
INFORMATIONAL LETTER NO. 2674-MC-FFS

DATE: April 10, 2025

TO: Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID)

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

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

RE: ICF/ID Rates July 2025

EFFECTIVE: July 1, 2025

Per Iowa Administrative Code (IAC) 82.5(14)e, the maximum rate for ICF/IDs shall be updated to the “eightieth percentile of the total per diem cost of all participating” facilities. The eightieth percentile “shall be adjusted July 1 of each year using cost reports on file December 31 of the previous year.” Inflation is also updated annually, effective July 1 based on the Consumer Price Index for all urban consumers, U.S. City Average (CPI-U), per 441 IAC 82.5(16)i.

The eightieth percentile maximum based on cost reports on file as of December 31, 2024, for rates effective July 1, 2025, through June 30, 2026, is \$487.81. The calculation of the maximum can be found [here](#)¹. The CPI-U used as the inflation factor for rates effective July 1, 2025, through June 30, 2026, is 2.9%.

If you have questions, please contact the Iowa Medicaid Provider Cost Audit and Rate Setting Unit at 1-866-863-8610, 515-256-4610 in Des Moines, or costaudit@hhs.iowa.gov.

¹<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fhhs.iowa.gov%2Fmedia%2F15423%2Fdownload%3Finline&wdOrigin=BROWSELINK>