



[HF 275](#) – Home- and Community-Based Services, Intellectual Disability Waiver Modifications (LSB1435HV)

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Fiscal Note Version – New

Description

[House File 275](#) requires the Department of Health and Human Services (HHS) to eliminate the home and vehicle modifications (HVM) lifetime maximum cap for the Intellectual Disability (ID) Home- and Community-Based Services (HCBS) Waiver, and implement an HVM services annual maximum cap per waiver member year. This system will be the same as the Brain Injury (BI) HCBS Waiver.

Background

Federal authorization for state Medicaid waivers is detailed in [42 USC §1396](#) and allows the U.S. Secretary of Health and Human Services to approve state plans to provide Medicaid funding to eligible beneficiaries who remain in their homes or communities and who would otherwise require care in a medical institution. Iowa Code chapter [249A](#) details State guidance for the Medicaid Program and HCBS Waivers. Iowa's [HCBS Waiver Program](#), administered by the HHS, currently provides Medicaid funding and individualized service for seven HCBS Waiver Programs approved by the Centers for Medicare and Medicaid Services (CMS):

- Health and Disability Waiver
- AIDS/HIV Waiver
- Elderly Waiver
- ID Waiver
- BI Waiver
- Physical Disability Waiver
- Children's Mental Health (CMH) Waiver

As of November 2022, there were approximately 24,000 clients enrolled in the HCBS Waiver Program, and in December 2022, approximately 12,000 clients were enrolled in the ID Waiver Program.

In fiscal year (FY) 2023, the HVM lifetime maximum cap for the ID Waiver is approximately \$5,700, while the HVM annual maximum cap (HVM annual cap) for the BI Waiver is approximately \$6,900.

Assumptions

- For FY 2024 and FY 2025, the HVM annual cap for the ID Waiver is approximately \$7,000, unchanged from FY 2023.
- According to the HHS, less than 1.0% of the ID Waiver population accessed HVM in FY 2022, while 2.6% of the BI Waiver population accessed HVM in FY 2022. It is assumed that the ID Waiver population utilizing HVM in FY 2024 and FY 2025 will be 2.6%, the same as the current BI Waiver population accessing HVM.
- Expected enrollment for the ID Waiver will remain at 12,000 in FY 2024 and FY 2025, with 306 projected members utilizing the new HVM annual cap every year.

- Members that access the HVM annual cap for the ID Waiver program will utilize 90.0% of the cap of \$6,900, or \$6,200.
- The Federal Medical Assistance Percentage (FMAP) in FY 2025 equals the FY 2024 FMAP of 64.13% for the State.
- The CMS approves any potential State amendments to the ID Waiver program, and the HHS begins administering these changes at the beginning of the federal fiscal year (FFY) on October 1, 2023, limiting expenditures to 75.0% in State fiscal year (SFY) 2024.
- The HHS will need to expend approximately \$11,000 total on information technology changes to implement the new HVM annual cap, including \$3,000 in State General Administration funding.

Fiscal Impact

Total cost increases in FY 2024 and FY 2025 are summarized in **Figure 1**. State funding sources would be from General Fund appropriations.

Figure 1 — Total Costs of House File 275

Fiscal Year	Type of Cost	Funding Source	Total Cost*	Federal Cost	State Cost	Fiscal Year State Total
2024	Provider Reimbursement	Medicaid	\$1,420,000	\$ 910,000	\$ 509,000	\$ 512,000
	IT Costs	General Administration	\$ 11,000	\$ 8,000	\$ 3,000	
2025	Provider Reimbursement	Medicaid	\$1,893,000	\$1,214,000	\$ 679,000	\$ 679,000

*Totals may not add due to rounding

Sources

Centers for Medicare and Medicaid Services
 Department of Health and Human Services
 Legislative Services Agency

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.