

Table of Contents

State/Territory Name: Iowa

State Plan Amendment (SPA) #: 21-0020

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

October 25, 2021

Elizabeth Matney, Medicaid Director
Division of Medical Services
Department of Human Services
Iowa Medicaid Enterprise
1305 E. Walnut Street
Des Moines, IA 50319

RE: TN 21-0020

Dear Director Matney:

We have reviewed the proposed Iowa (IA) State Plan Amendment (SPA) to Attachment 4.19-B IA-21-0020, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 23, 2021. This plan amendment implements an increase for Habilitation Rates.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Robert Bromwell at 410-786-5914 or Robert.bromwell@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 1 — 0 2 0

2. STATE

IOWA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2021

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.182

7. FEDERAL BUDGET IMPACT

a. FFY 2021 \$ 42,506

b. FFY 2022 \$ 171,097

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Page 17, 18

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

Attachment 4.19-B, Page 17, 18

10. SUBJECT OF AMENDMENT

This amendment implements an increase in Habilitation rates as authorized by 2021 Iowa Acts, House File 891.

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

13. TYPED NAME

Elizabeth Matney

14. TITLE

MEDICAID DIRECTOR

15. DATE SUBMITTED

September 23, 2021

16. RETURN TO

**ELIZABETH MATNEY
MEDICAID DIRECTOR
DEPARTMENT OF HUMAN SERVICES
1305 EAST WALNUT 5TH FLOOR
DES MOINES IA 50319-0114**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

September 23, 2021

18. DATE APPROVED

October 25, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL

[Redacted Signature]

21. TYPED NAME

Todd McMillion

22. TITLE

Director, Division of Reimbursement Review

23. REMARKS

Methods and Standards for Establishing Payment Rates

1. **Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <p>HCBS Case Management</p> <p>Providers of case management services shall be reimbursed at cost. Providers are reimbursed throughout each fiscal year on the basis of a projected interim payment rate for a 15-minute unit of service based on each provider’s reasonable and proper costs of operation. Reasonable and proper costs of operation are identified pursuant to federally accepted reimbursement principles (OMB A-87 principles).</p> <p>The methodology for determining the reasonable and proper cost for service provision assumes the following:</p> <ul style="list-style-type: none">• The indirect administrative costs shall be limited to 23 percent of other costs. Other costs include: professional staff – direct salaries, other – direct salaries, benefits and payroll taxes associated with direct salaries, mileage and automobile rental, agency vehicle expense, automobile insurance, and other related transportation.• Mileage shall be reimbursed at a rate no greater than the state employee rate.• Costs of operation shall include only those costs that pertain to the provision of services which are authorized under rule 441—90.3(249A). <p>Interim payments are subject to annual retrospective cost settlement based on submission of actual costs of operation and service utilization data by the provider on Form 470-0664., Financial and Statistical Report submitted by providers ninety days after each fiscal year end. The cost settlement represents the difference between the amount received by the provider during the year for covered services and the amount supported by the actual costs of doing business, determined in accordance with an accepted method of cost apportionment.</p> <p>For dates of services on or after July 1, 2018, HCBS case management services shall be reimbursed by fee schedule.</p> |
| <input checked="" type="checkbox"/> | <p>HCBS Home-Based Habilitation</p> <p>For services provided on July 1, 2013 through December 31, 2013, home-based habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency’s fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013.</p> <p>For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home-based habilitation. The agency’s fee schedule rate was set as of July 1, 2021 and is effective for services provided on or after that date.</p> <p>All rates are published on the agency’s website at: http://dhs.iowa.gov/ime/providers/csrp/fee-schedule</p> |

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <p>HCBS Day Habilitation</p> <p>For services provided on July 1, 2013 through December 31, 2013, day habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013.</p> <p>For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home-based habilitation. The agency's fee schedule rate was set as of July 1, 2021 and is effective for services provided on or after that date.</p> <p>The rates for Day habilitation are located at 441 IAC 79.1(2) https://www.legis.iowa.gov/docs/iac/rule/07-05-2017.441.79.1.pdf</p> |
| <input type="checkbox"/> | <p>HCBS Behavioral Habilitation</p> |
| <input type="checkbox"/> | <p>HCBS Educational Services</p> |
| <input checked="" type="checkbox"/> | <p>HCBS Prevocational Habilitation</p> <p>For services provided on July 1, 2013 through December 31, 2013, prevocational habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013.</p> <p>For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home-based habilitation. The agency's fee schedule rate was set as of July 1, 2021 and is effective for services provided on or after that date.</p> <p>All rates are published on the agency's website at: http://dhs.iowa.gov/ime/providers/csrp/fee-schedule</p> |
| <input checked="" type="checkbox"/> | <p>HCBS Supported Employment Habilitation</p> <p>For services provided on July 1, 2013 through December 31, 2013, supported employment habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fee schedule rate was set as of July 1, 2013 and is effective for dates of service provided on and after that date through December 31, 2013.</p> <p>For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of supported employment habilitation. The agency's fee schedule rate was set as of July 1, 2021 and is effective for services provided on or after that date.</p> <p>All rates are published on the agency's website at: http://dhs.iowa.gov/ime/providers/csrp/fee-schedule</p> |