

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 235
Kansas City, Missouri 64106



Division of Medicaid and Children's Health Operations

April 6, 2011

Refer to:
DMCH: BC
IA SPA 11-01

Charles M. Palmer, Director
Department of Human Services
Hoover State Office Building
1305 East Walnut, 5th Floor
Des Moines, Iowa 50319-0119

Dear Mr. Palmer:

On January 28, 2011, the Centers for Medicare & Medicaid Services (CMS) received Iowa's state plan amendment (SPA), transmittal #11-01, to adjust the method used for determining the cost-effectiveness of health insurance plans when determining if the State will pay premiums for private insurance under the Health Insurance Premium Payment (HIPP) under Section 1906 of the Act. Previously Iowa had allowed deemed cost effectiveness under certain criteria. This SPA eliminates the deemed cost effectiveness criteria so that the cost effectiveness of each plan must be considered individually against the cost effectiveness formula. This criterion had originally been added to the State Plan with TN #96-07.

This letter is to inform you that CMS is approving SPA 11-01 as of April 5, 2011 with an effective date of January 1, 2011. Enclosed is a copy of the CMS 179 form, as well as, the approved pages for incorporation into the Iowa State plan. If you have any questions regarding this amendment, please call Barbara Cotterman at (816) 426-5925.

Sincerely,

/s/

James G. Scott
Associate Regional Administrator
for Medicaid and Children's Health Operations

Enclosure

cc: Jennifer Vermeer
Alisa Horn
Sara Schneider