



### **Iowa Senate Majority Leader**

Mike Gronstal, the Iowa Senate Majority Leader, spoke at the Treynor Optimist Club on March 5. He started his presentation talking about his grandfather, B.A. Gronstal, who was president of the former Council Bluffs Savings Bank.

Gronstal said that the Iowa legislature is working on budget matters. The Iowa budget has three main functions: educate, medicate, and incarcerate. These three items cover 90% of the budget. 57-58% of the budget is for education.

The state is transitioning Medicaid to managed care. The Iowa rate is \$3300 and Louisiana is \$7500. There are three providers in Iowa for managed care. They say they can save 7-15% for the state. The Federal Medical Assistance Percentages (FMAPs) are used in determining the amount of Federal matching funds for State expenditures for Medicaid. Gronstal said that he was confident that they could save 7-15% in a

state like Louisiana where the federal government subsidies are high, but it will be difficult to achieve in Iowa. The FMAP rates also show why reimbursements to hospitals in Iowa is about the lowest in the country. In Iowa, more than 90% of the increase in the Iowa Medicaid subsidies is due to the low FMAP for Iowa.

Speaking on incarceration, Gronstal said that Iowa is on the low side of states for the number of people locked up. Iowa is low on violent crime and has the lowest murder rate in the country.

The state is also looking at water quality issues. Des Moines is suing counties upstream to reduce nitrates in the water.