

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4 and 2015 Iowa Acts, chapter 137, section 149(1)(f)(1), as amended by 2016 Iowa Acts, House File 2460, section 27, the Department hereby amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

This amendment increases the home health low utilization payment adjustment (LUPA) rates by 2.93 percent. This is estimated to be the maximum possible increase within the \$1 million of state funding appropriated for this purpose, as required by 2015 Iowa Acts, chapter 137, section 149(1)(f)(1), as amended by 2016 Iowa Acts, House File 2460, section 27.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2847C** on December 7, 2016. This amendment was also Adopted and Filed Emergency and published as **ARC 2846C** on the same date and became effective November 15, 2016. The Department received no comments during the public comment period. This amendment is identical to that published as Notice of Intended Action and Adopted and Filed Emergency.

The Council on Human Services adopted this amendment on January 11, 2017

This amendment does not provide for waivers in specified situations since the increases are required by state law.

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

This amendment is intended to implement Iowa Code section 249A.4 and 2015 Iowa Acts, chapter 137, section 149(1)(f)(1), as amended by 2016 Iowa Acts, House File 2460, section 27.

This amendment will become effective March 8, 2017, at which time the Adopted and Filed Emergency amendment is hereby rescinded.

The following amendment is adopted.

Amend subrule **79.1(2)**, provider category “Home health agencies,” as follows:

<u>Provider category</u>	<u>Basis of reimbursement</u>	<u>Upper limit</u>
Home health agencies	Fee schedule. See	Effective 7/1/13:
1. Skilled nursing, physical therapy, occupational therapy, speech therapy, home health aide, and medical social services; home health care for maternity patients and children	79.1(26). For members living in a nursing facility, see 441— paragraph 81.6(11)“r.”	Medicare LUPA rates in effect on July 1, 2013, updated July 1 every two years.
		<u>Effective 7/1/16:</u>
		<u>Medicare LUPA rates in effect on 6/30/16 plus a 2.93% increase.</u>
2. Private-duty nursing and personal cares for members aged 20 or under	Retrospective cost-related. See 79.1(27)	Effective 7/1/13: Actual and allowable cost not to exceed a maximum of 133% of statewide average.
3. Administration of vaccines	Physician fee schedule	Physician fee schedule rate.



Iowa Department of Human Services
Information on Proposed Rules

Name of Program Specialist Anna Ruggle	Telephone Number 515-974-3286	Email Address aruggle@msn.com
---	----------------------------------	----------------------------------

1. Give a brief summary of the rule changes:

The rule increases the Home Health Low Utilization Payment Adjustment (LUPA) rates by 2.93 percent. This is estimated to be the maximum possible increase within the \$1 million of state funding appropriated for this purpose, as required by 2016 Iowa House File 2460, sec.27, amending 2015 Iowa Acts, ch.137, sec.149(1)(f)(1).

2. What is the legal basis for the change? (Cite the authorizing state and federal statutes and federal regulations):

Iowa Code 249A and 2016 Iowa House File 2460, , sec.27, amending 2015 Iowa Acts, ch.137, sec.149(1)(f)(1).

3. What is the reason for the Department requesting these changes?

The change is to increase the rate as stated in the state law.

4. What will be the effect of this rule making (who, what, when, how)?

Medicaid Home Health providers will benefit due to a rate increase.

5. Is the change mandated by State or Federal Law?

The change is mandated by state law.

6. Will anyone be affected by this rule change? If yes, who will be affected and will it be to the person's (organization's) benefit or detriment?

Medicaid Home Health providers will benefit from this rule change. Medicaid members will benefit as home health providers may continue to serve them.

7. What are the potential benefits of this rule?

The potential benefit is that current Medicaid home health providers will continue to serve Medicaid members because of the increased rate.

8. What are the potential costs, to the regulated community or the state of Iowa as a whole, of this rule?

This rule will increase Medicaid spending.

9. Do any other agencies regulate in this area? If so, what agencies and what Administrative Code sections apply?

No

What alternatives to direct regulation in this area are available to the agency? Why were other alternatives not used?

There were no alternatives available.

11. Does this rule contain a waiver provision? If not, why?

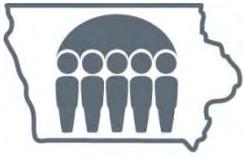
No because this rule is a benefit.

12. What are the likely areas of public comment?

Providers will comment on the rate increase. .

13. 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)

These rules do not have a significant impact on private-sector jobs or employment opportunities.



Administrative Rule Fiscal Impact Statement

Date: 8-3-16

Agency: Human Services

IAC citation: 441 IAC

Agency contact: Anna Ruggle

Summary of the rule: This rule increases the home health agency LUPA rate effective 7-1-16 to the Medicare LUPA rate in effect on 6-30-16 plus 2.93%. Medicaid Home Health provider will benefit due to a rate increase. Medicaid members will benefit as home health provides may continue to serve them.

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:

The effective date of this change will be July 1, 2016 for SFY17.

The FMAP rate will be 56.28% in SFY2017 and 57.60% in SFY18.

The Home Health Low Utilization Payment Adjustment (LUPA) rates increase by 2.93 percent. This is estimated to be within the \$1 million of state funding appropriated for this purpose.

The increase will apply to both fee-for-service and managed care units, and the managed care capitation rates will be adjusted to account for this increase.

Describe how estimates were derived:

The estimated fiscal impact was determined by the following;

Actual CY 2015 units were used to estimate future units of service.

The current SFY16 LUPA rates were used as a starting point for the analysis and these were then increased in order to accomplish the \$1 million state share adjustment authorized during the last legislative session.

