Fact Sheet

The Impact of the American Health Care Act on Total Medicaid Spending in Iowa

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For more than 50 years, Medicaid has served as a critical safety net for millions of people who deplete their life savings and turn to the program for assistance as their ability to care for themselves declines. This includes millions of children and adults with disabilities and low-income seniors, many of whom need health care and long-term services and supports (LTSS)—including help with eating, bathing, dressing, or managing finances—to meet their daily needs. Provisions included in the American Health Care Act (AHCA) would shift costs over time both to states and to Medicaid enrollees, many of whom simply cannot afford to pay more for their health care or LTSS needs.

Using projections from the Centers for Medicare & Medicaid Services (CMS) Office of the Actuary, the AHCA as passed by the House would cut total Medicaid spending by $863 million in fiscal year (FY) 2026—an 11 percent cut in Medicaid funding.

One out of every nine Medicaid beneficiaries in Iowa (a total of 66,000 people by FY2026) would have to lose coverage in order for those remaining to maintain their current level of service.

Data and Assumptions: Projections by Manatt for the AARP Public Policy Institute. Projections include full-benefit Medicaid enrollees and are based on historical Medicaid data (CMS-64 and MSIS), trended forward using US Census Bureau population projections by state and age, and CMS Office of the Actuary projections of CPI-M and Medicaid cost growth by state and eligibility group. We assume that, in response to the AHCA, states would roll back the Medicaid expansion to include only grandfathered individuals and reduce state Medicaid spending in proportion to federal cuts.