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State/Territory Name: Iowa

State Plan Amendment (SPA) IA: 25-0027

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn Street
Chicago, Illinois 60604



Financial Management Group

November 20, 2025

Lee Grossman, Medicaid Director
Division of Medical Services
Department of Human Services
Iowa Medicaid Enterprise
1305 E. Walnut Street
Des Moines, IA 50319

RE: TN 25-0027

Dear Director Grossman:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Iowa (IA) State Plan Amendment (SPA) to Attachment 4.19-B IA-25-0027, which was submitted to CMS on August 25, 2025. This plan amendment increases reimbursement rates for dentists, home health agencies, and prosthetics/orthotists.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 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 Lindsay Michael at 410-786-7197 or Lindsay.michael@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 2 7

2. STATE

IA3. 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

42 CFR §447.200

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 25 \$ 1,773b. FFY 26 \$ 7,090

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B Page 1 9d 128. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)IA-24-0006Page 1Page 9dPage 12

9. SUBJECT OF AMENDMENT

Implements several provider rate changes as authorized by House File (HF) 1049. The changes are for dentist, home health LUPA, and prosthetists/orthotists.

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

12. TYPED NAME
Rebecca Curtiss13. TITLE
Interim Medicaid Director14. DATE SUBMITTED
08/15/2025

15. RETURN TO

Iowa HHS Division of Iowa Medicaid
321 E 12th St
Des Moines, IA 50319**FOR CMS USE ONLY**16. DATE RECEIVED
8/25/2517. DATE APPROVED
November 20, 2025**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
7/1/25

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion21. TITLE OF APPROVING OFFICIAL
Director, DRR

22. REMARKS

State/Territory:

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ATTACHMENT 4.19-B
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
STATE PLAN COVERED SERVICES

- A. When services which are reimbursed per a fee schedule, unless otherwise noted below, the same fee schedule applies to all providers -- both public and private -- and the fee schedule is published at the Iowa Medicaid Agency's website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>.

Except for Other Independent Laboratory services, physician assistant services, anesthesia services, CRNAs, and pharmacy/pharmacists services, the agency's rates were set as of July 1, 2025, and are effective for services on or after that date.

The fee schedule amounts for Other Independent Laboratory services, including code series 81000 are based on 95% of the Medicare Clinical Laboratory Fee Schedule. Effective January 1, 2017, and thereafter, the Department shall update the Independent Laboratory fee schedule using the most current calendar update as published by the Centers for Medicare and Medicaid Services.

The agency's rates were set as of December 1, 2020, for physician assistant services.

Effective July 1, 2017, the Department shall update the anesthesia conversion factor using the most current calendar year update of the Medicare anesthesia conversion factor, adjusted for the state as described below, converted to a per minute amount.

The agency's rates for CRNAs were set for services on and after December 1, 2020, and will be updated annually with the most recent Medicare anesthesia conversion factor as described above.

The agency's rates were set as of December 1, 2020, for pharmacy/pharmacists services.

- B. The principles and standards established in OMB Circular A-87 are applied, when applicable, in determining rates regardless of the reimbursement methodology or fee schedule described below.
- C. Rates paid for individual practitioner services based on the fee schedule or methodology described below shall not exceed the provider's customary charges for the service billed. In order for the Iowa Medicaid Agency to meet the requirements of 42 CFR 447.203(b)(1) providers of individual practitioner services must bill Medicaid the customary charge for the service provided.
- D. Providers of services must accept reimbursement based upon the Iowa Medicaid agency fee or methodology without making any additional charge to the recipient.
- E. All payments are made to providers. The term "provider" means an individual or an entity furnishing Medicaid services under an agreement with the Iowa Medicaid agency. An entity need not be a facility such as a hospital, ICF/ID, or nursing. Pursuant to 42 CFR 447.15 (g), the term may include facilities or entities who employ or contract with persons who are authorized under the Iowa State Plan to provide covered services. Also an entity may provides, for example, "clinic services (as defined in 42 CFR 440.90)" or "home health services (as defined in 42 CFR 440.70) and other services which are otherwise covered under Iowa Medicaid through its employees or contractors. In the latter case the entity would also be paid for those non-clinic and

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by the Community Mental Health Center for services delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in cost reconciliation.

Cost Settlement Process

EXAMPLE: For services delivered for the period January 1, 2010, through December 31, 2010, the annual Medicaid cost report is due on or before March 31, 2011, for free-standing clinics or May 31, 2011, for hospital-based clinics, with the cost reconciliation process completed no later than December 31, 2012. If, at the end of the cost reconciliation, it is determined that the CMHC provider has been overpaid, the provider will return the overpayment to the Department and the Department will return the overpayment to the federal government pursuant to 42 CFR 433.316. If an underpayment is determined, then the CMHC provider will receive a lump sum payment upon discovery, but no later than 24-months of the end of the cost reporting period, in the amount of the underpayment.

10. DENTAL SERVICES

Fee Schedule. The definitions of dental and surgical procedures are based on the definitions of dental and surgical procedures given in the Current Dental Terminology (CDT).

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of physical therapy services. The agency’s fee schedule rate was set as of July 1, 2025 and is effective for services provided on and after that date. All rates are published on the agency’s website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

11a. PHYSICAL THERAPY SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician’s Current Procedural Terminology (CPT).

A payment provision applies when more than one therapy procedure or unit of service within the same therapy discipline or same therapy plan of care is performed by the same provider or provider group for an individual patient on the same date of service. Payment is made for the procedure with the highest fee schedule amount at 100%; payment for each additional unit or procedure is 90%.

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of physical therapy services. The agency’s fee schedule rate was set as of July 1, 2024 and is effective for services provided on and after that date. All rates are published on the agency’s website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

11b. OCCUPATIONAL THERAPY SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician’s Current Procedural Terminology (CPT).

A payment provision applies when more than one therapy procedure or unit of service within the same therapy discipline or same therapy plan of care is performed by the same provider or provider group for an individual patient on the same date of service. Payment is made for the procedure with the highest fee schedule amount at 100%; payment for each additional unit or procedure is 90%.

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Pharmacies and providers will submit information to the department or its designee within 30 days following a request for such information unless the department or its designee grants an extension upon written request of the pharmacy or provider. Pharmacies and providers are required to produce and submit information in the manner and format requested by the department or its designee, as requested, at no cost to the department or its designee.

12b. DENTURES

Except as otherwise noted in the plan, state – developed fee schedule rates are the same for both governmental and private providers of physical therapy services. The agency’s fee schedule rate was set as of July 1, 2025 and is effective for services provided on and after that date. All rates are published on the agency’s website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

12c. PROSTHETIC DEVICES

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of preventive services. The agency’s fee schedule rate was set as of July 1, 2025, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

12d. EYEGLASSES

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of preventive services. The agency’s fee schedule rate was set as of April 1, 2016, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: www.dhs.iowa.gov

13a. RESERVED**13b. RESERVED****13c. RESERVED****13d. REHABILITATIVE SERVICES**

For services provided from July 1, 2011, to March 31, 2016, rehabilitative services will be reimbursed according to the Medicaid Managed Care provider specific fee schedule. The provider specific fee schedule was established using cost based rates in effect on February 28, 2011 in accordance with the reimbursement methodology in effect prior to July 1, 2011, described below.

Beginning April 1, 2016, except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of rehabilitative services. The agency’s fee schedule rate was set as of July 1, 2022, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: www.dhs.iowa.gov.

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