

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP, and Survey & Certification

Charles M. Palmer, Director
Department of Human Services
Hoover State Office Building
1305 East Walnut, 5th Floor
Des Moines, Iowa 50319-0119

FEB - 2 2011

RE: IA 10-007

Dear Mr. Palmer:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-007. Effective July 1, 2010, this amendment modifies the rate setting methodology for nursing facility services. Specifically, under this amendment base period costs are updated by two years and inflated to the rate period; the upper limit for the Direct Health Care Cost center is increased; the components of the Quality and Efficiency Incentive plan are updated and quality rate add-ons are increased; a transitional rate provision is added giving facilities the greater of their new rebased rate or their rate in effect as of June 1, 2010; and a pass-through is added to reimburse facilities for the Medicaid share of the new provider tax.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This letter informs you that Medicaid State plan amendment 10-010 is approved effective July 1, 2010. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,


Cindy Mann
Director, CMCS

Enclosures