Revised 5/10/11

State/Territory: IOWA

Methods and Standards for Establishing Payment Rates for Other Types of Care

Outpatient Hospital Care (Cont.)

19. Final Settlement Process for Non-State Government-Owned or Government-Operated Hospitals (Outpatient)

At the end of the cost reporting period, the aggregate payments made to such hospitals under the APC payment methodology will be determined and compared to each hospital's actual medical assistance program costs as determined from the facility's audited or desk reviewed cost report. For purposes of this, aggregate payments include amounts received from the Medicaid program, including Graduate Medical Education (GME) payments, outlier payments, as well as, patient and third-party payments up to the Medicaid allowed amount.

If the aggregate payments exceed the hospital's actual medical assistance program costs, the amount by which payments exceed actual costs will be requested and collected from the hospital.

Cost settlements, as described above, will be performed annually following completion of the cost report desk review and/or audit.

20. Final Settlement for Iowa State-owned Teaching Hospital

Distributions methodology for the $9,900,000

The $9,900,000 will first be applied to bring inpatient hospital reimbursement (interim payments plus GME) to 100% of inpatient hospital cost (calculated in accordance with Attachment 4.19-A). The remaining amount of the $9,900,000 will then be applied to bring outpatient hospital reimbursement to 100% of outpatient hospital cost (calculated in accordance with Attachment 4.19-B and Supplement 2 to Attachment 4.19-B).

If the total $9,900,000 is used in bringing inpatient hospital reimbursement to 100% of inpatient cost, then no further outpatient payments will be made.

In no case will total outpatient hospital payments exceed 100% of outpatient cost.