



Iowa Department of Human Services

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DHS Announces Changes to the IA Health Link Managed Care Program

(Des Moines, Iowa) – The Iowa Department of Human Services (DHS) announced today that contracts have been signed with Amerigroup Iowa, Inc., and UnitedHealthcare Plan of the River Valley, Inc. These two managed care organizations (MCOs) will continue to administer the IA Health Link managed care program. The completed contracts can be found [here](#).

Medicaid Modernization delivers high quality, cost-effective healthcare for eligible Iowans while ensuring the sustainability of the program. The Department and our health plan partners maintain our original commitment of improving health care quality and access for our Medicaid members, achieving greater accountability for outcomes, and creating a more predictable and sustainable Medicaid program.

Iowa Medicaid continues to effectively manage the growing cost of Medicaid spending, while healthcare costs in the state of Iowa, and across the nation, continue to rise. There are many factors driving up healthcare costs, primary factors include prescription drug ingredient costs and the increasing costs associated with behavioral healthcare for children. Compared to other markets where healthcare costs are increasing, Iowa Medicaid is effectively managing Medicaid expenditures.

Iowa Individual Insurance Market Premium Increase	National Healthcare Spending (PwC)	National Health Spending Project Annual Growth (CMS)	SFY 2018* Iowa Medicaid Expenditure Growth
56%	6.5%	5.6%	3.3%

* A previous version incorrectly indicated SFY 2019.

CMS data point: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2017-Press-releases-items/2017-02-15-2.html>

The new managed care contracts represent a 3.3% rate increase over the first year. “This is a small increase when you compare it to national trends on healthcare spending. Effectively managing resources allows the Department to continue providing the broad array of services available to Iowans most in need,” said DHS Director Jerry Foxhoven.

DHS is releasing a Request for Proposal (RFP) to recruit an additional MCO to coordinate care for Iowa’s Medicaid program. The additional health plan option will be available to members effective July 1, 2018.

AmeriHealth Caritas Iowa, Inc., will be withdrawing from the IA Health Link program. DHS has developed a transition plan to ensure members will continue to receive quality care as health plan options change. DHS will be working closely with, and monitoring, patients as they transition from one MCO to another. Ensuring continuity of care will be a key focus. "Members can see a doctor as they normally would, and they should watch their mail and our website for more details as it becomes available," DHS Deputy Director and Acting Medicaid Director Mikki K. Stier noted.

Iowa has a robust and unique Medicaid program. DHS is committed to ensuring members continue to get the services they need and providers get paid for the services they deliver. DHS is also committed to making sure Iowa Medicaid has the right MCOs to achieve the goals of Medicaid Modernization.

The main objectives of Iowa's Medicaid Modernization are:

- Improving quality and access to care
- Promoting accountability for patient outcomes
- Creating a more predictable and sustainable Medicaid budget

To achieve these objectives, DHS has established strong oversight and expectations of the MCOs. The Department will be closely monitoring how services are administered, particularly to the Long-term Services and Supports (LTSS) population, which are Iowa's Medicaid members with the most complex needs. The Department will continue to explore ways to best serve this population.

Stier says "the Department appreciates the cooperation of our providers and stakeholders as we continuously work to improve the program. We remain focused on providing Iowa's most vulnerable with high quality health care and the vital services they rely on."

To learn more about AmeriHealth Caritas withdrawing from the IA Health Link view the [Stakeholder Questions and Answers \(Q&A\)](#).

To learn more about the Medicaid program, [click here](#). Budget information can be found [here](#).

For the most recent managed care performance reports, including member demographics, [click here](#).

Information and trends on managed care across the U.S. can be located [here](#).

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