



[HF 2492](#) – Iowa Health and Wellness Plan, Reenrollment (LSB5801HV)
Staff Contact: Jess Benson (515.281.4611) jess.benson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2492](#) requires the Department of Human Services (DHS) to seek approval of an amendment to the section 1115 demonstration waiver for the Iowa Health and Wellness Plan (IHAWP) from the Centers for Medicare and Medicaid Services (CMS). The amendment would require IHAWP members who are subject to monthly contributions, and who have been disenrolled for failure to pay those contributions, to repay those before reenrolling after their second disenrollment. Members would not be required to repay monthly contributions after being disenrolled the first time for failure to pay.

Background

The IHAWP covers individuals below 133.0% of the federal poverty level (FPL). Members are not required to pay monthly contributions in the first year on the program or in subsequent years if their income is below 50.0% of FPL or if they complete what are known as “Healthy Behaviors.” Healthy Behaviors are health risk assessments and dental or medical wellness exams. Members subject to monthly contributions are required to pay either \$5 or \$10 based on their income and may be disenrolled for nonpayment of contributions after 90 days. Members may contact the DHS and claim financial hardship to avoid payment of monthly contributions, but they must do so before the payment is due.

Assumptions

- Significant system work would be necessary for the Eligibility Integrated Application Solution (ELIAS), data warehouse, and medical systems to provide notification to members and allow for additional system interfaces for DHS field staff.
- The match rate for the IHAWP is 88.30% federal and 11.70% State, and for systems changes is 75.55% federal and 24.45% State.
- An average of 749 individuals were disenrolled per month in FY 2019 for failure to pay monthly contributions and not all those individuals will choose to reenroll.
- Revenues from repayment of monthly contributions will be minimal with an estimated average debt of \$30 and with the 88.30% federal share returned to the federal government.
- Requiring repayment of monthly contributions to regain eligibility would likely result in fewer members being enrolled in IHAWP, but the number of members who would choose not to reenroll cannot be estimated. The savings is not expected to be significant because it is assumed that members needing coverage are likely to reapply or go to a hospital for care, and the hospital will assist them in reenrolling.

Fiscal Impact

[House File 2492](#) is estimated to have one-time costs to the DHS of \$216,000 in FY 2021 for systems changes. The impact for repayment of monthly contributions and fewer IHAWP members cannot be determined but is likely to be minimal due to the State match rate and because it is assumed individuals will reenroll when they need coverage.

Sources

Department of Human Services

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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