HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services proposes to amend Chapter 75, "Conditions of Eligibility," Iowa Administrative Code.

This amendment increases premiums for applicants and recipients under the Medicaid for Employed People with Disabilities (MEPD) program with income over 150% of the federal poverty level (FPL).

The Department is requesting these changes because Iowa Code section 249A.3(2)(a)(1) requires that "the maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty guidelines shall be commensurate with the cost of state employees' group health insurance in this state." The average cost to the state for state employees' health insurance for a single person is $707 effective January 1, 2015. Therefore, the maximum premium must be set at that amount.

Any interested person may make written comments on the proposed amendments on or before April 21, 2015. Comments should be directed to Harry Rossander, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, 5th Floor, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515) 281-4980 or by email to policyanalysis@dhs.state.ia.us.

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Department's general rule on exceptions at 441—1.8(17A, 217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 249A.4.

The following amendment is proposed.

Amend subparagraph 75.1(39)“b”(3) as follows:

(3) Premiums shall be assessed as follows:

IF THE INCOME OF THE APPLICANT IS ABOVE:	THE MONTHLY PREMIUM IS:
150% of Federal Poverty Level	~~$31~~ $32
165% of Federal Poverty Level	~~$42~~ $44
180% of Federal Poverty Level	~~$50~~ $53
200% of Federal Poverty Level	~~$58~~ $62
225% of Federal Poverty Level	~~$68~~ $73
250% of Federal Poverty Level	~~$78~~ $84
300% of Federal Poverty Level	~~$99~~ $106
350% of Federal Poverty Level	~~$119~~ $130
400% of Federal Poverty Level	~~$140~~ $153
450% of Federal Poverty Level	~~$160~~ $177
550% of Federal Poverty Level	~~$201~~ $221
650% of Federal Poverty Level	~~$242~~ $268
750% of Federal Poverty Level	~~$284~~ $316
850% of Federal Poverty Level	~~$335~~ $375
1000% of Federal Poverty Level	~~$404~~ $451
1150% of Federal Poverty Level	~~$475~~ $530
1300% of Federal Poverty Level	~~$556~~ $612
1480% of Federal Poverty Level	~~$647~~ $707

Information on Proposed Rules

Name of Program Specialist	Telephone Number	Email Address
Kim Grasty	515-281-3709	kgrasty@dhs.state.ia.us

1. Give a brief summary of the rule changes:

This rule is amended to increase premiums for applicants and recipients under the Medicaid for Employed People with Disabilities (MEPD) program with income over 150% of the federal poverty level (FPL).

2. What is the legal basis for the change? (Cite the authorizing state and federal statutes and federal regulations):

Code of Iowa 249A.3(2)(a)(1)(b); 441 IAC 75.1(39)"b"; and Social Security Act section 1916A(a)(2)(B), (b)(1)(B)(ii), (b)(2)(A) (42 USC § 1396o-1(a)(2)(B), (b)(1)(B)(ii), (b)(2)(A)).

3. What is the reason for the Department requesting these changes?

The Department is requesting these changes because Iowa Code section 249A.3(2)(a)(1) requires that "the maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty guidelines shall be commensurate with the cost of state employees' group health insurance in this state." The average cost to the state for state employees' health insurance for a single person is $707 effective January 1, 2015. Therefore, the maximum premium must be set at that amount.

4. What will be the effect of this rule making (who, what, when, how)?

MEPD members with income over 150% of the Federal Poverty Level (FPL) will have their premium amount adjusted at their next eligibility review after the August 1, 2015 premium scale changes. MEPD applicants who are approved for eligibility effective 8/1/2015 will have their premium calculated based on the new premium scale. As required by federal cost sharing requirements, all MEPD premiums remain below 5% of gross individual income. MEPD eligibility is based upon countable household income of no more than 250 % of the FPL for the household size. MEPD premiums are assessed upon gross individual income. Ninety-five percent of MEPD members have gross individual income at or below 200% of the Federal Poverty Level (FPL). Currently, there are no MEPD members with gross individual income higher than 550% of the FPL .

5. Is the change mandated by State or Federal Law?

Yes. Code of Iowa 249A.3(2)(a)(1)(b); 441 IAC 75.1(39)"b"; and Social Security Act section 1916A(a)(2)(B), (b)(1)(B)(ii), (b)(2)(A) (42 USC § 1396o-1(a)(2)(B), (b)(1)(B)(ii), (b)(2)(A)).

6. Will anyone be affected by this rule change? If yes, who will be affected and will it be to the person's (organization's) benefit or detriment?

Some MEPD members will be required to pay a higher premium so they may see this as a detriment. However, all MEPD members assessed a premium will pay less than 5% of their gross individual income in Medicaid cost-sharing

7. What are the potential benefits of this rule?

Higher premiums will be paid by some MEPD members. The new premium scale will be commensurate with the cost of state employees' health insurance, as required by the Iowa Code. This means that the state will receive more funds from the cost sharing of the MEPD premium paying members.

8. What are the potential costs, to the regulated community or the state of Iowa as a whole, of this rule?

There would be no costs.

9. Do any other agencies regulate in this area? If so, what agencies and what Administrative Code sections apply?

No.

10. What alternatives to direct regulation in this area are available to the agency?

Why were other alternatives not used?

No other alternatives are available. The State is required to adjust the premium scale based on the health insurance cost for state employees.

11. Does this rule contain a waiver provision? If not, why?

This amendment does not provide for waivers in specific situations because all members should be subject to the same sliding scale for MEPD premiums. The Department has an exception to policy process that may be pursued should a member feel that they have exceptional circumstances justifying a different premium.

12. What are the likely areas of public comment?

No specific topics of issue are foreseen.

13. Do these rules have an impact on private-sector jobs and employment opportunities in Iowa? (If yes, describe nature of impact, categories and number of jobs affected, state regions affected, costs to employer per employee)

This change will not have an impact on private sector jobs.

Administrative Rule Fiscal Impact Statement

Date: 2/19/2015

Agency: Human Services

IAC citation: 441 IAC

Agency contact: Kim Grasty, 281-3709

Summary of the rule:

The sliding scale used to determine premiums for medical assistance benefits under the Medicaid for Employed People with Disabilities (MEPD) program is revised to increase premiums for applicants and recipients with income over 150% of the federal poverty level.

Fill in this box if the impact meets these criteria:

____ No fiscal impact to the state.

_X_ Fiscal impact of less than $100,000 annually or $500,000 over 5 years.

____ Fiscal impact cannot be determined.

Brief explanation:

The higher MEPD premium collections will result in a savings to the state. Based on the December 2014 billing period, the new monthly premium amounts will result in additional premium collections of up to $10,620 per month. This equates to annual savings of $127,440. At SFY16 Medicaid match rates (55.07% Federal; 44.93% State); the state share of these saving would be $57,259.

Fill in the form below if the impact does not fit the criteria above:

____ Fiscal impact of $100,000 annually or $500,000 over 5 years.

Assumptions:

Describe how estimates were derived:

Estimated Impact to the State by Fiscal Year

	Year 1 (SFY16)	Year 2 (SFY17)
Revenue by each source:		
General fund		
Federal funds		
Other (specify):		
TOTAL REVENUE		
Expenditures:		
General fund		
Federal funds		
Other (specify):		
TOTAL EXPENDITURES		
NET IMPACT	<($100,000)	<($100,000)

X This rule is required by state law or federal mandate.

Please identify the state or federal law:

Code of Iowa 249A.3(2)(a)(1)(b); 441 IAC 75.1(39)"b"; and Social Security Act section 1916A(a)(2)(B), (b)(1)(B)(ii), (b)(2)(A) (42 USC § 1396o-1(a)(2)(B), (b)(1)(B)(ii), (b)(2)(A)).

____ Funding has been provided for the rule change.

Please identify the amount provided and the funding source:

X Funding has not been provided for the rule.

Please explain how the agency will pay for the rule change:

This change results in a revenue increase so no additional funding is necessary.

Fiscal impact to persons affected by the rule:

Some MEPD members will be required to pay a higher premium so they may see this as a detriment. However, all MEPD members assessed a premium will pay less than 5% of their gross individual income in Medicaid cost-sharing.

Fiscal impact to counties or other local governments (required by Iowa Code 25B.6):

None anticipated.

Agency representative preparing estimate: Joe Havig

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