
BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Medical Assistance — Hospital Health Care Access Trust Fund

Background

2010 Iowa Acts, [chapter 1135](#) (Health Care Access Assessment Act), created the Hospital Health Care Access Assessment Program and imposed a Hospital Health Care Access Assessment on privately owned hospitals paid on a Prospective Payment System (PPS) basis by Medicare and Medicaid. Revenue received from the assessment is deposited into the Hospital Health Care Access Trust Fund (HHCATF) under the authority of the Department of Health and Human Services (HHS). The moneys in the Fund are used to provide a supplemental appropriation to the Medicaid Program, matched with federal financial participation, intended to increase hospital reimbursement for PPS hospitals to the upper payment limit. This payment, to the extent possible, is intended to offset the cost of the assessment.

Assessment Fee

The hospital assessment is based on 1.26% of net patient revenue, as specified by each hospital's FY 2008 Medicare cost report, and is estimated to collect \$33.9 million annually. Those funds are then appropriated to the Medicaid Program to allow the State to draw a federal match on the funds, resulting in a net increase for Medicaid revenue.

Related Statutes and Administrative Rules

Iowa Code chapter [249M](#)

Iowa Administrative Code [441—36](#)

Budget Unit Number

4130N430445

Doc ID 1443767

More Health Information

Iowa Department of Health and Human Services Medicaid: hhs.iowa.gov/programs/welcome-iowa-medicaid

LSA Staff Contact: Eric M. Richardson (515.281.6767) eric.richardson@legis.iowa.gov