
BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Medicaid Technology

Purpose

These appropriations are intended to fund the replacement of the existing Medicaid Management Information System (MMIS) with an updated system. The Department of Human Services (DHS) has stated that federal funding will be reduced if the State does not begin acquiring an MMIS replacement by July 1, 2018. The State currently receives a 75.0% federal match for the operation of the System. Failure to begin improving the MMIS reduced the match to 50.0%.

The MMIS is central to Medicaid operations in Iowa. The System is used to process Medicaid claims, analyze data, and support federal reporting. These systems are large and complex, and replacement costs in other states have typically exceeded \$100.0 million. System upgrades will be supported by a 90/10 federal match. For Iowa, the DHS projected a total cost of \$100.8 million. The DHS has twice attempted to update the MMIS. In 2012, the contract award was appealed, and the second attempt in 2014 was ended when it was determined Medicaid would move to a managed care program.

Funding

In the 2018 Legislative Session the General Assembly appropriated a total of \$9.8 million from the Technology Reinvestment Fund (TRF) to the DHS over seven fiscal years. The appropriations are as follows:

- FY 2019: \$636,000
- FY 2020: \$1,228,535
- FY 2021: \$1,979,319
- FY 2022: \$1,625,363
- FY 2023: \$1,416,680
- FY 2024: \$1,578,280
- FY 2025: \$1,335,178

The DHS was appropriated a total of \$14.4 million from the TRF over a four-year period in 2011 Iowa Acts, chapter [133](#) (FY 2012 Infrastructure Appropriations Act), for technology upgrades. In FY 2016, \$3.0 million that was scheduled to revert at the close of FY 2016 was transferred to the Rebuild Iowa Infrastructure Fund (RIIF) in Iowa Acts, chapter [1133](#) (FY 2017 Infrastructure Appropriations Act). For FY 2018, \$1.0 million was appropriated from the TRF.

Budget Unit Number

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More Information

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