



HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 2518	House Committee: PASSED 2/10/26 (21-0)
Committee:	Health and Human Services	House Floor:
Floor Manager:	Rep. Ann Meyer	Senate Floor:
Date:	February 25, 2026	Governor:
Staff:	Natalie Ginty (281-7479)	

Rate Review

- This bill requires DHHS to review all Medicaid rates, including HCBS rates, as well as shelter and qualified residential treatment program rates in child welfare, either annually or every two years, and provide projected fiscal costs to the legislature.
- **Fiscal Note:** FY27 is estimated to cost \$2.3 million with \$1.2 million being state cost. FY28 is estimated to cost \$1 million with \$500,000 being state cost.

Section by Section Analysis

Section 1 (Iowa Code 235.2)

Requires DHHS to implement a uniform cost report for shelter and QRTP providers and every two years conduct a review of their costs compared to current rates. DHHS must provide the results to the legislature by October of the year the review is completed and any recommendations for rate adjustments.

Section 2 (Iowa Code 249A.4)

Requires DHHS to conduct an annual review of provider reimbursement rates for all Medicaid medical and health services. DHHS shall compare them to Medicaid programs in contiguous states to Iowa, states with similar populations as Iowa and the Medicare program. DHHS shall report this information to the legislature every December.

Section 3 (Iowa Code 249A.32C) – New Section

Defines “consumer”, “provider”, and “waiver”. Starting July 1, DHHS shall conduct a review at least every 2 years of waiver services rates. The review shall include aggregate costs, utilization, and provider capacity. Based on the review, DHHS shall develop proposed rate models and submit a report to the legislature with projected fiscal impact.

Amendment Analysis

H-8036 by A. Meyer – Revises section 2 to codify the current Medicaid rate review process of comparing to Medicare for health services and surrounding states for dental services. Revises section 3 to require HCBS providers to submit cost reports and at least every four years provide the legislature a fiscal impact of updating HCBS rates based on the cost reports.