAWP\) Extension | Health & Human Services](#)
- Available for review at HHS Field Offices.
- A summary notice published on April 18, 2025, in the following newspapers of widest circulation: (i) Des Moines Register; (ii) Cedar Rapids Gazette; and (iii) Quad City Times.
- Alerts sent by HHS through the GovDelivery listserv platform utilized by the State, each reaching approximately four thousand (4,000) stakeholders.

All notices provided the option for individuals to submit written feedback to the State by email or U.S. Postal Service mail.

Additionally, the State held two (2) public hearings, which occurred on April 23, 2025 at the Urbandale Public Library and April 29, 2025, at the Marshalltown Public Library. These were open forums for interested parties to learn about the contents of the Demonstration amendment application and to comment on its contents. HHS provided virtual and telephonic capabilities to ensure statewide accessibility.

See Appendices B and C for copies of public notices provided by HHS for this Demonstration amendment.

B. Tribal Consultation Process

HHS initiated consultation with Iowa's federally recognized Indian tribes, Indian health programs, and urban Indian health organizations by issuing a tribal notice on April 15, 2025. This notice included notification of the date and time and link to join the scheduled consultation. Consultation was conducted in accordance with the process outlined in Iowa's Medicaid State Plan and consisted of an electronic notice directed to Indian Health Service/Tribal/Urban Indian Health (I/T/U) Tribal Leaders and Tribal Medical Directors identified by the Iowa Indian Health Services Liaison.

See Appendix D for a copy of the tribal notice provided by HHS for this Demonstration amendment.

C. Summary of Public and Tribal Comments and State Response

[PLACEHOLDER: Insert Summary]

VIII.State Contact

For questions and comments, please contact:

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Appendix A: Work Requirements and Exemptions in Iowa’s Public Programs

Below are work requirements and exemptions for Iowa’s Temporary Aid to Needy Families (TANF) Program (Family Investment Program, or FIP) and Supplemental Nutrition Assistance Program (SNAP).

Participation with PROMISE JOBS, a work and training program, is a requirement in FIP.

Table 1: Family Investment Program Work Requirements and Exemptions

Activity Requirements	Exemptions
<ul style="list-style-type: none"> • Work-Related Activities: <ul style="list-style-type: none"> - Individual job search - Monitored employment - Self-employment - Work readiness training - Work experience placement - Unpaid community service • Training and Education <ul style="list-style-type: none"> - High school completion activities - Adult basic education - English as a Second Language - Post-secondary education • Family Support Activities <ul style="list-style-type: none"> - Family Development and Self-Sufficiency (FaDSS) program - Parenting skills training 	<ul style="list-style-type: none"> • Domestic violence • Not enough skills to get or keep a job • Quality childcare not available • Physical or mental health problems or disability • Housing situation makes it difficult or impossible to work • Substance abuse problems • A parent needs to be at home to care for a child with special problems • Other hardship reasons that keep the family from being self-supporting

Table 2: SNAP Work Requirements and Exemptions

Work Requirements	Exemptions
<ul style="list-style-type: none">• Acceptance of any job offer received (unless there is an approved reason for not accepting the position)• Maintaining employment for at least thirty (30) hours each week (unless there is an approved reason for not maintaining the position or working thirty (30) hours)• Report job and hours worked when asked	<ul style="list-style-type: none">• Younger than age sixteen (16), or age sixty (60) or older• Taking care of a child younger than age six (6) or someone who needs help caring for themselves• Already working at least thirty (30) hours a week• Already earning \$217.50 or more per week• Receiving unemployment benefits, or have applied for unemployment benefits• Not working because of a physical or mental health reason• In school, college, or training program at least half time• Meeting the work rules for the Family Investment Program (FIP)• Participating in a drug or alcohol addiction treatment program

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Table 3: Able-Bodied Adults without Dependents (ABAWD) Work Requirements and Exemptions

*Requirements for those between the ages of eighteen (18) to fifty-four (54), who do not live with a child under the age of eighteen (18) and are considered physically and mentally able to work.

Work Requirements	Exemptions
<ul style="list-style-type: none"> • Spend at least eighty (80) hours each month working • Spend at least eighty (80) hours each month volunteering • Spend at least eighty (80) hours each month participating in a job program or similar approved activities • Performing any combination of the two work and participation requirements stated above for a total of eighty (80) or more actual hours in a month 	<ul style="list-style-type: none"> • Younger than age eighteen (18), or age fifty-five (55) or older • Someone in household is younger than age eighteen (18) • Not working because of a physical or mental health reason • Pregnant • Experiencing homelessness • Veteran • Aged out of foster care and are between eighteen (18) to twenty-five (25) years old

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Appendix B: Public Notice

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Appendix C: Summary Public Notice

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Appendix D: Tribal Notice

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