July 11, 2025

The Honorable Robert F. Kennedy
Secretary
U.S. Department of Health and Human Services
200 Independence Ave, SW
Washington, DC 20201

Re: Iowa Health and Wellness Plan (IHAWP) 1115 Demonstration Amendment

Dear Secretary Kennedy:

Thank you for the opportunity to submit comments on the IHAWP 1115 Demonstration Amendment.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Centers for Medicare and Medicaid Services (CMS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Iowa's Medicaid program provides quality and affordable healthcare coverage. Our organizations are strongly opposed to Iowa's proposal to implement work reporting requirements for Medicaid beneficiaries. These requirements will lead thousands of people to lose coverage and jeopardize the health of people with serious and chronic

conditions in Iowa. Our organizations urge CMS to reject this request and offer the following comments on the IHAWP 1115 Demonstration Amendment:

Work reporting requirements will result in significant coverage losses, which is in direct opposition of the purpose of the Medicaid program – to furnish healthcare services. Under Iowa's proposal, adults under 65 must demonstrate that they meet the work reporting requirements or are exempt. If the state believes that individuals have not met these requirements, it will suspend coverage for up to six months, after which the state will terminate coverage at their annual renewal if it cannot verify compliance. When Arkansas implemented a similar policy requiring Medicaid enrollees to report their hours worked or their exemption, the state terminated coverage for over 18,000 individuals before a federal court halted the policy.[i] Similarly, Georgia's Pathways to Coverage Program, which includes work reporting requirements, enrolled less than 5,000 individuals in its first year, instead of the projected 31,000-100,000 beneficiaries originally estimated to be eligible.[ii] Iowa's estimates indicate an overall enrollment loss of 56,000 individuals over five years of implementation of this demonstration. For patients with serious or chronic conditions, a gap in healthcare coverage can disrupt access to regular care and medications needed to manage their condition, leading to exacerbations that require emergency department visits at a higher cost to both the patient and the state.

Our organizations are deeply concerned that the proposal may negatively impact eligibility for individuals with, at risk of, or in the process of being diagnosed with, serious and chronic health conditions that prevent them from working. For example, the waiver does not specify how those who are 'medically exempt under Medicaid' would be identified. Regardless, any reporting process for exempt enrollees and those with good cause circumstances will create opportunities for administrative error that could jeopardize people's coverage. This is exactly what happened in Arkansas – as one study found, "more than 95% of persons who were targeted by the policy already met the requirement or should have been exempt. Many Medicaid beneficiaries were unaware of the policy or were confused about how to report their status to the state, which suggests that bureaucratic obstacles played a large role in coverage losses under the policy."[iii] No criteria can circumvent these problems and the serious risk to the health of people with chronic and serious health conditions.

The state intends to use data from existing systems and to develop electronic submissions to verify compliance with the requirements. There will undoubtedly be individuals whose data is incomplete, outdated, or not accurately captured by the systems in use. For example, during the unwinding of the Medicaid continuous coverage requirements, only 32% of enrollees in Iowa were automatically re-enrolled, demonstrating the significant gaps in existing data and the increased administrative burden many people will face. Furthermore, the waiver is unclear on how individuals will be able to demonstrate compliance or address inaccuracies if data sources fail to verify their eligibility. Navigating an appeals process can be time-consuming and burdensome. Patients may not have the time or resources to complete a lengthy eligibility appeal, leading to loss of coverage. Our organizations are opposed to the administrative burden that this proposal will place on patients and the program.

Our organizations are concerned by the cost to implement this waiver. There will likely be large administrative costs to the state to implement data matching and to put a system in place to identify and track exemptions. For example, a GAO study of work reporting requirements estimated that the administrative costs could be up to $272 million.[iv] In Georgia, the state spent over $86 million within a year of implementing the Georgia Pathways to Coverage Program, despite the low enrollment, and it is estimated that three quarters of this was for administrative and consulting costs.[v] Furthermore, the aforementioned changes in coverage status are likely to lead to increased churn, placing greater

administrative burden on Iowa's Medicaid program. The administrative cost of churn is estimated to be between $400 and $600 per person.[vi] Iowa's Medicaid program is likely unprepared for the additional cost and administrative burden that the work reporting requirements will generate.

Ultimately, these requirements do not further the goals of the Medicaid program or help low-income individuals find work. Most people on Medicaid who can work already do so. According to KFF, 92% of adults with Medicaid coverage under age 65 who do not receive Social Security disability benefits are either workers, caregivers, students, or unable to work due to illness.[vii] And continuous Medicaid coverage can actually help people find and sustain employment. In a report looking at the impact of Medicaid expansion in Ohio, the majority of enrollees reported that being enrolled in Medicaid made it easier to work or look for work (83.5% and 60%, respectively).[viii] That report also found that many enrollees were able to get treatment for previously untreated health conditions, which made finding work easier. Additionally, a study in *The New England Journal of Medicine* found that Arkansas's work reporting requirement was associated with a significant loss of Medicaid coverage, but no corresponding increase in employment.[ix] Terminating individuals' Medicaid coverage for non-compliance with these requirements will hurt rather than help Iowans search for and obtain employment.

Finally, while H.R. 1 included new provisions related to work reporting requirements, the Secretary does not have the authority to approve a waiver that does not comply with the parameters in subsection XX of Section 1902 of the Social Security Act. Iowa's current waiver proposal differs from these specifications in numerous ways. For example, federal law will exempt caretakers of children 13 years and under from work reporting requirements, as opposed to Iowa's proposed exclusion of caretakers of children aged 6 and under. Additionally, federal law identifies individuals who are pregnant or entitled to postpartum medical assistance as specified excluded individuals, whereas Iowa's proposal only exempts those with high-risk pregnancies. Under H.R. 1, states may only use Section 1115 demonstrations to enact work reporting requirements earlier than 2027 if those demonstrations comply with the provisions of the law. Iowa's proposal does not align with the provisions and therefore cannot be approved. If Iowa makes any additional changes to its proposal, the state and CMS must restart the public comment process so that stakeholders have the opportunity to provide meaningful input.

Our organizations remain strongly opposed to work reporting requirements and urge CMS to reject this proposal. Thank you for the opportunity to provide comments.

Sincerely,

AiArthritis
American Cancer Society Cancer Action Network
American Heart Association
American Kidney Fund
American Lung Association
Cancer Nation (formerly the National Coalition for Cancer Survivorship)
Cancer*Care*
Coalition for Hemophilia B
Crohn's & Colitis Foundation
Cystic Fibrosis Foundation
Epilepsy Foundation of America

Hemophilia Federation of America
Immune Deficiency Foundation
Lutheran Services in America
March of Dimes
National Bleeding Disorders Foundation
National Kidney Foundation
National Multiple Sclerosis Society
National Patient Advocate Foundation
National Psoriasis Foundation
Pulmonary Hypertension Association
Susan G. Komen
The AIDS Institute
The Leukemia & Lymphoma Society
ZERO Prostate Cancer

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[i] Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, "A Look at November State Data for Medicaid Work Requirements in Arkansas," KFF, December 18, 2018. Available at: https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/; Arkansas Department of Health and Human Services, Arkansas Works Program, December 2018. Available at: http://d31hzlhk6di2h5.cloudfront.net/20190115/88/f6/04/2d/3480592f7fbd6c891d9bacb6/011519_AWReport.pdf

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[iii] Benjamin D. Sommers, MD, et al. "Medicaid Work Requirements—Results from the First Year in Arkansas," New England Journal of Medicine. Published online June 18, 2019. Available at: https://www.nejm.org/doi/full/10.1056/NEJMsr1901772

[iv] Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements. U.S. Government Accountability Office. October 1, 2019. Available at: https://www.gao.gov/products/gao-20-149

[v] Coker, Margaret. "Georgia Touts its Medicaid Experiment as a Success. The Numbers Tell a Different Story. ProPublica. February 19, 2025. Available at: https://www.propublica.org/article/georgia-medicaid-work-requirement-pathways-to-coverage-hurdles

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[viii] Ohio Department of Medicaid, 2018 Ohio Medicaid Group VII Assessment: Follow-Up to the 2016 Ohio Medicaid Group VIII Assessment, August 2018. Available at: https://medicaid.ohio.gov/wps/wcm/connect/gov/2468a404-5b09-4b85-85cd-4473a1ec8758/Group-VIII-Final-Report.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE.Z18_K9I401S01H7F40QBNJU3SO1F56-2468a404-5b09-4b85-85cd-4473a1ec8758-nAUQnlt

[ix] Benjamin D. Sommers, MD, et al. "Medicaid Work Requirements—Results from the First Year in Arkansas," New England Journal of Medicine. Published online June 18, 2019. Available at: https://www.nejm.org/doi/full/10.1056/NEJMsr1901772