

• STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Iowa

Citation	Condition or Requirement
1906 of the Act	State Method on Cost-Effectiveness of Employer-Based Group Health Plans

Iowa's formula for determining cost-effectiveness of insurance plans is as follows:

$$\text{Savings from the plan}^* = \text{CSM} - \text{K1 (CSM)} + (\text{K1}) (\text{K2}) (\text{CSM}) - \text{EP} - \text{AC}$$

DEFINITIONS:

CSM Computer-summed Medicaid costs: Average Medicaid expenditures (only for the services covered under the insurance plan) from the previous fiscal year, for persons with like demographic data and no third party resources, excluding Medicare. Previous fiscal year costs are adjusted accordingly for inflation and scheduled provider reimbursement rate increases.

Average Medicaid cost is determined for each Medicaid-eligible person in the household by the following demographic data:

- Age
 - 0 through 60 days
 - 61 days through 5 years
 - 6 years through 12 years
 - 13 years through 20 years
 - 21 years through 48 years
 - 49 years through 65 years
 - 66 years through 79 years
 - 80 + years