
INFORMATIONAL LETTER NO. 2720-MC-FFS-D

DATE: December 8, 2025

TO: Residential Care Facilities (RCF)

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

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

RE: Residential Care Facility (RCF) Maximum Per Diem Rate and
Personal Needs Allowance Increase

EFFECTIVE: January 1, 2026

Effective January 1, 2026, the maximum RCF per diem rate will increase from \$37.60 to \$38.47.

There will be no increase in the flat per diem rate at this time. The flat per diem rate remains at \$17.86.

Additionally, the personal needs allowance for RCF assistance recipients will increase from \$126.00 to \$130.00 per month effective January 1, 2026. This increase is based on the average Medicaid copays paid by RCF Medicaid members in State Fiscal Year (SFY) 2025 in conjunction with the Cost-of-Living Adjustment (COLA) increase announced by the Social Security Administration.

Please have your residents contact their eligibility worker if they have questions about the personal needs allowance or their client participation.

If you have questions, please contact:

Iowa Medicaid Provider Services:

- Phone: 1-800-338-7909
- Email: imeproviderservices@hhs.iowa.gov

Managed Care Organizations (MCOs):

Iowa Total Care:

- Phone: 1-833-404-1061
- Email: providerrelations@iowatotalcare.com
- Website: <https://www.iowatotalcare.com>

Molina Healthcare of Iowa:

- Phone: 1-844-236-1464
- Email: 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
- Website: <https://www.provider.wellpoint.com/iowa-provider/home>