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State/Territory Name: Iowa

State Plan Amendment (SPA) IA: 25-0029

This file contains the following documents in the order listed:

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

December 11, 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 25-0029

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-25-0029, which was submitted to CMS on September 16, 2025. This plan amendment will increase reimbursement rates for 1915(i) State Plan HCBS Habilitation and Supported Employment Habilitation services.

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 August 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,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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: 25-0029

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
August 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR §447.200

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 25 $ 2,460
b. FFY 26 $ 14,632

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B Page 18

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Supersedes Attachment 4.19-B Page 18

9. SUBJECT OF AMENDMENT
Medicaid Payment Rates-1915(i) Home and Community Based Services (HCBS) Habilitation Services

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:

[redacted]ICIAL

12. TYPED NAME
Rebecca Curtiss

13. TITLE
Interim Medicaid Director

14. DATE SUBMITTED
9/10/2025

15. RETURN TO
Iowa Department of Health and Human Services
Iowa Medicaid
321 E 12th St
Des Moines, IA 50319

FOR CMS USE ONLY

16. DATE RECEIVED
9/16/25

17. DATE APPROVED
December 11, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
8/1/25

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
DRR, Director

22. REMARKS

Instructions on Back

☑	HCBS Day Habilitation
	For services provided on July 1, 2013 through December 31, 2013, day habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013. For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. The agency's fee schedule rates for Day Habilitation were set as of August 1, 2025 and is effective for services provided on or after that date. All rates are published on the agency's website at: https://hhs.iowa.gov/medicaid/provider-services/covered-services-rates-and-payments/fee-schedules
☐	HCBS Behavioral Habilitation
☐	HCBS Educational Services
☑	HCBS Prevocational Habilitation
	For services provided on July 1, 2013 through December 31, 2013, prevocational habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013. For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. The agency's fee schedule rates for Prevocational Habilitation were set as of July 1, 2024, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://hhs.iowa.gov/medicaid/provider-services/covered-services-rates-and-payments/fee-schedules
☑	HCBS Supported Employment Habilitation
	For services provided on July 1, 2013 through December 31, 2013, supported employment habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fee schedule rate was set as of July 1, 2013 and is effective for dates of service provided on and after that date through December 31, 2013. For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. The agency's fee schedule rates for Supported Employment were set as of August 1, 2025 and is effective for services provided on or after that date. All rates are published on the agency's website at: https://hhs.iowa.gov/medicaid/provider-services/covered-services-rates-and-payments/fee-schedules