

May 22, 2026

**GENERAL LETTER NO. 8-M-55**

ISSUED BY: Bureau of Medicaid Eligibility Policy  
Division of Community Access and Eligibility

SUBJECT: Employees' Manual, Title 8, Chapter M, **Medicaid Services**, 8, 10-14, revised.

**Summary**

This chapter is revised to

- Update the 2026 300% of SSI benefit amount to \$2,982
- Update the HMA amount for the month of discharge and the waiver personal needs allowance.

**Effective Date**

January 1, 2026.

**Material Superseded**

Remove the following pages from Employees' Manual, Title 8, Chapter M, and destroy them:

<b>Page</b>	<b>Date</b>
8, 10-14	April 25, 2025

**Additional Information**

Refer questions about this general letter to your area eligibility determinations manager.

3. Once Medicaid eligibility has been determined and the PACE enrollment form has been signed, approve PACE eligibility on the first day of the month following the date the PACE provider receives the signed enrollment form.

NOTE: PACE enrollment cannot be concurrent with any other Medicaid eligibility. All other Medicaid programs must be canceled before PACE eligibility can begin. Timely notice is not required because the member has signed the PACE enrollment form accepting PACE services.

4. The PACE organization can view the effective date of approval and any client participation amount through Iowa Medicaid Provider Access (IMPA) in addition to IoWANS.

### **Client Participation for Enrollee Living at Home**

Legal reference: 42 CFR 460.152-156; 42 CFR 435.725; 441 IAC 88.28(2)

Client participation is the amount a PACE enrollee is required to contribute to the cost of PACE services. The PACE provider arranges directly with the enrollee to collect client participation.

To calculate client participation for PACE enrollees who are receiving services in their homes:

1. Determine the total gross monthly income of the enrollee only, according to [8-I, Income Available for Client Participation](#).
2. Subtract 300% of the SSI benefit for one person. See [8-E, SSI-Related Income Limits](#).
3. Add in the following:
  - Veteran's aid and attendance,
  - Veteran's housebound allowance, and
  - Third-party medical payments.

The result is the client participation amount.

Mr. J, age 60, lives alone and applies for PACE services on October 2. His gross monthly income includes \$843 Social Security benefit, \$250 private pension, and \$100 VA aid and attendance. The worker determines client participation as follows:

$\$843 \text{ Social Security} + 250 \text{ pension} = \$1,093 \text{ total gross monthly income}$

$\$1,093 - \$2,982(300\% \text{ of SSI benefit}) = \$0$

$\$0 + \$100 \text{ VA aid and attendance} = \$100 \text{ client participation}$

- IoWANS will create a new program request with the new begin date. The program field in IoWANS will show as “PACE-NF.”
- A workflow is generated to notify the PACE provider that the member has entered a facility.

### **Client Participation for Enrollee Living in a Medical Institution**

When a PACE enrollee enters a **nursing facility, ICF/ID, or NF/MI** for other than respite care, recalculate client participation effective the first of the month following the month of entry to a medical institution.

The following deductions from gross monthly income are allowed for people who are in a medical institution:

- Personal needs allowances, which are:
  - An ongoing personal needs allowance.
  - Personal needs in the month of entry to the institution.
  - Maintenance needs of a spouse and dependents.
  - Unmet medical needs.

See [8-I, Client Participation](#).

Enter the new client participation amount on the ABC TD05 screen effective the first day of the month following the month of entry to a medical institution.

The new client participation amount will roll to IoWANS.

1. Mr. J, a PACE enrollee, enters a nursing facility from his home on May 15. His gross income is \$1,089 monthly and his PACE client participation while he is living at home is \$0.  
  
The IM worker enters the transfer to the program request in IoWANS to move Mr. J from PACE at home to PACE-NF effective May 15.  
  
The IM worker recalculates Mr. J’s client participation effective June 1 allowing for a \$55 personal needs allowance, making his client participation \$1,034. The IM worker then enters the new client participation amount on TD05 using a positive date of June 1.

2. Ms. J, a PACE enrollee, is admitted to the hospital on April 28. On May 8 she is transferred to a nursing facility for a long-term stay. Her gross monthly income is \$1,215 and her PACE client participation while she is living at home is \$0.

The IM worker enters the transfer to the program request in IoWANS to move Ms. J from PACE at home to PACE-NF effective May 8.

The IM worker redetermines Ms. J's client participation as follows:

April: Since Ms. J was living at home in April, her client participation for April does not change.

May: The PACE provider receives the full capitation payment for May, so Ms. J's client participation continues to be \$0.

June: The \$55 personal needs allowance is subtracted from Ms. J's gross monthly income, making her client participation for June \$1,160. The IM worker enters the new client participation amount on the ABC TD05 screen using a positive date of June 1.

### **PACE Enrollee Leaves a Medical Institution**

When a PACE enrollee is discharged from a medical institution:

- Click on the "leaving facility" button on the PACE program request in IoWANS.
- A pop-up box will appear for you to enter the date the PACE enrollee was discharged from the facility. Enter the date of discharge as recorded on the *Case Activity Report* and click "move consumer."
- IoWANS will create a new program request with the new begin date. The program field in IoWANS will show as "PACE."
- A workflow is generated to notify the PACE provider that the consumer has left a facility.
- When a PACE enrollee leaves a nursing facility, ICF/ID, or NF/MI, recalculate client participation for the month the PACE enrollee leaves the facility and goes to a private living arrangement. See [8-I, Deductions from Client Participation](#).
- Recalculate the client participation amount for ongoing months according to [Client Participation for Enrollee Living at Home](#).

Enter the new client participation amount on the ABC TD05 screen effective the first day of the month following the month of discharge from a medical institution.

The new client participation amount will roll to loWANS.

Mr. S, a PACE enrollee, enters a nursing facility from his home on April 16. His gross income is \$1,275 monthly and his PACE client participation while living at home is \$0.

The IM worker recalculates his client participation effective May 1 as follows:

\$ 1,275	Income
- 55	Personal needs allowance
\$ 1,220	Client participation

Mr. S is discharged from the nursing facility and returns to his home on June 5. The worker recalculates his client participation for June and July as follows:

<u>June</u>		<u>July</u>	
\$ 1,275	Income	\$ 1,275	Income
- 994	HMA month of discharge	- 2,982	Waiver PNA
- 55	Personal needs allowance	\$ 0	Client participation
\$ 226	Client participation to NF		

### **Client Participation for Medicare Skilled Stays**

When a PACE enrollee enters a medical institution as skilled and Medicare will be participating in the cost of care, do not assess client participation until after the first 20 days.

Determine if client participation for a Medicare skilled stay should be split by following these steps:

1. Determine the number of days remaining for the month after the first 20 days of a Medicare skilled stay.
2. Multiply the days remaining by the nursing facility's per diem rate.
3. Determine the monthly client participation based on gross monthly income and allowing the deductions.
4. Compare the calculation in #2 with the calculation in #3. The client participation will be the lesser of the two amounts.
5. For the month following the month the enrollee entered a nursing facility as Medicare skilled, determine client participation based on the enrollee's gross monthly income.

1. Mr. M, a PACE enrollee, enters a nursing facility as Medicare skilled from his home on May 5. His gross monthly income is \$2,060. His PACE client participation while he is living at home is \$0.

The IM worker determines that the first 20 days of Medicare skilled is May 5 through May 24. The IM worker recalculates Mr. M's client participation effective June 1 allowing for a \$55 personal needs allowance, making his client participation \$2,005.

2. Mr. J, a PACE enrollee, is admitted to a nursing facility as Medicare skilled on May 28. His gross monthly income is \$1,093 plus \$100 VA aid and attendance. His PACE client participation while he was living at home was \$100. The per diem rate of the nursing facility is \$150.

The IM worker determines that the first 20 days of Medicare skilled is May 28 through June 16. Mr. J's client participation for May and June is as follows:

**May:** Mr. J entered the nursing facility on May 28. His client participation would not change until the first of the month following the month of entry. Mr. J's client participation for May would continue to be \$100.

**June:** Days 1 through 16 are covered by Medicare.

Determine the cost of the remaining 14 days (June 17-30):

\$ 150	Nursing facility per diem rate
x <u>14</u>	Days
\$2,100	Cost of the remaining 14 days

Calculate client participation based on Mr. J's gross monthly income:

\$1,093	Gross monthly income
- 55	Personal needs allowance
+ <u>100</u>	VA aid and attendance
\$1,138	

The 14 days per diem rate (\$2,100) is more than Mr. J's monthly client participation amount (\$1,138) so Mr. J's client participation will be \$1,138.

3. Mr. P, a PACE enrollee, enters a nursing facility as Medicare skilled on March 30. His gross monthly income is \$2,090. His PACE client participation while he is living at home is \$0. The per diem rate of the nursing facility is \$150.

The IM worker determines that the first 20 days of Medicare skilled is March 30 through April 18. Mr. P's client participation for April is as follows. Days 1 through 18 are covered by Medicare.

Determine the cost of the remaining 12 days (April 19-30):

\$ 150	Nursing facility per diem rate
x <u>12</u>	Days
\$1,800	Cost of the remaining 12 days

Calculate client participation based on Mr. P's gross monthly income:

\$2,090	Gross monthly income
- <u>55</u>	Personal needs allowance
\$2,035	Client participation

The 12 days per diem rate (\$1,800) is less than Mr. P's monthly client participation amount (\$2,035) so Mr. P's client participation for April will be \$1,800.

### **Annual Recertification**

Legal Reference: 42 CFR 435.916; 441 IAC 76 (Rules in Process); 441 IAC 88.24(4)

The PACE provider completes a level of care determination at least annually for all PACE enrollees. The IME Medical Services Unit will determine whether nursing facility level of care continues to be met.

Review financial eligibility according to the requirements for the enrollee's particular coverage group.

Document a change in eligibility in the case record. Respond to IoWANS milestones to record cancelation of PACE services or a change in level of care or client participation. Send the appropriate notice of decision to the enrollee.