



[HF 2641](#) – Medical Assistance, Elderly Waiver (LSB6062HV)
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Fiscal Note Version – New

Description

[House File 2641](#) relates to the Medicaid Home and Community-Based Services (HCBS) Elderly Waiver, and does the following:

- Requires the Department of Health and Human Services (HHS) to adopt administrative rules to allow case managers and care coordination team members to work with a resident of a skilled nursing facility, family members of the resident, and other skilled nursing facility staff to initiate transition planning from the skilled nursing facility to the Elderly Waiver prior to the discharge of the resident.
- Requires the HHS to adopt administrative rules allowing anticipated and scheduled assisted living services to receive a per diem from Medicaid.

Background

[Medicaid HCBS waivers](#) provide medical, social, and supportive services for Iowans with functional, cognitive, and other physical or mental health needs. These services are meant to help people live and receive services in a home and community-based setting instead of an institution. Iowa currently has seven different HCBS waivers, including the Health and Disability Waiver, the AIDS/HIV Waiver, the Elderly Waiver, the Intellectual Disabilities Waiver, the Brain Injury Waiver, the Physical Disability Waiver, and the Children’s Mental Health Waiver.

[Elderly Waiver](#) members must be Iowa residents who are 65 years of age or older, determined Medicaid eligible as if the member was in a medical institution, and determined to need nursing care or skilled level of care. Services provided to Elderly Waiver members include adult day care, assisted living service, case management, transportation services, and others.

Medicaid HCBS Waiver targeted case management services are currently available for targeted populations, including adults with an intellectual disability, chronic mental illness, or developmental disability, and for children who qualify for Intellectual Disability Waiver or the Children’s Mental Health Waiver. Medicaid members enrolled with a Managed Care Organization (MCO) or integrated health home are not part of the targeted population.

Currently, Medicaid may pay a per diem to assisted living programs to cover 24-hour on-site response capability to meet unanticipated and unscheduled resident needs and to provide supervision, safety, and security. Assisted living service is not reimbursable if performed at the same time as any service included in a consumer-directed attendant care (CDAC) agreement. A day is billable only if the member was present in the facility during that day’s bed census and the assisted living provider has documented at least one assisted living service encounter for that day.

Assumptions

- There are 10 FFS Medicaid members who will receive case management services.
- The reimbursement rate for targeted case management is \$653.77.
- The State and the federal government will each pay 50.0% of costs for case management services.
- Removing the requirement that assisted living services be unscheduled or unpredictable for assisted living facilities to receive a per diem will require payment of 1,522 additional billable days per year.
- The per diem rate for assisted living services is \$29.31.
- The State will pay 36.83% of costs, while the federal government will pay 63.17% of the costs for additional assisted living services payments in FY 2027.
- The State will pay 36.67% of costs, while the federal government will pay 63.33% of the costs for additional assisted living services payments in FY 2028.
- The HHS will require 750 billable hours of technical assistance to amend the Elderly Waiver application.
- The waiver technical assistance contract is billed at \$257.50 per hour.
- The State and the federal government will each pay 50.0% of costs for the waiver technical assistance contract.

Fiscal Impact

The total estimated cost for FY 2027 is approximately \$5.6 million, of which the State cost is \$2.1 million and the federal cost is \$3.5 million. The total estimated cost for FY 2028 is \$5.4 million, of which the State cost is \$2.0 million and the federal cost is \$3.4 million. **Figure 1** shows the breakout of costs in FY 2027 to implement HF 2641. **Figure 2** shows annual, ongoing costs for FY 2028.

Figure 1 — House File 2641 Estimated Costs for FY 2027

Category	State	Federal	Total
Case Management	\$ 3,000	\$ 3,000	\$ 7,000
Assisted Living Services Per Diem	1,999,000	3,428,000	5,427,000
Waiver Technical Assistance	97,000	97,000	193,000
Total	\$ 2,098,000	\$ 3,528,000	\$ 5,626,000

Totals may not sum due to rounding.

Figure 2 — House File 2641 Estimated Costs for FY 2028

Category	State	Federal	Total
Case Management	\$ 3,000	\$ 3,000	\$ 7,000
Assisted Living Services Per Diem	1,990,000	3,437,000	5,427,000
Total	\$ 1,993,000	\$ 3,440,000	\$ 5,433,000

Totals may not sum due to rounding.

Source

Department of Health and Human Services

/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.
