

# The MCO Medicaid Mess

By Rob Sand  
State Auditor

There's a saying in business: "Where there's mystery, there's margin," meaning complexity, confusion, and a lack of transparency create profit opportunities for those at the top. Sounds a lot like the privatization of Medicaid, and Iowa insiders' plans to fund it.

Medicaid alone is complex. The combination of federal and state money pays for healthcare and services for hundreds of thousands of vulnerable Iowans – physically and intellectually disabled kids, veterans, seniors, and low-income families whose employers don't offer insurance. The list goes on. Medicaid members or their

caregivers must also untangle a bureaucratic web of requirements.

In 2016, the Branstad administration, through executive order, added another layer of complexity by deciding to have private companies – known as Managed Care Organizations, or MCOs – manage Medicaid. It'll save money, they said. It'll improve care, they said. A decade later, we know that's not true.

I sounded the alarm in 2021 with a comprehensive review of healthcare outcomes for Medicaid members, comparing the three years before and after privatization. It found a nearly 900% increase in illegal denials of care post-privatization, meaning MCOs told members they couldn't

receive the care they were entitled to – care that your tax dollars pay for.

The report also outlines violations of federal and state law and failures to comply with the contracts negotiated with the state. We heard horror stories from members, particularly those receiving home-based services, left in their beds, and forced to go without baths and wound care.

First and foremost, this is morally and ethically wrong. Companies legally obligated to protect Iowans shouldn't put them at risk. They also shouldn't rip off taxpayers who trust that their money is being used to help their neighbors as intended.

This also increases costs for Iowans who don't even

use Medicaid. Most medical providers in Iowa will tell you they're spending more time and money just getting MCOs to pay their bills. That time (and sometimes, the salary of a new full-time employee) is something YOU pay.

The nonpartisan Legislative Services Agency estimates that the amount the state pays MCOs to manage Medicaid members' cases will increase nearly 90% this fiscal year, from nearly \$73 million in FY25 to \$135.5 million, even as the number of Iowans enrolled declines by about 6,300. If you break that down, the MCOs will pocket an additional \$329 per member this year.

Why the state is paying them more to do less is per-

plexing, especially when lawmakers are scrambling to cover a \$91 million Medicaid deficit this year, followed by a \$168 million shortfall in FY27. But again, that's a pattern: they doubled payment to Odyssey to run the ESA program while asking for nothing more in return.

Lawmakers' plan to bridge the gap would retroactively increase taxes on Health Maintenance Organizations (HMOs), which most Iowans rely on for health insurance. It's no mystery who will end up eating the increase – Iowa taxpayers. Insurance executives estimate a family of four would pay an additional \$500 in premiums between now and December.

Enough already. With the state's economy ranked the

worst in the nation and average personal income growth near the bottom three consecutive years, Iowans have less money in their pockets as it is.

Iowa taxpayers shouldn't be expected to clean up another mess created by a decade of politically motivated policies and reckless budgeting practices. They deserve transparency and leaders willing to shine a light on the margins and hold the MCOs accountable. The privatization of Medicaid should be reversed to save Iowans' tax dollars and reduce healthcare costs, while improving the quality of care.

## BCLUW Budget Public Hearing #2

NOTICE OF PUBLIC HEARING  
Proposed BCLUW School Budget Summary  
Fiscal Year 2026 - 2027

Location of Public Hearing: BCLUW Middle School Library Date of Hearing: 04/20/2026 Time of Hearing: 07:00 AM

The Board of Directors will conduct a public hearing on the proposed 26/27 school budget at the above noted location and time. At the hearing, any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget. This notice represents a summary of the supporting detail of the revenues and expenditures on file with the district secretary. A copy of the details will be furnished upon request.

	Budget 2027	Re-est. 2026	Actual 2025	Avg % 25-27	
Taxes Levied on Property	1	4,086,033	3,913,405	3,397,859	% 9.7
Utility Replacement Excise Tax	2	99,675	98,624	89,441	% 5.6
Income Surtaxes	3	177,426	176,405	184,121	% -1.8
Tuition/Transportation Received	4	560,000	600,000	553,034	
Earnings on Investments	5	154,000	245,950	149,304	
Nutrition Program Sales	6	150,000	150,000	149,267	
Student Activities and Sales	7	250,000	300,000	233,111	
Other Revenues from Local Sources	8	121,280	200,200	119,936	
Revenue from Intermediary Sources	9	0	0	0	
State Foundation Aid	10	3,246,376	2,994,397	2,947,890	
Instructional Support State Aid	11	7,503	0	0	
Other State Sources	12	827,000	827,200	886,893	
Two Tier Assessment Limitation Replacement	13	53,915	53,915	23,829	
Title I Grants	14	70,000	80,000	70,647	
IDEA and Other Federal Sources	15	375,000	500,000	393,023	
Total Revenues	16	10,178,208	10,140,096	9,198,355	
General Long-Term Debt Proceeds	17	0	0	6,917,109	
Transfers In	18	488,356	486,106	19,016	
Proceeds of Fixed Asset Dispositions	19	25,000	36,000	36,629	
Special Items/Upward Adjustments	20	10,000	10,000	10,059	
Total Revenues & Other Sources	21	10,701,564	10,672,202	16,181,168	
Beginning Fund Balance	22	4,958,474	10,646,862	5,556,690	
Total Resources	23	15,660,038	21,319,064	21,737,858	
*Instruction	24	5,500,954	5,773,000	5,538,142	% -0.3
Student Support Services	25	310,000	290,000	204,695	
Instructional Staff Support Services	26	255,000	245,000	236,917	
General Administration	27	283,900	265,000	302,247	
School Administration	28	619,000	605,000	557,164	
Business & Central Administration	29	169,000	160,000	133,376	
Plant Operation and Maintenance	30	937,000	971,500	1,046,837	
Student Transportation	31	940,000	672,000	635,560	
*Total Support Services (lines 25-31)	31A	3,513,900	3,208,500	3,116,796	% 6.2
*Noninstructional Programs	32	314,500	433,900	412,575	% -12.7
Facilities Acquisition and Construction	33	752,000	6,300,000	1,786,657	
Debt Service (Principal, interest, fiscal charges)	34	967,712	481,606	14,836	
AEA Support - Direct to AEA	35	184,615	163,584	202,974	
*Total Other Expenditures (lines 33-35)	35A	1,904,327	6,945,190	2,004,467	% -2.5
Total Expenditures	36	11,233,681	16,360,590	11,071,980	
Transfers Out	37	483,856	0	19,016	
Other Uses	38	0	0	0	
Total Expenditures, Transfers Out & Other Uses	39	11,717,537	16,360,590	11,090,996	
Ending Fund Balance	40	3,942,501	4,958,474	10,646,862	
Total Requirements	41	15,660,038	21,319,064	21,737,858	
Proposed Property Tax Rate (per \$1,000 taxable valuation)		12.05577			

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## Public Hearing: G-R CSD FY Budget

NOTICE OF PUBLIC HEARING  
Proposed GLADBROOK-REINBECK School Budget Summary  
Fiscal Year 2026 - 2027

Location of Public Hearing: Gladbrook Theater 319 2nd Street Gladbrook, IA 50635 Date of Hearing: 04/16/2026 Time of Hearing: 07:00 PM

The Board of Directors will conduct a public hearing on the proposed 26/27 school budget at the above noted location and time. At the hearing, any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget. This notice represents a summary of the supporting detail of the revenues and expenditures on file with the district secretary. A copy of the details will be furnished upon request.

	Budget 2027	Re-est. 2026	Actual 2025	Avg % 25-27	
Taxes Levied on Property	1	5,344,987	4,218,157	3,916,725	% 16.8
Utility Replacement Excise Tax	2	115,568	94,241	97,664	% 8.8
Income Surtaxes	3	91,444	94,636	94,320	% -1.5
Tuition/Transportation Received	4	325,000	275,000	262,906	
Earnings on Investments	5	335,500	279,500	250,998	
Nutrition Program Sales	6	125,000	115,000	106,513	
Student Activities and Sales	7	240,000	227,000	214,799	
Other Revenues from Local Sources	8	147,500	116,000	102,572	
Revenue from Intermediary Sources	9	0	0	0	
State Foundation Aid	10	5,187,573	4,668,162	4,512,885	
Instructional Support State Aid	11	15,214	0	0	
Other State Sources	12	983,000	877,000	832,930	
Two Tier Assessment Limitation Replacement	13	59,681	59,681	10,532	
Title I Grants	14	90,000	85,000	60,254	
IDEA and Other Federal Sources	15	850,000	750,000	787,777	
Total Revenues	16	13,910,467	11,859,377	11,250,875	
General Long-Term Debt Proceeds	17	10,000,000	0	9,057,591	
Transfers In	18	669,050	663,150	0	
Proceeds of Fixed Asset Dispositions	19	0	0	0	
Special Items/Upward Adjustments	20	0	75,275	34,696	
Total Revenues & Other Sources	21	24,579,517	12,597,802	20,343,162	
Beginning Fund Balance	22	10,977,815	13,907,708	5,576,039	
Total Resources	23	35,557,332	26,505,510	25,919,201	
*Instruction	24	8,050,000	7,285,000	6,927,893	% 7.8
Student Support Services	25	300,000	250,000	236,233	
Instructional Staff Support Services	26	626,000	556,000	370,163	
General Administration	27	405,000	370,000	344,247	
School Administration	28	426,000	401,000	376,703	
Business & Central Administration	29	417,000	327,000	228,402	
Plant Operation and Maintenance	30	1,930,000	1,802,500	1,114,018	
Student Transportation	31	750,000	525,000	390,852	
*Total Support Services (lines 25-31)	31A	4,854,000	4,231,500	3,060,618	% 25.9
*Noninstructional Programs	32	425,000	375,000	302,821	% 18.5
Facilities Acquisition and Construction	33	18,750,000	2,020,000	1,115,328	
Debt Service (Principal, interest, fiscal charges)	34	669,050	663,150	330,598	
AEA Support - Direct to AEA	35	262,131	216,620	268,006	
*Total Other Expenditures (lines 33-35)	35A	19,681,181	2,899,770	1,713,932	% 238.9
Total Expenditures	36	33,010,181	14,791,270	12,005,264	
Transfers Out	37	669,050	663,150	0	
Other Uses	38	0	73,275	6,229	
Total Expenditures, Transfers Out & Other Uses	39	33,679,231	15,527,695	12,011,493	
Ending Fund Balance	40	1,878,101	10,977,815	13,907,708	
Total Requirements	41	35,557,332	26,505,510	25,919,201	
Proposed Property Tax Rate (per \$1,000 taxable valuation)		13.80770			

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## Grundy County BOS Proceedings 3.23.26 Reg

BOARD OF SUPERVISORS PROCEEDINGS

The Grundy County Board of Supervisors met in regular session in the Supervisors' room on March 23, 2026, at 9:00 a.m. Chairperson Nederhoff called the meeting to order with the following members present: Schildroth, Kopsa, Pabst, and Vandehaar.

The Board opened the meeting by reciting the Pledge of Allegiance.

Motion was made by Kopsa and seconded by Vandehaar to approve the minutes of the previous meeting. Carried unanimously.

Jeff Skalberg, County Engineer, discussed department matters.

Motion was made by Pabst and seconded by Schildroth to approve Utility Permit #3-23-26A to Northern Natural Gas to install 10 temporary entrances in various locations for gas main repairs. Carried unanimously.

Motion was made by Vandehaar and seconded by Kopsa to approve Utility Permit #3-23-26B to Northern Natural Gas to repair underground gas main along T53 between S Ave and D35. Carried unanimously.

Motion was made by Schildroth and seconded by Pabst to approve the dust control bid to Binns & Stevens, Oskaloosa, for calendar year 2026 with the low bid of \$661. Carried unanimously.

Katie Thornton-Lang and Andrea DeGroote, representing Grundy County Community Partners, requested the Board proclaim April as Child Abuse Awareness Month and to light the courthouse blue for the first two weeks in April.

Motion was made by Kopsa and seconded by Pabst to proclaim April as Child Abuse Awareness Month. Carried unanimously.

Motion was made by Vandehaar and seconded by Kopsa to table the request to proclaim April as Sexual Assault Awareness Month. Carried unanimously.

Motion was made by Schildroth and seconded by Pabst to set the FY27 Proposed Budget Public Hearing on April 20, 2026, at 9:00 a.m. Carried unanimously.

Motion was made by Schildroth and seconded by Kopsa to approve payment of the following bills: ACES, maintenance 665.00; Advantage FS, fuel 16,513.68; Airgas USA, supplies 446.70; Alliant Energy, utilities 4,365.03; Amazon Capital Services, supplies 266.40; Andy's Auto Parts, supplies 19.47; Applied Concepts, supplies 2,819.05; AT&T Mobility, service 975.91; Aureon, service 149.95; Babcock, Chase, med exam exp 300.00; Beeghly, Jordyn, mileage 10.80; Bergmann Sandblasting & Painting, services 3,600.00; Beyer, William, mileage 48.00; Black Hills Energy, utilities 5,508.53; BMC Aggregates, roadstone 66,558.82; Bob Barker Company, supplies 74.59; Brothers Market, supplies 1,218.29; Brown, Chad, reimb exp 30.00; Buseman, Nicholas, reimb exp 15.00; Carosh Compliance Solutions, services 12,652.00; Case, Travis, mileage 114.60; Centec Cast Metal Products, supplies 1,681.84; Cessford Construction, roadstone 7,247.10; Clapsaddle-Garber Assoc., services 11,188.45; Column Software, publication 835.43; Cooley Pumping, service 82.50; Don's Truck Sales, parts 966.70; Education and Outreach, supplies 440.00; Farmers Feed & Supply, supplies 30.98; Ferguson, supplies 489.00; Frontier Tire and Tow, maintenance 164.00; Goodwill Industries, services 1,440.00; Great Lakes Salt, salt 48,689.30; GCMU, service 26.55; Grundy Co Memorial Hospital, fees 528.00; Grundy County Engineer, maintenance 342.07; Grundy County REC, service 1,292.27; Grundy County Treasurer, taxes 21.00; H L W Engineering Group, services 561.00; Hardin County Sheriff, services 2,040.00; Heartland Co-op, diesel 2,279.38; Huber, Carl, mileage 32.00; Huisman, Jesse, mileage 148.05; IGHCPC, admin fees 82.80; Interstate All Battery Center, supplies 175.84; Interstate Battery of Upper IA, batteries 320.55; Iowa DPS, services 1,507.50; IRUA, service 29.76; ISAC, mtg exp 220.00; Iowa State Sheriffs, mtg exp 500.00; ISACA Treasurer, dues 250.00; ISCTA, mtg exp 175.00; Janssen, Marti, mileage 50.40; Jesco Welding & Machine, supplies 14.20; John Deere Financial, supplies 915.20; Kruse, Lois, mileage 108.54; Kuester, Jason, reimb exp 30.00; Lang, Katie, mileage 61.20; Liberty Tire Recycling, services 1,198.50; Lyon, Zac, mileage 140.40; Marshalltown PD, supplies 1,500.00; McDowell & Sons Contractors, hauling 700.00; Menards-Cedar Falls, supplies 454.61; Metal Culverts, supplies 46,413.90; Mid-America Publishing, publication 298.50; Napa Auto Parts, supplies 526.24; New Century FS, fuel 139.79; NuCar Pharmacy-GC, med 453.70; Nutrien Ag Solutions, fuel 3,898.20; Pens.com, supplies 1,198.66; Peterson Contractors, services 30,000.00; Powerplan, parts/repairs 5,994.47; RC Systems, cameras 5,153.55; Rural Iowa Landfill, landfill exp 642.00; Scurr, Steven, med exam exp 50.00; Spahn & Rose Lumber, supplies 49.00; Sparks, Carrie, mileage 30.06; State Medical Examiners Office, med exam exp 2,047.00; Stryker Sales, supplies 150.00; Tama/Grundy Publishing, publication 238.00; The Iowa Print Shop, supplies 10.00; Town & Country Golf Club, rental 200.00; Truck Center Companies, repairs 969.09; Tschertler, Alan, mileage 112.20; Tyson Communications, service 23.19; U. S. Cellular, service 105.68; Unifirst, supplies 172.87; Unity Point Health-Marshalltown, services 110.00; Unity Point-St. Luke's, fees 336.00; VanWall Equipment, supplies 62.25; Visa, supplies 1,402.22; Watson, Joan, reimb exp 30.00; Wertjes Uniforms, supplies 1,851.04. Carried unanimously.

Motion was made by Kopsa and seconded by Vandehaar to approve auditor's transfer #1548. Carried unanimously.

Updates on various board and committee meetings were given.

Motion was made by Pabst and seconded by Vandehaar to adjourn. Carried unanimously.

Heidi Nederhoff, Chairperson  
Alan T. Tschertler, County Auditor

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## Grundy County BOS Proceedings 3.23.26 Hrg

BOARD OF SUPERVISORS PROCEEDINGS

The Grundy County Board of Supervisors held a public hearing for the proposed property tax levy for fiscal year 2027 on March 23, 2026, at 8:30 a.m. Chairperson Nederhoff called the meeting to order with the following members present: Schildroth, Kopsa, Pabst, and Vandehaar.

The Board opened the hearing by reciting the Pledge of Allegiance.

Chairperson Nederhoff opened the public hearing on the proposed Grundy County property tax levy for the year ending June 30, 2027.

Motion was made by Schildroth and seconded by Kopsa to receive and place on file the notice of public hearing as published March 12, 2026, and March 13, 2026, in the Grundy Register and Sun Courier, respectively. Carried unanimously.

There was no one present to speak in favor of or against the proposed property tax levy for FY27.

Motion was made by Vandehaar and seconded by Pabst to close the public hearing and receive and file any oral and written comments. Carried unanimously.

Motion was made by Schildroth and seconded by Kopsa to adjourn. Carried unanimously.

Heidi Nederhoff, Chairperson  
Alan T. Tschertler, County Auditor

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LEGALS CONTINUE:  
Page 7

# The Grundy Register

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