



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

DATE: January 20, 2010
TO: Nursing Facility Administrator
FROM: Iowa Medicaid Enterprise - Provider Cost Audit and Rate Setting Unit
RE: Notice of Medicaid Per Diem Payment Rate for **January 1, 2010**

Your facility's per diem rate worksheet for the quarter beginning **January 1, 2010**, calculated in accordance with 441 IAC 81.6 is attached. The rate will be loaded before January 2010 dates of service claims are billed, as such no mass adjustment to re-price claims will be necessary. Please note that any accountability measure add-on that your facility may qualify for has **not** been included in the Medicaid per diem payment rate for January 1, 2010. Please see explanation below.

Executive Order Number 19 Compliance

On October 8, 2009 Governor Chester J. Culver issued Executive Order Number 19, decreeing that State expenditures would be reduced ten percent (10%). In order to comply with the Governor's Executive Order, the Department has enacted the following rules pertaining to Nursing Facilities:

- The amount of the inflation adjustment is reduced by five percent (5%). The inflation adjustment will inflate costs from the midpoint of the cost report period to July 1, 2008, **less five percent (5%)**, using the Centers for Medicare and Medicaid Services (CMS) Total Skilled Nursing Facility Market Basked Index.
- The minimum occupancy for determining the per patient day amounts for administrative, environmental, and property costs has increased from eighty-five percent (85%) to **ninety percent (90%)**.
- The department has also implemented a minimum occupancy level for bed hold payments for residents who are hospitalized for acute conditions. To receive payment for a bed-hold for a hospitalized resident at **twenty-five percent (25%)** of the actual per diem rate, a facility needs to have occupancy at or above **ninety-five percent (95%)**, otherwise these hospitalization leave days will be paid at **zero percent (0%)**. Bed hold payments for visitation days are still to be made at forty-two percent (42%) of the actual per diem rate and there are no minimum occupancy requirements.

House File 811 Compliance

Inflation

The July 1, 2009 rates have been rebased pursuant to current law. House File (HF) 811, 2009 Iowa Acts, included an expenditure cap on total nursing facility expenditures; this cap was supplemented by HF 820. When the rates were rebased according to the cost reports submitted, estimated expenditures exceeded the total

You Have the Right to Appeal

What is an appeal?

An **appeal** is asking for a hearing because you do not like a decision the Department of Human Services (DHS) makes. You have the right to file an appeal if you disagree with a decision. You do not have to pay to file an appeal. [441 Iowa Administrative Code Chapter 7].

How do I appeal?

Filing an appeal is easy. You must appeal in writing by doing **one** of the following:

- Complete an appeal electronically at <https://dhssecure.dhs.state.ia.us/forms/>, **or**
- Write a letter telling us why you think a decision is wrong, **or**
- Fill out an Appeal and Request for Hearing form. You can get this form at your county DHS office.

Send or take your appeal to the Department of Human Services, Appeals Section, 5th Floor, 1305 E Walnut Street, Des Moines, Iowa 50319-0114. If you need help filing an appeal, ask your county DHS office.

How long do I have to appeal?

You must file an appeal:

- Within 30 calendar days of the date of a decision **or**
- Before the date a decision goes into effect

If you file an appeal more than 30 but less than 90 calendar days from the date of a decision, you must tell us why your appeal is late. If you have a good reason for filing your appeal late, we will decide if you can get a hearing.

If you file an appeal 90 days after the date of a decision, we cannot give you a hearing.

Can I continue to get benefits when my appeal is pending?

You may keep your benefits until an appeal is final or through the end of your certification period if you file an appeal:

- Within 10 calendar days of the date of a decision **or**
- Before the date a decision goes into effect

Any benefits you get while your appeal is being decided may have to be paid back if the Department's action is correct.

How will I know if I get a hearing?

You will get a hearing notice that tells you the date and time a telephone hearing is scheduled. You will get a letter telling you if you do not get a hearing. This letter will tell you why you did not get a hearing. It will also explain what you can do if you disagree with the decision to not give you a hearing.

Can I have someone else help me in the hearing?

You or someone else, such as a friend or relative can tell why you disagree with the Department's decision. You may also have a lawyer help you, but the Department will not pay for one. Your county DHS office can give you information about legal services. The cost of legal services will be based on your income. You may also call Iowa Legal Aid at 1-800-532-1275. If you live in Polk County, call 243-1193.

Policy Regarding Discrimination, Harassment, Affirmative Action and Equal Employment Opportunity

It is the policy of the Iowa Department of Human Services (DHS) to provide equal treatment in employment and provision of services to applicants, employees and clients without regard to race, color, national origin, sex, religion, age, disability, political belief or veteran status.

If you feel DHS has discriminated against or harassed you, you can send a letter of complaint to:

Iowa Department of Human Services, Administrator, Diversity Program Unit, 1305 E. Walnut, Des Moines IA 50319-0114; phone (800) 972-2017; fax (515) 281-4243.

expenditure cap from the two House files. HF 811 includes language that allows the department to adjust the reimbursement to maintain expenditures within the expenditure cap. Therefore, the inflation adjustment has been reduced. The inflation adjustment inflates costs from the midpoint of the cost report period to July 1, 2008, using the Centers for Medicare and Medicaid Services (CMS) Total Skilled Nursing Facility Market Basked Index. The rebase cost report period is your submitted cost report ending in fiscal year 2008 and the facility cost report period CMI, will be the simple average of the RUG scores for all residents at the end of the four quarters from the cost report period.

Pay for Performance Payment

Prior to July 1, 2008, the accountability measure per diem rate was added to the quarterly case-mix nursing facility rate and payment to the nursing facility was made as claims were submitted during the fiscal year. Effective July 1, 2008, the accountability measure per diem rate was added after taking into consideration any reductions or forfeitures and paid at the end of the state fiscal year.

House File 811 amended the accountability measures add-on to be called the pay-for-performance payment. The amount and timing of pay for performance payments, including provisions for reductions and forfeitures based on citations and denial of payments received during the year is included in HF 811. The number of points awarded shall be determined annually at the end of the state fiscal year. Please refer to 441 IAC 81.6(16)(g) for a complete description of the new criteria, measurement period, point value, and data source for each measure. At the end of the state fiscal year, IME will send a notification with provider-specific data used to determine whether your facility met the individual pay for performance payment qualifications, as well as, the amount you will receive whether a facility qualifies for an add-on payment at the end of the payment period (state fiscal year). Based upon the number of points awarded, a retroactive add-on payment will be made effective July 1, 2009 and mass adjustments to re-price claims will be completed at that time, approximately August, 2010.

Medicaid CMI Change

The enclosed rate may have changed from the rate effective **October 1, 2009** due to a change in your facility's Average CMI for Medicaid Residents. The Average CMI for Medicaid Residents is the simple average, carried to four decimal places, of all resident case-mix indices for the last available quarter, where Medicaid is known to be the per diem payor source on the last day of the calendar quarter. The last available quarter of CMI data for the **January 1, 2010** rate calculation is July 1, 2009 through September 30, 2009.

Geographic Wage Index Update

Pursuant to 441 IAC 81.6(16)(d)(2)(1), beginning July 1, 2002, and thereafter, the wage index factor, which allows a greater recognition of incurred nursing wage costs for urban facilities by raising the overall rate component ceilings, is to be determined annually. In accordance with the regulations, the wage index has been updated to 5.71% beginning with case-mix rates effective July 1, 2009.

If you do not agree with this notice, you have the right to request an appeal hearing. Please see the attached for the appeal hearing process. Should you have any questions, please contact the Provider Cost Audit and Rate Setting Unit at (515) 725-1108 (local) or (866) 863-8610, or by e-mail at costaudit@dhs.state.ia.us.