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Public Notice

Public Comment Period for State Plan Amendment IA-26-0009: Updating the premium schedule for Medicaid for Employed People with Disabilities (MEPD) program

Posted: 7/23/2026

The Iowa Department of Health and Human Services (HHS), pursuant to the requirements outlined in 42 C.F.R. §457.65, hereby gives notice of the following proposed action regarding updating the premium scale for the Medicaid for Employed People with Disabilities (MEPD) program under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Summary of Submission:

In accordance with 1902(a)(10)(A)(ii)(XIII) of the Social Security Act, this amendment proposes to adjust the federal poverty level increments used to assess premiums for applicants and recipients under the Medicaid for Employed People with Disabilities (MEPD) program with income over 150% of the federal poverty level (FPL).

The Department is requesting these changes as Iowa Code section 249A.3(2)(a)(1)(b) requires that "the maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty guidelines shall be commensurate with the cost of state employees' group health insurance in this state." The average cost to the state for state employees' health insurance for a single person is $982 effective January 1, 2026. Therefore, the maximum premium must not be above that amount.

HHS seeks an August 1, 2026, effective date for this SPA.

Fiscal Impact:

The estimated impact for year 2026 is $97 for federal dollars. The estimate fiscal impact for year 2027 is $889 - $579 federal dollars and $310 state dollars.

The new premium scale reflects the increase in the maximum premium allowed to reflect the increase in the cost of state employees' health insurance by updating the current top increment and corresponding premium amount (1480% FPL and above= $931 premium). There will be other changes to the other increments or premium amounts.

MEPD eligibility is based upon countable household income of no more than 250% of the FPL for the household size. MEPD premiums are assessed based on gross individual income. Currently, there are no MEPD members with gross individual income higher than 450% of the FPL.

Public Review and Comments

A copy of the Medicaid State Plan Amendment and this public notice are posted on the HHS website at the following link: https://hhs.iowa.gov/public-notice/2026-07-23/public-notice-public-comment-period-state-plan-amendment-ia-26-0009-updating-premium-schedule. To reach all stakeholders, non-electronic copies will be made available for review at each local HHS office.

Submission of Comments

Written comments concerning this notice may be addressed to Lara Brewer, Bureau of Medical Assistance Policy and Program Management Team, Iowa Department of Health and Human Services, Division of Medicaid, 321 East 12th Street, Des Moines, IA 50319 or may be emailed to lara.brewer@hhs.iowa.gov. Please indicate "SPA IA-26-0009" in the subject line of the email.

All written and emailed comments must be received within 30 days from the issuance of this notice and no later than August 22, 2026 by 4:30 p.m.

Submitted by:
Lee Grossman, Medicaid Director
Iowa Department of Health and Human Services