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MEDICAID INFORMATION RELEASE MA25-19

To: All Medicaid Providers
From: Sasha O'Connell, Deputy Director
Subject: Medicaid Provider Rate Adjustment

On August 22, 2025, the department issued information release [MA25-17 Medicaid Provider Rate Adjustment](#). This notified providers that Medicaid payment rates would be reduced for dates of service September 1, 2025, forward.

The department held a thirty (30) day public comment period, reviewed data required by the Centers for Medicare and Medicaid Services (CMS) to assess access to care, and adjusted to the four percent (4%) rate reductions as described below prior to submitting requests to CMS for federal authority updates.

In consultation with CMS, the state is effectuating rate changes. Non-exempt fee-for-service claims with dates of service September 1, 2025, forward will be affected. For those claims, rates are reduced by four percent (4%). No action is required by providers as the department will automatically reprocess claims back to the effective date in the coming weeks. Providers enrolled with managed care organizations should consult their fee schedule for related information.

Providers should continue to charge their usual and customary fee for services and submit those charges to Medicaid for payment consideration. ([General Billing Instructions, Idaho Medicaid Provider Handbook](#)).

The department will continue to communicate with providers through information releases as we evaluate the impact of budget and forecast adjustments. We encourage you to read our [monthly transparency reports](#) on the department website to see how the budget is performing relative to forecast. Thank you for your continued partnership and for serving Idahoans covered by the Medicaid program.

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The content of this guidance document is not new law but is an interpretation or application of existing law prepared by the Idaho Department of Health and Welfare to supply clarity to the public about existing requirements under the law. This document does not bind the public, except as authorized by law or as incorporated into a contract. For additional information or to provide input on this document, contact the Division of Medicaid by emailing MCPT@dhw.idaho.gov or by calling 888-528-5861.

Exempt Fee-For-Service Claims Not Impacted by the Four Percent (4%) Rate Reduction

- Pharmacy ingredient cost.
- School-based services.
- Payments to Tribal providers (Indian Health Services or other Tribal facilities).
- Final encounter rate payments to Federally Qualified Health Centers and Rural Health Centers. Interim rates for these provider groups will be reduced by four percent (4%).
- Money Follows the Person / Idaho Home Choice grant-funded services.
- State-owned facilities.
 - State owned hospitals.
 - State owned intermediate care facilities.
 - State owned nursing facilities.
- Hospice.
- HCBS Fee Schedule Rates in the tables below.

Personal Assistance Agency (PAA) Services				
Procedure Code	Modifier	Description	1 Unit Equiv.	Allowed Amount
S5125		Attendant Care Services	15 min	\$6.11
T1019		Personal Care Services	15 min	\$6.11
T1019	UM	PCS Family Alternate Care Home	15 min	\$5.28

Certified Family Homes (CFH) Services *				
Procedure Code	Modifier	Description	1 Unit Equiv.	Allowed Amount
T1019		Personal Care Services - CFH	15 min	\$5.12

Residential Assisted Living Facilities (RALFs) *				
Procedure Code	Modifier	Description	1 Unit Equiv.	Allowed Amount
T1019		Personal Care Services - RALF	15 min	\$5.12

Aged & Disabled (A&D) Waiver Services *				
Procedure Code	Modifier	Description	1 Unit Equiv.	Allowed Amount
T1019		PCS – Agency	15 min	\$6.11
T1019	UM	PCS Family Alternate Care Home	15 min	\$5.28
S5125		Attendant Care Services	15 min	\$6.11
T2022	UD	Transition Management (Up to 288 Units as Authorized)	15 min	\$12.09
T2038		Transition Services – Goods and Services	Per Transition	Up to \$2,000 As Authorized

Adult Developmental Disabilities (DD) Waiver Services				
Procedure Code	Modifier	Description	1 Unit Equiv.	Allowed Amount
S5140		Residential Habilitation - CFH	1 day	\$69.41
T2038		Transition Services – Goods and Services	Goods and services; not to exceed \$2,000	Goods and services; not to exceed \$2,000

**S5140 under the A&D Waiver for RALF and CFH will be adjusted to account for four percent (4%) rate reductions excluding T1019 and S5125 as indicated above. To account for this change, authorizations will be terminated effective September 1, 2025. New authorizations will be concurrently issued reflecting the reduced daily rate for S5140.*