



Iowa Health and Wellness Plan

ISSUE

The Iowa Health and Wellness Plan (Iowa Wellness Plan) began January 1, 2014. When fully implemented, the LSA and the Department of Human Services (DHS) estimates that the Plan will provide health care coverage to approximately 150,000 Iowans. This ***Issue Review*** provides an overview of the Plan, the services available, eligibility requirements, and budget estimates for the current and upcoming fiscal years.

AFFECTED AGENCIES

[Department of Human Services \(DHS\)](#)

CODE AUTHORITY

Iowa Code chapter [249N](#)

BACKGROUND

The federal Patient Protection and Affordable Care Act, more commonly referred to as the Affordable Care Act (ACA), was signed into law on March 23, 2010. One of the main features of the law was the provision that required all states to expand their Medicaid Program to all adults age 19-64 with income under 133.0% of the Federal Poverty Level (FPL) beginning January 1, 2014. The constitutionality of that provision as well as the individual mandate in the ACA were challenged in the courts. On June 28, 2012, the United States Supreme Court upheld the constitutionality of the individual mandate, but ruled that Congress cannot require states to participate in the Medicaid expansion, giving states the option to expand the Program.

With the enactment of [SF 446](#) (FY 2014 Health and Human Services Appropriations Act), Iowa chose to move forward with a modified version of Medicaid expansion. The Iowa Health and Wellness Plan was enacted to replace the expiring IowaCare Program. The IowaCare Program was a limited-insurance benefit that covered adults ages 19-64 with income between 0.0% and 200.0% of the FPL. The new Iowa Health and Wellness Plan is a comprehensive insurance benefit covering the same age group, but with incomes only up to 133.0% of the FPL. Individuals with income above 133.0% are now required to purchase coverage through the Iowa Health Insurance Marketplace.

The Iowa Health and Wellness Plan is one plan that covers adults ages 19-64, but consists of two coverage options depending on an individual's income level. The Iowa Wellness Plan covers adults with income between 0.0% and 100.0% of the FPL (up to \$11,490 for individuals or \$15,510 for a family of two) and the Marketplace Choice Plan covers adults with income between 101.0% and 133.0% of the FPL (between \$11,491 and \$15,282 for individuals or \$15,511 and \$20,628 for a family of two).

Iowa Wellness Plan

The Iowa Wellness Plan, administered by the Iowa Medicaid Enterprise, provides comprehensive health services and coverage that is equal to the benefits provided to State employees through Wellmark's Alliance Select Plan. Individuals enrolled in the Plan have access to the same providers available to the Medicaid Program and they have the ability to choose their primary care physician. Some of the main services covered under the Plan are:

<ul style="list-style-type: none"> • Physician services, including primary care • Outpatient services • Emergency room services • Emergency transportation • Hospitalization • Mental health and substance use disorders 	<ul style="list-style-type: none"> • Rehabilitative and habilitative services and devices • Lab services, x-rays, imaging (MRI, CT, etc.) • Preventive and wellness services • Home and community-based services • Prescription drugs • Dental services
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The Iowa Wellness Plan uses managed care providers and a Health Maintenance Organization (HMO) to help facilitate care for enrollees. Members may choose to sign up for either the Iowa Wellness Plan Managed Care or the HMO in available counties. If neither option is available, the member's care is reimbursed on a fee-for-service model. Managed care is currently available in 87 of Iowa's 99 counties and Meridian Health Plan HMO is currently available in 23 counties.¹

When members sign up for the Iowa Wellness Plan, they are given the option of choosing a primary care provider. If no primary care provider is chosen, a provider will be assigned to the individual. The primary care provider is responsible for coordinating the member's care, including referrals to other physicians. Primary care providers receive a \$4.00 per-member-per-month payment to manage that care. In addition, Iowa Wellness Plan patient managers may earn an additional \$10.00 for each Wellness member exam when at least 50.0% of their assigned members have received a wellness exam. Providers are also eligible to receive a \$25.00 payment for each member that has received a health-risk assessment.

Marketplace Choice Plan

The Marketplace Choice Plan, available to individuals with income between 101.0% and 133.0% of the FPL, provides insurance coverage through select private insurance carriers with Medicaid paying the premiums to the commercial health plan on behalf of the member. Previously, individuals could select a plan from two different insurance providers, CoOpportunity Health or Coventry Health Care of Iowa, but beginning December 1, 2014, Coventry Health Care of Iowa will be the only insurance provider offering coverage under the Marketplace Choice Plan. CoOpportunity Health withdrew as a provider because they were losing money on the 9,700 individuals that were enrolled in their Plan due to the high rate of usage. As a result of the withdrawal of CoOpportunity Health and with the choice of only one insurance plan, individuals eligible for the Marketplace Choice Plan will now have the option of selecting the Iowa Wellness Plan until additional commercial plans are made available.

The benefits received from commercial insurance carriers in the Marketplace Choice Plan are at least equivalent to health insurance benefits for State employees through Wellmark's Alliance Select Plan, but scope, duration, and reimbursement to the service provider may differ. The health plans are also responsible for managing the care of the members enrolled, and members have access to the network of local health care providers and hospitals participating in the commercial insurance plan they choose.

¹ A map of the counties that have a managed care program is available at http://dhs.iowa.gov/sites/default/files/IowaWellnessPlanManagedCareMap_0.pdf (last visited November 12, 2014).

Out-of-Pocket Costs, Premiums, Healthy Behaviors

A key feature of the Iowa Health and Wellness Plan is the cost-sharing structure. There are no out-of-pocket costs for individuals enrolled in either the Iowa Wellness Plan or the Marketplace Choice Plan with the exception of an \$8.00 copay if a member uses the emergency room when it is not an emergency.

There are no premiums for individuals with income below 50.0% of the FPL. Individuals with income above 50.0% of the FPL will not be charged premiums in the first year (2014) and premiums will be waived in 2015 if members complete the specified healthy behavior activities in 2014. If members fail to complete the specified activities, premiums of \$5.00 per month will be charged to individuals with income between 50.0% and 100.0% of the FPL and \$10.00 per month to individuals with income between 101.0% and 133.0% of the FPL. Out-of-pocket costs including both premiums and copayments cannot exceed 5.0% of an individual's income.

Healthy behaviors that are required to be completed in the first year of the Program include a physical examination and the completion of a health-risk assessment. The assessment is a survey that asks questions about a member's health and experience in getting health care. If those two activities are completed in 2014, no premiums will be charged to the individual in 2015. If a member completes additional healthy behavior activities in 2015, no premiums will be assessed in 2016. The healthy behavior activities for 2016 and beyond have yet to be determined.

If an individual is assessed a premium and they fail to pay, the resulting action will vary depending on an individual's income. For individuals with income between 50.0% and 100.0% of the FPL, unpaid premiums will be a debt subject to collection by Iowa. No loss of coverage will occur, until the time of annual renewal. For individuals with income between 101.0% and 133.0% of the FPL, nonpayment of premiums will result in disenrollment from the Marketplace Choice Plan.

Medically Exempt

Individuals enrolled in both the Iowa Wellness Plan and the Marketplace Choice Plan may be determined medically exempt by the DHS and provided coverage through the regular Medicaid State Plan if they meet the following federal definition (42 CFR §440.315(f)):

'Medically Exempt' includes individuals with disabling mental disorders (including adults with serious mental illness), individuals with chronic substance use disorders, individuals with serious and complex medical conditions, individuals with a physical, intellectual or developmental disability that significantly impairs their ability to perform 1 or more activities of daily living, or individuals with a disability determination based on Social Security criteria.

While most services received through the Iowa Health and Wellness Plan and Medicaid State Plan are the same, there are a number of more intensive mental health, substance abuse, and managed treatment benefits that an individual is eligible to receive once placed into the Medicaid State Plan. Those services are listed on the following table.

Service Category	Services
Additional services covered because of savings from the Managed Care Iowa Plan Waiver	<ul style="list-style-type: none"> • Intensive Psychiatric Rehab • Community Support Services • Peer Support • Residential Substance Abuse Treatment
Habilitation - 1915i Home and Community-based Services	<ul style="list-style-type: none"> • An individualized, comprehensive service plan • Home-based habilitation • Day habilitation • Prevocational habilitation • Supported Employment
Other Mental Health Services	<ul style="list-style-type: none"> • Behavioral Health Intervention services • Assertive Community Treatment (ACT)

In addition, individuals receiving services through the Medicaid State Plan that have a specific mental diagnosis will be placed in an integrated health home (IHH). The IHH is a team of professionals working together to provide whole-person, patient-centered, coordinated care for adults with a serious mental illness.²

Dental Wellness Plan

All individuals with income between 0.0% and 133.0% of the FPL on the Iowa Health and Wellness Plan will receive dental coverage through the Dental Wellness Plan, administered by Delta Dental. The Plan provides three levels of benefits: Core, Enhanced, and Enhanced Plus.

Core Benefits Include:

- Evaluation and education services
- Cleanings
- X-Rays
- Other diagnostic and preventive procedures

Core benefits also include emergency services to relieve significant pain or acute infections and stabilization services to allow members to maintain basic human functions such as eating, speech, or preventing a condition from deteriorating in an imminent time frame to a more serious situation.

A member must earn the enhanced benefit by returning for a periodic exam 6-12 months after their first visit. Members that do not complete a follow-up visit within 6-12 months move back to the Core benefits eligibility level. Enhanced benefits include:

- Minor restorations and other restorative services
- Root canals, apexification, apicoectomy, and other endodontic services
- Nonsurgical gum treatment (once per quadrant per 24 months.)
- Denture adjustments, repairs, relines (limit two per 12 months.)
- Fixed partial denture services – recement fixed partial denture; fixed partial denture repair
- Nonsurgical and surgical extractions and other oral surgery services
- Designated adjunctive services
- Crowns and onlays are only considered for a tooth which received endodontic therapy as a stabilization service.

² For more information, please see the DHS presentation on Integrated Health Homes, available at http://dhs.iowa.gov/sites/default/files/20130409_CountyCaseMang_Meet_PDF_0.PDF (last visited November 25, 2014).

Enhanced Plus benefits are earned after a member returns for a periodic exam 6-12 months after their second recall visit and continue to have a regular exam annually thereafter.

- Crowns/Onlays – (limit one per tooth per five years) and other restorative services
- Gum surgery (limit once per quadrant/site per 36 months)
- Dentures – (limit one per five years)
- Bridges (limit one per five years)
- Implant/Abutment supported crowns (limit one per five years)

Nonemergency Transportation Waiver and Other Waivers

As part of the negotiations with the federal government to approve the Iowa Health and Wellness Plan, the State requested and was granted a handful of waivers to certain provisions of the basic Medicaid State Plan. In addition to waivers to create the premium structure and copayments for visits to the emergency room in a nonemergency situation that were accepted, the federal government granted the State a one-year waiver for the requirement to provide nonemergency transportation. The nonemergency transportation waiver was scheduled to sunset after one year (December 31, 2014), but was recently extended an additional seven months through July 2015, and the State and the federal government will reevaluate and consider the impact on access to health care before reauthorization.

The other waiver accepted by the federal government eliminated the requirement that Marketplace Choice Plans must contract with all federally qualified health centers (FQHC) and rural health clinics (RHC). The waiver of this provision allows the State to maintain the network of local health care providers and hospitals participating in the commercial insurance plan without adding special workaround exceptions.

Enrollment

Total enrollment for the Iowa Health and Wellness Plan began at 61,768 individuals in January 2014 and the majority of those individuals were shifted from the IowaCare Program and automatically enrolled in either the Wellness or Marketplace Choice Plans. Through the end of November 2014, enrollment grew to 117,698, with 86,232 in the Iowa Wellness Plan and 28,466 on the Marketplace Choice Plan.

The LSA projects that the Program will continue to grow through FY 2015 and FY 2016 but at a slower pace than in the first year. It is estimated that by the end of FY 2016 the Program will have total enrollment of 142,100 individuals. Of this amount, approximately 107,400 individuals will be enrolled in the Wellness Plan and approximately 34,700 individuals will be enrolled in the Marketplace Choice Plan. See the following graph for actual and projected enrollment.

Iowa Health and Wellness Plan Enrollment (FY 2014 - FY 2016)

Service Category	Services
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Budget Impact

One of the main incentives for states to move forward with Medicaid Expansion was the financing structure. Beginning January 1, 2014, for the first three calendar years of the Expansion, the federal government will pay 100.0% of the cost of the Program. After the initial three-year period, funding is gradually reduced to 90.0% in 2020 where it will remain in perpetuity. A schedule of the Federal Medical Assistance Percentage (FMAP) schedule is listed below.

**Iowa Health and Wellness Program
FMAP Rate 2014-2021**

Calendar Year	Federal FMAP %
2014	100.00%
2015	100.00%
2016	100.00%
2017	95.00%
2018	94.00%
2019	93.00%
2020	90.00%
2021	90.00%

Iowa is responsible for funding a portion of the Program costs beginning January 1, 2017, or midway through FY 2017. To calculate the percentage of the Program cost Iowa will be responsible for, the monthly rates for calendar year 2016 and 2017 are combined to calculate the FY 2017 I-HAWP FMAP rate of 97.5%.

The IowaCare Program had an average enrollment of 60,908 individuals and total expenditures of \$83.6 million for the final six months of the Program during the first half of FY 2014. The Iowa Health and Wellness Program began midway through FY 2014, replacing the IowaCare Program, and had total expenditures of \$246.2 million and an average enrollment of 87,457 individuals. The LSA is projecting expenditures for the Wellness Plan to grow at 3.0% over a year for the next four years and the Marketplace Choice Plan to grow by 7.0% annually. The table on the following page details average enrollment and expenditures for the period of FY 2014 to FY 2018.

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**Iowa Health and Wellness Plan Expenditures
Five-Year Actual and Projections**

	FY 2014 Actuals		
	Market Place		
	Wellness Plan	Choice Plan	Total
Per Member Per Month Cost	\$ 468.43	\$ 472.35	\$ 469.23
Average Enrollment	69,692	17,765	87,457
Total Expenditures	\$ 195,875,116	\$ 50,347,855	\$ 246,222,971
Federal Expenditures	\$ 195,875,116	\$ 50,347,855	\$ 246,222,971
State Expenditures	0	0	0
	FY 2015 LSA Projection		
	Market Place		
	Wellness Plan	Choice Plan	Total
Per Member Per Month Cost	\$ 492.00	\$ 510.00	\$ 496.10
Average Enrollment	94,718	27,975	122,693
Total Expenditures	\$ 559,215,965	\$ 171,205,895	\$ 730,421,860
Federal Expenditures	\$ 559,215,965	\$ 171,205,895	\$ 730,421,860
State Expenditures	\$ 0	\$ 0	\$ 0
	FY 2016 LSA Projection		
	Market Place		
	Wellness Plan	Choice Plan	Total
Per Member Per Month Cost	\$ 506.76	\$ 545.70	\$ 515.85
Average Enrollment	108,854	33,145	141,999
Total Expenditures	\$ 661,952,769	\$ 217,049,263	\$ 879,002,032
Federal Expenditures	\$ 661,952,769	\$ 217,049,263	\$ 879,002,032
State Expenditures	\$ 0	\$ 0	\$ 0
	FY 2017 LSA Projection		
	Market Place		
	Wellness Plan	Choice Plan	Total
Per Member Per Month Cost	\$ 521.96	\$ 583.90	\$ 536.62
Average Enrollment	115,966	35,939	151,905
Total Expenditures	\$ 726,361,121	\$ 251,817,117	\$ 978,178,238
Federal Expenditures	\$ 708,004,752	\$ 245,426,871	\$ 953,431,623
State Expenditures	\$ 18,356,369	\$ 6,390,246	\$ 24,746,615
	FY 2018 LSA Projection		
	Market Place		
	Wellness Plan	Choice Plan	Total
Per Member Per Month Cost	\$ 537.62	\$ 624.77	\$ 558.47
Average Enrollment	120,115	37,760	157,875
Total Expenditures	\$ 774,918,387	\$ 283,095,141	\$ 1,058,013,528
Federal Expenditures	\$ 732,270,632	\$ 267,510,633	\$ 999,781,265
State Expenditures	\$ 42,647,755	\$ 15,584,508	\$ 58,232,263