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August 23, 2013

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20500

The Honorable Kathleen Sebelius
Secretary, U.S. Dept. of Health & Human Services (HHS)
200 Independence Avenue, SW
Washington, D.C. 20201

Dear President Obama and Secretary Sebelius:

This letter accompanies the Iowa Health and Wellness Plan (IHWP) waiver submission. We write to request expedited approval. Our plan passed with bi-partisan support and is designed to increase access, drive personal health ownership, and reform our health care delivery system to pay for quality, not quantity of health care delivered. It is an Iowa-based solution for health care in our state and demonstrates the opportunity for state flexibility in implementing health care reform. The bipartisan legislation, which passed the Democrat-controlled Iowa Senate and the Republican-controlled Iowa House, is a great example of people with different perspectives working together toward a common end. While we have varying opinions regarding the Affordable Care Act (ACA), we have not let our differences prevent us from meeting our responsibilities and moving Iowa forward.

We want to commend HHS for their work with us thus far on the IHWP. Iowa seeks 1115 waivers which allow states flexibility to test new or existing approaches to financing and delivering Medicaid. The IHWP provides access to high-quality modern health care coverage for Iowans from 0 to 138 percent of the federal poverty level (FPL). Iowans at, or below, the poverty level will have benefits like those received by state employees delivered through Accountable Care Organizations (ACOs) being developed statewide. Iowans above the poverty level will select a private insurance option from the health benefits exchange. Premium contributions, instead of traditional Medicaid co-pays, played a key role in the bipartisan compromise. Many individuals involved in the bipartisan compromise felt strongly that these premiums can help drive personal awareness and ownership of health outcomes. These contributions are intended to encourage, through positive rewards, improved access to quality care. The individual premiums were an important component of reaching a bipartisan compromise and we believe it can be an important tool in driving personal health ownership. In short, the premium component was clearly outlined in our State law and must be part of the waiver approval for the IHWP to move forward.

The IHWP does not call for all members to pay premiums. Members from 50 percent FPL and above will be asked to contribute a modest amount towards the premium cost of their care, in lieu of co-pays. These contributions are intended to encourage healthy behaviors through positive rewards and improved access to quality care. It is important to note, premiums have all been waived in the first year of the IHWP and are not due until the second year of implementation. A member must only see their primary care provider for a physical and health risk assessment and their second year premiums are

waived. This simple, but common sense approach encourages Iowans to access health care in a manner that benefits their health and the long-term health of the IHWP. Previously, premium contributions were part of the Iowa Care program and did not serve as a limitation to access. Furthermore, our previous experience with premium contributions gives Iowa an ability to be prepared to implement premiums in year two. Iowa stands ready to implement our innovative approach to incentivizing individual investment in health outcomes.

Iowa has taken a practical approach to ACA implementation. Our state has reviewed and approved all submitted insurance plans for our state-federal partnership exchange model and we are working to educate consumers in Iowa about their health care options. We have leveraged the ACA innovation grant to help modernize our traditional Medicaid program. We have also raised local concerns in a thoughtful way and worked with HHS officials to find solutions for issues related to the Delta Dental and the Farm Bureau Association plans. The IHWP is another example of our practical and pragmatic path. In Iowa, Republicans and Democrats came to the table and forged an Iowa-based bipartisan compromise that respected each side's principles and priorities.

The successful implementation of the IHWP is now in your hands. We want to be innovative and implement a program that improves the health of Iowans. We have been encouraged by our success in working with HHS, but our current Iowa Care waiver expires at the end of this year. Replacing the expiring Iowa Care program with the modern Iowa Health and Wellness Plan is of paramount importance to our state and our citizens. Any delays in approval may severely disrupt the coverage of many Iowans. We hope that you and your team will grant an expedited approval of our waiver requests so we can move forward on our bipartisan plan to improve health outcomes in a way that works for the State of Iowa.

We will be in Washington, D.C. on September 24 and 25 and we would like to request an opportunity to meet with you both for a discussion on our innovative approach. If those dates are not convenient, we would be willing to schedule a phone call at a more convenient time in the near future. Thank you for your time and consideration.

Sincerely,

Terry E. Branstad
Governor of Iowa

Kim Reynolds
Lt. Governor of Iowa