



Public Notice

Public Comment Period for State Plan Amendment (SPA) IA-25-0025:

Updating the premium schedule for Medicaid for Employed People with Disabilities (MEPD) program, increasing the couple resource limit for MEPD, and increasing the Personal Needs Allowance (PNA) for individuals residing in an institution

Posted: June 26, 2025

Notice is hereby given that the Iowa Department of Health and Human Services (HHS) will be submitting to the Centers for Medicare and Medicaid Services (CMS) State Plan Amendment IA-25-0025 to address updating the premium scale for the Medicaid for Employed People with Disabilities (MEPD) program, increasing the couple resource limit for the MEPD program, and increasing the Personal Needs Allowance for individuals residing in an institution.

Summary

In accordance with 1902(a)(10)(A)(ii)(XIII) of the Social Security Act, this amendment proposes to adjust the federal poverty level increments used to assess premiums for applicants and recipients under the Medicaid for Employed People with Disabilities (MEPD) program with income over 150% of the federal poverty level (FPL).

The Department is requesting these changes as Iowa Code section 249A.3(2)(a)(1)(b) requires that “the maximum premium payable by an individual whose income exceeds one hundred fifty percent of the official poverty guidelines shall be commensurate with the cost of state employees’ group health insurance in this state.” The average cost to the state for state employees’ health insurance for a single person is \$980 effective January 1, 2025. Therefore, the maximum premium must not be above that amount.

The amendment also requests a change to the amount of resources disregarded for disabled individuals under Section 1902(a)(10)(A)(ii)(XIII) of the Act. Per legislative mandate and allowed by 42 U.S.C. §1396a(r)(2), Iowa requests to allow a maximum of ten thousand dollars of available resources for an individual and twenty-one thousand dollars of available resources for a couple to be disregarded.

In addition, because of legislative mandate, the amendment requests increasing the Personal Needs allowance from \$50 to \$55 for an individual and \$100 to \$110 for a couple as set in Iowa Code section 249A.30A. Title 42 Chapter IV, Subchapter C

435.725 of the Code of Federal Regulations sets the personal need allowance to be at least \$30 a month for an aged, blind or disabled individual or \$60 for a couple.

HHS seeks an August 1, 2025, effective date for this SPA.

Medicaid for Employed Persons with Disabilities (MEPD) Premium Fiscal Impact

The estimated fiscal impact for the year 2025 is \$224 for federal dollars. The estimated fiscal impact for year 2026 is \$2,058 - \$1,342 federal dollars and \$716 state dollars.

The new premium scale reflects the increase in the maximum premium allowed to reflect the increase in the cost of state employees' health insurance by updating the current top increment and corresponding premium amount (1480% FPL and above = \$913 premium). There will be other changes to the other increments or premium amounts.

MEPD eligibility is based upon countable household income of no more than 250% of the FPL for the household size. MEPD premiums are assessed based on gross individual income. Currently, there are no MEPD members with gross individual income higher than 550% of the FPL.

Medicaid for Employed Persons with Disabilities (MEPD) Increase Couple Resource Limit Fiscal Impact

The estimated fiscal impact for the year 2025 is \$591 for federal dollars. The estimated fiscal impact for year 2026 is \$7,564 - \$4,386 federal dollars and \$3,178 state dollars.

Iowa would maintain the maximum amount of \$10,000 in available resources disregarded for an individual, but when determining the resources of a couple, it updates the maximum amount of resources to be disregarded to \$21,000

Personal Needs Allowance Fiscal Impact

The estimated fiscal impact for the year 2025 is \$690 for federal dollars. The estimated fiscal impact for year 2026 is \$6,387 - \$4,144 federal dollars and \$2,243 state dollars.

Iowa's Personal Needs Allowance has remained at \$50 per month since 2001. The 2025 Iowa HHS Appropriations bill includes an increase in the Personal Needs Allowance (PNA) for Medicaid residents in nursing homes. Residents in nursing facilities using Medicaid benefits will now have an extra \$5 monthly to spend on personal expenses not covered by their facility.



Public Review and Comments

A copy of SPA IA-25-0025 and this public notice are posted on the HHS website at <https://hhs.iowa.gov/public-notice/2025-06-23/public-comment-period-state-plan-amendment-ia-25-0025>

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

Written comments regarding MEPD may be sent to: Lara Brewer, Iowa Medicaid, Lucas Building, 321 East 12th St, Des Moines, IA 50319-0114. Comments may also be sent via e-mail to lara.brewer@hhs.iowa.gov. Please indicate "SPA IA-25-0025" in the subject line of the e-mail.

Written comments regarding Personal Needs Allowance may be sent to: Avis Tripilas, Iowa Medicaid, Lucas Building, 321 East 12th St, Des Moines, IA 50319-0114. Comments may also be sent via e-mail to avis.tripilas@hhs.iowa.gov. Please indicate "SPA IA-25-0025" in the subject line of the e-mail.

All comments must be received by July 26th at 4:30 p.m.

Submitted by:

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