

**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:

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

3 NEW SUBSECTION. 9. Upon implementation by the department  
4 of a uniform cost report for shelter care and qualified  
5 residential treatment providers, the department shall  
6 biennially conduct a review of shelter care and qualified  
7 residential treatment provider costs compared to current  
8 shelter care and qualified residential treatment provider  
9 rates. On or before October 1 of the calendar year immediately  
10 succeeding the calendar year in which the review is conducted,  
11 the department shall submit a report to the governor and the  
12 general assembly detailing the results of the department's  
13 review and recommendations for rate 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  
17 provider reimbursement rates for all medical and health  
18 services provided pursuant to this chapter. The department  
19 shall compare each provider reimbursement rate to the  
20 reimbursement rates for all of 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  
24 by 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  
2 conduct a review at least biennially of provider reimbursement  
3 rates for all services rendered under a waiver during the  
4 period of review specified by the department. The review shall  
5 include but is not 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  
14 changes to departmental policy and procedures. The department  
15 shall submit a report to the general assembly on or before  
16 December 31 of the year in which the review is completed  
17 and must include proposed rate models, the projected fiscal  
18 impact of implementing the proposed rate models including  
19 documentation supporting the actuarial soundness of the  
20 proposed rate models, and the proposed changes to the  
21 department's policies and procedures.

22 EXPLANATION

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

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

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

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

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

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