
INFORMATIONAL LETTER NO. 2679-MC-FFS

DATE: April 28, 2025

TO: Iowa Medicaid Home and Community-Based Services (HCBS)
Individual Consumer Directed Attendant Care (ICDAC) Providers,
Agency Consumer Directed Attendant Care (CDAC) Providers,
Targeted Case Managers (TCM), Community-Based Case
Managers (CBCM), Money Follows the Person (MFP) Transition
Specialists (TS)

APPLIES TO: Managed Care (MC) and Fee-For-Service (FFS)

FROM: Iowa Department of Health and Human Services (HHS), Iowa
Medicaid

RE: Discontinuation of Home and Community Based Services (HCBS)
Individual Consumer Directed Attendant Care (ICDAC) Provider
Enrollment

EFFECTIVE: July 1, 2025

The purpose of this Informational Letter (IL) is to inform stakeholders that Iowa Medicaid intends to discontinue enrolling ICDAC providers. This decision was made based on notification from the Center for Medicaid/Medicare Services (CMS) that Iowa was not in compliance with the Internal Revenue Service (IRS) rules regarding the federal tax treatment for service recipients in publicly funded HCBS programs.

In recognition of the IRS's position, CMS requires that states structure their Medicaid-funded self-directed HCBS to be compliant with IRS requirements, including tax withholding as required.

Information about self-employment taxes may be found at: [Self-employment tax \(Social Security and Medicare taxes\) | Internal Revenue Service \(irs.gov\)](https://www.irs.gov/businesses/small-businesses-self-employed/self-employment-tax-social-security-and-medicare-taxes)¹

¹ <https://www.irs.gov/businesses/small-businesses-self-employed/self-employment-tax-social-security-and-medicare-taxes>

This change will require individual providers currently enrolled to provide ICDAC to transition to employment with a CDAC agency or enter into an employment agreement with the HCBS member who wish to self-direct services through the Consumer Choices Option (CCO) Program.

HCBS Waiver members have the option to receive CDAC from an enrolled Medicaid provider agency or through the CCO program. Members will be offered opportunities to maintain their current staff through these alternative methods.

Effective July 1, 2025, Iowa Medicaid will no longer accept applications for enrollment from individuals wishing to deliver ICDAC services (applications that are pending will be completed but must transition with current providers). HCBS members must select either consumer attendant directed care services through a provider agency or the CCO program by November 30, 2025. If the CCO program is chosen, the transition may begin as early as June 1, 2025, this process may take up to 3 weeks to complete. To avoid disruption to services, transition planning should occur during the annual service planning meeting. ICDAC claims will continue to be processed as normal through date of service December 31, 2025.

Iowa Medicaid intends to hold stakeholder engagement sessions. These are listed below.

Links to register for ICDAC and Agency CDAC provider listening sessions. The recordings of these sessions will be posted on the [Iowa Department of Health and Human Services \(HHS\) website](#).²

Links to register for ICDAC and Agency CDAC Provider Listening Sessions:

May 20, 2025, 12:00 PM Central Time (US and Canada)

- [Virtual Registration Through Zoom](#)³

May 22, 2025, 05:00 PM Central Time (US and Canada)

- [Virtual Registration Through Zoom](#)⁴

After registering, you will receive a confirmation email containing information about joining the meeting.

² <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/public-meetings/medicaid-town-halls>

³ <https://www.zoomgov.com/meeting/register/vgBE6iggQaexSxmRmZhGUg#/registration>

⁴ https://www.zoomgov.com/meeting/register/itF92KGaSo2ktvO_kpjOwA#/registration

Additionally, there will be an ICDAC transition page on the HHS website, you can access it through the current CDAC webpage. [Consumer Directed Attendant Care \(CDAC\) | Health & Human Services \(iowa.gov\)](#).⁵

Additional Information can be found:

[Welcome to CCO | https://www.veridianfiscalsolutions.org/cco/default.aspx](#)⁶

[About VFS | VFS-brochure.pdf](#)⁷

[Consumer Choice Option \(CCO\) | Health & Human Services \(iowa.gov\)](#)⁸

If you have questions, please contact Provider Enrollment by phone at 1-800-338-7909. or by email at IMEProviderEnrollment@hhs.iowa.gov or ICDAC@hhs.iowa.gov

Managed Care Organizations (MCOs):

Iowa Total Care:

- Phone: 1-833-404-1061
- Email: providerrelations@iowatotalcare.com
- Website: <https://www.iowatotalcare.com>

Molina Healthcare of Iowa:

- Phone: 1-844-236-1464
- Email: aproviderrelations@molinahealthcare.com
- Website: <https://www.molinahealthcare.com/providers/ia/medicaid/home.aspx>
- Provider Portal: <https://www.availity.com/molinahealthcare>

Wellpoint Iowa, Inc.:

- Phone: 1-833-731-2143
- Email: ProviderSolutionsIA@wellpoint.com
- Website: <https://www.provider.wellpoint.com/iowa-provider/home>

⁵ <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/iowa-medicaid-programs/cdac>

⁶ <https://www.veridianfiscalsolutions.org/cco/default.aspx>

⁷ <https://www.veridiancu.org/webres/file/pdf/VFS-brochure.pdf>

⁸ <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/member-services/cco>