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State/Territory Name: Ky c

State Plan Amendment (SPA) #: KC-25-2245

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

May 12, 2026

Lee Grossman
State Medicaid Director
Iowa Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, IL 50319-1002

Dear Director Grossman:

Your title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA), IA-25-0023, submitted on June 27, 2025, with additional information submitted on May 8, 2026, has been approved. The effective date for this SPAs is June 3, 2025.

Section 2102(b)(3)(C) of the Social Security Act requires states to have a description in the state plan of procedures used to ensure that CHIP does not substitute for group health plan coverage. Through SPA IA-25-0023, Iowa removes its waiting period policy, as required by CMS regulations at 42 CFR § 457.805(b), and updates its existing substitution monitoring strategies. Iowa also adds a maximum percentage threshold to measure the level of substitution occurring in the state that, if exceeded, will prompt the state to work with CMS to identify additional strategies to prevent substitution.

Your Project Officer is Carrie Grubert. She is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at Carrie.Grubert@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed by Jessica Stephens/

Jessica Stephens
Acting Director



CHIP Eligibility

State Name:

OMB Control Number: 09381148

Transmittal Number: IA - 25 - 0023

Separate Child Health Insurance Program **CS20**
Non-Financial Eligibility - Substitution of Coverage

Section 2102(b)(3)(C) of the SSA and 42 CFR 457.340(d)(3), 457.350(i), and 457.805

Substitution of Coverage

The CHIP Agency provides assurance that it has methods and policies in place to prevent the substitution of group health coverage or other commercial health insurance with public funded coverage. These policies include:

Substitution of coverage prevention strategy:

Add	Name	Description	Remove
Add	Monitoring Health Insurance Status	<p>Iowa HHS provides assurance that it has methods and policies in place to prevent the substitution of group health coverage or other commercial health insurance for public funded coverage.</p> <p>To prevent crowd out of private insurance, CHIP monitors health insurance status at application and throughout the eligibility period.</p> <p>At Application: Upon application for enrollment, applicants are asked if they have other health insurance coverage. Those indicating other coverage are not placed into full CHIP unless later verification processes support full eligibility.</p> <p>During the Eligibility Period: All CHIP members are required to report changes to employer sponsored health coverage or new eligibility for group health insurance. Iowa HHS will continue to complete annual redeterminations of eligibility and will complete screening for potential Medicaid eligibility, group health coverage, or other commercial health insurance.</p> <p>Iowa HHS also requires the contracted Managed Care Organizations to make all commercial third-party payor information available to the State as well as report any third-party liability discovered for their enrolled members.</p>	Remove
Add	Maximum Threshold	<p>Information about changes in health insurance status is used to determine whether children remain eligible for CHIP at renewal. If substitution of coverage exceeds a 15% threshold of children identified during annual redetermination that are enrolled in other coverage the agency will collaborate with CMS to identify a strategy to reduce substitution. Children are not disenrolled during the continuous eligibility period regardless of insurance status.</p>	Remove

A waiting period during which an individual is ineligible due to having dropped group health coverage.

If the state elects to offer dental only supplemental coverage, the following assurances apply:



CHIP Eligibility

The other coverage exclusion does not apply to children who are otherwise eligible for dental only supplemental coverage as provided in section 2110(b)(5) of the SSA.

The waiting period does not apply to children eligible for dental only supplemental coverage.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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