

Public Notice

State Plan Amendment (SPA) IA-25-0026

Public Comment Period for Changes to Nursing Facility (NF) Medicaid Payment Rates

Posted: June 25, 2025

The Iowa Department of Health and Human Services (HHS), pursuant to the requirements outlined in 42 C.F.R. §447.205 and §1902(a)(13)(A) of the Social Security Act, hereby gives notice of the following proposed action regarding its methods and standards for changes the nursing facility (NF) per diem rates utilizing 2024 cost report data under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Summary:

Nursing facilities are reimbursed based on a modified price-based system with semi-annual adjustments to reflect changes in case-mix (acuity) of Medicaid members residing in the nursing facility. Nursing facility rates are rebased every second year beginning July 1, 2001, to reflect more current cost information on a biannual basis with an effective date of July 1 of each odd numbered year.

Iowa Medicaid calculates prospective per diem rates for nursing facilities and applies an inflation factor to allowable costs. The current inflation factor in the approved Attachment 4.19-D of the Medicaid State Plan is from the midpoint of the cost report period to January 1, 2020, less an additional 1.5%

Per diem rates for nursing facilities effective July 1, 2025, are based on cost reports submitted by the nursing facilities for fiscal year ends during calendar year 2024. The inflation factor will be changed to ensure that the amounts estimated using 2024 cost information, estimated resident days and client participation will not exceed the appropriation. Once data is available from nursing facility cost reports with fiscal year end December 31, 2024, or earlier, the specific amount of inflation will be calculated and the State Plan Amendment filed.

Iowa Medicaid is making this proposed change as required by the 2025 Iowa Acts House File (HF) 1049.

Estimated Fiscal Impact

Estimated payments to nursing facilities cannot exceed amounts appropriated by the legislature. The inflation factor will be changed to ensure that the amounts estimated using 2024 cost information, estimated resident days and client participation will not exceed the appropriation. Inflation will not exceed the \$20,000,000 state funds appropriated in HF 1049.

The proposed amendment will be effective July 1, 2025.

Total Dollars \$53,821,313

Federal Dollars \$ 33,821,313

State Dollars \$20,000,000

Public Review and Comments:

This public notice for SPA 25-0026 is posted on the HHS website at the following link:

<https://hhs.iowa.gov/public-notice/2025-06-25/state-plan-amendment-spa-ia-25-00>

To reach all stakeholders, non-electronic copies will be made available for review at each local HHS office.

Submission of Comments:

Written comments may be sent to Marlie Atwood and Robert Payne, Policy Program Manager, Department of Health and Human Services, Iowa Medicaid, 321 East 12th Street, Des Moines, IA 50319 or may be emailed to ltssfacilities@hhs.iowa.gov. Please indicate SPA IA-25-0026 in the subject line of the email.

All written and emailed comments must be received no later than July 26, 2025, by 4:30 p.m.

Submitted by:

Rebecca Curtiss, Interim Medicaid Director