

**Methods and Standards for Establishing Payment Rates for Inpatient Hospital Care**

**Prospective Interim Payment (PIP)**

Hospitals qualify for a PIP if they meet one of the following:

- ◆ Being an Iowa-state-owned hospital with more than 500 beds, having eight or more separate and distinct residency specialty or subspecialty programs recognized by the American College of Graduate Medical Education.
- ◆ Being a non-state-government-owned-acute care teaching hospital located in a county with a population over three hundred fifty thousand.
- ◆ Being an Iowa-state-owned acute care hospital for persons with mental illness.

The Department of Human Services' total annual PIP obligation to a qualifying hospital will be the sum of IowaCare's obligation for the following: inpatient services + outpatient services + inpatient capital costs + pharmacy cost + estimated enhanced DSH and graduate medical education obligation. Third party liability payments are subtracted from the PIP obligation.

Effective for January 1, 2009, through June 30, 2009, the annual PIP, which is divided by twelve and payable monthly, to each qualifying hospital is as follows:

- \$27,284,584 to University of Iowa Hospitals and Clinics
- \$3,164,766 to Cherokee MHI
- \$687,779 to Clarinda MHI
- \$3,146,494 to Independence MHI
- \$2,000,961 to Mt. Pleasant MHI
- \$37,000,000 to Broadlawns Medical Center

For the period of January 1, 2009, through June 30, 2009, additional payments for inpatient and outpatient hospital services, enhanced DSH and Enhanced GME payments, not to exceed \$11,000,000, in total, will be paid to Broadlawns Medical Center.

Effective for July 1, 2009, through June 30, 2010, the annual PIP, which is divided by twelve and payable monthly, to each qualifying hospital is as follows:

- \$27,284,584 to University of Iowa Hospitals and Clinics
- \$41,000,000 to Broadlawns Medical Center

For the period of July 1, 2009, through June 30, 2010, additional payments for inpatient and outpatient hospital services, enhanced DSH and Enhanced GME payments, not to exceed \$11,000,000, in total, will be paid to Broadlawns Medical Center.

The Enhanced DSH payments will be subject to the hospital-specific DSH limit and will only be made if there remains any DSH allotment, in compliance with Public law 102-234, as amended by Public Law 108-173 (Medicare Prescription Drug, Improvement, and Modernization Act of 2003), after determining the amount of DSH allocated to the PIP payments for each qualifying hospital, plus the DSH that is paid through the Graduate Medical Education and Disproportionate Share Fund. The Enhanced GME payments will be subject to the cost limit defined in Section 32. Final Settlement process for Non-State Government-Owned or Government-Operated Hospitals (Inpatient).

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