HIV+HEP
POLICY INSTITUTE

June 25, 2025

Doug Ommen
Commissioner
Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines IA 50315

**Subject: Substandard & Discriminatory HIV Medication Plan Design and Coverage by Medica**

Dear Commissioner Ommen:

The **HIV+Hepatitis Policy Institute** appreciates the Division's response to our complaint regarding substandard**,** discriminatory coverage of HIV treatment medications by Medica health plans in Iowa. Our complaint identified three ways Medica's benefit designs discourage enrollment by people with HIV, in violation of the non-discrimination provisions of the ACA:[1]

(1) They engage in **adverse tiering**
(2) They do not meet **clinical appropriateness** standards
(3) They do not meet the **Essential Health Benefits (EHB) benchmark**

We agree with your assessment on issue (3) that Medica's plans meet Iowa's EHB standard and we withdraw our complaint on this issue. We are, however, extremely disappointed in your response to our complaint on issues (1) and (2). It appears that Iowa Insurance Division (IID) has simply accepted the insurer's claims on both questions without conducting a thorough investigation. We respectfully ask that you conduct a thorough review and consider the points that we reiterate below. In an effort to demonstrate that Medica is an extreme outlier in the coverage of HIV medications, we include additional data comparing Medica's benefit designs with those of other issuers on the Iowa Marketplace.

**(1) Adverse tiering.**

- Our complaint: *Medica's plans engage in a practice known as "adverse tiering," in which all or the majority of drugs to treat a particular health condition are placed on the highest cost-sharing tiers.*

- IID response: *Medica has provided information showing that it has HIV treatment medications available that are not on the highest cost-sharing tiers. The Division will closely monitor this and will ensure that Medica's*

[1] 45 CFR 156.122 (a)(3)(iii)(H)

*future formularies are also compliant with the requirement to ensure there are HIV treatment medications on lower cost sharing tiers.*

Adverse tiering has been clearly and consistently defined by CMS since 2015: it occurs when an issuer places *all or a majority of* drugs to treat a particular health condition *on a high-cost formulary tier*.[2] There can be no doubt that most of Medica's plans on the Iowa Marketplace violate this straightforward standard.

In your response, you state that "*Medica has provided information showing that it has HIV treatment medications available that are not on the highest cost-sharing tiers*." We do not dispute that Medica has a handful of mostly uncommonly prescribed antiretrovirals that are not on the highest cost-sharing tiers (enumerated in our complaint)—but a plan in which 16 percent of covered drugs are on a low-cost tier while 84 percent are covered on the highest-cost tier is manifestly engaged in adverse tiering.

It is important to note that the practice of adverse tiering is assessed at the plan level, not the issuer level,[3] so Medica should not be able to point to the availability of plans for which antiretroviral drugs are not on the highest cost tier to justify the existence of other plans which do engage in this discriminatory practice.

Medica employs two distinct tiering strategies for its various plans offered on the Iowa Exchange. In most plans, which are the subject of our adverse tiering complaint, Tier 5 (the specialty tier, with 84 percent of covered antiretrovirals) is the highest-cost tier. A smaller number of plans in which Tier 4 (non-preferred brands and generics, with no antiretroviral drugs) is the highest-cost tier, are not engaged in adverse tiering of HIV treatments.

To determine if Medica's tiering is an outlier among plans offered in the state, we looked at formularies from all five issuers on the Iowa Exchange. The following table summarizes what percentage of covered antiretrovirals are placed on the highest cost-sharing tier across all five issuers on the Iowa Exchange:

| | Medica | Oscar | Wellmark | Ambetter | UHC |
|---|---|---|---|---|---|
| number of covered drugs | 32 | 42 | 48 | 41 | 36 |
| number of drugs on the highest-cost tier | 27 | 2 | 4 | 1 | 1 |
| percentage of drugs on the highest cost tier | 84% | 5% | 8% | 2% | 3% |

[2] See, for example, the 2016 Payment Notice Final Rule: https://www.federalregister.gov/documents/2015/02/27/2015-03751/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2016.

[3] For example, CMS states in the 2025 Letter to Issuers that "[p]lans will be flagged for possible adverse tiering if all drugs for at least one of the four medical conditions are placed on the highest effective cost sharing tier," https://www.cms.gov/files/document/final-2026-letter-issuers.pdf.

The data presented in this table show that Medica's tiering practices for antiretrovirals are far more adverse than those of other issuers on the Iowa Exchange. We believe this very significant, more than ten-fold difference between Medica, the issuer with the most antiretrovirals on the highest-cost tier, and Wellmark, the issuer in second place, shows there is a compelling need for state enforcement action to bring Medica in compliance.

**(2) Clinical appropriateness**.

- **Complaint**: Medica's plans fail to cover treatment regimens recommended in broadly accepted treatment guidelines and that are indicative of clinical best practice.

- **IID Response**: Medica provided information showing it meets the minimum standards for HIV treatment guidelines and additionally offers step therapy and exception processes to provide benefit coverage if formulary products are medically inappropriate.

Plans must cover drugs recommended in broadly accepted treatment guidelines and reflect clinical best practice, and so should cover *all* "preferred" and "alternative" first-line regimens as well as other guideline-recommended drugs. Of the eight "preferred" and "alternate" regimens recommended in current HIV treatment guidelines, however, Medica covers only three, substantially fewer first-line regimens than other issuers on the Iowa Marketplace, which cover anywhere from five (UHC) to all eight (Wellmark).

Medica also covers substantially fewer single-tablet regimens than other issuers. As we have noted, CMS since 2015 cited lack of coverage of single-tablet regimens for the treatment of HIV as an example of potentially discriminatory coverage.[4] Of the thirteen commercially available single-tablet regimens, Medica covers only four. Other insurers far better reflect clinical best practice, covering anywhere from nine to thirteen.

The following table compares Medica coverage of antiretrovirals to that of other issuers on the Iowa Exchanges:

| | Medica | Oscar | Wellmark | Ambetter | UHC |
|---|---|---|---|---|---|
| number of "preferred" first-line regimens covered (out of 4) | 2 | 3 | 4 | 3 | 3 |
| number of "alternate" first-line regimens covered (out of 4) | 1 | 3 | 4 | 4 | 2 |
| number of STRs covered (out of 13) | 4 | 9 | 13 | 12 | 10 |
| percent of "preferred" and "alternate" first-line regimens covered | 37.5% | 75.0% | 100.0% | 87.5% | 62.5% |
| percent of STRs coverted | 30.8% | 69.2% | 100.0% | 92.3% | 76.9% |

QHPs are required to provide exception processes to provide access to non-formulary drugs when medically appropriate, so we do not agree that these mandatory processes can be cited to excuse substandard and discriminatory formulary coverage.

[4] See 2016 Letter to Issuers: https://www.cms.gov/cciio/resources/regulations-and-guidance/downloads/2016-letter-to-issuers-2-20-2015-r.pdf.

We believe the data we have presented unequivocally demonstrate that Medica is providing discriminatory and substandard coverage of HIV treatment medications in ways which discourage the enrollment of people living with HIV. In addition, they show that Medica's practices are an outlier on the Iowa Exchange with respect to both adverse tiering and clinical appropriateness.

We urge IID to protect Iowans living with HIV—and all Iowa consumers—from these egregiously substandard benefit designs. State insurance regulators must substantially enforce the law and make their own determinations as to whether issuers are complying with it, rather than simply accepting information provided by issuers as fact.

Once again, we look forward to learning what actions you will take regarding Medica's formulary in order to ensure that all 2026 Marketplace and other state-regulated plans in Iowa meet ACA requirements for non-discriminatory coverage of HIV treatment.

If you have any questions, comments, or would like to discuss these issues further, please contact Carl Schmid, Executive Director, HIV+Hepatitis Policy Institute at cschmid@hivhep.org or (202) 462-3042; or Kevin Herwig, Health Policy Manager, HIV+Hepatitis Policy Institute at kherwig@hivhep.org or (617) 666-6634.

Sincerely,



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Executive Director

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