



Iowa Health and Wellness Plan Section 1115 Demonstration Amendment



Health and
Human Services



Kim Reynolds, Governor
Chris Cournoyer, Lieutenant Governor

Kelly Garcia, Director

June 6, 2025

Wanda Boone-Massey
CMS Project Officer
Center for Medicaid & CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

*Re: Iowa Health and Wellness Plan 1115 Demonstration Amendment Notification
(Project Number 11-W-00289/8)*

Dear Ms. Boone-Massey,

In follow up to our notification to the Centers for Medicare & Medicaid Services (CMS) on March 4, 2025, please find enclosed an amendment proposal for the Iowa Health and Wellness Plan (IHAWP) 1115 Demonstration. The Iowa Department of Health and Human Services (HHS) prepared this proposed amendment in accordance with Senate File 615, enacted in the 2025 Iowa legislative session and awaiting the Governor's final signature, to implement work requirements for certain individuals in the populations currently served through the IHAWP Demonstration.

Iowa HHS has a societal vision that "individuals, families, and communities are safe, resilient, and empowered to be healthy and self-sufficient." HHS believes that employment is crucial to a good quality of life as it contributes to financial stability, opportunities for personal growth, and a sense of community and purpose. Therefore, concurrent with the State's third IHAWP 1115 Demonstration extension request, Iowa seeks approval for this waiver amendment to incorporate work requirements as a condition of maintaining IHAWP eligibility for specific individuals who do not meet at least one defined exemption criteria.

Iowa's overarching goal for implementing work requirements is to reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility. Implementation of work requirements will also further Iowa's intent for IHAWP to increase personal responsibility of members and ultimately lower costs and will increase Iowa's current efforts to promote employment and education.

Iowa HHS conducted a comprehensive public input process in accordance with 42 CFR 431.408. HHS received extensive stakeholder commentary through two public hearings, a tribal consultation, and email. A summary of input is included in our proposal.

Thank you for your review and consideration of this IHAWP amendment request. We appreciate the technical assistance provided by your team for development of this proposal. Please do not hesitate to contact Jennifer Steenblock, Bureau Chief, Program Integrity and Compliance at Jennifer.Steenblock@hhs.iowa.gov or 515-782-1509 if you have any questions about this notice.

Sincerely,



Kelly Garcia

Director

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cc: Jacey Cooper, CMS Director
Lee Herko, CMS State Monitoring Lead
Jennifer Steenblock, Iowa DHHS Bureau Chief

I. Summary

The Iowa Legislature passed legislation (SF 615) which requires the Iowa Department of Health and Human Services (HHS) to request federal approval to incorporate work requirements as a condition of maintaining eligibility for Iowa Health and Wellness Plan (IHAWP) members ages nineteen (19) to sixty-four (64) who are not otherwise exempt. In anticipation of Governor Renyolds signing the legislation into law, HHS is seeking to amend the IHAWP 1115 Demonstration (Project Number 11-W-00289/8) to implement these requirements. Note, the State is also in the process of negotiating an extension of its current IHAWP Demonstration, to be effective July 1, 2025. The State respectfully requests Centers for Medicare & Medicaid Services' (CMS) review and approval of our work requirement demonstration amendment to allow for an effective date of January 1, 2026. Iowa HHS will conduct implementation planning activities throughout 2025 and 2026, with a target date of April 1, 2026, to implement work requirements.

II. Background Information

IHAWP Demonstration History

Below is a high-level history of Iowa's IHAWP 1115 Demonstration.

INITIAL DEMONSTRATION APPROVAL: 2014-2016

In 2013, the Iowa Legislature passed with bi-partisan support the Iowa Health and Wellness Plan (IHAWP) to provide access to healthcare for uninsured, low-income Iowans, using a benefit design intended to improve health outcomes for members, increase personal responsibility, and ultimately lower costs. The IHAWP sought to provide a comprehensive, commercial-like benefit plan to ensure provision of Essential Health Benefits, indexed to the State Employee Plan benefits, with supplemental dental benefits similar to those in the Medicaid State Plan. Original options provided coverage to adults ages nineteen (19) to sixty-four (64) as follows:

1. The Iowa Wellness Plan (IWP) for those with household incomes at or below one hundred percent (100%) of Federal Poverty Level (FPL); and
2. The Marketplace Choice Plan (MPC) for those with household incomes of one hundred one percent (101%) to one hundred thirty-three percent (133%) of FPL.

On December 10, 2013, the CMS approved the Iowa Wellness Plan 1115 Demonstration Waiver (Project #11-W-00289) and the Marketplace Choice 1115 Demonstration Waiver (Project # 11-W-00288), thereby enabling the State to implement the IHAWP on January 1, 2014.

CMS approved several amendments to the Demonstrations during the initial approval period, including amendments to both Demonstrations to provide tiered dental benefits to all expansion adults and to extend Iowa's waiver of the non-emergency medical transportation (NEMT) benefit. On January 1, 2016, Iowa transitioned MPC Demonstration enrollees to the IWP Demonstration, extending coverage in that Demonstration to one hundred thirty-three percent (133%) of FPL. At that time, the IWP became known as the IHAWP.

INITIAL WAIVER EXTENSION AND AMENDMENTS: 2017-2019

On November 23, 2016, the State received approval to extend the IHAWP for an additional three (3)-year period. This initial extension was approved with no program modifications. Subsequently, CMS approved two amendment requests as follows:

1. Modify the Dental Wellness Plan (DWP) to implement an integrated dental program for Medicaid enrollees aged nineteen (19) and over; and
2. Waive the three (3)-month retroactive eligibility period, except for pregnant women and infants under age one (1). This change became effective for new Medicaid applications filed on or after July 1, 2018.

SECOND WAIVER EXTENSION AND AMENDMENTS: 2020-2024

On June 20, 2019, the State submitted an extension application under Section 1115(f) for a five (5)-year extension. CMS granted approval for the renewal on November 15, 2019. In extending the approval period, CMS updated the waiver of retroactive eligibility to exempt children under nineteen (19) years of age.

The State subsequently submitted an amendment request that was effectuated July 1, 2021, to provide dental benefits for children under age nineteen (19) through Prepaid Ambulatory Health Plans (PAHPs). In December 2021, the State further modified the DWP by discontinuing the dental Healthy Behaviors program. With this change, members enrolled in the DWP are no longer required to complete two Healthy Behavior activities annually or pay a monthly dental contribution to receive full dental coverage.

THIRD WAIVER EXTENSION: 2025

On July 9, 2024, Iowa submitted a Section 1115 Demonstration extension application and received a temporary extension that is set to expire June 30, 2025. The State is in process of working with CMS to receive a five (5)-year Demonstration extension to be effective July 1, 2025. Through this extension, Iowa will work to further the objectives of Title XIX by working to achieve the following key goals:

1. Improving enrollee health and wellness through the encouragement of healthy behaviors and use of preventive services;
2. Increasing enrollee engagement and accountability in their health care; and
3. Increasing enrollees access to dental care.

Additionally, the DWP seeks to achieve the following goals specific to dental services:

1. Ensure member access to and quality of dental services;
2. Allow for the seamless delivery of services by providers;
3. Improve the oral health of DWP enrollees by encouraging engagement in preventive services and compliance with treatment goals; and
4. Encourage linkage to a dental home.

Iowa's Demonstration has been effective to date. Through IHAWP, the State has expanded access to healthcare for Iowans statewide with over one hundred eighty thousand (180,000) individuals enrolled as of January 2025. Trends in quality measures indicate this coverage has resulted in access to preventive services higher than national rates, particularly among adults ages twenty (20) to forty-four (44) years of age. The proposed Demonstration extension will enable Iowa to continue providing access to otherwise Medicaid ineligible Iowans.

III. Proposed Amendment

Iowa HHS has a societal vision that “individuals, families, and communities are safe, resilient, and empowered to be healthy and self-sufficient.” HHS believes that employment is crucial to a good quality of life as it contributes to financial stability, opportunities for personal growth, and a sense of community and purpose. Therefore, concurrent with the State’s third waiver extension request, Iowa seeks approval for a waiver amendment to incorporate work requirements as a condition of maintaining IHAWP eligibility.

Iowa has a strong economy with low unemployment and a robust state budget. Our workforce is crucial to this success and must be healthy, prepared, and have a strong foundation to fully realize economic mobility in Iowa’s marketplace. Financial, physical, and emotional stability for individuals and families create a foundation for making meaningful contributions to our community and economy.

Iowa’s overarching goal for implementing work requirements is to reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility. Implementation of these work requirements will also further Iowa’s intent for IHAWP to increase personal responsibility of members and ultimately lower costs and will increase Iowa’s current efforts to promote employment and education. For example, IHAWP members are served through the State’s Medicaid managed care program, and managed care organizations (MCOs) are required to support community-based efforts to build interfaces with agencies, including job training, placement, and vocational service agencies. They also provide recovery-oriented support to individuals with substance use disorder (SUD), including activities for development and maintenance of employment and school performance. Certified peer specialists work to establish recovery, and self-help supports where members with SUD can learn employment skills, giving recovering persons volunteer or employment opportunities through which they support their own recovery.

The State also intends to align work requirements and exemptions for the IHAWP population with the Supplemental Nutrition Assistance Program (SNAP) to the extent possible to maximize fiscal stability and administrative efficiency. As such, HHS Medicaid and SNAP leadership are collaborating on work requirements to assure that IHAWP members are not required to meet two sets of requirements. Those who are enrolled in SNAP and are compliant with work requirements within that program will automatically be deemed compliant for IHAWP enrollment. Additionally, the State intends to build on existing infrastructure by exploring changes to existing technology that will enable data sharing across programs (e.g., eligibility, work requirement status, etc.) and to automate processes.

A. Requested Amendment

HHS is requesting approval to amend IHAWP eligibility requirements to require non-exempt individuals who are ages nineteen (19) to sixty-four (64) to meet one of the following qualifying activities as a condition of maintaining eligibility:

- Work at least one hundred (100) hours per month or earn wages monthly at least equal to the State minimum wage multiplied by one hundred (100) hours;
- Enrolled in an educational/job skills program;
- Enrolled in and compliant with Iowa's Temporary Aid to Needy Families (TANF) or SNAP work requirements; or
- Have been exempted from SNAP work requirements.

See Appendix A, Work Requirements and Exemptions in Iowa's Public Programs, for a listing of TANF and SNAP work requirements and exemptions.

IHAWP members who meet one of the following criteria will be exempted from work requirements:

- Individuals who are under nineteen (19) years of age or who are sixty-five (65) years of age or older;
- Individuals who are American Indian or Alaskan Native;
- Individuals who are pregnant and the pregnancy is high-risk;
- Individuals determined disabled by the United States Social Security Administration (SSA);
- Individuals identified as medically exempt under the Medicaid program;
- Caretakers of children under the age of six (6);
- Individuals who are receiving unemployment compensation as determined by Iowa Workforce Development;
- Individuals participating in substance use disorder (SUD) treatment, not to exceed a consecutive six (6)-month period; and
- Individuals who provide proof of good cause as defined by HHS.

B. Impacts of Proposed Amendments

IMPACT TO ELIGIBILITY

HHS's proposed effective date for the waiver is January 1, 2026. Iowa HHS will conduct implementation planning activities throughout 2025 and 2026, with a target date of April 1, 2026, to implement work requirements. HHS will use a phased implementation approach for operationalizing work requirements for IHAWP members. When operationalized, the State will begin compliance checks six (6) months after enrollment for all new applicants determined eligible. Compliance checks for existing members will begin on their next eligibility renewal period. HHS will use information available in existing systems (e.g., eligibility system) to confirm compliance. HHS will also develop a mobile application and other electronic solutions for member use in submitting verification documentation when HHS does not have sufficient information to confirm compliance. At this time, HHS will implement changes to its eligibility processes to include the following:

- **Initial Application Requirements:** HHS will maintain its existing IHAWP application process. New applicants will not be required to comply with work requirements to gain initial IHAWP eligibility.

- **IHAWP Member Compliance Checks:** HHS will conduct compliance checks for members every six (6) months to confirm they continue to meet a qualifying activity or continue to meet an exemption criterion. Examples of outcomes to these checks are as follows:
- IHAWP member continues to meet requirements or an exemption and maintains IHAWP enrollment.
- IHAWP member does not submit verification information. IHAWP enrollment for the member is suspended. If the member continues to be non-compliant, the member is disenrolled on his or her annual renewal date.
- IHAWP member provides verification but failed to complete a qualifying activity for the period reviewed. IHAWP enrollment for the member is suspended. If the member continues to be non-compliant the following six (6) months, the member is disenrolled on his or her annual renewal date.
- IHAWP member provides other information indicating he or she is no longer eligible for IHAWP (e.g., are working and income is above the FPL allowed for IHAWP enrollment). The member's enrollment in IHAWP is discontinued.

When HHS determines that an IHAWP member no longer meets an exemption criterion or has not completed a qualifying activity within the given time period, the member will be issued a notice as follows:

- For suspensions, the notice will indicate the reason for and timing of suspension and instructions for steps necessary for the member to take to request HHS lift the suspension; and
- For disenrollments, the notice will indicate the reason for and timing of disenrollment. It will also indicate the timeframe an individual must wait to reapply. If basic eligibility criteria are not met a notice of denial or termination will be issued.

Individuals will have appeal rights, including the right to appeal the State's decision that the individual does not meet the work requirements or exemption classifications.

IMPACT TO DELIVERY SYSTEM

The delivery system under the current State Plan and IHAWP Demonstration will not vary for individuals who are impacted by this proposed Demonstration amendment. This Demonstration amendment will apply statewide.

IMPACT TO COVERED BENEFITS AND COST-SHARING

The Demonstration amendment will not modify current covered benefits and cost sharing arrangements defined under the current State Plan and IHAWP Demonstration.

IV. Title XIX Waiver Request

The State requests all necessary waiver authority to implement this amendment request, including the provisions listed below. Further, the State seeks to align the amendment timeframe with the extension currently under CMS review.

- **Comparability of Eligibility Requirements:** Section 1902(a)(10)(A) to the extent necessary to enable the State to require all non-exempt IHAWP eligible individuals to meet one of the defined work requirements as a condition of maintaining eligibility.
- **Provision of Medical Assistance:** Section 1902(a)(8) to the extent necessary to suspend and terminate eligibility for individuals who fail to meet work requirements.
- **Amount, Duration and Scope of Services and Comparability:** Section 1902(a)(10)(B) and 1902(a)(17) to extent necessary to enable the State to suspend benefits for current members who do not meet work requirements.
- **Methods of Administration on Basis of Information Available to the Agency:** Section 1902(a)(17) and 42 CFR 435.916 to the extent necessary to enable the State to require individuals to provide additional information to verify compliance and to permit the State to deny or discontinue eligibility to persons who do not provide verification.
- **Methods of Application:** 42 CFR 435.907 to the extent necessary to implement electronic modalities exclusively for confirmation of having met work requirements to maintain eligibility.

V. Evaluation and Program Oversight

The State will continue with its planned evaluation and reporting for the Demonstration and will incorporate data specific to this amendment. Additionally, Table 1 outlines the proposed hypotheses the State proposes to evaluate to test the impact of work requirements on increasing the employment rate for IHAWP members. The goal of the amendment is to implement work requirements to reduce the dependence of low-income lowans on public assistance programs through efforts that advance economic stability and mobility. The State's objectives include increasing the number of individuals in the State who have earned income or who are in process of receiving education and training to increase their skillsets and knowledge to support gainful employment opportunities, and to reduce IHAWP enrollment over time as individuals gain access to alternate health insurance options.

Table 1. Proposed Evaluation Hypotheses

Proposed Hypotheses	Research Question	Analytic Approach
1. The implementation of work requirements will increase the employment rate of IHAWP members.	a. How do the number and percentage of IHAWP members who must meet work requirements compare to the number and percentage of IHAWP members who are exempted from work requirements? b. What are the number and percentage of IHAWP members suspended after six (6) months for not meeting work requirements?	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
2. The implementation of work requirements will increase the rate of IHAWP members engaged in training or educational activities.	a. What are the number and percentage of IHAWP members attending school? b. What are the number and percentage of IHAWP members completing training activities?	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
3. The implementation of work requirements will increase earned income for IHAWP members.	a. What is the average household income of IHAWP applicants? b. Has the average household income changed since the implementation of the Demonstration amendment? c. Have the number and percentage of households with no income decreased?	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.

Proposed Hypotheses	Research Question	Analytic Approach
<p>4. The implementation of work requirements will decrease the reliance on public assistance programs.</p>	<ul style="list-style-type: none"> a. Have the number and percentage of applications for IHAWP decreased during the Demonstration period? b. What are the number and percentage of applicants unenrolled due to inability to demonstrate satisfaction with training, education, or work requirements after the six (6)-month compliance period? c. Has the enrollment in Employer Sponsored Insurance increased during the Demonstration period? 	<p>Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.</p>

VI. Budget Neutrality

Currently, no expenditure authorities are required to operate the Demonstration, and the State is not requesting any federal expenditure authorities for this amendment. The following presents the projected caseload of this statewide Demonstration, expenditures, and budget neutrality estimate.

Demonstration Period

The Demonstration spans five years, from January 1, 2026, through December 31, 2030.

Demonstration Impact on Medicaid Group VIII

This Demonstration will implement eligibility restrictions for non-medically exempt adult expansion (Group VIII) individuals as outlined in Section B, Impacts to Eligibility. Group VIII individuals not meeting the proposed requirements will be disenrolled from the Medicaid program. These requirements apply to Group VIII enrolled in fee-for-service and Health Link managed care.

Projected Enrollment

HHS projects the following enrollment and annual member months for each Demonstration year based on estimates about which individuals will qualify for enrollment through meeting the exemptions or coverage requirements.

Table 2 presents the average number of enrollees and annual member months projected for the base period and each Demonstration period.

Table 2 – Projected Average Enrollment and Annual Member Months

Demonstration Year (DY)	Projected Average Monthly Enrollment	Projected Annual Member Months
Without Waiver Base Period	171,436	1,851,194
DY 1: January 1, 2026 – December 31, 2026	146,897	1,586,218
DY 2: January 1, 2027 – December 31, 2027	126,858	1,369,826
DY 3: January 1, 2028 – December 31, 2028	129,395	1,397,223
DY 4: January 1, 2029 – December 31, 2029	131,983	1,425,167
DY 5: January 1, 2030 – December 31, 2030	134,622	1,453,670

Budget Neutrality Projections

DHS projected the caseload (enrollment) and costs of the current program without work requirements as a condition of enrollment, referred to as “Without Waiver,” and the caseload and costs of the program with work requirements, referred to as “With Waiver,” in Table 3. The projections presented in this Table are Total Computable and include the combined federal and state share of expenditures.

The difference represents the Without Waiver less the With Waiver projected amounts. The state share is ten percent (10%) of the Total Computable.

Table 3 – Projected Without and With Waiver

Without Waiver (Total Computable)					
	DY 1	DY 2	DY 3	DY 4	DY 5
Avg. Enrollment	176,620	180,152	183,755	187,430	191,179
Member Months	1,907,162	1,945,305	1,984,211	2,023,895	2,064,373
Per Capita	\$941.05	\$992.81	\$1,047.41	\$1,105.02	\$1,165.80
Expenditures	\$1,794,734,800	\$1,931,318,257	\$2,078,282,444	\$2,236,444,453	\$2,406,646,043
With Waiver (Total Computable)					
	DY 1	DY 2	DY 3	DY 4	DY 5
Avg. Enrollment	146,897	126,858	129,395	131,983	134,622
Member Months	1,586,218	1,369,826	1,397,223	1,425,167	1,453,670
Per Capita	\$1,050.83	\$1,150.80	\$1,214.10	\$1,280.88	\$1,351.33
Expenditures	\$1,666,845,181	\$1,576,401,023	\$1,696,368,444	\$1,825,467,907	\$1,964,387,881
Difference (Without Waiver minus With Waiver)					
Total Computable	\$127,889,619	\$354,917,234	\$381,913,999	\$410,976,546	\$442,258,162
State Share	\$12,788,962	\$35,491,723	\$38,191,400	\$41,097,655	\$44,225,816

VII. Public Notice and Comment Process

A. Public Notice

In accordance with 42 CFR §431.408, the public had an opportunity to comment on this Demonstration amendment through a public notice and thirty (30)-day public comment process that occurred April 15, 2025 through May 15, 2025. The public notice and all Demonstration amendment documents were available as follows:

- Posted on the HHS website at: [Public Comment Period for Iowa Health and Wellness Plan \(IHAWP\) Extension | Health & Human Services](#)
- Available for review at HHS Field Offices.
- A summary notice published on April 18, 2025, in the following newspapers of widest circulation: (i) Des Moines Register; (ii) Cedar Rapids Gazette; and (iii) Quad City Times.
- Alerts sent by HHS through the GovDelivery listserv platform utilized by the State, each reaching approximately four thousand (4,000) stakeholders.

All notices provided the option for individuals to submit written feedback to the State by email or U.S. Postal Service mail.

Additionally, the State held two (2) public hearings, which occurred on April 23, 2025 at the Urbandale Public Library and April 29, 2025, at the Marshalltown Public Library. These were open forums for interested parties to learn about the contents of the Demonstration amendment application and to comment on its contents. HHS provided virtual and telephonic capabilities to ensure statewide accessibility.

See Appendices B and C for copies of public notices provided by HHS for this Demonstration amendment.

B. Tribal Consultation Process

HHS initiated consultation with Iowa's federally recognized Indian tribes, Indian health programs, and urban Indian health organizations by issuing a tribal notice on April 15, 2025. This notice included notification of the date and time and link to join the scheduled consultation. Consultation was conducted in accordance with the process outlined in Iowa's Medicaid State Plan and consisted of an electronic notice directed to Indian Health Service/Tribal/Urban Indian Health (I/T/U) Tribal Leaders and Tribal Medical Directors identified by the Iowa Indian Health Services Liaison.

See Appendix D for a copy of the tribal notice provided by HHS for this Demonstration amendment.

C. Summary of Public and Tribal Comments and State Response

Iowa HHS received 72 comments during the public and tribal hearings, 117 comments via email from advocates, family members, providers, tribal organizations, advocacy groups, and other interested parties, and one comment via postal mail, for a total of 199 comments. Iowa HHS reviewed and considered all comments received through the public input process. Two changes were incorporated into this final proposed Demonstration amendment that were directly informed by public comments, and the remaining will be used to inform and support future decision-making as planning related to implementation of the waiver continues. Below is a summary of comments and Iowa's responses.

1. Support for Work Requirements Demonstration

Summary of Comments:

Five (5) commenters indicated support for implementation of work requirements, indicating that able-bodied individuals should work. With their support, they also offered recommendations for strengthening the program through clear communication between members and the State, and providing robust training for all parties involved with the program. One supporter of the Demonstration amendment recommended allowing individuals to contribute through volunteer time without losing coverage. In addition, one commenter voiced support for the six (6)-month grace period that Medicaid members will be provided to submit evidence of work, education, or exemptions, and that Medicaid members will not be removed from the program until their annual renewals.

State Response:

HHS appreciates commenters' support for this Demonstration amendment. Additionally, recommendations for communication and training are appreciated. For implementation activities, HHS will develop a comprehensive communication plan and identify all parties that need to receive training. Additional details will also be included in the implementation plan required by CMS for all 1115 Demonstrations.

2. Opposition to Work Requirements

Summary of Comments:

Most responses received opposed implementation of work requirements or portions of the proposed approach to implementation. Opposition of work requirements generally highlighted the following:

- Extensive reference to other states' programs, particularly Arkansas and Georgia, with indication that those programs did not achieve success. Various reports and data were also cited and/or provided.
- Stakeholder-specific experiences or references to other individuals' personal experiences to illustrate concerns about implementing work requirements.

- Concerns about transparency, operational details, infrastructure needs and costs, impacts to providers and members, qualifying activities, exemptions, and impacts to health outcomes. Comments for each of these areas are summarized in greater detail below.

Additionally, one commenter indicated concern that if the waiver is not granted, the Medicaid expansion will be cancelled.

State Response:

HHS appreciates stakeholders sharing their personal experiences. These experiences are helpful as we consider our operational planning.

3. Request for Transparency and Concerns About Purpose of Work Requirements

Summary of Comments:

Some commenters recommend that the State provide more transparency and background information regarding the reasons for implementing work requirements. Commenters indicated an uncertainty as to the problem that work requirements intend to solve, noting that work requirements have historically failed to boost employment. Some commenters cited differences in the Demonstration amendment and state legislation (SF 615) and requested that HHS provide information about regarding the reasons for these differences. For example, commenters noted that the Demonstration amendment proposal requires one hundred (100) hours per month of work, whereas the legislation requires eighty (80) hours. Commenters also requested more information on how the state will utilize any savings to the Medicaid program from the work requirements initiative.

State Response:

HHS is implementing work requirements based on a legislative mandate to do so (SF 615). As indicated in the Demonstration amendment proposal, Iowa HHS has a societal vision that “individuals, families, and communities are safe, resilient, and empowered to be healthy and self-sufficient.” HHS believes that employment is crucial to a good quality of life as it contributes to financial stability, opportunities for personal growth, and a sense of community and purpose. Financial, physical, and emotional stability for individuals and families create a foundation for making meaningful contributions to our community and economy. Regarding differences in the Demonstration proposal, SF 615 includes flexibilities for the Department to determine program design (e.g., as a condition of maintaining eligibility require a member to work “at least eighty (80) hours each month, *as determined by the Department*”).

4. Request for More Details for Operationalizing Work Requirements

Summary of Comments:

Many commenters raised comments and questions about the following operational details of the Demonstration amendment.

- **Communications:** Will there be a communication plan if it goes through? Have current members been notified that work requirements are likely to start? Is this flyer going to be available in other languages than English (e.g., Spanish, French, Marshallese, Vietnamese, etc.)? What is the implementation plan to notify members of the new work requirements? Via text, mail, email, TV, Radio, etc.?
- **Staff Qualifications:** What are the qualifications of individuals who will make exemption determinations, specifically what mental health issues will qualify? Who's in charge of ruling on exemptions?
- **Eligibility:** The proposal lacks instructions for addressing compliance or correcting data inaccuracies and fails to describe a detailed member notification process. How will eligibility be determined and exemptions verified? How frequently will members be required to submit evidence of compliance and in what format?
- **Disenrollment and Reenrollment:** The amendment suggests lockout and termination periods with no indication of how members can regain coverage. How will individuals' illness or illness of a family member be handled if it impacts their ability to meet their minimum required hours? A commenter raised concern about challenges in members consistently receiving information (e.g., due to frequently changing addresses or non-consistent access to internet and email), which in turn will cause members to miss notifications, be unable to access a website or application to submit required evidence or not receive correct required information from their employer in a timely manner. Can someone who is disenrolled, reenroll if they become eligible? If members are removed from IHAWP due to not submitting required evidence, will there be a waiting period before they can reapply? What steps will the State take to track and mitigate coverage losses? How will individuals be supported in understanding and needing to survive?
- **Appeals:** Will members have an opportunity to appeal their removal, especially if they can show they did not receive notice of additional evidence required and had not otherwise missed a reporting period?
- **Managed Care:** How does this fit in with managed care?
- **Monitoring:** Since this change was initiated due to the assumption that it would increase employment, what tracking mechanism will be used to determine if it meets that goal? Who is keeping track of work hours?
- **Demonstration Timeframe:** When will this be effective? If this amendment goes through, what happens after the five-year period ends? Will there need to be steps taken for it to continue? Or will it just automatically continue?

Summary of Recommendations:

Some commenters also provided the following recommendations for operations:

- **Implementation:** Have a measured rollout to prevent unnecessary confusion and hardship. Create an advisory council made up of work requirement covered participants and social service representatives to provide DHHS feedback on the waiver.

- **Communications:** Provide transparency on how work requirement notifications will be given to members. Have clear and easy communications. Assure clarity in understanding for all, no abbreviations. During the first two (2) years, publicize requirements frequently publicly and through safety net providers.
- **Administration:** Thoroughly examine all administrative procedures to ease compliance with the proposed work requirements. Without efforts to minimize burdens for compliance, it is possible many hard-working Iowans will wrongly lose their Medicaid coverage. Additionally, allow providers or provider's staff to remind and assist patients with submitting work and education evidence.
- **Eligibility:** Exclude the American Indian population from the Demonstration.

State Response:

HHS appreciates commenters thoughtful questions about operational and organizational details required for implementing work requirements. Stakeholders can be assured that HHS is conducting extensive planning for each operational area raised and many others. It is important to note that such detailed information is not typical to include in an 1115 Demonstration proposal. Instead, details are provided, as relevant, in an implementation plan that CMS requires states to submit for 1115 Demonstration programs after approval. Additionally, HHS will develop policies and procedures and other documentation that details operational and organizational requirements. All information that is necessary for stakeholder and member understanding will be communicated publicly.

HHS can address some comments about operations and organizational components of the work requirements program, as follows:

- **Communication Plan:** HHS has not issued specific communications to members about the proposed Demonstration amendment to implement work requirements; however, they do have access to all publications provided to date for the public comment period. HHS will develop a comprehensive communication plan for informing members, providers, and other stakeholders about implementation of work requirements, impacts to current processes, and how to maintain Medicaid eligibility through qualifying activities or exemptions. Information will be provided in all languages in which HHS currently provides member communications.
- **Appeals:** As stated in the Demonstration amendment proposal, individuals will have appeal rights, including the right to appeal the State's decision that the individual does not meet the work requirements or exemption classifications.
- **Managed Care:** As stated in the Demonstration amendment proposal, the delivery system under the current State Plan and IHAWP Demonstration will not vary for individuals who are impacted by this proposed amendment. IHAWP members will continue to be enrolled with a managed care organization (MCO), which are required to support community-based efforts to build interfaces with agencies, including job training, placement, and vocational service agencies.

- Demonstration Timeframe:** The Demonstration amendment proposal published for public input requested that CMS review and approve the waiver to allow for an effective date of July 1, 2025. Iowa must receive CMS approval for the Demonstration amendment prior to operationalizing requirements. CMS does not have specific timeframes within which it must provide a review decision for 1115 Demonstration proposals. Should CMS approve the Demonstration amendment, an independent evaluation will be required. This evaluation informs HHS and CMS about successes and challenges of the program and will be used to inform decisions for how to proceed at the end of the five-year Demonstration period. Options would be that Iowa DHHS request that CMS extend the program in its current state or with requested changes or to terminate the program. Should HHS pursue an extension, a public comment period would be conducted in accordance with 42 CFR §431.408.

Summary of Changes to Demonstration Amendment Proposal Based on Public Comments:

As recommended, HHS is exempting the American Indian and Alaska Native population from the Demonstration amendment and has updated the final proposal to reflect this change. In addition, HHS has updated the proposal to request that CMS review and approve the waiver to allow for an effective date of January 1, 2026, to allow additional time for implementation activities. Iowa HHS will conduct implementation planning activities throughout 2025 and 2026, with a target date of April 1, 2026, to implement work requirements. Budget neutrality calculations in Section VI of the proposal have also been updated to account for this change.

5. Need for Additional Infrastructure and Increased Costs

Summary of Comments:

Some commenters raised apprehension about the associated outcomes, infrastructure needs, and costs related to work requirements, indicating concern that this will create expensive, labor-intensive administration without much if any positive impact or steady employment. They indicated that work requirement programs are costly to administer and burdensome for participants, staff, and state and federal government agencies. Commenters indicated there will be a significant need for, and costs related to the following: additional staffing, new or updated IT/eligibility systems, building data-sharing infrastructure across programs, member education, monitoring and tracking of work activities and exemptions, and ongoing support and funding for burdensome work/reporting requirements. A commenter noted that while the proposed Demonstration amendment includes budget neutrality, it does not address cost of implementation and additional administrative burdens to the state agency. Administrative costs of changes in coverage status likely leading to increased churn were also noted. In summary, commenters questioned how Iowa will ensure there is necessary infrastructure to operate the program. Additionally, they requested information for how HHS will track and report additional administrative costs.

Summary of Recommendations:

Recommendations received specific to infrastructure and costs are as follows:

- Pause and refine the approach after federal rules are determined. We all share the same goal of promoting work independence, but this requirement should not jeopardize independence or waste taxpayer dollars.
- Direct funding to programs that help people secure and maintain employment and/or the other needed supports instead of this Demonstration.

State Response:

HHS acknowledges that implementation of work requirements will require investment in additional infrastructure, including modifications to information systems and addition of staffing. However, we think these investments will help us to implement work requirements in an efficient manner while also meeting requirements of the State legislative mandate. HHS is closely monitoring proposed federal legislation for Medicaid work requirements and will adjust program operations as needed and at CMS direction. HHS has also researched other states' programs and is working to apply lessons learned from those operations.

6. Concerns about Impacts to Providers and Iowa's Healthcare System Infrastructure

Summary of Comments:

Several commenters indicated that they expect the Demonstration amendment to increase uncompensated care and administrative burdens for health care providers. They indicated that hospitals and long-term care providers may face financial strain due to decrease in available primary care, an uptick in uninsured patients, and increased emergency department (ED) utilization. Some raised concerns that the loss of Medicaid coverage will result in local hospitals and clinics having fewer patients, potentially leading to service reductions or smaller hospital and clinic closures, particularly in rural areas, thereby undermining the stability of Iowa's health care system and jeopardizing patient care.

Some commenters noted the administrative burden placed on physicians to prove their patients' inability to complete the work requirements would add to an already heavy administrative workload; however, a provider association indicated that some provider offices, specifically community health centers, are well positioned to remind individuals of reporting requirements and assist members with submitting verification documents.

A commenter asked if savings will be used to reimburse hospitals for medical expenses incurred treating the uninsured or to expand rural facilities.

Summary of Recommendations:

One commenter strongly urged Iowa HHS to withdraw the proposed waiver and focus on policies to enhance access to health care, support vulnerable populations, and strengthen the state's health care infrastructure.

State Response:

This Demonstration amendment is being submitted in accordance with a state legislative mandate (SF 615).

7. Concerns that Work Requirements will Cause Undue Administrative Burden and Other Challenges for Members

Summary of Comments:

Commenters expressed concerns that reporting requirements will cause undue administrative burden on members and will also cause individuals who are exempt or who are already working to unjustly lose Medicaid coverage. Concerns were raised that people such as parents who have children with disabilities, and people who are in a gray area of mental disabilities such that they have not been able to get an officially recognized diagnosis, will lose coverage through onerous reporting requirements or lost documentation. Commenters indicated that Iowa's proposed Demonstration relies on data matching, but many individuals will inevitably face issues with incomplete, inaccurate, or outdated data. They cited evidence from other states, indicating that such requirements lead to significant coverage losses, not due to a lack of work, but because of administrative complexities and reporting challenges.

Concern was raised for impacts to specific individuals who may have challenges with documentation requirements, such as those who can work at times and not at other times as illness ebbs and flows, and those in a mental health crisis or seriously mentally compromised or disabled. One commenter raised concerns that veterans will undergo more barriers, although exempt from work requirements.

It was noted that work requirements will cause more barriers to people who need services. Some commenters believe the proposed Demonstration amendment threatens to disproportionately impact Iowans who already face barriers to employment due to chronic diseases, care giving responsibilities, or unstable employment. One commenter indicated that communities of color, people with disabilities, and individuals in rural areas are especially at a risk due to barriers that limit access to employment and the ability to navigate complex administrative systems. Several commenters noted that transportation is a barrier to accessing work for many individuals.

Lastly, one commenter believes the amendment targets single mothers with school-age children and appears to work on the following assumptions: the member is able to find and maintain the required hours of work/month, has access to childcare 24/7, and has reliable transportation to and from a job and is able to afford maintenance costs. Programs in O'Brien County give a "hand up" to single mothers, but the biggest hurdles are reliable, affordable transportation and 24/7 daycare. Transportation costs can be offset by finding a job within walking distance, but there is no guarantee of sufficient hours/month to meet the requirement or enough income to offset childcare costs. The commenter also noted that transportation costs will increase if commuting out of town for work.

Some commenters had questions about eligibility determination and how exemptions and employment will be reported, and specifically by those who are self-employed (e.g., will they be allowed to input hours since they do not have paystubs). One commenter requested to know if HHS will count the hours spent trying to record and report information to Medicaid towards the one hundred (100) hours/month requirement.

Summary of Recommendations:

- Provide clarity on eligibility determination and reporting processes.
- Clarify how self-employment will be verified.
- Improve access to transportation.

State Response:

HHS acknowledges the concerns of commenters about reporting requirements and potential challenges faced by members. As indicated in the Demonstration amendment proposal, HHS is exploring multiple avenues to confirm compliance with qualifying activities or exemptions in a manner that is least burdensome on members. HHS will first review existing systems for verification, which may alleviate need for some members to submit information. Further the State seeks to develop a mobile application and other electronic solutions for use by members when the State is unable to confirm the information in existing systems. HHS will have staff available to support members who are having challenges in submission of their information. These details are continuing to be discussed as part of operational planning and will be communicated to members prior to program implementation.

HHS appreciates the concerns about how the self-employed will report. The details of specific reporting requirements are not required for 1115 Demonstration proposals; however, we are working through options for these individuals as part of our implementation and operations planning, and the requested detail will be provided in communications to members about processes to follow for materials submission.

Lastly, HHS appreciates commenters concerns for specific populations that commenters believe are at a higher risk due to additional barriers. We will review these comments as part of our ongoing implementation and operations planning to determine if additional program components or processes are needed to support these populations.

8. Concerns about Qualifying Activities

Many commenters expressed concerns about the proposed qualifying activities and requested additional information about how they are defined. They also offered input about changes to the qualifying activities and recommended adding volunteering hours.

Summary of Comments:

a. Employment Requirements

Many commenters indicated that the majority of adults on Medicaid are already working, attending school, caring for a family member, managing an illness or disability, are unable to find work, or facing other challenges that make additional requirements unnecessary and harmful. Some expressed concerns about the number of jobs available compared to the number of individuals eligible for the work requirements. Several commenters questioned how individuals will be assisted if jobs are not in the community. Additionally, some commenters noted the Demonstration amendment proposal doesn't consider those seeking jobs but who are not receiving offers of employment. Finally, some commenters noted that aging adults may face difficulty in employment due to age discrimination and that the one hundred (100)-hour work requirement applied uniformly to all adults aged nineteen (19) to sixty-four (64) fails to account for the nuanced realities of aging.

b. Educational Requirements

Some commenters had questions about what educational and job skills programs are considered as qualifying activities, including:

- What is defined as a job skills program, and does it need to be certified program with the state, county, etc.?
- Does education mean college? Does that mean full time or part time?

Additionally, commenters raised questions about job training/assistance supports that will be provided to members with indication that there is a high likelihood that many people who will be required to work will need help on how to get a job.

c. Enrollment in Iowa's Temporary Aid to Needy Families (TANF) or SNAP

Commenters referenced individuals losing other benefits, such as SNAP, when generating an increased income. Additionally, a commenter asked how the State will ensure that Medicaid, SNAP, and TANF data systems are integrated so that individuals are not forced to report information multiple times.

Summary of Recommendations:

Recommendations focused on employment and educational requirements included:

- Reduce the one hundred (100) hour per month work requirement to allow people to work three (3) days a week, because if you go over three (3) days then you are not considered part time. Some part time jobs do not employ twenty (20) hours a week. Others indicated to reduce to eighty (80) hours per month.
- If this waiver moves forward, expand the "Promise Jobs" initiative to provide more individualized assistance to help people become more self-sufficient.

- Implement a tiered or graduated standard that recognizes the increased challenges older lowans face in securing and maintaining employment.
- Establish a travel limit of fifty (50) miles round trip from the participant's home (place of residence) to fulfil employment or volunteer service.
- Allow other family members to "contribute" their employment hours to assist those required to meet work requirements.
- Reinstate work programs for individuals with disabilities.
- Raise minimum wage and expand access to job training or other educational programs.
- Provide additional job support opportunities. Assist in expanding available job opportunities.
- Include community college, trade programs, apprenticeships, on-the-job training and other programs in the definition of education and job skills programs.

Some commenters recommended that the State allow volunteer service as a qualifying activity. One commenter specifically recommended allowing volunteering for public service with governmental agencies such as library, school, hospital, parks, etc., and/or nonprofit organization (NGO) that operate independently of any government. One commenter raised the example of programs such as AmeriCorps providing a modest stipend and educational award, yet they are federally classified as voluntary service, not employment, and are explicitly prohibited from being considered earned income.

State Response:

HHS appreciates commenters thoughtful questions and recommendations for qualifying activities. Stakeholders can be assured that HHS will consider these recommendations in its implementation and operational planning efforts. It is important to note that such detailed information is not required in an 1115 Demonstration proposal, rather these details are required by CMS in an implementation plan following waiver approval. Additionally, HHS will develop policies and procedures and other documentation that further details definitions for each qualifying activity. Information will be communicated to stakeholders and members to assure a thorough understanding of all qualifying activities.

9. Concerns about Exemptions

Many commenters expressed concern about assuring exemptions will be sufficient to avoid loss of health care coverage for those who are not working who are mostly contending with physical and mental health challenges or caregiving responsibilities. Questions were also raised about the process and how often individuals receiving Medicaid would need to prove they are exempt.

Summary of Comments:

a. Exemption for Caretakers

Many commenters expressed concerns about limiting the caregiver exemption to those for children under the age of six (6) and also requested clarification for the definition of caregiver.

Multiple commenters raised concerns that exemptions do not consider homeschooling or caregiving for children above the age of six. Some questions focused on what they consider contradictions in the State, for example, encouraging school choice but making it difficult given this caretaker exemption limitation. Also, several commenters raised concerns that childcare is unavailable in many areas or too expensive for low-income lowans, and that child safety issues could arise.

Concerns were also raised for adults who already work but are also caring for disabled children over the age of six (6). One commenter also noted the time that these individuals must be away from work to take disabled children to regular medical appointments.

Commenters also suggested that the exemption should apply to caretakers of older adults, indicating that many caretakers offer services for older adults and are not compensated for their work. Some stated that caring for elderly individuals in their homes is less costly than facility care and would provide Medicaid savings in the long-term.

b. Exemption for Individuals with Chronic Conditions

Many commenters expressed concerns about which chronic conditions will be exempt and raised need for clarification about how those who are “medically exempt under Medicaid” will be identified. Commenters indicated that without explicit criteria or a defined process for identifying health conditions, individuals with certain chronic conditions will improperly lose coverage despite ongoing health needs and disrupt continuity of care. They raised concerns that administrative errors will result in vulnerable populations being disenrolled.

Commenters raised concerns that exemption criteria may not capture all individuals with, or at risk of, serious and chronic health conditions that prevent them from working (e.g., cancer, a history of cancer, or need cancer screenings, kidney disease, end-stage renal disease [ESRD]). It was noted that some of these individuals often do not appear in disability databases. On paper they may look “employable,” yet treatment schedules and severe fatigue make meeting an eighty (80)-hour or one hundred (100)-hour monthly work requirement impossible. When individuals lose coverage, even if only for a short time while paperwork is sorted out, it is difficult or impossible to continue treatment, which could seriously jeopardize their chance of survival.

Several commenters raised concerns that only “active treatment” for breast and cervical cancers, and not other cancers, would be exempt. Additionally, it was noted that imposing work requirements on lower income individuals as a condition of coverage could impede individuals’ access to prevention and early detection care, including cancer screenings and diagnostic testing.

c. Exemption for Individuals with Disabilities

Many commenters raised concerns about clarity for eligibility impacts to individuals with disabilities or those who are seeking a disability designation. Many commenters expressed concerns about types of disabilities that will be considered for exemptions and raised question about exemptions for individuals who have extensive health conditions limiting their ability to work but who have not received a disability designation. Commenters also noted hardships related to approval times for their disability by the Social Security Administration (SSA) and raised concerns about that timing with loss of Medicaid coverage if not approved prior to a reporting period for work requirements.

d. Exemptions for Individuals with Mental Health and Substance Abuse Conditions

It was indicated that Iowa Medicaid is a lifeline for many people with mental health obstacles and substance use conditions, and commenters expressed a variety of concerns about impacts of the Demonstration proposal on these individuals. As noted in earlier comments, concerns were raised that a person in a mental health crisis, or seriously mentally compromised or disabled, may not be able to keep up with extra documentation requirements. Commenters also raised concerns that conditions will increase as individuals become ineligible for Medicaid and that taking away mental health coverage will result in increased homelessness.

Commenters raised questions about who will define mental health. There were concerns that mental health is not easily diagnosable and will not be recognized as a disability.

e. Alignment of Exemptions with TANF and SNAP

Commenters requested additional information and clarity for overlap between Demonstration amendment exemptions and SNAP and TANF exemptions. For example, a question was raised as to whether SNAP and TANF exemptions for caretakers of a person determined disabled by SSA also apply to this program.

Summary of Recommendations:

- Expand the caregiver definition to be more inclusive, by including:
 - All family caregiving, as this broader definition would save millions of dollars that would otherwise pay for costly institutional care.
 - Homeschooling children older than the age of six (6).
 - Caretakers for individuals with disabilities, aging adults, and adults with health issues.

- SNAP and TANF exemptions for caretakers for persons with disabilities or special needs.
- If the definition of caretaker does not include persons beyond parents and guardians, consider that traditional family structures often look different for some members. Many children or persons with disabilities are cared for by extended family members or rely on family to care for their children while working.
- Provide information on how mental health will be defined and if it will be considered a disability.
- Provide additional information and definition, for example, clarify:
 - The conditions eligible for exemption (e.g., cervical and breast cancers are called out, but not heart conditions).
 - The level of disability that will be eligible for the exemption.
 - The definition of high-risk pregnancy.
- Include the following conditions as medically exempt:
 - HIV, as interruptions in coverage and treatment can create serious public health risk.
 - Serious and life-threatening medical conditions such as end stage renal disease (ESRD) that require either transplantation or long-term dialysis to survive.
 - Individuals with certain chronic conditions, such as asthma or COPD, for which ongoing health needs can cause irreversible lung damage.
 - Individuals with cancer, including those in active cancer treatment
- Improve the SSA approval process, which will decrease the burden for members seeking approval of their disability to meet exemption requirements.
- Humanely apply good cause exceptions (e.g., large families with multiple children under the age of twelve (12) could have problems complying with the requirement).

State Response:

HHS thanks the many individuals and organizations who commented on specific exemptions and potential scenarios that may create challenges in meeting the required designations. HHS agrees that these are all important considerations in establishing comprehensive definitions and effective processes in the least burdensome manner for individuals. It is important to note that some of the details requested, such as specific definitions for conditions, are not required in an 1115 Demonstration proposal, and will be more thoroughly addressed in State policy manuals, public communications, and other documentation. HHS will also assure that our communication strategy provides clear and detailed information about exemptions, their definitions, and processes for determining individual exemptions. It is important to note that individuals who qualify for Medicaid based on their disability status are generally not eligible under IHAWP but instead are enrolled under a different Medicaid eligibility category and would not be subject to the requirements of this Demonstration amendment.

10. Concerns that Individuals Who Lose Healthcare Coverage Will Face Worsened Health Outcomes.

Summary of Comments:

Multiple commenters expressed concerns that loss of Medicaid coverage will reduce access to health care, preventive care, health-promoting programs, and medications, and in turn this proposal may worsen health outcomes and economic stability for those unable to meet new work requirements. It was noted that the loss of coverage extends beyond individual health outcomes and can lead to increased medical debt, reduced access to preventative care and a greater strain on emergency services. Various research was cited to support comments.

One commenter described “toxic stress” in detail and indicated that adding a work requirement to Medicaid will worsen toxic stress. The commenter noted that most parents on Medicaid are already working and want to work more hours, but many are in low-wage jobs without health benefits, with unpredictable hours, and long commutes, and for many, childcare costs more than they earn. A commenter indicated that when parents lose access to their own health care, they are less able to care for their children, attend appointments, manage chronic conditions, or support their child’s learning and emotional development.

State Response:

HHS is working to implement this Demonstration amendment in a manner to help Iowans to advance economic stability and mobility. As stated in the Demonstration amendment proposal objectives include increasing the number of individuals in the State who have earned income or who are in process of receiving education and training to increase their skillsets and knowledge to support gainful employment opportunities. HHS recognizes that some individuals will have access to alternate health insurance options through employment. As planning continues, HHS will determine potential data to analyze as part of the required ongoing Demonstration evaluation to measure impacts to outcomes.

VIII.State Contact

For questions and comments, please contact:

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Appendix A: Work Requirements and Exemptions in Iowa's Public Programs

Below are work requirements and exemptions for Iowa's Temporary Aid to Needy Families (TANF) Program (Family Investment Program, or FIP) and Supplemental Nutrition Assistance Program (SNAP).

Participation with PROMISE JOBS, a work and training program, is a requirement in FIP.

Table A.1: Family Investment Program Work Requirements and Exemptions

Activity Requirements	Exemptions
<ul style="list-style-type: none"> • Work-Related Activities: <ul style="list-style-type: none"> - Individual job search - Monitored employment - Self-employment - Work readiness training - Work experience placement - Unpaid community service • Training and Education <ul style="list-style-type: none"> - High school completion activities - Adult basic education - English as a Second Language - Post-secondary education • Family Support Activities <ul style="list-style-type: none"> - Family Development and Self-Sufficiency (FaDSS) program - Parenting skills training 	<ul style="list-style-type: none"> • Domestic violence • Not enough skills to get or keep a job • Quality childcare not available • Physical or mental health problems or disability • Housing situation makes it difficult or impossible to work • Substance abuse problems • A parent needs to be at home to care for a child with special problems • Other hardship reasons that keep the family from being self-supporting

Table A.2: SNAP Work Requirements and Exemptions

Work Requirements	Exemptions
<ul style="list-style-type: none"> • Acceptance of any job offer received (unless there is an approved reason for not accepting the position) • Maintaining employment for at least thirty (30) hours each week (unless there is an approved reason for not maintaining the position or working thirty (30) hours) • Report job and hours worked when asked 	<ul style="list-style-type: none"> • Younger than age sixteen (16), or age sixty (60) or older • Taking care of a child younger than age six (6) or someone who needs help caring for themselves • Already working at least thirty (30) hours a week • Already earning \$217.50 or more per week • Receiving unemployment benefits, or have applied for unemployment benefits • Not working because of a physical or mental health reason • In school, college, or training program at least half time • Meeting the work rules for the Family Investment Program (FIP) • Participating in a drug or alcohol addiction treatment program

Table A.3: Able-Bodied Adults without Dependents (ABAWD) Work Requirements and Exemptions

*Requirements for those between the ages of eighteen (18) to fifty-four (54), who do not live with a child under the age of eighteen (18) and are considered physically and mentally able to work.

Work Requirements	Exemptions
<ul style="list-style-type: none"> • Spend at least eighty (80) hours each month working • Spend at least eighty (80) hours each month volunteering • Spend at least eighty (80) hours each month participating in a job program or similar approved activities • Performing any combination of the two work and participation requirements stated above for a total of eighty (80) or more actual hours in a month 	<ul style="list-style-type: none"> • Younger than age eighteen (18), or age fifty-five (55) or older • Someone in household is younger than age eighteen (18) • Not working because of a physical or mental health reason • Pregnant • Experiencing homelessness • Veteran • Aged out of foster care and are between eighteen (18) to twenty-five (25) years old

Appendix B: Full Public Notice

PUBLIC COMMENT PERIOD FOR IOWA HEALTH AND WELLNESS PLAN EXTENSION

April 15, 2025

Notice is hereby given that the Iowa Department of Health and Human Services (HHS) will submit to the Centers for Medicare & Medicaid Services (CMS) a request to amend the State's §1115 Iowa Health and Wellness Plan (IHAWP) Demonstration. This amendment will implement work requirements for individuals as a condition of maintaining eligibility for the Iowa Health and Wellness Plan. HHS plans to request CMS approve the amendment to be effective July 1, 2025. HHS will conduct implementation activities throughout 2025, with a target date of January 1, 2026, to operationalize the work requirements.

Hearings are an opportunity for the public to provide written or verbal comments about the Demonstration amendment. HHS will summarize all comments for review and consideration prior to submission of the Demonstration amendment to CMS. Hearings will be held at the following dates, times, and locations:

Public Hearing #1	Public Hearing #2
Date: April 23, 2025 Time: 10:30 – 11:30 am Location: Urbandale Public Library 3520 86 th St, Urbandale, IA 50322 Remote Access via Zoom: https://www.zoomgov.com/j/1609895079?pwd=k2t70uOG81GZhCFaf6u58lwyWzbJJ7.1 Meeting ID: 160 989 5079 Passcode: 432875 Join by phone: +1 669 254 5252	Date: April 29, 2025 Time: 2:00 – 3:00 pm Location: Marshalltown Public Library 105 W Boone St, Marshalltown, IA 50158 Remote Access via Zoom: https://www.zoomgov.com/j/1602224847?pwd=sueTFhvsL89CQVlshZ0l17esWFOAoj.1 Meeting ID: 160 222 4847 Passcode: 443409 Join by phone: +1 669 254 5252

GOAL AND OBJECTIVES

IHAWP provides health care coverage to low-income, uninsured lowans ages nineteen (19) to sixty-four (64). The State seeks to implement work requirements for non-exempt IHAWP members to maintain eligibility to reduce the dependence of low-income lowans on public assistance programs through efforts that advance economic stability and mobility.

DEMONSTRATION ELIGIBILITY

The Demonstration amendment will apply to individuals who are eligible in the adult group currently defined in the State Plan.

Table 1: Definition of Adult Group

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
The Adult Group	§1902(a)(10)(A)(i)(VIII) 42 CFR §435.119	0 – 133% Federal Poverty Level (FPL)

The Demonstration amendment requires that non-exempt individuals meet one of the following requirements as a condition of maintaining eligibility:

- Work at least one hundred (100) hours per month or earn wages monthly at least equal to the State minimum wage multiplied by one hundred (100) hours.
- Enrolled in an educational/job skills program.
- Enrolled in and compliant with Iowa's Temporary Aid to Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) work requirements; or
- Have been exempted from SNAP work requirements.

IHAWP members who meet one of the following criteria will be exempted from work requirements:

- Individuals who are under nineteen (19) years of age or who are sixty-five (65) years of age or older.
- Individuals who are pregnant and the pregnancy is high-risk.
- Individuals determined disabled by the United States Social Security Administration (SSA);
- Individuals identified as medically exempt under the Medicaid program.
- Caretakers of children under the age of six (6);
- Individuals who are receiving unemployment compensation as determined by Iowa Workforce Development.
- Individuals participating in substance use disorder (SUD) treatment, not to exceed a consecutive six (6)-month period; and
- Individuals who provide proof of good cause as defined by HHS.

BENEFITS AND COST SHARING

The Demonstration amendment will not modify current covered benefits and cost sharing arrangements.

DELIVERY SYSTEM

The delivery system under the current State Plan and IHAWP Demonstration will not vary for individuals who are impacted by this proposed Demonstration amendment. This Demonstration amendment will apply statewide.

WAIVER AUTHORITY

The state requests continuation of currently approved federal waivers.

- **Comparability of Eligibility Requirements:** Section 1902(a)(10)(A) to the extent necessary to enable the State to require all non-exempt IHAWP eligible individuals to meet one of the defined work requirements as a condition of maintaining eligibility.
- **Provision of Medical Assistance:** Section 1902(a)(8) to the extent necessary to suspend and terminate eligibility for individuals who fail to meet the work requirements.
- **Amount, Duration and Scope of Services and Comparability:** Section 1902(a)(10)(B) and 1902(a)(17) to extent necessary to enable the State to suspend benefits for current members who do not meet work requirements.
- **Methods of Administration on Basis of Information Available to the Agency:** Section 1902(a)(17) and 42 CFR 435.916 to the extent necessary to enable the State to require individuals to provide additional information to verify compliance and to permit the State to deny or discontinue eligibility to persons who do not provide verification.
- **Methods of Application:** 42 CFR 435.907 to the extent necessary to implement electronic modalities exclusively for confirmation of having met work requirements to maintain eligibility.

BUDGET NEUTRALITY

Currently, no expenditure authorities are required to operate the Demonstration, and the State is not requesting any federal expenditure authorities for this amendment. The following presents the projected caseload of this statewide Demonstration, expenditures, and budget neutrality estimate.

Demonstration Period

The Demonstration spans five years, from January 1, 2026, through December 31, 2030.

Demonstration Impact on Medicaid Group VIII

This Demonstration will implement eligibility restrictions for non-medically exempt adult expansion (Group VIII) individuals. Group VIII individuals not meeting the proposed requirements will be disenrolled from the Medicaid program. These requirements apply to Group VIII enrolled in fee-for-service and Health Link managed care.

Projected Enrollment

HHS projects the following enrollment and annual member months for each Demonstration year based on estimates about which individuals will qualify for enrollment through meeting the exemptions or coverage requirements.

Table 2 presents the average number of enrollees and annual member months projected for the base period and each Demonstration period.

Table 2 – Projected Average Enrollment and Annual Member Months

Demonstration Year (DY)	Projected Average Monthly Enrollment	Projected Annual Member Months
Without Waiver Base Period	171,436	1,851,194
DY 1 – January 1, 2026 – December 31, 2026	144,085	1,555,849
DY 2 – January 1, 2027 – December 31, 2027	124,106	1,340,113
DY 3 – January 1, 2028 – December 31, 2028	126,589	1,366,916
DY 4 – January 1, 2029 – December 31, 2029	129,120	1,394,254
DY 5 – January 1, 2030 – December 31, 2030	131,702	1,422,139

Budget Neutrality Projections

DHS projected the caseload (enrollment) and costs of the current program without work requirements as a condition of enrollment, referred to as “Without Waiver,” and the caseload and costs of the program with work requirements, referred to as “With Waiver.” The projections presented in Table 3 are Total Computable and include the combined federal and state share of expenditures.

The difference represents the Without Waiver less the With Waiver projected amounts. The state share is ten percent (10%) of the Total Computable.

Table 3 – Projected Without and With Waiver

Without Waiver (Total Computable)					
	DY 1	DY 2	DY 3	DY 4	DY 5
Avg. Enrollment	176,619	180,152	183,755	187,430	191,178
Expenditures	\$1,794,733,859	\$1,931,317,264	\$2,078,281,396	\$2,236,444,453	\$2,406,646,043
With Waiver (Total Computable)					
	DY 1	DY 2	DY 3	DY 4	DY 5
Avg. Enrollment	144,085	124,106	126,589	129,120	131,702
Expenditures	\$1,632,221,743	\$1,537,879,951	\$1,654,918,914	\$1,780,859,611	\$1,916,378,534
Difference (Without Waiver minus With Waiver)					
Total Computable	\$162,512,116	\$393,437,313	\$423,362,482	\$455,584,842	\$490,267,510
State Share	\$16,251,212	\$39,343,731	\$42,336,248	\$45,558,484	\$49,026,751

EVALUATION

The State proposes the Evaluation and Method plan for the Demonstration amendment referenced in Table 4.

Table 4. Proposed Evaluation Hypotheses

Proposed Hypotheses	Research Question	Analytic Approach
1. The implementation of work requirements will increase the employment rate of IHAWP members.	<p>a. How do the number and percentage of IHAWP members who must meet work requirements compare to the number and percentage of IHAWP members who are exempted from work requirements?</p> <p>b. What are the number and percentage of IHAWP members suspended after six (6) months for not meeting work requirements?</p>	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.

Proposed Hypotheses	Research Question	Analytic Approach
2. The implementation of work requirements will increase the rate of IHAWP members engaged in training or educational activities.	<ul style="list-style-type: none"> a. What are the number and percentage of IHAWP members attending school? b. What are the number and percentage of IHAWP members completing training activities? 	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
3. The implementation of work requirements will increase earned income for IHAWP members.	<ul style="list-style-type: none"> a. What is the average household income of IHAWP applicants? b. Has the average household income changed since the implementation of the Demonstration amendment? c. Has the number and percentage of households with no income decreased? 	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.
4. The implementation of work requirements will decrease the reliance on public assistance programs.	<ul style="list-style-type: none"> a. Has the number and percentage of applications for IHAWP decreased during the Demonstration period? b. What are the number and percentage of applicants unenrolled due to inability to demonstrate satisfaction with training, education, or work requirements after the six (6)-month compliance period? c. Has the enrollment for the State's Employer Sponsored Insurance increased during the Demonstration period? 	Descriptive statistics, univariate analysis, time trends to track performance throughout the Demonstration period.

SUBMISSION OF COMMENTS

This notice will be available at [Public Comment Period for Iowa Health and Wellness Plan \(IHAWP\) Extension | Health & Human Services](#). All Demonstration amendment documents can be found at [Federal Waiver Documents | Health & Human Services](#) and non-electronic copies will be made available for review at HHS Field Offices. A full list of HHS Field Office locations is available at <https://hhs.iowa.gov/about/hhs-office-locations>. Historical documents associated with the Demonstration are available on the CMS website at [State Waivers List | Medicaid](#). Upon the State's submission of the Demonstration amendment application to CMS,

this page will also be updated to permit submission of comments during the federal comment period.

Written comments may be addressed to Quality/Innovation and Medical Policy Bureau, Department of Health and Human Services, Iowa Medicaid, 321 East 12th St., Des Moines, IA 50319-0114. Comments may also be sent via electronic mail to:

QIMP_Public_Comment@hhs.iowa.gov through May 15, 2025 at 4:30 pm. Please include “1115 Work Requirement Amendment” in the subject line. After the comment period has ended, a summary of comments received will be made available at [Iowa Health and Wellness Plan \(IHAWP\) | Health & Human Services](#).

Submitted by:

Rebecca Curtiss, Interim Medicaid Director

Iowa Medicaid

Iowa Department of Health and Human Services

Appendix C: Abbreviated Public Notice

PUBLIC COMMENT PERIOD FOR IOWA HEALTH AND WELLNESS PLAN AMENDMENT

April 15, 2025

Notice is hereby given that the Iowa Department of Health and Human Services (HHS) will submit to the Centers for Medicare & Medicaid Services (CMS) a request to amend the State’s §1115 Iowa Health and Wellness Plan (IHAWP) Demonstration. This amendment will implement work requirements for individuals as a condition of maintaining eligibility for the Iowa Health and Wellness Plan. HHS plans to request CMS approve the amendment to be effective July 1, 2025. HHS will conduct implementation work requirements.

Hearings are an opportunity for the public to provide written or verbal comments about the amendment to the Demonstration. All comments will be summarized and taken into consideration prior to submission to CMS. Hearings will be held at the following dates, times, and locations:

PUBLIC HEARING #1	PUBLIC HEARING #2
<p>Date: April 23, 2025</p> <p>Time: 10:30 – 11:30 am</p> <p>Location: Urbandale Public Library 3520 86th St, Urbandale, IA 50322</p> <p>Remote Access via Zoom: https://www.zoomgov.com/j/1609895079?pwd=k2t70uOG81GZhCFaf6u58lwyWzbJJ7.1</p> <p>Meeting ID: 160 989 5079</p> <p>Passcode: 432875</p> <p>Join by phone: +1 669 254 5252</p>	<p>Date: April 29, 2025</p> <p>Time: 2:00 – 3:00 pm</p> <p>Location: Marshalltown Public Library 105 W Boone St, Marshalltown, IA 50158</p> <p>Remote Access via Zoom: https://www.zoomgov.com/j/1602224847?pwd=sueTFhvsL89CQVishZ0l17esWFOAoj.1</p> <p>Meeting ID: 160 222 4847</p> <p>Passcode: 443409</p> <p>Join by phone: +1 669 254 5252</p>

IHAWP provides health care coverage to low-income, uninsured lowans ages nineteen (19) to sixty-four (64). The State seeks to implement work requirements for non-exempt IHAWP members to maintain eligibility to reduce the dependence of low-income lowans on public assistance programs through efforts that advance economic stability and mobility.

A full public notice and Demonstration amendment documents are available at [Public Comment Period for Iowa Health and Wellness Plan \(IHAWP\) Extension | Health & Human Services](#). Non-electronic copies will be made available for review at HHS Field Offices. Information about the IHAWP Demonstration can be found at [Iowa Health and Wellness Plan \(IHAWP\) | Health & Human Services](#).

Written comments may be addressed to Quality Initiative and Medical Policy Team, Iowa Department of Health and Human Services, Iowa Medicaid, 321 East 12th St, Des Moines, IA 50319-0114. Comments may also be sent via electronic mail to: QIMP_Public_Comment@hhs.iowa.gov through May 15, 2025, at 4:30pm.

Please include “1115 Work Requirement Amendment” in the subject line.

Submitted by:

Rebecca Curtiss, Interim Medicaid Director

Iowa Medicaid

Iowa Department of Health and Human Services

Appendix D: Tribal Notice

NOTICE OF IOWA DEPARTMENT OF HEALTH AND HUMAN SERVICES TRIBAL COMMENT PERIOD FOR IOWA HEALTH AND WELLNESS PLAN AMENDMENT

April 15, 2025

Notice is hereby given to all federally recognized tribes, Indian Health Programs and Urban Indian Organizations within the State of Iowa that the Iowa Department of Health and Human Services (HHS) will submit to the Centers for Medicare & Medicaid Services (CMS) a request to amend the State's §1115 Iowa Health and Wellness Plan (IHAWP) Demonstration. This amendment will implement work requirements for individuals as a condition of maintaining eligibility for IHAWP. HHS plans to request CMS approve the amendment to be effective July 1, 2025. HHS will conduct implementation activities throughout 2025, with a target date of January 1, 2026, to operationalize the work requirements.

PROPOSAL

IHAWP provides health care coverage to low-income, uninsured Iowans ages nineteen (19) to sixty-four (64). The State seeks to implement work requirements for non-exempt IHAWP members to maintain eligibility to reduce the dependence of low-income Iowans on public assistance programs through efforts that advance economic stability and mobility.

TRIBAL IMPACT

The amendment to the Demonstration will impact American Indian and Alaskan Native (AI/AN) who are eligible in the adult group defined in the State Plan

Table 1: Definition of adult group

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
The Adult Group	§1902(a)(10)(A)(i)(VIII) 42 CFR §435.119	0 – 133% Federal Poverty Level (FPL)

The Demonstration amendment requires that non-exempt individuals meet one of the following requirements as a condition of maintaining eligibility:

- Work at least one hundred (100) hours per month or earn wages monthly at least equal to the State minimum wage multiplied by one hundred (100) hours.
- Enrolled in an educational/job skills program.
- Enrolled in and compliant with Iowa's Temporary Aid to Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) work requirements; or
- Have been exempted from a SNAP work requirement.

IHAWP members who meet one of the following criteria will be exempted from work requirements:

- Individuals who are under nineteen (19) years of age or who are sixty-five (65) years of age or older.
- Individuals who are pregnant and the pregnancy is high-risk.
- Individuals determined disabled by the United States Social Security Administration (SSA);
- Individuals identified as medically exempt under the Medicaid program.
- Caretakers of children under the age of six (6).
- Individuals who are receiving unemployment compensation as determined by Iowa Workforce Development.
- Individuals participating in substance use disorder (SUD) treatment, not to exceed a consecutive six (6)-month period; and
- Individuals who provide proof of good cause as defined by HHS.

SUBMISSION OF COMMENTS

Written comments may be addressed to Christy Casey, Department of Health and Human Services, Iowa Medicaid, 321 East 12th St, Des Moines, IA 50319-0114. Comments may also be sent via electronic mail to: christy.casey@hhs.iowa.gov through May 15, 2025. Please include "1115 Work Requirement Amendment" in the subject line.

Tribal Consultation will be held via the link below, April 30th, 1:00 P.M.

<https://www.zoomgov.com/j/1606689358?pwd=RhdIqgxU0OJEzRcNq8LBXL2kJov76I.1>

Meeting ID: 160 668 9358

Passcode: 287047

Join by phone: +1 669 254 5252

Submitted by:

Rebecca Curtiss, Interim Medicaid Director

Iowa Medicaid

Iowa Department of Health and Human Services

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS

			DEMO TREND RATE*	DEMONSTRATION YEARS (DY)					TOTAL WOW
Demonstration Proposal				PROJECTED PERIOD					
	ELIGIBILITY GROUP	BASE YEAR		DY 01**	DY 02**	DY 03	DY 04	DY 05	
Expansion Adults (Non-Medically Exempt) Effective January 1, 2026	<u>Expansion Adults</u> Pop Type:	Hypothetical							
	Eligible Member Months		2.0%	1,586,218	1,369,826	1,397,223	1,425,167	1,453,670	
	PMPM Cost		5.5%	\$ 1,050.83	\$ 1,150.80	\$ 1,214.10	\$ 1,280.88	\$ 1,351.33	
	Total Expenditure			\$ 1,666,845,181	\$ 1,576,401,023	\$ 1,696,368,444	\$ 1,825,467,907	\$ 1,964,387,881	\$ 8,729,470,436

Notes:
* DY 03 is trended from DY 02 using the demonstration trend rate.
** DY 01 and DY 02 PMPM are based on projected With Waiver that reflects a phase-in of demonstration which begins April 1, 2026. Please refer to the application for additional details.

	A	B	C	D	E	F	G	H	I	J	K
1		DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS									
2											
3						DEMONSTRATION YEARS (DY)					
4	Demonstration Proposal	ELIGIBILITY	BASE YEAR*	TREND	MONTHS	PROJECTED PERIOD					TOTAL
5		GROUP		RATE 1	OF AGING**	DY 01	DY 02	DY 03	DY 04	DY 05	WOW
6											
7	Expansion Adults (Non-Medically Exempt) Effective January 1, 2026	<u>Expansion Adults</u>									
8		Pop Type:		Hypothetical							
9		Eligible Member Months	1,851,194	2.0%	18.05	1,907,162	1,945,305	1,984,211	2,023,895	2,064,373	
10		PMPM Cost	\$ 868.24	5.5%		\$ 941.05	\$ 992.81	\$ 1,047.41	\$ 1,105.02	\$ 1,165.80	
11		Total Expenditure	\$ 1,607,280,086			\$1,794,734,800	\$1,931,318,257	\$2,078,282,444	\$2,236,444,453	\$2,406,646,043	\$ 10,447,425,997
12											
13											
14	Notes:										
15	* Base Year is State Fiscal Year 2025 (July 1, 2024 - June 30, 2025)										
16	** Months of Aging is based on the number of months between the midpoint of the Demonstration Year 01 and the Base Period.										
17											
18											
19											
20											
21											

BUDGET NEUTRALITY SUMMARY

HYPOTHETICALS ANALYSIS

<u>Without-Waiver Total Expenditure</u>		DEMONSTRATION YEARS (DY)					TOTAL
Expansion Adults (Non-Medically Exempt)		PROJECTED PERIOD					
		DY 01	DY 02	DY 03	DY 04	DY 05	
Effective January 1, 2026	Member Months	1,907,162	1,945,305	1,984,211	2,023,895	2,064,373	9,924,946
	Per Capita	\$ 941.05	\$ 992.81	\$ 1,047.41	\$ 1,105.02	\$ 1,165.80	\$ 1,052.64
	TOTAL	\$ 1,794,734,800	\$ 1,931,318,257	\$ 2,078,282,444	\$ 2,236,444,453	\$ 2,406,646,043	\$ 10,447,425,997
<u>With-Waiver Total Expenditures</u>		DEMONSTRATION YEARS (DY)					TOTAL
		PROJECTED PERIOD					
		DY 01	DY 02	DY 03	DY 04	DY 05	
	Member Months	1,586,218	1,369,826	1,397,223	1,425,167	1,453,670	7,232,104
	Per Capita	\$ 1,050.83	\$ 1,150.80	\$ 1,214.10	\$ 1,280.88	\$ 1,351.33	\$ 1,207.04
	TOTAL	\$ 1,666,845,181	\$ 1,576,401,023	\$ 1,696,368,444	\$ 1,825,467,907	\$ 1,964,387,881	\$ 8,729,470,436
HYPOTHETICALS VARIANCE		\$ (127,889,619)	\$ (354,917,234)	\$ (381,913,999)	\$ (410,976,546)	\$ (442,258,162)	\$ (1,717,955,561)