

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends 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 percent of the federal poverty level (FPL).

The Department is requesting these changes because Iowa Code section 249A.3(2)“a”(1)(b) requires that “[t]he 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.

Notice of Intended Action was published in the Iowa Administrative Bulletin as ARC 1951C on April 1, 2015. The Department received no comments on this rulemaking during the public comment period. This amendment is identical to that published as Notice of Intended Action.

The Council on Human Services adopted this amendment on May 13, 2015.

This amendment does 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.

This amendment is intended to implement Iowa Code section 249A.4.

This amendment will become effective August 1, 2015.

The following amendment is adopted.

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 <u>\$32</u>
165% of Federal Poverty Level	\$42 <u>\$44</u>
180% of Federal Poverty Level	\$50 <u>\$53</u>
200% of Federal Poverty Level	\$58 <u>\$62</u>
225% of Federal Poverty Level	\$68 <u>\$73</u>
250% of Federal Poverty Level	\$78 <u>\$84</u>
300% of Federal Poverty Level	\$99 <u>\$106</u>
350% of Federal Poverty Level	\$119 <u>\$130</u>
400% of Federal Poverty Level	\$140 <u>\$153</u>
450% of Federal Poverty Level	\$160 <u>\$177</u>
550% of Federal Poverty Level	\$201 <u>\$221</u>
650% of Federal Poverty Level	\$242 <u>\$268</u>
750% of Federal Poverty Level	\$284 <u>\$316</u>
850% of Federal Poverty Level	\$335 <u>\$375</u>
1000% of Federal Poverty Level	\$404 <u>\$451</u>
1150% of Federal Poverty Level	\$475 <u>\$530</u>
1300% of Federal Poverty Level	\$556 <u>\$612</u>
1480% of Federal Poverty Level	\$647 <u>\$707</u>

Information on Proposed Rules

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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.
- 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

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

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:

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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