

July 11, 2025

Secretary Robert F. Kennedy, Jr.
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Iowa Health and Wellness Plan Section 1115 Demonstration Amendment

Dear Secretary Kennedy,

The Center on Budget and Policy Priorities and the Georgetown University Center for Children and Families appreciate the opportunity to comment on Iowa's proposed amendment to its "Iowa Health and Wellness Plan" section 1115 demonstration.¹ The Center on Budget and Policy Priorities (CBPP) is a nonpartisan research and policy organization based in Washington, D.C. Founded in 1981, CBPP conducts research and analysis to inform public debates and policymakers about a range of budget, tax, and programmatic issues affecting individuals and families with low or moderate incomes. The Georgetown University Center for Children and Families (CCF) is an independent, nonpartisan policy and research center founded in 2005 with a mission to expand and improve high quality, affordable health coverage for America's children and families. As part of the McCourt School of Public Policy, Georgetown CCF conducts research, develops strategies, and offers solutions to improve the health of America's children and families, particularly those with low and moderate incomes.

Iowa is seeking authority to amend its "Iowa Health and Wellness Plan" (IHAWP) demonstration to impose work requirements on non-exempt Medicaid expansion adults age 19 to 64. The state's amendment seeks to implement the work requirements by April 1, 2026. The state projects that the amendment will result in a drop in average monthly enrollment of 27,351, or 16 percent (from 171,436 in the base period to 144,085) in 2026 alone due to not meeting the work requirements. By year five, the state estimates that average monthly enrollment will decline by 36,814, or 21 percent.² The state does not explain how many of those adults disenrolled from Medicaid will remain uninsured or how the lack of health coverage will affect their ability to work.

The state submitted its amendment to CMS on June 6th. One month later, H.R. 1 became law (P.L. 119-21). That legislation includes a mandate that all expansion states, like Iowa, impose work requirements on those expansion adults (section 71119). All states must begin imposing the mandate by January 1, 2027, although states may elect to implement the work requirements at an earlier date. In either case, a state must follow the detailed specifications set forth in section 1902(xx) of the Social Security Act relating to compliance, exemptions, verification, outreach, notices, etc. The statute expressly prohibits the Secretary from waiving these requirements.

We urge you to reject the state's proposed amendment. The amendment was not approvable before the enactment of P.L. 119-21 because it would not further the objective of Medicaid – i.e., to provide health care coverage for low-income Americans. To the contrary, the amendment poses a

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

² IHAWP Amendment, page 13.

demonstrable threat to the health care access and wellbeing of low-income adults in Iowa, including parents of dependent children and pregnant people. The amendment is not approvable now because it does not align with the work requirements specified by P.L. 119-21, which the Secretary does not have the authority to waive

Iowa's proposed amendment would impose work requirements that will result in large Medicaid coverage losses for low-income adults, including parents with dependent children, pregnant people, and people with disabilities, without actually supporting work.

Under the amendment, adults age 19 to 64 enrolled in Medicaid expansion would be required to work at least 100 hours per month or earn wages equate to the state minimum wage for 100 hours (\$725 per month) in order to maintain their Medicaid coverage. They could also satisfy this requirement by enrolling in an educational/job skills program, complying with TANF or SNAP work requirements, or being exempted from SNAP work requirements. Expansion adults meeting one of nine criteria would be exempt from the Medicaid work requirements.³

Research has consistently shown that work requirements fail to promote employment.⁴ In fact, evidence shows that access to Medicaid coverage is supportive of finding and maintaining work.⁵ Empirical evidence from work requirements in Arkansas and Georgia, implemented in 2018 and 2023 respectively, show how the policy does not support coverage. In Arkansas, twenty-five percent of the individuals subject to the work requirement (over 18,000 people) lost coverage in three months, due to failure to report their work status or eligibility for an exemption.⁶ As of April 2025, far fewer adults had enrolled in coverage in the Georgia's "Pathways to Coverage" section 1115 waiver than the state predicted when it applied for its waiver.⁷ In both of these cases, work requirements have led to coverage losses or prevented people from getting coverage they need. Iowa's proposed work requirement has even greater potential for harm, as it requires more hours of work each month and subjects more people to the work requirement compared to Arkansas and Georgia's demonstrations.

Iowa's proposal would create barriers to maintaining or obtaining coverage for parents and caretakers with dependent children who are enrolled through the expansion group. (Many parents with Medicaid in Iowa are covered through the adult expansion group – those with incomes

³ IHAWP Amendment, page 8.

⁴ LaDonna Pavetti, "TANF Studies Show Work Requirements Proposals for Other Programs Would Harm Millions, Do Little to Increase Work," Center on Budget and Policy Priorities, November 2018, <https://www.cbpp.org/sites/default/files/atoms/files/11-13-18tanf.pdf>; Benjamin Sommers, et al., "Medicaid Work Requirements In Arkansas: Two-Year Impacts on Coverage, Employment, and Affordability of Care," Health Affairs, Vol 36(9), September 2020, available at <https://doi/10.1377/hlthaff.2020.00538>.

⁵ Madeline Guth, Rachel Garfield, and Robin Rudowitz, "The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020," KFF, May 17, 2020, <https://www.kff.org/report-section/the-effects-of-medicaid-expansion-under-the-acaupdated-findings-from-a-literature-review-report/>; Larisa Antonisse and Rachel Garfield, "The Relationship Between Work and Health: Findings from a Literature Review," KFF, August 7, 2018, <https://www.kff.org/medicaid/issue-brief/the-relationshipbetween-work-and-health-findings-from-a-literature-review/>.

⁶ Elizabeth Hinton and Robin Rudowitz, "5 Key Facts About Medicaid Work Requirements," KFF, February 2025, <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-workrequirements/#:~:text=3,in%20care%2C%20and%20medical%20debt>.

⁷ GeorgiaPathways.org "Data Tracker," Accessed June 23, 2025), <https://www.georgiapathways.org/data-tracker>.

between 39%, or \$866 per month for a family of three, and 138% FPL, or \$3,065 per month).⁸ The proposal includes an exemption limited to caretakers of children under the age of six; however, this does not address the realities of parenting school-age or adolescent children, which may require variable or seasonal work schedules that would not meet the 100-hour per month requirement. Parents often need to miss work to take care of a sick child, and parents of children with chronic or serious health conditions or intellectual disabilities may face even more challenges maintaining a job. Even if a parent may have more flexibility to work during the school year, they would face greater difficulties meeting the work requirement during periods where their children are not in school like summer breaks.

Iowa's proposed demonstration also risks disruption to essential prenatal care and adverse maternal outcomes by only offering an exemption for pregnant individuals if the pregnancy is "high-risk." There are two broad problems with this policy. While pregnancy is an independent *mandatory* basis of categorical Medicaid eligibility, CMS guidance has indicated that states have no obligation to monitor individuals for pregnancy status and individuals who are pregnant are not required to move eligibility categories.⁹ The proposed work requirement not only places an unnecessary burden on individuals to prove their pregnancy is "high-risk," but also risks all pregnant individuals' ability to get recommended prenatal care which helps reduce negative health outcomes for both the mother and baby. Pregnant individuals who are subject to the proposed work requirement would be faced with the ultimate catch-22 – having to choose whether to attend recommended prenatal appointments (which can occur up to every week later in pregnancy) at the risk of not working enough hours to meet the proposed requirement or skipping some visits in order to maintain health coverage needed to receive care. Evidence shows that for low-income pregnant patients, disruptions in health insurance coverage are associated with lower levels of recommended pregnancy-related care, increasing risks of adverse outcomes for both mothers and babies.¹⁰

Iowa's proposal includes an exemption for "individuals who are determined disabled by the United States Social Security Administration." People with disabilities are found across age groups and Medicaid eligibility categories.¹¹ In fact, in Iowa 69% of Medicaid enrollees with disabilities are not in a Supplemental Security Income (SSI) related category.¹² For those who could be eligible to receive a disability determination from the SSA, receiving this documentation can take months, leading to potentially expensive and dangerous gaps in coverage. And for the many others with a disability that

⁸ Tricia Brooks, *et. al.*, "Medicaid and CHIP Eligibility, Enrollment, and Renewal Policies as States Resume Routine Operations Following the Unwinding of the Pandemic-Era Continuous Enrollment Protections," KFF, April 1, 2025, <https://www.kff.org/report-section/medicaid-and-chip-eligibility-enrollment-and-renewal-policies-as-states-resume-routine-operations-appendix-tables/#table-5>.

⁹ States are required to inform individuals who are pregnant of benefits in the pregnancy eligibility category, including differences in benefits, premiums, and cost-sharing, but are not required to monitor pregnancy status nor move the individuals in the Group VIII population to the pregnancy eligibility group once they become pregnant. Preamble to 42 CFR Parts 431, 435, and 457, pg. 6: 2012- 6560.pdf; Center for Medicaid and CHIP Services, "SHO #21-007 RE: Improving Maternal Health and Extending Postpartum Coverage in Medicaid and the Children's Health Insurance Program," December 7, 2021, sho21007_1.pdf.

¹⁰ Lindsay K. Admon et al., "Insurance Coverage and Perinatal Health Care Use Among Low-Income Women in the US, 2015-2017," JAMA Network Open, Vol. 4(1), January 2021, available at <https://doi.org/10.1001/jamanetworkopen.2020.34549>.

¹¹ Alicia Burns and Sammy Cervantes, "5 Key Facts About Medicaid Coverage for People with Disabilities," KFF, February 2025, <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-coverage-for-people-with-disabilities>.

¹² Ibid.

does not meet the strict SSA threshold, the ability to receive necessary medical services and/or maintain employment would be in jeopardy if they are unable to meet the work requirement, especially given the 100 hour per month threshold.

Iowa's proposed amendment does not comply with the requirements of section 1902(xx) of the Social Security Act and is therefore not approvable.

Section 1902(xx) of the Social Security Act, which was signed into law on July 4, requires all states that, like Iowa, cover Medicaid expansion adults to impose work requirements on those adults no later than January 1, 2027, unless the Secretary exempts the state on the grounds that it is making a "good faith effort to comply" with the requirements. A state may implement work reporting requirements before January 1, 2027, but only if the state complies with the specific, detailed requirements in 1902(xx).¹³ Section 1902(xx)(10) expressly prohibits the Secretary from waiving any of these requirements. The state's proposed amendment does not comply with the many of the requirements of section 1902(xx) and is therefore not approvable.

Here is a very partial list of the noncomplying elements of the state's proposed amendment:

- (1) Section 1902(xx) defines compliance with work requirements as 80 hours of work per month; Iowa's proposed amendment would require 100 hours of work per month.
- (2) Section 1902(xx) requires states to exempt parents, guardians, caretaker relatives, or family caregivers of a dependent child age 13 or under; Iowa's proposed amendment would exempt only caretakers of children under the age of 6.
- (3) Section 1902(xx) requires states to exempt individuals who are pregnant or entitled to postpartum medical assistance; Iowa's proposed amendment exempts only individuals who are pregnant and the pregnancy is high-risk.
- (4) Section 1902(xx) requires states to exempt individuals with substance use disorder; Iowa's proposed amendment would exempt individuals participating in SUD treatment, not to exceed a consecutive six-month period.
- (5) Section 1902(xx) requires states to exempt individuals with a disabling mental health disorder; Iowa's proposed amendment would provide no exemption whatsoever for individuals with mental health conditions.
- (6) Section 1902(xx) requires states to exempt inmates of jails or prisons during incarceration and for 3 months post-release; Iowa's proposed amendment provides no exemption for such individuals, either while incarcerated or post-release.
- (7) Section 1902(xx) requires that states notify all non-exempt Medicaid expansion adults of their work requirement obligations at least four months prior to the implementation date of January 1, 2027 (or earlier if a state elects to implement earlier) and periodically thereafter; Iowa's proposed amendment does not indicate any plans such outreach.

¹³ Section 1902(xx)(1) provides: "Except as provided in paragraph (11), beginning not later than the first day of the first quarter that begins after December 31, 2026, or, at the option of the State under a waiver or demonstration project under section 1115 or the State plan, such earlier date as the State may specify, ***subject to the succeeding provisions of this subsection***, a State shall provide, as a condition of eligibility for medical assistance for an applicable individual, that such individual is required to demonstrate community engagement under paragraph (2)...." (emphasis added).

Conclusion

To be clear, we strongly oppose work requirements. They serve no purpose other than to take health coverage away from low-income adults, including parents of dependent children, most of whom are already working full- or part-time.¹⁴ They also impose high administrative burdens and large, wasteful administrative costs on state Medicaid agencies. We recognize, however, that Congress has established new policy in section 1902(xx), and although the policy is profoundly misguided and harmful, both the Secretary and the Medicaid expansion states must comply. Iowa's proposed amendment does not follow the requirements in the recently passed mandate, and as such, it cannot be approved. CMS should therefore reject the proposed amendment. If the state wants to implement work requirements before the statutory effective date of January 1, 2027, the Secretary should require that the state revise its amendment to comply with P.L. 119-21 and seek comment on the revised application at the state level (consistent with 42 C.F.R. 431.408) prior to resubmitting to CMS. We urge the Secretary to encourage Iowa and all other expansion states to await the issuance of CMS implementation guidance, including the Interim Final Rule that CMS is required to issue, prior to submitting proposals for early adoption of the P.L. 119-21 work requirements.

The proposed work requirements would add an additional barrier to coverage on top of the problematic policies that are already in the state's demonstration that the state seeks to extend – healthy behavior requirements, premiums and disenrollment for nonpayment, and elimination of retroactive coverage and non-emergency medical transportation. We continue to oppose these policies in the underlying demonstration, for reasons detailed in our previous comment letters.¹⁵

Our comments include numerous citations to supporting research, including direct links to the research, for HHS's benefit in reviewing our comments. We direct HHS to each of the studies cited and made available to the agency through active hyperlinks, and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act.

Thank you for your willingness to consider our comments. If you need any additional information, please contact Andy Schneider (andy.schneider@georgetown.edu) or Allison Orris (aorris@cbpp.org).

¹⁴ Gideon Lukens, "Research Note: Most Medicaid Enrollees Work, Refuting Proposals to Condition Medicaid on Unnecessary Work Requirements," Center on Budget and Policy Priorities, November 12, 2024, <https://www.cbpp.org/research/health/most-medicaid-enrollees-work-refuting-proposals-to-condition-medicaid-on>.

¹⁵ Center on Budget and Policy Priorities and Georgetown University Center for Children and Families comments on Iowa Health and Wellness Plan Section 1115 Demonstration Extension, August 9, 2024, https://1115publiccomments.medicaid.gov/jfe/file/F_3nDA74hBS3suwf9; CBPP and Georgetown CCF comments on Iowa Health and Wellness Plan Section 1115 Demonstration Extension Reopened Comment Period, June 11, 2025, https://1115publiccomments.medicaid.gov/jfe/file/v2/dd136f81e2dc7b40ef871a96cd4e4d46fe67adc24d046880f37a12db6ff586c8/a5b5a05227163869261a9cb1f7d5e7d1f83fdb01895a954e87283f41596e81a2/F_12MC2iK94OAgiET.