



[SF 2163](#) – Medical Income Assistance Trusts, Fees (LSB5430SV)
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Fiscal Note Version – New

Description

[Senate File 2163](#) 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

Senate File 2163 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
Total Costs	\$1,098,000	\$365,000	\$788,000	\$290,000

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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