June 10, 2024

Legislative Services Agency
State Capitol Building

RE: MEDICAID MANAGED CARE CONTRACTS — NOTIFICATION TO GENERAL ASSEMBLY.

The Department of Health and Human Services recently executed contract amendments with Wellpoint, Iowa (formerly known as Amerigroup Iowa (AGP)) and Iowa Total Care (ITC) and Molina Healthcare of Iowa (Molina) to administer the IA Health Link Program. These amendments were executed to include changes to rates and update contract language based on Iowa Legislation.

These contract amendments are still pending approval by the Centers for Medicare and Medicaid Services (CMS) and may be subject to change.

RATE CHANGES

The Department implemented rate changes through managed care contracts MED-24-006 (AGP), MED-20-001 (ITC) and MED-24-005 (Molina).

The following rating adjustments are expected to be made within a future rate amendment for the SFY25 contract period:

SFY25 capitation rates:
o   Adjustments resulting from the SFY25 appropriations including changes in postpartum coverage, effective January 1, 2025.
o   Adjustments due to the impact of PHE unwind reducing enrollment membership.
o   Adjustments due to policy modifications (e.g. MCO care coordination ratio) and potential cost containment initiatives.

CONTRACT CHANGES

The Department made additional scope of work revisions to the Managed Care Organization (MCO) contracts to update language, outline expectations, and provide clarity on regulations.
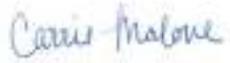
The following additional contract amendments are expected to be made within the SFY25 contract period:
o   Amendment resulting from the SFY25 appropriations.
o   Adjustments due to policy changes (e.g. MCO care coordination ratio) and cost containment initiatives.

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June 10, 2024

Please feel free to contact me if you need additional information.

Sincerely,

Carrie Malone

Carrie L. Malone, J.D.
Director of Government Relations