

July 23, 2026

Legislative Services
Agency State Capitol
Building

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

The Iowa Department of Health and Human Services recently executed two contract amendments, effective January 1, 2026, and July 1, 2026, with Wellpoint, Iowa Total Care, and Molina Healthcare of Iowa to administer the IA Health Link Program.

These contract amendments are pending approval by CMS and may be subject to change.

RATE CHANGES

January 1, 2026 – The Department implemented rate changes through managed care contracts MED-24-006 Amendment 13 (Wellpoint), MEDIOMC26002 Amendment 4 (ITC) and MED-24-005 Amendment 12 (Molina). The rates reflect the change in Health Care tax from 0.95% to 3.50%, effective January 1, 2026, which had not been implemented at the time of the original rate certification of the SFY26 rates, dated June 13, 2025, or the previous addendum #1, dated March 2, 2026. These revised rates are effective January 1, 2026, through June 30, 2026, and we have provided our actuarial certification for these updated rates, compliant with CMS guidelines and requirements.

July 1, 2026 - The Department implemented rate changes through managed care contracts MED-24-006 Amendment 14 (Wellpoint), MEDIOMC26002 Amendment 5 (ITC) and MED-24-005 Amendment 13 (Molina). The rates reflect the capitation rates, effective July 1, 2026 – June 30, 2027 (SFY27).

CONTRACT CHANGES

January 1, 2026 - MED-24-006 Amendment 13 (Wellpoint), MEDIOMC26002 Amendment 4 (ITC) and MED-24-005 Amendment 12 (Molina). - The Department made the following changes to the Managed Care Organization (MCO) contracts:

- Agency-designated card solution vendor to deliver and monitor all member gift card incentives associated with Value-Added Services (VAS) provided under this Contract.
- SFY2026 Capitation Rate Adjustments
- Changing Premium Tax to Health Care Tax
- Prior Authorization of Subacute Mental Health Care Services

July 1, 2026 - MED-24-006 Amendment 14 (Wellpoint), MEDIOMC26002 Amendment 5 (ITC) and MED-24-005 Amendment 13 (Molina). - The Department made the following changes to the Managed Care Organization (MCO) contracts:

- Update links to the State Appeal Board
- Update State's Quality Strategy to Iowa HHS Medicaid Quality Strategy
- Update language to remove the Agency from responsibility of determining medical necessity for services outside of state covered benefits
- Update Peer to Peer requirement for prior authorization decisions
- Update lessor of logic for Certified Community Behavioral Health Clinics CCBCH providers
- Added requirement for MCOs to use Agency approved vendor for Health Information Technology
- Added Artificial Intelligence AI - Human Vetting language
- Revised Pay for Performance Measures
- SFY27 Rates

Please contact me if you need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Carrie Malone".

Carrie L. Malone, J.D.
Director of Policy & Budget Strategy