

INFORMATIONAL LETTER NO. 2209-MC-FFS

DATE: January 20, 2021

TO: All Medicaid Enrolled Providers

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

ISSUED BY: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Medicaid Coverage for Citizens of Palau, the Marshall Islands, and the Federated States of Micronesia Living in the U.S.

EFFECTIVE: Upon Receipt

The 2021 Consolidated Appropriations Act (CAA) was signed into law on December 27, 2020. Section 208 of the CAA adds Medicaid coverage for citizens of Palau, the Marshall Islands, and the Federated States of Micronesia living in the United States through treaties known as the Compacts of Free Association (COFA).

A drafting error in previous federal legislation caused COFA migrants to be barred from receiving full Medicaid coverage since 1996. While the State of Iowa utilized a state option made available in subsequent federal legislation in 2010 to offer full Medicaid to otherwise-eligible COFA migrants under age 21, Iowa Medicaid was unable to offer full Medicaid to COFA migrants age 21 and over.

This new legislation requires all states to now provide full Medicaid to all otherwise-eligible COFA migrants. As a result, COFA migrants of all ages who apply for Medicaid and meet all other Medicaid eligibility requirements (e.g. income limits, cooperation with Medicaid program requirements, etc.) will be eligible for full Medicaid in their state of residence. While a 5-year bar on Medicaid eligibility is imposed on some categories of immigrants, the legislation exempts COFA migrants from the 5-year bar.

DHS is awaiting further guidance from the Centers for Medicare and Medicaid Services (CMS), and has begun developing an implementation plan to provide Medicaid coverage to the COFA migrant population as soon as possible.

Future updates will be released in an Informational Letter (IL) and posted on the Department's website.