



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1707-MC

DATE: August 5, 2016

TO: Iowa Medicaid Home- and Community-Based Services (HCBS) Waiver Providers, Targeted Case Managers (TCM), Service Workers (SW), Supervisors, Service Area Administrators, Case Managers (CM) and Integrated Health Homes (IHH) and Managed Care Organizations (MCOs)

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

RE: HCBS Rate and Rate Floor Changes

EFFECTIVE: July 1, 2016

Provisions of the 2016 Iowa House File 2460: Sec. 27 amending 2015 Iowa Acts, chapter 137, section 149, subsection (1)(g), requires DHS to implement an increase to the upper limits and reimbursement rates for providers of HCBS waiver services for which the rate floor is based on the average aggregate reimbursement rate for fiscal year beginning July 1, 2014, by one percent over the rates in effect June 30, 2016, for Fee-For-Service (FFS) claims and for managed care claims the rate floor shall be increased by one percent over the rate floor in effect on April 1, 2016.

For updated Iowa Administrative Code rules regarding payment methodologies, please refer to the Iowa Administrative Code 441-79.1(2):

<https://www.legis.iowa.gov/DOCS/ACO/IAC/LINC/Chapter.441.79.pdf>

HCBS Rate Floors:

The HCBS rates for which the rate floor is based on the average aggregate reimbursement rate for fiscal year beginning July 1, 2014, will be increased by one percent and the rate change will be communicated to the MCOs. Services that do not have a rate floor will not be increased and include:

- Homemaker
- Chore Service
- Home Delivered Meals
- Home and Vehicle Modification
- Transportation
- Assistive Devices
- Specialized Medical Equipment
- Environmental Modifications and Adaptive Devices
- Financial Management Services
- Individual Directed Goods and Service
- Personal Emergency Response

For a complete listing of those services that have a rate floor please refer to [Informational Letter 1562-MC](#).¹

HCBS Medicaid FFS Waiver Monthly Budget Maximums:

Each HCBS waiver monthly budget maximum or cap has been increased by one percent to allow members to continue receiving the same level of services. The new monthly maximums are as follows:

Waiver Program	Nursing Facility (NF)	Skilled Nursing Facility (NSF)	Intermediate Care Facilities for the Intellectually Disabled (ICF/ID)	Psychiatric Medical Institutes for Children (PMIC)
AIDS/HIV	\$1,876.00	\$1,876.00	NA	NA
Brain Injury (BI)	\$3,013.08	\$3,013.08	\$3,013.08	NA
Children’s Mental Health (CMH)	NA	NA	NA	\$2,006.34
Elderly	\$1,365.78	\$2,792.62	NA	NA
Health and Disability (HD)	\$950.28	\$2,792.65	\$3,742.93	NA
Physical Disability (PD)	\$705.84	\$705.84	\$705.84	NA

HCBS Medicaid FFS Upper Rate Limits:

The HCBS waiver upper rate limits will be increased by one percent.

The monthly and annual caps on services have been increased by one percent.

BI Waiver	Supported Employment	\$3,059.29 per calendar month
ID Waiver	Respite	\$7,334.62 per waiver member year
	Supported Employment	\$3,059.29 per calendar month

Rates that are Cost Based – HCBS Medicaid FFS:

Cost reported rates in place in the member’s service plans on June 30, 2016, will be automatically increased by one percent in the Individualized Services Information System (ISIS) by the IME. This includes:

- Supported Community Living - hourly and daily
- Residential Based Supported Community Living
- Family Training and Counseling
- Interim Medical Monitoring and Treatment

For the service rate increase effective July 1, 2016, a Notice of Decision (NOD) issuance is not necessary. The Integrated Health Home Care Coordinator (IHHCC), CM or SW and the service provider should place a copy of this Informational Letter in the member’s file to support the one percent increase over those rates approved in the service plan on or before June 30, 2016. If a provider wishes to receive a new NOD they may request one from the IHHCC/CM/SW. These services will be reconciled through the cost report process for the FFS population.

¹ https://dhs.iowa.gov/sites/default/files/1562_ManagedCareOrganizationProviderReimbursementRateFloors.pdf

Rates that are Fee Schedule – HCBS Medicaid FFS:

- Rates will not be automatically increased in ISIS by the IME.
- The provider must contact the IHHCC/CM/SW to request a rate increase for the FFS members.
- The FFS member's IHHCC/CM/SW may be asked by the provider to increase the fee in the member's service plan. The rate increase will be effective the month of the provider's request.
- For the service rate increase effective July 1, 2016, an NOD issuance is not necessary. The member's IHHCC/CM/SW should place a copy of this Informational Letter in the member's file to support the one percent increase over those rates approved in the service plan on or before June 30, 2016. If a provider wishes to receive a new NOD they may request one from the IHHCC/CM/SW.

Exception to Policy (ETP) Approved Rates:

ETPs that are currently approved to exceed the upper rate limit cannot be increased by one percent. The provider is already being reimbursed at a rate that exceeds the upper rate limit and will not receive an additional one percent over the rate granted through an ETP.

- Members with ETPs to exceed the monthly cap on the total cost of services, which include services that are fee based, such as transportation or meals, may have the fee schedule rates increased by one percent. This applies only to those rates in place on or before June 30, 2016. The IHHCC/CM/SW does not need to request a reconsideration of a previously approved ETP to increase the fee schedule by one percent, but should follow the directions for the fee schedule rates above.

The IME is aware that there are individual situations that do not fall into one of the categories mentioned above. Providers, Care Coordinators, CMs, SWs, and the IME staff will coordinate efforts to address these situations as they arise.

The IME appreciates your partnership as we work together to serve the needs of Iowa Medicaid members. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, or by email at imeproviderservices@dhs.state.ia.us.