

Public Notice

State Plan Amendment (SPA) IA-25-0029 Medicaid Payment Rates-1915(i) Home and Community Based Services (HCBS) Habilitation Services

Posted: July 29, 2025

The Iowa Department of Health and Human Services (HHS), pursuant to the requirements outlined in 42 C.F.R. §447.205, hereby gives notice of the following proposed action regarding changes to the reimbursement rates for 1915(i) State Plan HCBS Habilitation services under the State Plan for Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Summary of Submission:

Pursuant to the authority of 2025 Iowa Acts, House File (SF) 1049 Section 14 for State Fiscal Year (SFY) 2026, reimbursement rates for 1915(i) State Plan HCBS Habilitation services will be increased. To ensure alignment with legislative intent to distribute the funds for targeted services, this SPA has been updated. Upon further analysis, the targeted increases will apply to the following habilitation services effective August 1, 2025, as published in the designated fee schedule:

Day Habilitation: 0.9%

Employment Services: 7.4%

Estimated Fiscal Impact

The estimated increase in Medicaid fee-for-service (FFS) expenditures for State Fiscal Year (SFY) 2026 related to the Medicaid reimbursement rate increases is:

Total Dollars:	\$ 23,336
Federal Dollars:	\$ 14,664
State Dollars:	\$ 8,672

Public Review and Comments

A copy of the SPA-IA-25-0029 and revised public notice is posted on the HHS website at the following link: <https://hhs.iowa.gov/public-notice/2025-07-28/public-notice-state-plan-amendment-spa-ia-25-0029-medicaid-payment-rates-1915i-home-and-community>.

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 Mindy Williams, Department of Health and Human Services, Iowa Medicaid, 321 East 12th Street, Des Moines, IA 50319 or may be emailed to mindy.williams@hhs.iowa.gov. Please indicate SPA IA-25-0029 in the subject line of the email.

All written and emailed comments must be received no later than August 28, 2025, by 4:30 p.m.

Submitted by:
Rebecca Curtiss, Interim Medicaid Director
Iowa Department of Health and Human Services