Table of Contents

State/Territory Name: IA

State Plan Amendment (SPA) #: 25-0022

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Financial Management Group

October 30, 2025

Ms. Rebecca Curtiss, Medicaid Director
Iowa Medicaid Enterprise
1305 E. Walnut Street
Des Moines, IA 50319

RE: TN 25-0022

Dear Ms. Curtiss:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Iowa state plan amendment (SPA) to Attachment 4.19-D IA 25-0022, which was submitted to CMS on August 5, 2025. This SPA requires state-owned intermediate care facilities for individuals with intellectual disabilities (ICF/ID) to complete and submit a cost report on an annual basis.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Fred Sebree at Fredrick.sebree@cms.hhs.gov.

Sincerely,

[redacted]

Rory Howe
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0022

2. STATE: IA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
07/01/2025

5. FEDERAL STATUTE/REGULATION CITATION
N/A
42 CFR §447.200 Subpart B

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 25 $ 0
b. FFY 26 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-D Page 9

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-D Page 9 Supersedes TN MS-02-12

9. SUBJECT OF AMENDMENT
Effective July 1, 2025 state-owned intermediate care facilities for indviduals with intellectual disabilities (ICF/ID) will complete and submit a cost report on an annual basis.

10. GOVERNOR'S REVIEW *(Check One)*
(●) GOVERNOR'S OFFICE REPORTED NO COMMENT
( ) COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
( ) NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
( ) OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Rebecca Curtiss

13. TITLE
Interim Director and Deputy Director of Medicaid Operations

14. DATE SUBMITTED
08/01/2025

15. RETURN TO
Iowa HHS Division of Iowa Medicaid
321 E 12th St
Des Moines, IA 50319

FOR CMS USE ONLY

16. DATE RECEIVED
8/5/2025

17. DATE APPROVED
October 30, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
7/1/2025

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

9/16/2025 - State updated block 5 with citation

Methods and Standards for Establishing Payment Rates for Nursing Facility Services

C. Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/ID) (Cont)

2. **Accounting Procedures (Cont.)**

c. Actual Allowable Cost and Rate Calculation

The actual allowable cost for ICFs/ID is the actual audited reported cost plus the inflation factor and incentive factor.

For community-based ICFs/ ID, an occupancy factor is used in determining the actual per diem rate for the facility. Typically, the per diem is arrived at by dividing the actual allowable reported costs by total patient days during the reporting period. Total patient days for the purposes of rate determination are actual inpatient days of 80 percent of the licensed capacity of the facility, whichever is greater.

Effective July1, 2002, for ICFs/ID, the owner/administrator compensation limits are $3,365 per month plus $35.90 for each bed over 60, for a maximum compensation not to exceed $4,986 per month.

New community-based ICFs/ID submit a six-month budget to generate an initial reimbursement rate for their first six months of operation. The budgeted financial and statistical reports do not receive inflation or incentive, but are limited to the maximum allowable cost ceiling.

Following six months of operation as a new community-based Medicaid-certified ICF/ID, the facility must submit a report of actual costs. This financial and statistical report is used to establish a rate which may include inflation but does not include an incentive.

The rate computed from this cost report is adjusted to 100 percent occupancy and continues to be subject to the maximum allowable cost ceiling. Business start-up and organization costs are amortized over a five-year period, according to Medicare and Medicaid standards.

All existing community-based facilities must report costs on a standard fiscal year of July 1 to June 30. Only one cost report is submitted per year. Effective 7/1/2025 state-owned ICF/ID facilities must submit cost reports on a standard fiscal year of July 1 to June 30.

State-owned ICFs/ID are not subject to the maximum allowable cost ceiling.