

# CMS NEWS

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## **Iowa's Demonstration to Expand Medicaid Coverage Approved by CMS**

The Centers for Medicare & Medicaid Services (CMS) today approved Iowa's demonstration to expand Medicaid coverage using a premium assistance model and an approach that promotes healthy behaviors and wellness. This waiver demonstration will extend Medicaid coverage to more than 100,000 additional Iowans, and this expansion will be 100 percent federally funded in 2014, 2015 and 2016, with the federal share dropping to no less than 90 percent in the years following. The expansion improves care, promotes health, and allows the state to take advantage of the generous Medicaid funding made possible by the Affordable Care Act.

"Iowa has pioneered innovative, state-based solutions for Medicaid expansion, and we are pleased to grant this waiver," said Marilyn Tavenner, Administrator for CMS. "CMS stands ready to work with other states to explore options that aim to improve care and lower costs in the Medicaid program."

The waiver approvals CMS granted today include virtually all of the initiatives the state has proposed. It allows the state to provide coverage to Medicaid-eligible individuals (ages 19 through 64, with incomes between 100 and 133 percent of the federal poverty line) through a premium assistance model, meaning that Iowa will purchase private health insurance coverage for these individuals from Qualified Health Plans doing business in the Marketplace. Further, these approvals provide Iowa with the flexibility they requested to create a healthy behaviors initiative for people in the expansion population and to charge premiums for people with incomes above 100 percent of the federal poverty line. Finally, with this authority, the state can move ahead on their proposal to test innovative payment reform ideas that promote care coordination, lower costs, and better quality care. Under the state's proposal granted today, people in the new population with income at or below 100 percent of the federal poverty line and medically frail people will receive coverage under Medicaid.

CMS congratulates Iowa on its initiative and is committed to ensuring states have the flexibility meet the needs of their states within the confines of the law.

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