

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—subparagraph 75.6(6)“b”(4)
“Conditions of Eligibility”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 249A.3(2)“a”(1)(b)
State or federal law(s) implemented by the rulemaking: Social Security Act Sections 1916A and 1902(a)(10)(A)(ii)(XIII)

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

April 7, 2026
10 a.m.

Microsoft Teams
Meeting ID: 281 659 270 554 77
Passcode: 5vm2zr7S

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Victoria L. Daniels
Department of Health and Human Services
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

This proposed rulemaking implements the required annual premium update for applicants and recipients under the Medicaid for Employed Persons with Disabilities (MEPD) program with income over 150 percent of the federal poverty level (FPL).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
MEPD recipients will see their premiums increase beginning August 1, 2026.
 - **Classes of persons that will benefit from the proposed rulemaking:**
The State of Iowa benefits from this proposed rulemaking because imposing a monthly premium helps to ensure program sustainability and increases a member’s personal responsibility for the member’s medical care.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
The new premium scale reflects the adjustment in the maximum premium allowed based upon the cost of State employees’ health insurance.

MEPD eligibility is based upon countable household income of no more than 250 percent of the FPL for the household size. MEPD premiums are assessed based on gross individual income.

- **Qualitative description of impact:**

The Department is requesting these changes because Iowa Code section 249A.3(2)“a”(1)(b) requires that “the maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty guidelines shall be commensurate with the cost of state employees’ group health insurance in this state.” The average cost to the State employees’ health insurance for a single person is \$982 effective January 1, 2026. Therefore, the maximum premium must not be above that amount.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Department incurs personnel and other administrative costs associated with administering the MEPD program.

- **Anticipated effect on State revenues:**

The anticipated effect of the proposed premium change on State revenue for fiscal year 2027 is \$31,839.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

These changes are required by Iowa Code section 249A.3(2)“a”(1)(b).

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

These changes are required by Iowa Code section 249A.3(2)“a”(1)(b).

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend subparagraph **75.6(6)“b”(4)** as follows:

(4) Premiums will be assessed as follows:

IF THE INCOME OF THE APPLICANT IS ABOVE:	THE MONTHLY PREMIUM IS:
150% of Federal Poverty Level	\$43 <u>\$44</u>
165% of Federal Poverty Level	\$59 <u>\$60</u>
180% of Federal Poverty Level	\$70 <u>\$72</u>
200% of Federal Poverty Level	\$82 <u>\$84</u>
225% of Federal Poverty Level	\$97 <u>\$99</u>
250% of Federal Poverty Level	\$113 <u>\$115</u>
300% of Federal Poverty Level	\$141 <u>\$144</u>
350% of Federal Poverty Level	\$171 <u>\$175</u>
400% of Federal Poverty Level	\$202 <u>\$206</u>
450% of Federal Poverty Level	\$233 <u>\$238</u>
550% of Federal Poverty Level	\$291 <u>\$296</u>
650% of Federal Poverty Level	\$351 <u>\$358</u>
750% of Federal Poverty Level	\$413 <u>\$421</u>
850% of Federal Poverty Level	\$488 <u>\$497</u>
1000% of Federal Poverty Level	\$586 <u>\$597</u>
1150% of Federal Poverty Level	\$685 <u>\$699</u>
1300% of Federal Poverty Level	\$790 <u>\$806</u>
1480% of Federal Poverty Level	\$913 <u>\$931</u>