

Public Notice

Public Notice for Managed Care Risk Mitigation COVID-19 §1115 Waiver

Posted: February 21, 2022

Notice is hereby given, in accordance with 42 CFR §431.408, that the Iowa Department of Human Services (DHS) has received approval from the Centers for Medicare and Medicaid Services (CMS) for a Managed Care Risk Mitigation COVID-19 Public Health Emergency (PHE) §1115 demonstration. Under CMS authority, due to the national PHE, the requirement for a public comment opportunity prior to submission was waived.

Summary

This §1115 waiver will permit DHS to enter into or modify a risk mitigation arrangement with a Medicaid managed care organization (MCO) or dental prepaid ambulatory health plan (PAHP) after a rating period has begun. A rating period is the annual contract term with MCOs and PAHPs, which is aligned with the state fiscal year (July 1 through June 30). This authority applies only to contracts and rating periods that begin or end during the COVID-19 PHE.

Goals

The waiver is intended to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19. Specifically, this demonstration will test whether, in the context of the current COVID-19 PHE, an exemption from the regulatory requirement to prospectively adopt risk mitigation strategies in managed care contracts promotes the objectives of Medicaid. CMS will investigate how relaxing the regulatory requirement to permit retroactive risk sharing results in either increased or decreased payments to MCOs and PAHPs, given the significant fluctuations in utilization that may occur during a pandemic.

Eligibility, Benefits, Cost Sharing & Delivery System

This waiver will not impact the eligibility, enrollment, or coverage of Medicaid beneficiaries.

Fiscal Projections

The following table presents the total aggregate expenditures associated with this waiver. Due to the COVID-19 PHE, CMS has deemed the waiver budget neutral.

Health Link Contract Periods	Expenditures
SFY2020 (July 1, 2019 - June 30, 2020)	\$5,375,474,141
SFY2021a (July 1, 2020 - December 31, 2020)*	\$2,794,855,088
SFY2021b (January 1, 2021 - June 30, 2021)*	\$2,886,825,244
SFY2022 (July 1, 2021 - June 30, 2022)	\$6,428,911,173
Total	\$17,486,065,646

*Six-month contract period

Dental Wellness Plan Contract Period**	Expenditures
SFY2021 (July 1, 2020 - June 30, 2021)	\$65,811,381

**Children, including Hawki, are not included in the Dental Wellness Plan for SFY2021

Evaluation

The waiver will test how the expenditure authority permitting retroactive risk mitigation arrangements with Medicaid MCOs and PAHPs supports DHS in making appropriate, equitable payments during the COVID-19 PHE to help maintain beneficiary access to care.

Waiver & Expenditure Authority

Pursuant to Section 1115(a)(2) of the Social Security Act, DHS requested the following expenditure authority: Permit Iowa to add or modify risk sharing mechanisms such as reinsurance, risk corridors, or stop-loss limits after the start of a rating period provided that the contract and rating period(s) begin or end during the COVID-19 PHE. This expenditure authority exempts the state from compliance with the requirements under 42 C.F.R. § 438.6(b)(1) and allows Iowa to add or modify the risk sharing mechanism(s) after the start of the rating period as specified in the state’s MCO and PAHP contracts.

Public Review and Comments

A copy of the 1115 waiver application, CMS approval, and this public notice are posted on the DHS website at <https://dhs.iowa.gov/public-notices>. To reach all stakeholders, non-electronic copies will be made available for review at each local DHS office.

Written comments may be sent to: Jennifer Steenblock, Federal Compliance Officer, Iowa Medicaid, 1305 E. Walnut Street, Des Moines, IA 50319-0114. Comments may also be sent via e-mail to jsteenb@dhs.state.ia.us. Please indicate “Risk Mitigation 1115 Waiver” in the subject line of the email.

All comments must be received by 4:30 PM Wednesday March 23, 2022.

Submitted by:

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