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[HF 2135](#) – Medical Income Assistance Trusts, Fees (LSB5430HV)  
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Fiscal Note Version – New

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**Description**

[House File 2135](#) increases the amount to be paid or set aside each month for administration of a Medical Income Assistance Trust, from no more than \$10 per month to no more than \$50 per month without court approval.

**Background**

Iowa Code section [633C.3](#) currently allows for a maximum of \$10 per month to be set aside for the expenses of a Medical Income Assistance Trust for Medicaid beneficiaries. A Medical Income Assistance Trust, or Miller Trust, allows a beneficiary to qualify for Medicaid who would otherwise have too much in assets or income to qualify for Medicaid, provided that a certain amount of pension or Social Security income is placed into the Trust. A spouse may be eligible to receive funds from the Trust. If the beneficiary does not have a spouse, the balance of the Trust, beyond a monthly allowance for the beneficiary and the cost of administering the Trust, is paid to a nursing facility to cover the costs of nursing care. Any payments to nursing facilities to cover the cost of care for a beneficiary decrease the amount of State and federal dollars paid by Medicaid.

**Assumptions**

- Any decreases in the amount of income available from a qualified beneficiary for the cost of nursing care are costs borne by Medicaid.
- According to the Iowa Department of Health and Human Services (HHS), the Bill affects 1,642 beneficiaries annually.
- An increase of \$40 monthly due to increasing the maximum allowable administrative cost in the Bill will increase annual Medicaid costs for nursing facilities by approximately \$788,000 beginning in FY 2025.
- The State will pay 36.75% of Medicaid costs for nursing facilities, while the federal government will pay 63.25%, the same as Iowa's FY 2025 Federal Medicaid Assistance Percentage (FMAP). The FMAP rate in FY 2026 is assumed to equal the FY 2025 rate.
- According to the HHS, a one-time information technology (IT) implementation will be necessary at a cost of \$310,000 in FY 2025. The State will pay 25.0% of costs for IT implementation, while the federal government will pay 75.0%.
- Any increase in State costs is expected to be funded from the HHS's General Fund Medicaid appropriation.

**Fiscal Impact**

House File 2135 is estimated to increase costs to the State by approximately \$365,000 in FY 2025 and \$290,000 annually beginning in FY 2026.

**Figure 1 — Estimated Cost of Increasing Medical Assistance Trust Fees**

Expense Category	FY 2025		FY 2026	
	Total	State	Total	State
Nursing Facilities	\$ 788,000	\$288,000	\$788,000	\$290,000
Information Technology (IT)	310,000	77,000	0	0
<b>Total Costs</b>	<b>\$1,098,000</b>	<b>\$365,000</b>	<b>\$788,000</b>	<b>\$290,000</b>

**Sources**

Department of Health and Human Services  
LSA analysis

/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.

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