

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 217.3(6) and 2014 Iowa Acts, House File 2463, section 144(2) and (3), the Department of Human Services gives Notice of Intended Action to amend Chapter 51, "Eligibility," and Chapter 52, "Payment," Iowa Administrative Code.

These amendments implement the January 1, 2015, cost of living increases to several State Supplementary Assistance categories.

Effective January 1, 2015, the SSI benefit will be increased according to the increase in the consumer price index from October 1, 2013, through September 30, 2014. The Social Security Administration has announced that this increase will be 1.7%. In order to comply with the federal pass-along requirement in calendar year 2015 using the payment levels method of compliance, Iowa must increase the payment amounts and income limits for each State Supplementary Assistance category (except In-Home Health-Related Care (IHHRC) provider rates and the Supplement for Medicare and Medicaid Eligibles) effective January 1, 2015 to equal the minimum levels required by the federal government. The minimum levels are increased each time the SSI benefit is increased. Also, the Iowa General Assembly has directed the Department to increase the personal needs allowance of clients in the residential care facility program by the same percentage and at the same time as the SSI cost of living increase.

Any interested person may make written comments on the proposed amendments on or before January 27, 2015. Comments should be directed to Harry Rossander, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building,

Fifth Floor, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may also be sent by fax to (515)281-4980 or by e-mail to policyanalysis@dhs.state.ia.us.

These amendments do not provide for waivers in specified situations since the increases are required by federal and state law.

These amendments were also Adopted and Filed Emergency and are published herein as ARC XXXXC. The purpose of this Notice is to solicit public comment on that submission, the subject matter of which is incorporated by reference.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 217.3(6) and 2014 Iowa Acts, House File 2463, section 144, subsections 2 and 3.

Information on Proposed Rules

Name of Program Specialist Jan Garner	Telephone Number 1-6796	E-mail Address jgarner@dhs.state.ia.us
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1.	Give a brief summary of the rule changes: The attached rules implement the January 1, 2015, cost of living increases to several State Supplementary Assistance categories.
2.	What is the legal basis for the change? (Cite the authorizing state and federal statutes and federal regulations): 20 CFR 416.2095, 20 CFR 416.2096, and 2014 Iowa House File 2463, Sec. 144(2)-(3).
3.	Why is the Department requesting these changes? The rules will allow the state to meet the maintenance of fiscal effort requirement of the Social Security Act in the State Supplementary Assistance program.
4.	What will be the effect of this rule making (who, what, when, how)? Effective January 1, 2015, the SSI benefit will be increased according to the increase in the consumer price index from October 1, 2013, through September 30, 2014. The Social Security Administration has announced that this increase will be 1.7%. In order to comply with the federal pass-along requirement in calendar year 2015 using the payment levels method of compliance, Iowa must increase the payment amounts and income limits for each State Supplementary Assistance category (except In-Home Health-Related Care (IHHRC) provider rates and the Supplement for Medicare and Medicaid Eligibles) effective January 1, 2015 to equal the minimum levels required by the federal government. The minimum levels are increased each time the SSI benefit is increased. Also, the Iowa General Assembly has directed the Department to increase the personal needs allowance of clients in the residential care facility program by the same percentage and at the same time as the SSI cost of living increase.
5.	What are the potential costs and benefits of this rule making to the persons affected? This change will pass along increases in benefits to clients with a dependent person and to clients in family life homes. This change will also increase the maximum provider rate for RCF assistance. The provider rates for IHHRC will not be increased. The dependent person and family life home payment increases, and the RCF maximum per diem and personal needs allowance increases are a benefit to State Supplementary Assistance clients.
6.	What are the potential costs and benefits of this rule to the state? If these increases to the payment levels are not implemented, Iowa will not meet the State Supplementary Assistance maintenance of effort (MOE) for calendar year 2015. State Supplementary Assistance benefits are an MOE requirement for the Medicaid program. The cost involved in implementing these increases is far less than the potential loss of all federal funding for Medicaid.
7.	What are the likely areas of public comment or controversy? There will likely be none. This is an annual change and confers a benefit.
8.	Are there any alternatives to making these changes in rules that you considered and rejected? No alternatives have been considered.

<p>9. What will be the effect on other governmental bodies (federal or state agencies, county governments)?</p> <p>None.</p>
<p>10. If rules do not contain waiver provisions, explain why:</p> <p>These rules do not contain waiver provisions because they confer a benefit, are required to meet the federal Medicaid Maintenance of Effort requirements, and were mandated by the General Assembly.</p>
<p>11. Do these rules have an impact on private-sector jobs and employment opportunities in Iowa? (If yes, describe nature of impact, categories and number of jobs affected, state regions affected, costs to employer per employee)</p> <p>These rule changes do not impact private-sector jobs and employment opportunities.</p>

ADMINISTRATIVE RULE FISCAL IMPACT STATEMENT

Date: 11/6/14

Agency: Human Services

IAC citation: 441 IAC

Agency contact: Jan Garner

Summary of the rule:

The attached rules implement the January 1, 2015, cost-of-living adjustment increases in several State Supplementary Assistance categories.

Fill in this box if the impact meets these criteria:

No fiscal impact to the state.

Fiscal impact of less than \$100,000 annually or \$500,000 over 5 years.

Fiscal impact cannot be determined.

Brief explanation:

Fill in the form below if the impact does not fit the criteria above:

Fiscal impact of \$100,000 annually or \$500,000 over 5 years.

Assumptions:

Residential Care Facility (RCF):

The cost of a bed day will increase from \$29.66 to \$30.05 per day, effective 1/1/15. The difference between \$29.66 and \$30.05 is \$.39 per bed day. The increased RCF maximum provider rate will be partially offset by the increase in average client participation due to increased income received by the RCF recipients because of the Social Security and SSI COLA effective 1/1/15.

Based on historical data, the state cost for RCF per bed day is projected at 26.71% of the maximum per diem for SFY '15 and 26.71% of the maximum per diem for SFY '16.

- Using 26.71% of the maximum per diem, the increased state cost per bed day due to the 1.7% COLA is \$.11 per day per client for the 2nd half of SFY '15 (\$8.03 – 7.92)
 - 208,812 proj. bed days for 2nd half of SFY '15 x \$.11 per day = **\$22,969.32 increased cost for SFY '15**
- Using 26.71% of the maximum per diem, the increased state cost per bed day due to the 1.7% COLA is \$.11 per day per client for SFY '16 (\$8.03 – 7.92).
 - 413,794 proj. bed days x \$.11 per day = **\$45,517.32 increased cost for SFY '16**
- \$22,969.32 for 2nd half of SFY '15 + \$45,517.32 for SFY '16 = **\$68,486.64 increased cost for SFY '15 and SFY '16 for RCF assistance**

Personal Needs Allowance:

The combined RCF Personal Needs Allowance (PNA) is increasing \$1.00 per month from \$100 to \$101 per month. The base PNA is being increased by 1.7%. A portion of the PNA is based on the average Medicaid copayment per client per month for RCF recipients. The average copayment per client per month for RCF recipients for August 2013 through July 2014 was \$5.31. This is a decrease of \$.52 over the average for the prior year.

Dependent Person:

This is a straight increase in payment of \$7.00 per month per household, from a maximum of \$370 to \$377. Each

household should get a \$7.00 increase, even if they aren't currently at the maximum payment. The same people should remain eligible. The projected client counts are 1,434 per month for SFY '15, and 1,460 per month for SFY '16. The cost impact of the \$7 per month is an **increase of \$60,228 for SFY 15 and an increase of \$122,640 for SFY 16.**

Family Life Home:

The total monthly payment to the family is increasing from \$783.00 to \$794.00, for an increase of \$11. However, the increase in the client's SSI from the COLA will offset this. SSI is increasing from \$721 to \$733 per month, and the deduction for the client's personal needs is increasing from \$100 to \$101 per month. The increase in SSI of \$12 minus the increase in deduction (personal needs) of \$1 means the client will pay an additional \$11 per month for \$0 increase in expenditures (\$11 - 11). **There will be no increased cost for the state for Family Life Home for SFY '15 or SFY '16.**

Describe how estimates were derived:

See above.

Estimated Impact to the State by Fiscal Year

	Year 1 (FY 2015)	Year 2 (FY 2016)
Revenue by each source:		
General fund		
Federal funds		
TOTAL REVENUE		
Expenditures:		
General fund	\$83,197.32	\$168,157.32
Federal funds		
TOTAL EXPENDITURES	\$83,197.32	\$168,157.32
NET IMPACT		

This rule is required by state law or federal mandate.

Please identify the state or federal law:

20 CFR 416.2096

Funding has been provided for the rule change.

Please identify the amount provided and the funding source:

There are funds in the SFY 15 appropriation and funds have been requested for SFY 16 to cover the cost of living adjustment 1/1/15.

Funding has not been provided for the rule.

Please explain how the agency will pay for the rule change:

Fiscal impact to persons affected by the rule:

This rule change will result in residential care facility assistance recipients and family life home assistance recipients retaining \$1.00 more per month of their income due to the increase in the personal needs allowance. This increase is due to the pass along of the 1.7% SSI increase effective 1/1/2015. Residential care facility assistance recipients, family life home assistance recipients, and In-Home Health-Related Care recipients will be required to pay more per month for their care. The additional amount charged will be offset by the increase in their income due to the Social Security and SSI cost of living increases. Dependent Person assistance recipients who receive a supplement due to having a dependent family member, will receive a \$7.00 per month increase in their supplement due to the pass along of the 1.7% SSI increase.

Fiscal impact to counties or other local governments (required by Iowa Code 25B.6):

None

Agency representative preparing estimate: Jan Garner / Nancy Mohlis

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