Iowa Waiver: Iowa Wellness Plan

Overview

On November 15, 2019, Iowa received federal approval from the Centers for Medicare & Medicaid Services (CMS) to extend its existing Section 1115 demonstration, the Iowa Wellness Plan through December 31, 2024. Iowa initially received approval for the Iowa Wellness Plan and a second demonstration, the Iowa Marketplace Choice Plan, in December 2013. The Iowa Wellness Plan included new adult group beneficiaries with incomes at or below 100 percent of the federal poverty level (FPL); and the Iowa Marketplace Choice Plan included those with incomes between 100 and 133 percent FPL and extended coverage through premium assistance in exchange plans. On September 30, 2015, however, CMS approved Iowa's waiver amendment to cover all new adult enrollees under the Iowa Wellness Plan, effectively ending premium assistance for exchange coverage. In November 2016, CMS approved Iowa's request to extend the Iowa Wellness Plan through December 31, 2019.

The newest demonstration approval continues many of Iowa's prior demonstration policies, with minor changes to its waiver of retroactive eligibility and dental benefit structure.

Populations Included

The demonstration applies to the new adult group—adults eligible through the Medicaid expansion authorized in the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended), with incomes at or below 133 percent of the federal poverty level (FPL).[1]

Eligibility and Enrollment

For individuals filing new applications for Medicaid on or after November 1, 2017, Iowa does not provide retroactive coverage. Coverage will instead be effective the first day of the month in which an individual's Medicaid application was filed. This provision applies to all Medicaid beneficiaries except for pregnant women and infants under age one and beneficiaries eligible for nursing facility services.[2]

Benefits

Iowa Wellness Plan coverage is provided through an alternative benefit plan (ABP).[3] The state received waiver authority exempting it from providing non-emergency medical transportation (NEMT), meaning members of the new adult group do not receive NEMT services (except those who are medically frail and those who are eligible for early and periodic screening, diagnostic, and treatment services).[4]

The approved waiver includes dental benefits for all Medicaid populations. Enrollees with income above 50 percent FPL must contribute monthly dental premiums of $3 per month in order to maintain comprehensive

dental benefits, unless they complete an oral health exam (see below). Enrollees who do not pay dental premiums as required will receive basic dental services.[5]

Premiums and Cost Sharing

Enrollees with incomes below 50 percent FPL are not subject to premiums. Enrollees with incomes over 50 percent are subject to premiums as follows:

- Those with between 50 and 100 percent FPL pay $5 monthly premiums;
- those with incomes between 100 and 138 percent FPL pay $10 monthly premiums; and,
- those with income over 50 percent pay an additional $3 in monthly dental premiums.

Premiums for all enrollees are waived for the first year of enrollment, and can be waived in any year for enrollees who complete a health risk assessment and wellness exam, and, for dental premiums, an oral health risk assessment and a preventive dental service.

. Premiums do not apply to individuals who are medically frail and can also be waived for individuals who attest to a financial hardship. Enrollees are allowed a 90-day grace period to pay monthly premiums. Individuals with incomes above 100 percent FPL can be disenrolled for non-payment of regular monthly premiums but are not subject to a lock-out period, meaning they can re-enroll at any time. Enrollees with income above 50 percent FPL are not disenrolled for failure to pay dental premiums, but instead will receive only basic dental services.

The Iowa Wellness Plan charges premiums in lieu of point-of-service cost sharing with one exception, a co-payment for non-emergency use of the emergency department. Premiums and cost sharing are limited to 5 percent of family income, consistent with Medicaid requirements.

Premium Assistance

Iowa no longer uses premium assistance in its Medicaid-expansion program.

Delivery System

Iowa Wellness Plan enrollees receive medical services through the state's existing managed care plans and dental services through a prepaid ambulatory health plan.

For more on the details of section 1115 demonstration waivers used to test new approaches to coverage, please see *Testing New Program Features through Section 1115 Waivers*.

Endnotes

[1] The ACA also set a single income eligibility disregard equal to 5 percentage points of the FPL. For this reason, eligibility is often referred to at its effective level of 138 percent FPL, even though the federal statute specifies 133 percent FPL.

[2] MACPAC uses the term pregnant women as this is the term used in the statute and regulations. However, the term birthing people is being used increasingly, as it is more inclusive and recognizes that not all individuals who become pregnant and give birth identify as women.

[3] An ABP offers an option to states to provide alternative benefits specifically tailored to meet the needs of certain Medicaid population groups or provide services through specific delivery systems, instead of following the traditional Medicaid benefit plan. All states that expand Medicaid are required to submit an ABP to denote any differences in benefit coverage between the base population and expansion population, or to note that they are offering the same benefit coverage to all enrollees in the base and expansion populations.

[4] The state's original waiver of NEMT was for the first year of the demonstration, but the state subsequently secured two extensions of the original waiver, allowing it to exclude NEMT through December 2016, in order to collect additional data on the effect of not providing NEMT on access to care. The latest approval included an additional extension of the NEMT portion through the life of the waiver (December 31, 2024).

[5] The Basic Dental Wellness plan includes dental treatment for accidental injuries and medically necessary emergent and stabilization dental services.

References

Centers for Medicare & Medicaid Services (CMS). U.S. Department of Health and Human Services. 2019. Section 1115 of the Social Security Act Medicaid demonstration extension: Iowa Wellness Plan. November 15, 2019. Baltimore, MD: CMS. https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ia-wellness-plan-cms-apprvl-extension-req-20210624.pdf.

Centers for Medicare & Medicaid Services (CMS). U.S. Department of Health and Human Services. 2017. Section 1115 of the Social Security Act Medicaid demonstration: Amendment to the Iowa Wellness Plan. October 27, 2017. Baltimore, MD: CMS. https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-wellness-plan-ca.pdf.

Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2016. Letter from Elliot Fishman to Mikki Stier regarding "Iowa Marketplace Choice termination application." November 23, 2016. https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/Market-Place-Choice-Plan/ia-marketplace-choice-plan-term-ltr-11232016.pdf.

Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2016. Section 1115 of the Social Security Act Medicaid demonstration: Iowa Wellness Plan Section 1115 Demonstration. November 23, 2016. Baltimore, MD: CMS. https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-wellness-plan-ca.pdf.

Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2015. Section 1115 of the Social Security Act Medicaid demonstration: Iowa Wellness Plan Section 1115 Demonstration. December 30, 2016. Baltimore, MD: CMS. http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-wellness-plan-ca.pdf.

Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2014. Section 1115 of the Social Security Act Medicaid demonstration: Amendment to the Iowa Marketplace Choice Plan. December 30, 2014. Baltimore, MD: CMS. http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/ia-marketplace-choice-plan-ca.pdf.