

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 75
“Working persons with disabilities”

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 section 1916A and Social Security Act section 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 8, 2025
2:30 p.m.

Microsoft Teams
Meeting ID: 285 090 102 852
Passcode: xo9b9xv6

Public Comment

Any interested person may submit written 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
321 East 12th Street
Des Moines, Iowa 50319
Email: compliance@hhs.iowa.gov

Purpose and Summary

This proposed rulemaking adjusts the federal poverty level(FPL) increments used to assess premiums for applicants and recipients under the Medicaid for Employed Persons with Disabilities (MEPD) program with income over 150 percent of the FPL.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• Classes of persons that will bear the costs of the proposed rulemaking:

MEPD program members will see an increase in premiums.

• Classes of persons that will benefit from the proposed rulemaking:

The State benefits from imposing a monthly premium because it helps to ensure program sustainability and increases a member’s personal responsibility for the person’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 increase in the cost of state employees’ health insurance by updating the new top increment to 1,480 percent of the FPL and the corresponding premium amount. All other premium amounts will be increased.

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

During CY 2024 there were no MEPD program members with gross individual incomes higher than 450 percent of the FPL.

- **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 \$980 effective January 1, 2025. 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:**

There are no anticipated costs with this proposed change.

- **Anticipated effect on state revenues:**

The anticipated effect of the proposed premium change on state revenue for FY 2026 is \$252,470.

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

Because these changes are required by Iowa Code section 249A.3(2)“a”(1)(b), inaction is not an option.

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

As these changes are required by Iowa Code section 249A.3(2)“a”(1)(b), other methods were not explored.

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

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

No alternative methods were considered.

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

Alternative methods were not considered because these changes are required by Iowa Code section 249A.3(2)“a”(1)(b).

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?

The change will not have any impact on small business.

Text of Proposed Rulemaking

ITEM 1. Amend subparagraph 75.1(39)“b”(3) as follows:

(3) Premiums shall be assessed as follows:

IF THE INCOME OF THE APPLICANT IS ABOVE:	THE MONTHLY PREMIUM IS:
150% of Federal Poverty Level	\$35 \$43
165% of Federal Poverty Level	\$48 \$59
180% of Federal Poverty Level	\$57 \$70
200% of Federal Poverty Level	\$67 \$82
225% of Federal Poverty Level	\$79 \$97
250% of Federal Poverty Level	\$92 \$113
300% of Federal Poverty Level	\$115 \$141
350% of Federal Poverty Level	\$140 \$171
400% of Federal Poverty Level	\$165 \$202
450% of Federal Poverty Level	\$190 \$233
550% of Federal Poverty Level	\$237 \$291
650% of Federal Poverty Level	\$286 \$351
750% of Federal Poverty Level	\$337 \$413
850% of Federal Poverty Level	\$398 \$488
1000% of Federal Poverty Level	\$477 \$586
1150% of Federal Poverty Level	\$559 \$685
1300% of Federal Poverty Level	\$644 \$790
1480% of Federal Poverty Level	\$744 \$913
1550% of Federal Poverty Level	\$829