

Public Notice

State Plan Amendment (SPA) IA-25-0011 Medicaid Payment Rates-1915(i) Home and Community Based Services (HCBS) Habilitation Services

Posted: December 1, 2025

The Iowa Department of Health and Human Services (HHS), pursuant to the requirements outlined in 42 C.F.R. §457.65, hereby gives notice of the following proposed action regarding changes to the 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:

The State of Iowa's Medicaid program currently operates the 1915(i) State Plan HCBS Habilitation program. The proposed changes in each state plan amendment (SPA) are summarized below:

This SPA is intended to:

- o Remove Integrated Health Home (IHH) language due to sunseting of the IHH program
- o Change Department of Human Services (DHS) to Department of Health and Human Services (HHS)
- o Remove region designation of Intensive Residential Service Homes (IRSH) and add certification changes to Intensive Residential Service Providers
- o Add face-to-face contact requirements to other standards for Case Management Provider qualifications
- o Update Individual Placement and Support language including changing the IPS Employment Center at Westat to IPS Works Employment Center
- o Add eligibility requirements for Intensive IV services criteria for clarification
- o Remove Chapter 25 references
- o Add clarification for those who shall not be able to provide direct support for a member receiving Habilitation services
- o Add certification by Iowa Medicaid as a home-based habilitation provider
- o Remove other standard requirements for a person providing direct support to possess a high school diploma or equivalent degree from day habilitation providers and prevocational habilitation providers
- o Make technical corrections to Performance Measures and Quality Improvement Section (QIS) to include:
 - Removal of on a three-year cycle from SP-1, SP-2, SP-3, SR-1, and SR-2
 - Correction of sampling size for FA-2 to 100%, HW-3 to 95%, HW-8 to 100%, HW-9 to 100%, LC-1 to 100%, LC-2 to 100% and LC-3 to based on NCQA audit criteria which is 5% or 50 files, whichever is less
 - Removal of FA-1 and HW-7 to align with 1915(c) waivers

Estimated Fiscal Impact

There is no fiscal impact in Medicaid fee-for-service (FFS) expenditures for State Fiscal Year (SFY) 2026 or SFY 2027 related to this amendment. There is an administrative cost for the activities related to certification and recertification of home-based habilitation providers and the certification and recertification of Intensive Residential Service providers and homes.

Public Review and Comments

A copy of the SPA-IA-25-0011 and revised public notice is posted on the HHS website at the following link: <https://hhs.iowa.gov/public-notice/2025-12-01/spa-ia-25-001>.

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

Submission of Comments

Written comments concerning this notice may be addressed to the Long-Term Services and Supports (LTSS) Policy Team, Department of Health and Human Services, Iowa Medicaid, 312 East 12th Street, Des Moines, IA 50319 or may be emailed to HCBS_Public_Comment@hhs.iowa.gov. Please indicate SPA IA-25-0011 in the subject line of the email.

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

Submitted by:

Lee Grossman, Medicaid Director

Iowa Department of Health and Human Services