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**INFORMATIONAL LETTER NO. 2732-MC-FFS**

**DATE:** May 05, 2026

**TO:** All Facilities

**APPLIES TO:** Managed Care (MC) and Fee-for-Service (FFS)

**FROM:** Iowa Department of Health and Human Services (HHS) and Iowa Medicaid

**RE:** Personal Needs Allowance and Supplemental Personal Needs Payments

**EFFECTIVE:** Immediately

This informational letter is an update to IL 2719-MC-FFS-D effective January 26, 2026, which announced the change in personal needs allowance taking place retroactively back to August 1, 2025. HHS Appropriations House File 1049 increased the Personal Needs Allowance and supplemental payment from \$50.00 to \$55.00 monthly for individuals residing in a facility.

The system updates have been completed for the personal needs allowance retroactive to August 1, 2025. For Iowa Medicaid members who had adjustments to client participation amounts, providers can expect claims subject to client participation to be adjusted accordingly back to August 1, 2025.

**Updated Guidance for Providers:**

During implementation of the Personal Needs Allowance (PNA) increase, the Department of Health and Human Services (HHS) experienced system issues that resulted in inaccurate Client Participation information and some claim denials in error. These issues have been resolved.

Updated Client Participation information is now available in the system:

- August 1, 2025 – February 28, 2026: available as of March 10, 2026
- March 1, 2026 – April 30, 2026: available as of March 17, 2026

**Next steps for providers:**

## Reprocessing of Paid Claims:

Fee-for-service (FFS) claims affected by the PNA adjustment will be reprocessed by HHS. No action is required from providers for these claims.

MCOs are prepared to reprocess managed care claims where Client Participation amounts have been updated.

## Denied Claims:

Claims denied due to member information not displaying correctly should now be resubmitted by providers for proper processing.

If you have questions, please contact Iowa Medicaid Provider Services or the appropriate MCO:

**Iowa Medicaid Provider Services:**

- Phone: 1-800-338-7909
- Email: [imeproviderservices@hhs.iowa.gov](mailto:imeproviderservices@hhs.iowa.gov)

**Managed Care Organizations (MCOs):**

**Iowa Total Care:**

- Phone: 1-833-404-1061
- Email: [providerrelations@iowatotalcare.com](mailto:providerrelations@iowatotalcare.com)
- Website: <https://www.iowatotalcare.com>

**Molina Healthcare of Iowa:**

- Phone: 1-844-236-1464
- Email: [aproviderrelations@molinahealthcare.com](mailto:aproviderrelations@molinahealthcare.com)
- Website: <https://www.molinahealthcare.com/providers/ia/medicaid/home.aspx>
- Provider Portal: <https://www.availity.com/molinahealthcare>

**Wellpoint Iowa, Inc.:**

- Phone: 1-833-731-2143
- Email: [ProviderSolutionsIA@wellpoint.com](mailto:ProviderSolutionsIA@wellpoint.com)

Website: <https://www.provider.wellpoint.com/iowa-provider/home>