

Iowa

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 9-16-24)

In September 2024, Iowa announced its intent to renew Centene/Iowa Total Care's contract to provide physical health, behavioral health, pharmacy services, and long-term services and supports (LTSS) for the state's Medicaid managed care program, Health Link. This program encompasses the traditional Medicaid program, the Children's Health Insurance Program (CHIP) known as Healthy and Well Kids in Iowa (Hawki), and the Iowa Health and Wellness Plan (IHAWP). The renewed contract will be effective from July 1, 2025, for a term of four years, with an option for one additional two-year renewal. Iowa Medicaid members will be able to make an enrollment selection change during the annual open choice enrollment period in Spring 2025.

Elevance/Wellpoint and Molina Healthcare hold separate contracts, which became effective on July 1, 2023, and have options through June 2031.

Since its inception in April 2016, Health Link has faced several challenges. Initially, three health plans - AmeriHealth Caritas, Elevance, and UnitedHealthcare of the River Valley - were awarded contracts to manage approximately 600,000 Medicaid members. Due to financial losses AmeriHealth exited the program in 2017 and UnitedHealthcare exited in 2019. Centene/Iowa Total Care joined the program in 2019, with the state redistributing UnitedHealthcare's members between Elevance/Wellpoint and Centene.

The state has made various adjustments to improve the managed care system, including changes in policies, increased oversight, and efforts to address provider and member concerns. The renewal of the Centene/Iowa Total Care Contract and ongoing contracts with Elevance/Wellpoint and Molina reflect ongoing confidence in the managed care organization's ability to manage Medicaid services effectively and to provide more stability in the overall program.

Additionally, MCNA Dental was awarded the contract to manage dental benefits for Medicaid recipients in Iowa, providing comprehensive dental care services as part of the Medicaid and Hawki programs.

Regarding expansion, Iowa implemented an alternative Medicaid expansion in December 2013. Initially, adults earning below 100% of the federal poverty level were eligible for the IHAWP, a Medicaid managed care offering, while adults earning between 101% and 138% could choose an Exchange plan. In April 2016, Iowa transitioned all expansion members into the IHAWP and managed care became mandatory, with existing plans Centene and Elevance/Wellpoint managing the expanded population.

HMA Managed Medicaid Opportunity Assessment for Iowa

Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> Iowa renewed coverage for 67% Medicaid beneficiaries that have undergone unwinding as of July 2024. 	<ul style="list-style-type: none"> The states FY 2024 budget includes an additional \$15 million to increase Medicaid Reimbursement rates for nursing homes and \$13 million to increase rates for mental health and substance use disorder treatment centers.
Negative Metrics	Weak Indicators
<ul style="list-style-type: none"> Medicaid managed care enrollment in Iowa was down 11.9% in September 2023, compared to year-end 2022 	<ul style="list-style-type: none"> Historically, some plans have experienced financial losses, leading to exits from the program or adjustments in service delivery. Iowa Governor signed legislation to extend Medicaid postpartum coverage to 12 months while lowering eligibility from 375 percent of the federal poverty level to 215 percent. <p style="text-align: right;"><i>Source: HMA and Kansas Health Institute, 2024</i></p>

Hot Topics:

In 2024, the Iowa Senate advanced two bills, one of which would limit eligibility for Medicaid coverage of birth and postpartum care from 380 percent of the federal poverty level under current law to 215 percent. The second bill would allow the Iowa Department of Health and Human Services to directly oversee the More Options for Maternal Support (MOMS) program and contract with providers, removing the previous requirement to hire a third-party administration.

Among the other key issues for Iowa Medicaid is strengthening its behavioral health system. In 2024, the governor signed into law legislation that combines the work and funding for mental health and addictive disorders into a new Behavioral Health Service System, which is scheduled to start July 2025. Among other changes, the state is transferring the management of disability services from the local Mental Health and Disability Services (MHDS) Regions to the Division of Aging & Disability Services. The state is also working to strengthen system connections to Medicaid, Public Health, and Child Protective Services.

The state is establishing behavioral health districts, which outline geographic boundaries for local coordination. The state agency plans to work with local Behavioral Health Administrative Service Organizations (BH-ASOs) to coordinate and oversee services in each behavioral health district. Behavioral Health Administrative Service Organizations will be selected by December 31, 2024.

Iowa Medicaid Managed Care Programs

Program	Population	Carved In (Y/N)				
		Behavioral	LTSS	Pharmacy	SUD	Dental
Traditional Medicaid	Age 65 or older, disabled, blind, families with dependent children, pregnant women, children up to age 21, children formerly in foster care up to age 26, adults ages 19-64 with income at or below 133% FPL, and individuals with breast and/or cervical cancer.	Y	Y	Y	Y	N
Iowa Wellness Plan	Adults ages 19-64, income at or below 133% FPL, not eligible for Medicaid under mandatory coverage groups.	Y	Y	Y	Y	N
Hawk-i	Children's Health Insurance Program (CHIP), children ages 0-18, income at or below 302% FPL.	Y	Y	Y	Y	N

2. MANAGED MEDICAID PLAN FINANCIALS

Average MLR among Medicaid MCOs in Iowa was 92.9% in 2023. The average PMPM premium was \$753.28.

(Note: Financial metrics and comparisons presented in this overview are based on health plan NAIC filings in the state. Measures like per member per month premiums and medical loss ratios may vary greatly by plan and by state depending on the mix of business (e.g., TANF, ABD, etc.), scope of the state's Medicaid benefit package, geographic variations in the cost of care, and other factors.)

Iowa Health Plan Financials, 2023							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR ⁽¹⁾
Centene/Iowa Total Care	Y	242,353	3,808,084	\$708.11	\$2,642,936	\$2,500,374	92.7%
Elevance/Wellpoint Iowa Inc.	Y	234,517	4,032,380	\$754.29	\$3,437,207	\$2,816,843	92.6%
Molina Healthcare of Iowa	Y	157,469	1,056,440	\$588.46	\$621,673	\$580,029	93.3%
Total		634,339	8,896,904	\$753.28	\$6,701,816	\$5,897,246	92.9%

(1) MLR is calculated after reinsurance recoveries using the formula: (medical losses less reinsurance/total revenue); Total MLR is the average of the three plan MLRs.

Source: HMA analysis of S&P Global Market Intelligence model based on filings to NAIC

Iowa Health Plan Financials, 2022							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR ⁽¹⁾
Anthem/Amerigroup IA	Y	419,853	5,041,821	\$681.74	\$3,437,207	\$3,065,501	89.2%
Iowa Total Care	Y	365,479	4,169,433	\$633.88	\$2,642,936	\$2,463,783	93.2%
Total		785,332	9,211,254	\$660.08	\$6,080,143	\$5,529,284	90.9%

(1) After insurance recoveries. (2) Before reinsurance recoveries.

Source: S&P Global Market Intelligence, NAIC, HMA

3. RFP DEVELOPMENTS AND ANALYSIS (UPDATED 7-29-24)

Iowa awarded its Medicaid pharmacy benefit administration (PBA) services contract for claims processing and pharmacy clinical services to OptumRX. PBA services include point-of-sale claims adjudication, automated and manual prior authorization, provider and member communications, drug reporting and analytics for the fee-for-service population, and oversight of the Medicaid managed care program. The contract will have an initial two-year phase for design, development, and implementation beginning November 29, 2024. Implementation begins July 1, 2026, with a six-year base operational term and four possible one-year renewal options.

In September 2024, Iowa announced its intent to renew Centene/Iowa Total Care's contract to provide physical health, behavioral health, pharmacy services, and long-term services and supports (LTSS) for the state's Medicaid managed care program, Health Link. The program includes the traditional Medicaid program, the Children's Health Insurance Program (CHIP) known as Healthy and Well Kids in Iowa (Hawki), and the Iowa Health and Wellness Plan (IHAWP). UnitedHealthcare/United Healthcare Plan of the River Valley and UCare also submitted bids but were not selected. The contract will be effective from July 1, 2025, for a term of four years, with an option for one additional two-year renewal.

Elevance/Wellpoint and Molina Healthcare hold separate contracts, which became effective on July 1, 2023, and have options through June 2029. This aligns the contracts for the three managed care entities.

The state's new contract with Centene/Iowa Total Care will require that at least 40 percent of the population be in a value-based purchasing (VBP) arrangement with the healthcare delivery system by the end of the first year of the managed care contract, increasing to at least 50 percent in the second year and through the end of the contract period. The plan must support Iowa's "Quadruple Aim strategy", including advancing payments tied to quality based on the Health Care Payment Learning & Action Network (HCP-LAN) Alternative Payment Model (APM) framework. DHS plans to implement a new withhold arrangement to reward the plan's efforts to improve quality and outcomes, with a focus on operational and process metrics, such as measures related to timeliness and data accuracy, to ensure a successful implementation.

Iowa awarded incumbent Telligen the Quality Improvement Organization (QIO) vendor contract for the state Medicaid program, effective July 1, 2024, for two years, with the option for four one-year contract extensions.

Iowa released in May 2023 a request for proposals (RFP) for pre-paid ambulatory health plans (PAHPs) to provide dental services in the Iowa Dental Wellness Plan and Healthy and Well Kids in Iowa (Hawki) programs. Iowa awarded contracts to Delta Dental of Iowa and DentaQuest USA, but the state subsequently cancelled the RFP and rescinded the awards.

Historically, in October 2017, Iowa issued an RFP to add one or more Medicaid managed care organizations after AmeriHealth Caritas Iowa exited the program. In May 2018, the state issued a Medicaid managed care contract to Iowa Total Care, Inc., a Centene subsidiary. In July 2019, UnitedHealthcare of the River Valley exited the market. The state evenly distributed UnitedHealthcare's 600,000 members between Elevance/Wellpoint and Centene. The initial Medicaid managed care RFP, announced in 2015, selected Elevance/Wellpoint, AmeriHealth Caritas, UnitedHealthcare Plan of the River Valley, and WellCare, though the state later removed WellCare due to disclosure issues. Additionally, services provided by Magellan in two separate behavioral health contracts were integrated into the Medicaid managed care program in January 2016, with Magellan generating net revenues of \$465 million in 2014.

Iowa Medicaid RFP Calendar Contract Key Deadlines # of Beneficiaries

Statewide Medicaid Managed Care RFP to Re-procure one contract	RFP Released: March 1, 2024 Proposals Due: May 8, 2024 Notice of Award: September 3, 2024 Implementation: July 1, 2025
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Statewide Medicaid Managed Care RFP	RFP Released: February 17, 2022 Proposals Due: May 11, 2022 Notice of Award: August 31, 2022 Implementation: July 1, 2023
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Source: HMA, Iowa Department of Administrative Services

4. MANAGED CARE ENROLLMENT UPDATE

Medicaid managed care enrollment in Iowa is flat in March 2024 compared to year-end 2023.

Enrollment in Iowa Managed Care by Plan Type, March 2024

Plan Name	Iowa Wellness Plan	Traditional Medicaid	Hawk-i	Total
Elevance/Wellpoint, Inc	65,424	166,731	20,084	252,239
<i>% of total</i>	<i>35.5%</i>	<i>38.3%</i>	<i>33.5%</i>	<i>37.1%</i>
Centene/Iowa Total Care	63,585	151,495	20,225	235,305
<i>% of total</i>	<i>34.5%</i>	<i>34.8%</i>	<i>33.8%</i>	<i>34.6%</i>
Molina Healthcare	55,480	116,895	19,601	191,976
<i>% of total</i>	<i>30.1%</i>	<i>26.9%</i>	<i>32.7%</i>	<i>28.3%</i>
Total Iowa	184,489	435,121	59,910	679,520

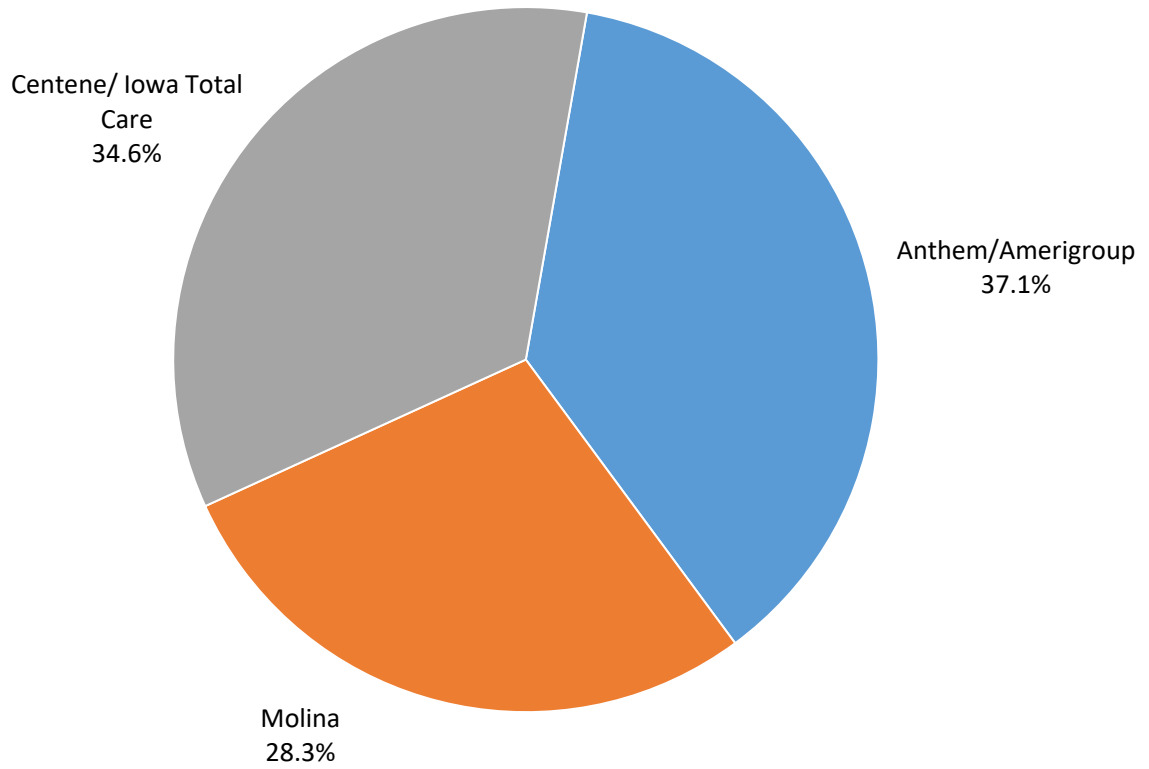
Source: Iowa Dept. of Human Service, HMA

Enrollment in Iowa Managed Care by Plan, 2016-23, March 2024

Plan Name	2020	2021	2022	2023	Mar-24
Elevance/Wellpoint	419,011	444,636	453,556	257,380	252,239
<i>+/- between reporting periods</i>	<i>40,187</i>	<i>25,625</i>	<i>8,920</i>	<i>(196,176)</i>	<i>(5,141)</i>
<i>% chg. between reporting periods</i>	<i>10.6%</i>	<i>6.1%</i>	<i>2.0%</i>	<i>-43.3%</i>	<i>-2.0%</i>
<i>% of total</i>	<i>58.6%</i>	<i>57.9%</i>	<i>55.7%</i>	<i>38.1%</i>	<i>37.1%</i>
Centene/ Iowa Total Care	295,488	322,727	360,934	243,918	235,305
<i>+/- between reporting periods</i>	<i>36,545</i>	<i>27,239</i>	<i>38,207</i>	<i>(117,016)</i>	<i>(8,613)</i>
<i>% chg. between reporting periods</i>	<i>14.1%</i>	<i>9.2%</i>	<i>11.8%</i>	<i>-32.4%</i>	<i>-3.5%</i>
<i>% of total</i>	<i>41.4%</i>	<i>42.1%</i>	<i>44.3%</i>	<i>36.1%</i>	<i>34.6%</i>
Molina Healthcare				174,828	191,976
<i>+/- between reporting periods</i>				<i>NM</i>	<i>17,148</i>
<i>% chg. between reporting periods</i>				<i>NM</i>	<i>9.8%</i>
<i>% of total</i>				<i>25.9%</i>	<i>28.3%</i>
Total Iowa	714,499	767,363	814,490	676,126	679,520
<i>+/- between reporting periods</i>	<i>76,732</i>	<i>52,864</i>	<i>47,127</i>	<i>(138,364)</i>	<i>3,394</i>
<i>% chg. between reporting periods</i>	<i>12.0%</i>	<i>7.4%</i>	<i>6.1%</i>	<i>-17.0%</i>	<i>0.5%</i>

Source: Iowa Dept. of Human Service, HMA

Iowa Managed Medicaid Market Share by Total Enrollment, March 2024



5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Iowa was 710,281 in 2023. About 95.2% of Medicaid beneficiaries were enrolled in a managed care plan. The remainder are in fee-for-service Medicaid. Total Medicaid expenditures were nearly \$6.8 billion in 2023.

Iowa Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-23

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures ⁽¹⁾	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2023	\$6,776,760,824	\$6,810,593,774	100.5%	710,281	676,126	95.2%
2022	\$6,614,098,328	\$6,536,223,544	98.8%	850,906	814,490	95.7%
2021	\$5,927,322,069	\$5,764,235,579	97.2%	805,021	767,363	95.3%
2020	\$5,822,570,106	\$5,627,717,566	96.7%	750,018	714,499	95.3%
2019	\$5,199,821,191	\$4,789,170,704	92.1%	692,089	637,767	92.2%
2018	\$4,828,425,247	\$4,434,341,397	91.8%	682,344	612,950	89.8%
2017	\$4,065,931,964	\$3,747,340,525	92.2%	659,064	584,120	88.6%
2016	\$4,716,461,091	\$1,994,195,634	42.3%	626,496	606,154	96.8%
2015 ⁽²⁾	\$4,476,316,992	\$598,298,737	13.4%	608,097	61,185	10.1%
2014 ⁽³⁾	\$3,921,556,276	\$480,247,767	12.2%	512,533	41,000	8.0%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

(2) MCO enrollment as of September 2015.

(3) MCO enrollment as of early 2014.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

6. SNPs AND DUAL ELIGIBLES INTEGRATION INITIATIVES

Iowa had 42,801 Special Needs Plan (SNP) members as of March 2024. Iowa primarily utilizes Dual Eligible Special Needs Plans (D-SNPs) for individuals who are dually eligible. The state does not currently require Fully Integrated Dual Eligible SNPs (FIDE-SNPs) or Highly Integrated Dual Eligible SNPs (HIDE-SNPs). Iowa Medicaid managed care contracts require plans to offer integrated care services that include coordination with Medicare providers. The state agency has pursued other strategies to integrate care for dually eligible individuals, including care coordination programs, behavioral health homes, and efforts to improve provider networks and data sharing between Medicare and Medicaid.

Iowa SNP Enrollment by Plan, March 2024

Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare	24,002	23,362	0	640	56.1%
Elevance	8,373	8,373	0	0	19.6%
Humana	5,386	4,884	502	0	12.6%
CVS Health/Aetna	4,078	4,078	0	0	9.5%
American Health Plan	962	0	0	962	2.2%
Totals	42,801	40,697	502	1,602	100%

Source: CMS, HMA