
BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Medicaid

Background

Medicaid (Medical Assistance) is a joint federal- and state-funded entitlement program that provides medical assistance to certain low-income individuals who are aged, blind, disabled, or pregnant and to children or members of families with dependent children.

Created in 1965 by Title XIX of the Social Security Act, the Medicaid program gave each state the freedom to design its own program by establishing eligibility standards; determining the type, scope, amount, and duration of services; setting service rates; and administering its own program. Because of this autonomy, programs tend to vary widely by state. In Iowa, Medicaid is managed by the Department of Health and Human Services (HHS).

Managed Care

The Department implemented the IA Health Link managed care program for the majority of the Medicaid population on April 1, 2016. Most Medicaid members are now being served by three managed care organizations (MCOs): Amerigroup, Iowa Total Care, and Molina Healthcare. The MCOs provide comprehensive health care services including physical health, pharmacy, behavioral health, and long-term supports and services. The Iowa Medicaid Program continues to operate a limited Fee-for-Service (FFS) program for the Medicaid members not enrolled in managed care.

Eligibility

Medicaid eligibility is determined not only by income level, but also by other criteria, such as citizenship, age, or condition, including pregnancy, disability, or blindness. For states to be eligible to receive federal matching funds, they are required to provide mandatory eligibility to certain groups. These include but are not limited to:

- Most families with children that receive federally assisted income maintenance payments.
- Recipients of Supplemental Security Income.
- Infants born to Medicaid-eligible pregnant women.
- Children under the age of six and pregnant women with family income at or below 133.0% of the federal poverty level (FPL).
- Recipients of adoption assistance and foster care under Title IV-E of the Social Security Act.

States have also been given the latitude to expand Medicaid programs beyond the mandatory groups with federal approval and still receive federal matching funds. Iowa has chosen to expand coverage to children under the age of 21 and adults over the age of 65, individuals on a Home- and Community-Based Services Waiver who would be eligible if in an institution, and individuals needing breast or cervical cancer treatment and has expanded the program by creating Medicaid for Employed People with Disabilities and the Medically Needy Program.

More Information

IA Health Link: hhs.iowa.gov/iahealthlink

Title XIX of the Social Security Act: www.ssa.gov/OP_Home/ssact/title19/1900.htm

LSA Staff Contact: Eric M. Richardson (515.281.6767) eric.richardson@legis.iowa.gov

One of the components of determining eligibility is citizenship and identity verification. For verification, applicants are required to provide either a passport or a birth certificate along with a government-issued identification document. Proof of citizenship is not required if applicants are already receiving Supplemental Security Income (SSI), Medicare, or Social Security disability benefits. Proof of citizenship is also not required for children in foster care and some subsidized adoption recipients. States are required to provide services that are adequate in duration, amount, and scope. Services must be offered throughout the state, and the amount cannot vary based on diagnosis or condition.

2023 Iowa Acts, [chapter 104](#) (Public Assistance Program Oversight Act), requires applicants for Medicaid benefits to complete a computerized identity authentication process to confirm the identity of the applicant and requires applicants or recipients of Medicaid to cooperate with the HHS Child Support Services as a condition of eligibility. The HHS is required to implement these provisions by July 1, 2025, or upon receipt of federal approval, if necessary.

Services

States that participate in the Medicaid program are also required to provide a minimum set of benefits (mandatory services) in order to receive federal matching funds. These services include:

- Inpatient and outpatient hospital services
- Physician services
- Medical and surgical dental services
- Nursing home care
- Home health care
- Family planning services and supplies
- Laboratory and x-ray services
- Early periodic screening, diagnosis, and treatment
- Other services

States have also been given the flexibility to provide additional services (optional services) to members. Iowa has chosen to provide prescription drugs; preventive dental services; chiropractic and podiatric services; durable medical equipment, such as wheelchairs, dentures, eyeglasses, and prosthetics; physical, occupational, and speech therapy; hospice care; home- and community-based waiver services; and other services.

Iowa Health and Wellness Program

Funding for the Iowa Health and Wellness Program is also included under the Medicaid appropriation. The Iowa Health and Wellness Program covers individuals ages 19 through 64 with income under 133.0% of the FPL. The program, administered by the MCOs, provides comprehensive health services and coverage that is equal to the benefits provided to State employees.

Enrollment and Expenditures

The most recent enrollment, expenditure estimates, and Federal Medical Assistance Percentage (FMAP) rates for Medicaid and the Iowa Health and Wellness Program can be found here:

www.legis.iowa.gov/publications/fiscal/medicaid.

Related Statutes and Administrative Rules

Iowa Code chapter [249A](#)

Iowa Administrative Code 441 — [73 through 91](#)

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