



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER 1149

Date: July 13, 2012

To: Iowa Medicaid Home and Community Based Waiver (HCBS) Case Managers, Targeted Case Managers, Department of Human Services (DHS) Service Workers, and HCBS Providers (including Individual Consumer-Directed Attendant Care)

From: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

Subject: Clarification of Recent Legislative Action regarding Home and Community Based Services (HCBS)

The Department of Human Services appropriations bill, Senate File 2336, included several pieces of legislation concerning HCBS services. This letter will provide clarification of those actions and the effective dates for each action.

- Effective July 1, 2012, the Elderly Waiver monthly reimbursement cap for HCBS services increased to \$1300.00. The IME increased the cap automatically through Individualized services Information System (ISIS). This action will increase the amount of services an Elderly Waiver member can receive. This legislation does not authorize an increase in any provider's individual rate, nor does it authorize an increase in any service rate maximum. **Case managers are not authorized to increase any provider's rate, however, can increase the number of units or services that a member can access per month.**
- **Per the legislation, all HCBS waivers will be given a 2 percent increase effective January 1, 2013, over rates in effect on June 30, 2012.** This increase will be applied to the monthly reimbursement caps for all waivers (except the Elderly Waiver), the service rate maximums, and each individual provider's rate. No increases in provider rates should be entered into ISIS unless communicated by the IME Provider Cost Audit Unit as these rates are based on actual cost report information. Later this year the IME will communicate to Case Managers, Targeted Case Managers, Service Workers, and providers how these rates will be adjusted.
- Effective July 1, 2012, home health agencies will be given a 2 percent increase, not to exceed their actual allowable costs. This increase is for state plan services, and will not impact HCBS services rates. HCBS waiver rates for home health agency, nursing and home health aide services will be increased effective January 1, 2013, in accordance with the increase for HCBS waiver services.

- Senate File 2336 allowed the 2 percent rate increase for HCBS waiver services, but did not allow for an increase for state plan HCBS Habilitation services.

Reminder: The Iowa Administrative Code (IAC) indicates that provider rates should be no higher than each provider's rate in effect on November 30, 2009, or as directed by the IME Provider Cost Audit Unit. Please refer to Informational Letter No.1046 which indicates that provider's individual rates and service maximum rates were to remain at the November 30, 2009 levels. The effect of both of these documents is that no provider rate increases were possible unless communicated directly from the IME Provider Cost Audit Unit.

If you have any questions about the information in this letter, please submit those questions to HCBSwaivers@dhs.state.ia.us.