



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1158

DATE: July 19, 2012

TO: Iowa Department of Human Services (DHS) Income Maintenance (IM) Workers

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

RE: Medicaid Mental Health and Disability Services (MHDS) System: Letter #4, Medicaid Participation

EFFECTIVE: July 1, 2012

This letter is the fourth in a series of Informational letters that will provide guidance regarding Medicaid programs and services. As you already know, during the 2012 legislative session, the Legislature enacted two key pieces of legislation that will affect the mental health and disability services system in Iowa over the next two years (SF 2336, Health and Human Services Appropriations Act, and SF 2315, MHDS Redesign Act).

The key change that took effect on July 1, 2012, 'buys out' the county financing for Medicaid. These changes are primarily found in SF 2336. **With the exception of the ISIS approval processes, this change has little to no impact on most aspects of member participation in Medicaid.**

For members, there is no change to Medicaid coverage and policies due to this change in financing.

Background

Prior to the above Act, Medicaid reimbursed providers for Medicaid covered services and then billed the counties for the cost of the services. The counties then reimbursed the state. These services included: ICF/MR for adults, Intellectual Disability (ID) Waiver for adults, Habilitation for adults, 50percent of the cost of Targeted Case Management (TCM) services for adults, and some Brain Injury (BI) services. The county was billed based on the designated county of 'legal settlement'. Pursuant to SF 2336, the state will now be solely responsible for financing all costs under the Medicaid program and counties will no longer be billed. Legal settlement will continue during the next year for non-Medicaid services but is no longer applicable to Medicaid after July 1, 2012.

IM Workers will continue to identify the County of Legal Settlement (COLS) as best as they can and enter the information into the Iowa Automatic Benefits Calculator (IABC) system.

IM Worker questions should be addressed to the DHS SPIRS helpdesk at:
SPIRS@dhs.state.ia.us.