

Office of the Governor of Iowa

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## IID commissioner: Iowa to withdraw stopgap measure from federal consideration

**Date:** October 23, 2017

Iowa Insurance Division (IID) Commissioner Doug Ommen announced Monday afternoon that Iowa is [withdrawing](#) its Section 1332 Waiver, also known as the Iowa Stopgap Measure, from federal consideration. The Stopgap Measure was a conservative and innovative approach to relieve Iowans suffering under Obamacare. Congress must repeal Obamacare, returning power to states, so states like Iowa can implement innovative solutions that fit their needs. Healthcare reform must be affordable for everyday Iowans and empower consumers to have high quality healthcare.

“Premiums under Obamacare have [increased](#) 110% for Iowans since 2013, and thousands of Iowans can no longer afford health insurance,” Governor Kim Reynolds and the Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma said in a joint statement. “Iowa pursued state flexibility through the Stopgap Measure, but ultimately, Obamacare is an inflexible law that Congress must repeal and replace. Obamacare is unaffordable, unsustainable and unworkable.”

“Obamacare is an unworkable law,” IID Commissioner Ommen said. “The Stopgap Measure was an innovative solution to help thousands of Iowans. Unfortunately, Obamacare’s waiver rules are so inflexible that the Stopgap cannot be approved under terms that would be workable for Iowa. This is evidenced by the fact that a bipartisan group of senators recently announced a bill to fix some of the inflexibilities on Obamacare’s waiver provision that Iowa has run into.”

Iowa appreciates President Donald Trump and his administration’s commitment to state flexibility, including CMS Administrator Seema Verma’s hard work and commitment to innovation so states can administer healthcare systems that fit their needs. But, Obamacare was written in an inflexible way, and Iowa could not receive the terms it needed to move forward with the Stopgap Measure. Obamacare’s Section 1332 says that states can file for an innovative waiver, but if those states are facing a failing market, and if they are successful in stabilizing the market and bringing people back in, the waiver will not work. In other words, the title of Section 1332—“state innovation waivers”—is an oxymoron.

Recently, President Trump signed an [executive order](#) promoting healthcare choice and competition. We are hopeful that expansion of short-term health plans and association plans for individuals will provide much needed relief in the near future. Additionally, Iowans eligible for Obamacare subsidies or who can afford the high cost of Obamacare will be able to sign up for health insurance on [healthcare.gov](#), starting November 1, 2017, with Medica.

## Iowa's Section 1332 Waiver – Stopgap Measure Timeline

Last spring, Iowa faced no health carriers in all 99 counties for the individual health insurance market. Iowa developed the Stopgap Measure as a short-term solution as Congress acted to stabilize the health insurance market with a long-term solution.

The Stopgap Measure was a conservative and innovative solution to cover more Iowans and keep premiums lower. Below is a timeline of the Stopgap Measure. Section 1332 Waivers in Obamacare are unworkable as they are not designed to fix collapsing individual health insurance markets created by Obamacare. Congress must take action to fix this.

Date	Milestone
<b>April</b>	All Iowa's health carriers either withdraw or signal they are going to withdraw. Iowans will have no health insurance options in the individual market in 2018.
<b>May 4</b>	House of Representatives passes the American Health Care Act that included the State Stabilization Fund for collapsing individual health insurance markets.
<b>Late May</b>	Governor Reynolds takes the oath of office and directs Iowa's Insurance Commissioner Doug Ommen to come up with a solution.
<b>June 12</b>	Iowa releases the Stopgap Measure to relieve suffering Iowans from Obamacare and begins the state public comment on the Stopgap Measure.
<b>June 19</b>	Medica files to be in the Obamacare market. They later amend their filing to show a 57% rate increase.
<b>June - August</b>	State comment period, with four public hearings. Iowa hears overwhelmingly that Iowans support the Stopgap Measure.
<b>August 21</b>	With overwhelming support from Iowans, business groups, medical professionals and other stakeholders, Iowa submits the Stopgap Measure Waiver request for federal consideration.
<b>September 19</b>	CMS sends Iowa the completeness letter, which starts the 30-day federal comment period.
<b>September 20 &amp; October 6</b>	Iowa amends the Stopgap to cover certain levels of out-of-pocket cost for low-income Iowans. As Iowa made those adjustments, the Stopgap Measure becomes more expensive and looks less and less like state flexibility and more like Obamacare.
<b>October 19</b>	Federal 30-day public comment period ends.
<b>October 20</b>	Iowa receives letter from CMS outlining how federal funding will be calculated for the waiver.

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