

## Iowa

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## 1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 10-06-23)

Iowa awarded incumbent Anthem/Amerigroup and non-incumbent Molina Healthcare Medicaid managed care contracts for Iowa Health Link Medicaid managed care program, consisting of traditional Medicaid, Iowa Health and Wellness Plan, and Children’s Health Insurance Program (known as Healthy and Well Kids in Iowa (Hawki)). Contracts began on July 1, 2023. Incumbent Centene/Iowa Total Care will continue to serve the Medicaid population but did not need to participate in the RFP process because it holds a contract through 2025.

Overall, Iowa’s implementation of Medicaid managed care has been a bumpy ride. The program, called IA Health Link, took effect in April 2016, with three health plans winning contracts to serve about 600,000 Medicaid members: AmeriHealth Caritas, Anthem and UnitedHealthcare of the River Valley. Plans experienced heavy financial losses, leading AmeriHealth to exit the program in 2017 and UnitedHealthcare to exit in 2019. Another plan Centene/Iowa Total Care joined the program in 2019. The state evenly distributed UnitedHealthcare’s 600,000 members between Anthem/Amerigroup and Centene.

Iowa implemented a two-part alternative Medicaid expansion in December 2013. Under the original expansion, adults below 100% of poverty were eligible for the Iowa Health and Wellness Plan, a Medicaid managed care offering, while adults from 101% to 138% could choose an Exchange plan. In April 2016, Iowa moved all expansion members into the Iowa Health and Wellness Plan and implemented mandatory managed care through existing plans Centene and Anthem/Amerigroup.

HMA Managed Medicaid Opportunity Assessment for Iowa	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"><li>• About 95.7% of Medicaid beneficiaries were enrolled in a managed care plan in 2022.</li></ul>	<ul style="list-style-type: none"><li>• Iowa awarded Medicaid managed care contracts to Elevance/Amerigroup Iowa and Molina Healthcare.</li></ul>
<ul style="list-style-type: none"><li>• Medicaid managed care enrollment in Iowa was down 1.8% in June 2023, compared to year-end 2022.</li></ul>	<ul style="list-style-type: none"><li>• After IA Health Link took effect, plans experienced large financial losses.</li></ul>

## 2. MANAGED MEDICAID PLAN FINANCIALS

Average MLR among Medicaid MCOs in Iowa was 90.9% in 2022. The average PMPM premium was \$660.08.

(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, 2022							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(1)</sup>
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%
<b>Total</b>		<b>785,332</b>	<b>9,211,254</b>	<b>\$660.08</b>	<b>\$6,080,143</b>	<b>\$5,529,284</b>	<b>90.9%</b>

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

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

Iowa Health Plan Financials, 2021							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(1)</sup>
Anthem/Amerigroup IA	Y	407,704	4,802,725	\$692.08	\$3,323,868	\$2,961,982	80.2%
Iowa Total Care	Y	327,224	3,805,800	\$661.57	\$2,517,785	\$2,325,693	92.4%
<b>Total</b>		<b>734,928</b>	<b>8,608,525</b>	<b>\$678.59</b>	<b>\$5,841,652</b>	<b>\$5,287,675</b>	<b>85.4%</b>

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

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

### 3. RFP DEVELOPMENTS AND ANALYSIS (UPDATED 10-06-23)

Iowa awarded incumbent Anthem/Amerigroup and non-incumbent Molina Healthcare Medicaid managed care contracts for Iowa Health Link Medicaid managed care program, consisting of traditional Medicaid, Iowa Health and Wellness Plan, and Children’s Health Insurance Program (known as Healthy and Well Kids in Iowa (Hawki)). Contracts for began on July 1, 2023. Incumbent Centene/Iowa Total Care will continue to serve the Medicaid population but did not need to participate in the RFP process because it holds a contract through 2025.

Iowa released an RFP in November 2023 to procure a Quality Improvement Organization (QIO) vendor for the Iowa Medicaid program. Iowa will award one contract to operate for two years, with the option for four one-year contract extensions. Proposals are due February 5, 2024, with awards expected on March 29, 2024. The anticipated contract start date is July 1, 2024. The current QIO is Telligen.

In October 2017, Iowa issued an RFP to add one or more Medicaid managed care organizations after it was confirmed that AmeriHealth Caritas Iowa, would be exiting the program. In May 2018, the Iowa Department of Human Services issued a Medicaid managed care contract to Iowa Total Care, Inc., a subsidiary of Centene. In July 2019, UnitedHealthcare of the River Valley exited the market as well. The state evenly distributed UnitedHealthcare’s 600,000 members between Anthem/ Amerigroup and Centene.

The state announced four winners of its initial Medicaid managed care RFP in 2015: Anthem/Amerigroup, AmeriHealth Caritas, UnitedHealthcare Plan of the River Valley, and WellCare. However, the state’s Department of Administrative Services issued an order to remove WellCare from the program, citing a lack of certain disclosures. WellCare contested the decision but lost its appeal. Meridian, Aetna, and Iowa Total Care were not listed among the winners and have appealed the awards. After a brief delay over provider network concerns, the program was implemented in April 2016.

In conjunction with the RFP, services provided by Magellan in two separate behavioral health contracts were carved into the Medicaid managed care contract in January 2016. The two contracts (Iowa Medicaid Contract and Iowa Medicaid Integrated Health Home Provider Agreement) generated net revenues for Magellan of \$465 million in 2014.

Iowa Medicaid RFP Calendar Contract Key Deadlines # of Beneficiaries		
Medicaid Managed Care RFP to Add One or More MCO(s)	RFP Released: October 2017 Proposals Due: January 5, 2017 Notice of Award: May 21, 2018 Implementation: July 1, 2019	600,000
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	~782,000

Source: HMA, Iowa Department of Administrative Services

## 4. MANAGED CARE ENROLLMENT UPDATE

Medicaid managed care enrollment in Iowa is down 1.8% in June 2023 compared to year-end 2022.

### Enrollment in Iowa Managed Care by Plan Type, June 2023

Plan Name	Iowa Wellness Plan	Traditional Medicaid	Hawk-i	Total
<b>Anthem/Amerigroup Iowa, Inc</b>	<b>120,171</b>	<b>281,219</b>	<b>29,237</b>	<b>430,627</b>
<i>% of total</i>	<i>50.4%</i>	<i>54.8%</i>	<i>61.0%</i>	<i>53.9%</i>
<b>Centene/ Iowa Total Care</b>	<b>118,081</b>	<b>232,275</b>	<b>18,657</b>	<b>369,013</b>
<i>% of total</i>	<i>49.6%</i>	<i>45.2%</i>	<i>39.0%</i>	<i>46.1%</i>
<b>Total Iowa</b>	<b>238,252</b>	<b>513,494</b>	<b>47,894</b>	<b>799,640</b>

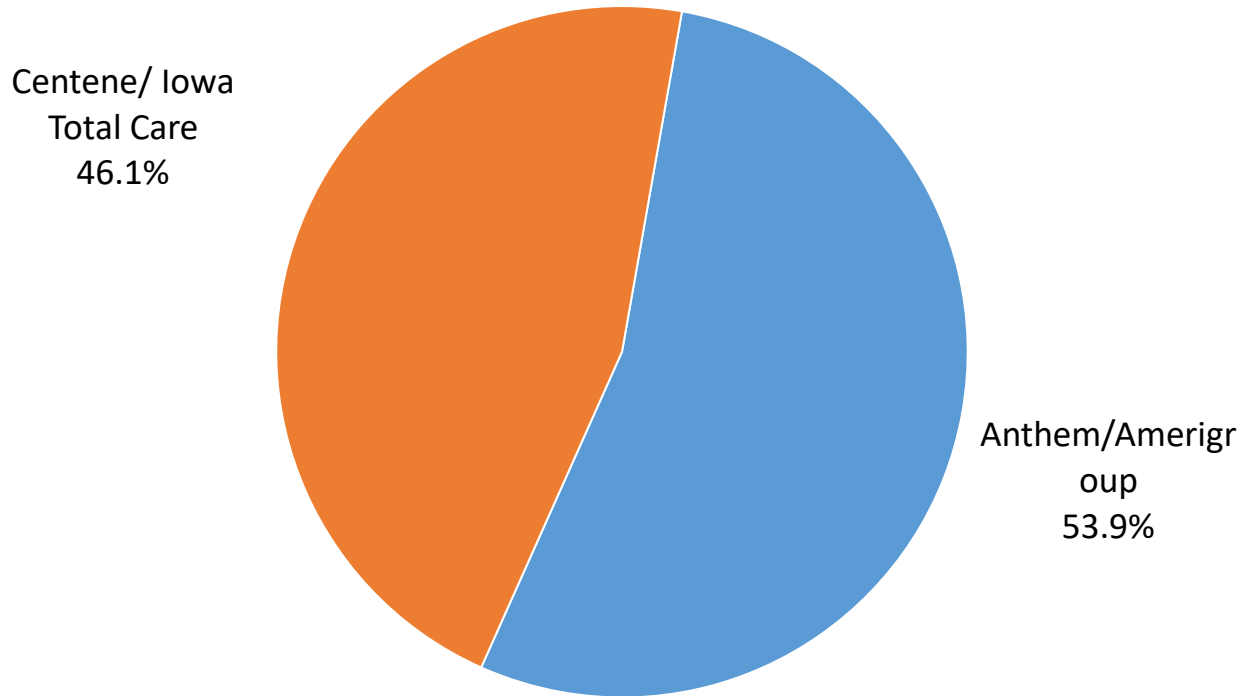
Source: Iowa Dept. of Human Service, HMA

### Enrollment in Iowa Managed Care by Plan, 2016-22, June 2023

Plan Name	2019	2020	2021	2022	Jun-23
<b>Anthem/Amerigroup Iowa, Inc</b>	<b>378,824</b>	<b>419,011</b>	<b>444,636</b>	<b>453,556</b>	<b>430,627</b>
<i>+/- between reporting periods</i>	<i>185,455</i>	<i>40,187</i>	<i>25,625</i>	<i>8,920</i>	<i>(22,929)</i>
<i>% chg. between reporting periods</i>	<i>95.9%</i>	<i>10.6%</i>	<i>6.1%</i>	<i>2.0%</i>	<i>-5.1%</i>
<i>% of total</i>	<i>59.4%</i>	<i>58.6%</i>	<i>57.9%</i>	<i>55.7%</i>	<i>53.9%</i>
<b>Centene/ Iowa Total Care</b>	<b>258,943</b>	<b>295,488</b>	<b>322,727</b>	<b>360,934</b>	<b>369,013</b>
<i>+/- between reporting periods</i>		<i>36,545</i>	<i>27,239</i>	<i>38,207</i>	<i>8,079</i>
<i>% chg. between reporting periods</i>		<i>14.1%</i>	<i>9.2%</i>	<i>11.8%</i>	<i>2.2%</i>
<i>% of total</i>	<i>40.6%</i>	<i>41.4%</i>	<i>42.1%</i>	<i>44.3%</i>	<i>46.1%</i>
<b>AmeriHealth Caritas of Iowa</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>+/- between reporting periods</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>% chg. between reporting periods</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
<i>% of total</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>UnitedHealthcare</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>+/- between reporting periods</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>% chg. between reporting periods</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
<i>% of total</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Total Iowa</b>	<b>637,767</b>	<b>714,499</b>	<b>767,363</b>	<b>814,490</b>	<b>799,640</b>
<i>+/- between reporting periods</i>	<i>24,817</i>	<i>76,732</i>	<i>52,864</i>	<i>47,127</i>	<i>(14,850)</i>
<i>% chg. between reporting periods</i>	<i>4.0%</i>	<i>12.0%</i>	<i>7.4%</i>	<i>6.1%</i>	<i>-1.8%</i>

Source: Iowa Dept. of Human Service, HMA

## Iowa Managed Medicaid Market Share by Total Enrollment, June 2023



### 5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Iowa was 850,906 in 2022. About 95.7% of Medicaid beneficiaries were enrolled in a managed care plan. The remainder are in fee-for-service Medicaid. Total Medicaid expenditures were \$6.6 billion in 2022, with about 98.8% through managed care and the rest through fee-for-service.

Iowa Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-22

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures <sup>(1)</sup>	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
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 <sup>(2)</sup>	\$4,476,316,992	\$598,298,737	13.4%	608,097	61,185	10.1%

2014<sup>(3)</sup>

\$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

Iowa had 36,943 Special Needs Plan members as of March 2023.

### Iowa SNP Enrollment by Plan, March 2023

Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare	21,013	20,526	108	379	56.9%
Elevance	6,688	6,688	0	0	18.1%
Humana	4,623	4,489	134	0	12.5%
CVS Health/Aetna	4,001	4,001	0	0	10.8%
American Health Plan	618	0	0	618	1.7%
<b>Totals</b>	<b>36,943</b>	<b>35,704</b>	<b>242</b>	<b>997</b>	<b>100%</b>

Source: CMS, HMA