



July 13, 2025

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Submitted electronically via Medicaid.gov

RE: Iowa Health and Wellness Plan 1115 Demonstration Amendment

On behalf of Families USA, thank you for the opportunity to comment on Iowa's request to amend its Medicaid Section 1115 Demonstration Project, the *Iowa Health and Wellness Plan* (IHAWP).

Families USA is the longtime national, non-partisan voice for health care consumers, dedicated to achieving high-quality, affordable health care and improved health for all by working closely with organizations on the ground in Iowa and across the nation. In service to this mission, Families USA urges the Centers for Medicare and Medicaid Services (CMS) to delay decision making on the proposed IHAWP amendment, to provide time after the passage of the new federal law to do the proper analysis and promulgate regulations appropriately across states, and to deny the Iowa proposal as violating several provisions of that law. We urge time, deliberation and due diligence, given that these decisions will significantly impact the lives of over 180,000 IHAWP program enrollees aged 19-64 who qualify for the state's Medicaid expansion¹—comprising over 50% of Medicaid-enrolled adults in Iowa,² and 10% of all non-elderly adults in the state.³

Under this waiver proposal, the Iowa Department of Health and Human Services (Iowa HHS) will deny low-income Iowans access to Medicaid coverage if they cannot meet onerous paperwork requirements to prove they are engaged in work or other qualifying activities for 100 hours per month. What Iowa proposes to do is the same as what all states who establish work reporting requirements intend to do: push eligible residents off health coverage. Iowa projects that **56,557 IHAWP enrollees will lose Medicaid coverage after five years** as a direct result of the demonstration waiver's punitive requirements.⁴

In the weeks since Iowa submitted their waiver request, Congress passed H.R. 1, putting forth a framework to CMS and states to implement work reporting requirements (termed "community engagement") for people eligible for Medicaid under the Affordable Care Act's (ACA) Medicaid expansion.⁵ As we and other advocates work to assess the long-term impacts of the work reporting requirements put in place under H.R. 1, we do not comment here on the larger implementation issues faced by CMS and states at this time. However, in the short term, we call to CMS' attention areas of Iowa's proposal that are not permissible under the new law and call upon CMS to scrutinize state proposals to ensure they meet the statute's requirements. **Furthermore, Families USA strongly urges CMS to delay assessment of the proposed IHAWP amendment—and all recent and future state**

waivers proposing to implement work requirement or community engagement programs—until CMS puts thoughtful regulations in place to implement federal statutory requirements in a way that mitigates harms for people eligible for Medicaid.

Families USA strongly urges CMS to delay decision-making on the proposed IHAWP amendment until the agency has promulgated regulations and other guidance in the wake of H.R. 1.

Medicaid work reporting requirements—including those packaged as “community engagement” programs—are unnecessary bureaucratic barriers to care and coverage, given that **92% of Medicaid enrollees across the country are already working or would meet an exemption because they are in school, ill or disabled, or caregiving.**⁶ These programs create immense administrative hurdles that make it more difficult for eligible people – including working people, and especially rural Americans, people with disabilities, and veterans – to enroll in or maintain Medicaid coverage, and leave many working families uninsured, living sicker, dying younger, and one health emergency from financial ruin.⁷ Furthermore, these programs fail to improve employment,⁸ drive economic instability for families,⁹ put hospitals and the health system at risk,¹⁰ require substantial financial resources to implement and administer,¹¹ and place considerable financial burden on already strained state budgets, like Iowa’s.¹² Finally, the federal government must finance up to 90% of administrative expenses to prop up these inadequate programs, totaling millions of dollars in wasteful spending.¹³

While we are deeply alarmed about the impacts of Medicaid work reporting requirements overall, we stand ready to work with CMS to ensure implementation of these provisions in a way that respects currently eligible beneficiaries and future applicants, and minimizes health care coverage loss and other harms. We caution CMS that any decisions it makes now on Iowa (or on other states who have recently submitted waivers) sets a precedent for how the agency will approach similar proposals in other states. With only one week since passage of H.R. 1, CMS needs time to understand the magnitude of what Medicaid work reporting requirements will mean for state Medicaid programs and the beneficiaries they serve, and the implications across different states with differently designed programs. It would be hasty and inappropriate for CMS to approve of Iowa’s plan until CMS has taken time to study H.R. 1 and its impacts and devised an appropriate way forward.

Given the major impact of work reporting requirements on state health care systems and the lives of people eligible for Medicaid, and given the major task at hand for CMS and states to put these programs in place, ***we respectfully ask that CMS delay any approvals of state waivers related to work reporting requirements until CMS has had the opportunity to put regulations and other guidance in place.***

The proposed IHAWP amendment violates non-waivable provisions under H.R. 1, Section 71119.

While we think a delayed decision is entirely appropriate given the sweeping changes put forward under H.R. 1, should CMS move forward with examining Iowa HHS’ proposed IHAWP amendment, the waiver should be rejected, given that several provisions of Iowa’s proposal are not permissible under the new law, including the following:

- **Missing exemptions:** The proposed IHAWP amendment leaves out a number of exemption categories mandated by Congress, including disabled veterans, incarcerated individuals and people with physical, intellectual or developmental disabilities.¹⁴
- **Narrower exemptions:** In several instances, Iowa proposes much narrower exemptions than those permissible under H.R. 1. For example, where Congress allows for an exemption for *all*

pregnant or postpartum Medicaid enrollees, Iowa would only grant an exemption for those that have “high risk” pregnancies.¹⁵ In addition, Iowa limits its caregiver exemption to those caring for children up to age six; H.R. 1 mandates an exemption for caretakers with children up to age 13 (with no age limit for disabled children). Finally, while Iowa gives an exemption for people participating in substance use disorder (SUD) treatment, it does not allow for exemptions for medically frail people who have a SUD (a category of exemption under H.R. 1).

- Inadequate data matching/ex parte verifications: H.R. 1 requires states to establish processes for *ex parte* verifications that utilize the full capacity of the state to verify eligibility and exemptions “*without requiring, where possible, the applicable individual to submit additional information.*”¹⁶ While Iowa proposes to use some data matching (e.g., to deem as compliant all Supplemental Nutrition Assistance Program (SNAP) enrollees who already meet SNAP work requirements), Iowa does not propose to use other available data highlighted in H.R. 1 (such as payroll data, encounter data, data on payments for the provision of services) and the state mentions repeatedly that it will require individuals to submit additional “verification information.”¹⁷
- Inadequate opportunity to comply: H.R. 1 requires states to grant potentially noncompliant individuals with notice and 30 days to make a satisfactory showing of compliance. By contrast, while Iowa HHS will provide noncompliant individuals with notice of the reason for and timing of suspension or disenrollment, the state does not offer a 30-day window to comply.

The above examples are significant enough to warrant a denial of the waiver, but they are not an exhaustive list of all the ways Iowa’s proposal falls short of H.R. 1’s requirements. We note that although H.R. 1 grants states permission to submit a 1115 waiver to start their work reporting requirement on an *earlier* date than the statutorily required start date (January 1, 2027), Congress is explicit that even if CMS grants a waiver to a state related to work reporting requirements, the state is still subject to *all* provisions of Section 71119 of the Act.¹⁸ This means states cannot waive provisions related to exemptions, data matching, compliance procedures or any other provision.

While we recognize Iowa drafted their work reporting requirement proposal prior to the passage of H.R. 1 and without the benefit of any federal guidance, CMS is required to scrutinize state proposals to ensure they meet statutory requirements. In addition, CMS must take up its obligation to rein in states where they want to implement programs even more punitive than required under the statute. For example, Iowa proposes a work requirement of 100 hours/month, where the minimum requirement under H.R. 1 is 80 hours/month. CMS should not allow leeway for Iowa or any state to increase eligibility hurdles beyond statutory requirements.

Given the importance of getting implementation right as CMS and states undergo monumental changes to state Medicaid programs, CMS’ only prudent path here is to either deny outright or delay assessment of Iowa’s proposed IHAWP amendment—and all other similar state work reporting requirement waivers.

Families USA stands ready to engage with CMS on the pathway forward to ensure implementation guidance both respects Congressional intent under H.R. 1 and mitigates harms for state health care systems and the people who must comply with new paperwork burdens under the law.

For any questions or comments regarding the recommendations made in this letter, please reach out to Mary-Beth Malcarney, Senior Advisor on Medicaid Policy, Families USA at: mmalcarney@familiesusa.org

Thank you for your consideration.

Sincerely,



Sophia Tripoli
Senior Director of Health Policy

¹ Iowa Health and Human Services. (June 2025). Iowa Health and Wellness Plan Section 1115 Demonstration Amendment. Medicaid.gov. <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ia-wellness-plan-pa-06062025.pdf>

American Community Survey. (2023). Selected Characteristics of Health Insurance Coverage in the United States – Iowa. United States Census Bureau. <https://data.census.gov/table?q=uninsured+iowa>

² “What Medicaid Brings to Iowa,” Commonwealth Fund, 2025, <https://interactives.commonwealthfund.org/2025/medicaid-fact-sheets/iowa.pdf>.

³ U.S. Census Bureau, U.S. Department of Commerce. “Age and Sex.” *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S0101*, <https://data.census.gov/table/ACSST1Y2023.S0101?q=age&g=040XX00US19>. Accessed on 27 Jun 2025.

⁴ Iowa Health and Wellness Plan Section 1115 Demonstration Amendment, page 13.

⁵ H.R. 1, 119th Congress § 71119 (2025), <https://www.congress.gov/bill/119th-congress/house-bill/1/text>.

⁶ Schneider, A. (June 2025). Medicaid Managed Care: Work Reporting Requirements in the One Big Beautiful Bill Act. Georgetown University Center for Children and Families. <https://ccf.georgetown.edu/2025/06/18/medicaid-managed-care-work-reporting-requirements-in-the-one-big-beautiful-bill-act/>

⁷ Tolbert, J. et al. (Dec 2024). Key Facts about the Uninsured Population. KFF. <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

⁸ Sommers, B. et al. (Sept 2020). Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care. Health Affairs. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>; Congressional Budget Office. (June 2022). Work Requirements and Work Supports for Recipients of Means-Tested Benefits. CBO.gov. <https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf>; Musumeci, M. et al. (Dec 2018). Medicaid Work Requirements in Arkansas: Experience and Perspectives of Enrollees. KFF. <https://www.kff.org/report-section/medicaid-work-requirements-in-arkansas-experience-and-perspectives-of-enrollees-issue-brief/>.

⁹ Benjamin D. Sommers, Lucy Chen, Robert J. Blendon, E. John Orav, and Arnold M. Epstein, “Medicaid Work Requirements In Arkansas: Two-Year Impacts On Coverage, Employment, And Affordability Of Care,” Health Affairs, September 2020, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00538>; Alice Burns, Elizabeth Hinton, Robin Rudowitz, and Maiss Mohamed, “10 Things to Know About Medicaid,” KFF, February 18, 2025, <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid/>; Raymond Kluender, Neale Mahoney, Francis Wong, and Wesley Yin, “Medical Debt in the US, 2009-2020,” JAMA. 2021 Jul 20;326(3):1–8, <https://pmc.ncbi.nlm.nih.gov/articles/PMC8293024/>.

¹⁰ Zachary Levinson, Scott Hulver, and Tricia Neuman, “Hospital Charity Care: How it Works and Why It Matters,” KFF, Nov 03, 2022, [Hospital Charity Care: How It Works and Why It Matters | KFF](https://www.kff.org/hospitals/issue-brief/hospital-charity-care-how-it-works-and-why-it-matters/); “McKesson Health Systems Editorial Tem,” Longstanding Pressures Contribute to Record Rural Hospital Closures,” McKesson, [Longstanding Pressures Contribute to Record Rural Hospital Closures | Prescribed Perspectives](https://www.mckesson.com/press/longstanding-pressures-contribute-to-record-rural-hospital-closures-prescribed-perspectives); Victoria Udalova, David Powers, Sara Robinson and Isabelle Notter, “Who Makes More Preventable Visits to the ER?” United State Census Bureau, January 20, 2022, [Who Makes More Preventable Visits to the ER?](https://www.census.gov/data/tables/2022/healthcare/who-makes-more-preventable-visits-to-the-er.html)

¹¹ “Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements,” Government Accountability Office, October 2019, <https://www.gao.gov/assets/gao-20-149.pdf>.

¹² Hinton, E. and Rudowitz, R. (May 2025). Implementing Work Requirements on a National Scale: What We Know from State Waiver Experience. KFF. <https://www.kff.org/policy-watch/implementing-work-requirements-on-a-national-scale-what-we-know-from-state-waiver-experience/>

Iowa Department of Management. (Mar 2025). March 2025 Estimate of General Fund Receipts. Iowa.gov. https://drive.google.com/file/d/1RzRo2q34ecP1xb_wEB-4nW8NAkupacga/view

¹³ “Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements,” Government Accountability Office, October 2019, <https://www.gao.gov/assets/gao-20-149.pdf>.

¹⁴ H.R. 1, 119th Congress § 71119(a), inserting 42 U.S.C. §1396a(xx)(9)(A) (2025).

¹⁵ Iowa Health and Human Services. (June 2025). Iowa Health and Wellness Plan Section 1115 Demonstration Amendment, at page 8, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ia-wellness-plan-pa-06062025.pdf>

¹⁶ H.R. 1, 119th Congress § 71119(a), inserting 42 U.S.C. §1396a(xx)(5) (2025).

¹⁷ Iowa Health and Wellness Plan Section 1115 Demonstration Amendment, page 9.

¹⁸ H.R. 1, 119th Congress § 71119(a) (2025).