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## FISCAL TOPICS

Fiscal Services Division

September 5, 2024



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

# Medicaid Enrollment

## Summary

Medicaid is a jointly funded State and federal program that provides health and long-term care coverage to low-income and disabled Iowans. Eligibility for Medicaid is determined through family income, and different types of applicants hold different rules for eligibility, depending on the type of applicant. As of June 2024, approximately 599,000 people were enrolled in Medicaid, including 241,000 children, 68,000 adults, 33,000 aged, 75,000 disabled, and 183,000 people in the Iowa Health and Wellness Program. There is also a small amount of people enrolled in Medicaid for breast or cervical cancer treatment (BCCT). Medicaid enrollment had increased before the pandemic, from approximately 529,000 enrollees in FY 2015, to 598,000 enrollees in FY 2019. Due to the Public Health Emergency (PHE) during the COVID-19 pandemic, enrollees were not disenrolled from Medicaid, increasing enrollment growth and costs to the program in conjunction with enhanced federal funding. However, beginning in April 2023 with the federally enacted end of the PHE and ending in March 2024, Medicaid enrollees in Iowa were disenrolled from the program based on normal eligibility, decreasing overall Medicaid enrollment throughout FY 2024.

## Background

To be eligible for Medicaid, an applicant must be a resident of the State, a U.S. citizen or national, legal permanent resident, or qualified alien, and meet income eligibility requirements, which for most applicants is household income below 133.0% of the federal poverty level (FPL), as illustrated in **Figure 1**. Income levels vary by coverage group and are higher for children (up to 302.0% of the FPL) as well as the aged, blind, and disabled. Some individuals, such as the elderly, require an asset test in order to qualify for Medicaid. 2023 Iowa Acts, [Senate File 494](#) (Medicaid, Supplemental Nutrition Assistance Program (SNAP), Eligibility Verification Act) updated enrollment and eligibility procedures for applicants to Medicaid, including instituting a computerized identity authentication process to confirm the identity of the applicant through a knowledge-based questionnaire consisting of financial and personal questions.

**Figure 1 — 2024 Medicaid Eligibility Income Levels**

Family Size	Maximum Income Level (Per Year)
1	\$ 20,030
2	27,185
3	34,341
4	41,496
5	48,651
6	55,807
7	62,962
8	70,118

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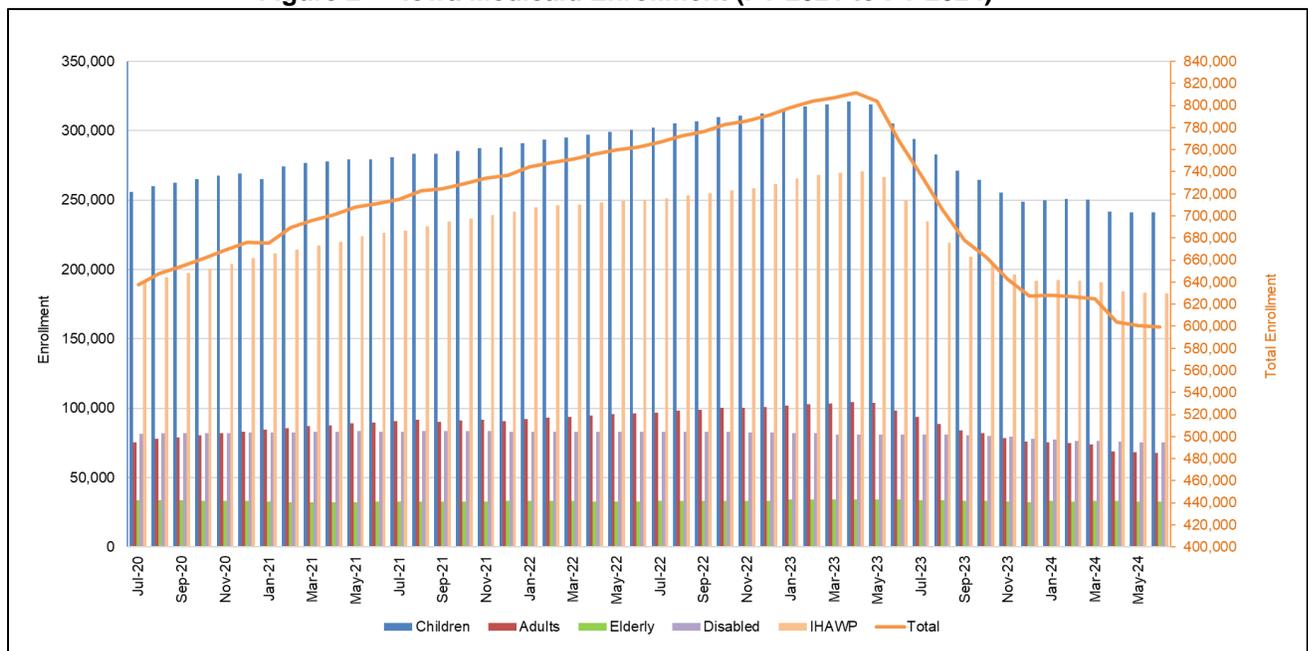
## More Information

Iowa Department of Health and Human Services: [hhs.iowa.gov](https://hhs.iowa.gov)  
LSA Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)

The Federal Medical Assistance Percentage (FMAP) formula has been used to calculate the portion of the Medicaid Program that is funded by the federal government on a state-by-state basis. In Iowa, the base FMAP rate is 63.25% for federal FY 2025. This means that for every dollar spent on the Medicaid Program, the federal government pays \$0.6325 and Iowa pays \$0.3675. The FMAP rate applies to most, but not all, Medicaid expenditures paid for by the State. Medicaid programs may also receive different or enhanced rates. One of these enhanced FMAP rates was a temporary increase in the Medicaid rate, authorized in the [Coronavirus Aid, Relief, and Economic Security Act](#) (CARES Act), due to the Public Health Emergency (PHE) and economic downturn during the COVID-19 pandemic. Beginning January 1, 2020, and continuing through March 31, 2023, the FMAP rate for Medicaid expenses was increased by 6.20%, saving Iowa approximately \$69.3 million quarterly during the PHE and creating a surplus of Medicaid revenue to the State. Due to the federal [Consolidated Appropriations Act of 2023](#) that ended the PHE as of April 1, 2023, the enhanced FMAP was authorized to be decreased quarterly, to 5.00% in the fourth quarter of FY 2023, 2.50% in the first quarter of FY 2024, and 1.50% in the second quarter of FY 2024. During the PHE, and in exchange for the enhanced 6.2% FMAP, Iowa was not allowed to disenroll existing members from Medicaid. Once the PHE expired in April 2023, the State was allowed to begin disenrollment for ineligible members, a 12-month process which ended in March 2024.

Medicaid enrollees are categorized into different Medicaid rate structures based on age, gender, and program. More than 90.0% of applicants are assigned to a Managed Care Organization (MCO), who receive payments from the State for administering the Medicaid program in partnership with the Iowa Department of Health and Human Services (HHS) and health care providers. The MCOs receive higher rates from the State for those enrollees with greater medical needs, such as pregnant women, the elderly, and those in a Home- and Community-Based Program (HCBS). **Figure 2** illustrates the number of enrollees in different categories between FY 2021 and FY 2024, which encompasses the time during the PHE and after disenrollment was completed in March 2024.

**Figure 2 — Iowa Medicaid Enrollment (FY 2021 to FY 2024)**



**Iowa Related Statutes and Administrative Rules**

Iowa Code chapter [249A](#)

Iowa Administrative Code [441—76](#)