

**House File 2518 - Introduced**

HOUSE FILE 2518  
BY COMMITTEE ON HEALTH AND HUMAN  
SERVICES

(SUCCESSOR TO HSB 621)

**A BILL FOR**

1 An Act relating to reporting requirements for the department  
2 of health and human services for shelter care, qualified  
3 residential treatment providers, and medical assistance  
4 provider reimbursement rates.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 235.2, Code 2026, is amended by adding the  
2 following new subsection:

3 NEW SUBSECTION. 9. Upon implementation by the department of  
4 a uniform cost report for shelter care and qualified residential  
5 treatment providers, the department shall biennially conduct  
6 a review of shelter care and qualified residential treatment  
7 provider costs compared to current shelter care and qualified  
8 residential treatment provider rates. On or before October 1  
9 of the calendar year immediately succeeding the calendar year  
10 in which the review is conducted, the department shall submit  
11 a report to the governor and the general assembly detailing the  
12 results of the department's review and recommendations for rate  
13 adjustments.

14 Sec. 2. Section 249A.4, Code 2026, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 15. a. Conduct an annual review of provider  
17 reimbursement rates for all medical and health services provided  
18 pursuant to this chapter. The department shall compare each  
19 provider reimbursement rate to the reimbursement rates for all of  
20 the following:

21 (1) Medicaid programs in states contiguous to Iowa.

22 (2) Medicaid programs in states with populations comparable  
23 to Iowa as based on the most recent decennial census released by  
24 the United States census bureau.

25 (3) The federal Medicare program, if applicable.

26 b. The department shall submit an annual report that  
27 summarizes the department's review under paragraph "a" to the  
28 general assembly on or before December 1.

29 Sec. 3. NEW SECTION. **249A.32C Home and community-based**  
30 **service waivers — provider rate limits.**

31 1. For purposes of this section:

32 a. "Consumer" means the same as defined in section 249A.29.

33 b. "Provider" means the same as defined in section 249A.29.

34 c. "Waiver" means the same as defined in section 249A.29.

35 2. a. Beginning July 1, 2026, the department, with input

1 from the public, providers, and other stakeholders, shall conduct  
2 a review at least biennially of provider reimbursement rates for  
3 all services rendered under a waiver during the period of review  
4 specified by the department. The review shall include but is not  
5 limited to all of the following:

6 (1) Aggregate cost to the state to reimburse providers for  
7 services rendered to consumers under a waiver.

8 (2) Utilization of services available to consumers.

9 (3) The demonstrated capacity of providers to meet consumer  
10 demand for services with available resources and indicators of  
11 need for increased resources.

12 b. Based upon the review pursuant to paragraph "a", the  
13 department shall develop proposed rate models and related changes  
14 to departmental policy and procedures. The department shall  
15 submit a report to the general assembly on or before December  
16 31 of the year in which the review is completed and must include  
17 proposed rate models, the projected fiscal impact of implementing  
18 the proposed rate models including documentation supporting the  
19 actuarial soundness of the proposed rate models, and the proposed  
20 changes to the department's policies and procedures.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with  
23 the explanation's substance by the members of the general assembly.

24 This bill relates to reporting requirements for the department  
25 of health and human services (HHS) for shelter care, qualified  
26 residential treatment providers, and medical assistance provider  
27 reimbursement rates.

28 The bill requires that upon implementation of a uniform cost  
29 report for shelter care and qualified residential treatment  
30 providers, HHS shall biennially conduct a rate review. On or  
31 before October 1 of the calendar year following completion of the  
32 review, HHS shall report the results of the review and provide  
33 recommendations for rate adjustments to the governor and the  
34 general assembly.

35 The bill requires HHS to conduct an annual review of rates

1 for all medical and health services provided under the medical  
2 assistance program. HHS shall compare each rate to the rates  
3 for Medicaid programs in states contiguous to Iowa, in states  
4 with populations comparable to Iowa, and to the federal Medicare  
5 program, if applicable. The bill requires HHS to submit an  
6 annual report to the general assembly that summarizes the review.

7 The bill requires HHS, with input from the public, providers,  
8 and other stakeholders, to conduct a review at least biennially  
9 beginning on July 1, 2026, of rates for services rendered under  
10 home and community-based services waivers (waivers) during the  
11 period of review specified by HHS; the review shall include  
12 the aggregate cost to the state and consumer utilization of  
13 waivers, along with the demonstrated capacity of providers to  
14 meet consumer demand for services with available resources and  
15 indicators of need for more resources. The bill requires HHS to  
16 use the findings of the review to develop proposed rate models  
17 and related changes to HHS policies and procedures. The bill  
18 defines "consumer", "provider", and "waiver".

19 The bill requires HHS to submit to the general assembly, on or  
20 before December 31 of the year that the review is completed, a  
21 report detailing the proposed rate models, the fiscal impact of  
22 implementing such rates with documents supporting the actuarial  
23 soundness of the models, and the proposed changes to HHS policies  
24 and procedures.