



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1846-MC-FFS

DATE: November 2, 2017

TO: Iowa Medicaid Intellectual Disability (ID) Waiver Providers

APPLIES TO: Managed Care and Fee for Service

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

RE: Tiered Rates for Home- and Community-Based Services (HCBS) ID Waiver

EFFECTIVE: December 1, 2017

The HCBS ID Waiver provides services for members with a wide array of support needs and severity of disabilities. Currently, HCBS ID Waiver service reimbursement for Managed Care Organizations (MCOs) is based on a department calculated floor rate established on aggregate average rates for all members in a specific setting or agency. These floor rates are not associated with a member's severity of disability or need for supports. A tiered rate methodology will provide service reimbursement based on individual member acuity levels. Implementing tiered reimbursement structure will better align reimbursement rates to each member's need for supports and services.

ID Waiver Tiered Reimbursement Rates for Services Paid on a Per Diem Basis:

The IME has established a fee schedule tiered rate system of reimbursement for Daily SCL, full day Day Habilitation and full day Adult Day Care services for ID Waiver members that will replace the current provider floor rate reimbursement. Fee schedule tiered rates are designed to assign a standardized rate reimbursement amount paid for services that is based on the severity of a member's disability and the intensity of a member's needs for supports that has been assessed using the Supports Intensity Scale ® (SIS).

Assigning Members to Reimbursement Tiers:

Members on the ID Waiver will be assigned to a reimbursement tier based on the following scores from the most recently completed SIS assessment:

- Members will be assigned to tiers one (1) through five (5) based on a subtotal of SIS score of subsections 2A, 2B, 2E, 2F, and subtotal scores in subsections 1A (exceptional medical support needs) and 1B (exceptional behavioral support needs).
- Members will be assigned to tier six (6) based on a subtotal score of 14 or higher on either the SIS subsection 1A (exceptional medical support needs) or 1B (exceptional behavioral support needs).
- Members served in a Residential Care Facility (RCF) with six or more beds will be assigned a separate tier.

- Members served in a Residential-Based Supported Community Living (RBSCL) program will be assigned a separate tier.

New Codes and Rates:

Tiered rate reimbursement for Daily SCL includes the cost of all transportation unless paid through the Non-Emergency Medical Transportation (NEMT) state plan benefit or the local school system for members accessing RBSCL services. Transportation can no longer be billed separately for members receiving daily SCL.

The following are the procedure codes and tiered rate fee schedule for the ID Waiver daily SCL, full day Day Habilitation and full day Adult Day Care services:

SCL for individuals with an authorized average of 39 or fewer hours of service outside the home per month (i.e., SCL “without” day services).							
Provider that billed H2016-HI or H2016-U3 prior to 12/1/17, will now bill:							
Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	RCF ≥ 6 Beds	RBSCL
H2016-U1	H2016-U2	H2016-U3	H2016-U4	H2016-U5	H2016-U6	H2016-HI	S5136-UA
\$207.06	\$215.97	\$265.82	\$268.78	\$305.77	\$361.08	\$144.46	\$301.14

Note: H2015 HI (15 minute unit) service code will not change.

SCL for individuals with an authorized average of 40 or more hours of service outside the home per month (i.e., SCL “with” day services).						
Providers that billed H2016-HI prior to 12/1/17, will now bill:						
Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	RCF ≥ 6 Beds
S5136-U1	S5136-U2	S5136-U3	S5136-U4	S5136-U5	S5136-U6	S5136-HI
\$184.63	\$193.54	\$214.01	\$216.97	\$253.96	\$309.27	\$122.03

Note: H2015 HI (15 minute unit) service code will not change.

Day Habilitation					
Providers that billed T2020 prior to 12/1/17, will now bill:					
Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
T2020-U1	T2020-U2	T2020-U3	T2020-U4	T2020-U5	T2020-U6
\$67.81	\$71.15	\$81.03	\$82.18	\$95.70	\$117.03

Note: Day Habilitation T2021 (15 minute unit) service code will not change.

Adult Day Care					
Providers that billed S5102 or S5105 prior to 12/1/17, will now bill:					
Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
S5102-U1	S5102-U2	S5102-U3	S5102-U4	S5102-U5	S5102-U6
\$56.36	\$59.13	\$67.34	\$68.30	\$79.53	\$97.25

Note: Adult Day Care S5100 (15 minute) and S5101 (1/2 day) service codes will not change. S5105 (extended day) is being eliminated as a service.

Phase-In to Tiered Rates:

Tiered rate reimbursement for Daily SCL will be phased in over 19 months beginning December 1, 2017. DHS has projected that Daily SCL tiered rates will affect provider revenues in three ways: reductions, increases or relative neutrality. As a result, a transitional phase-in plan has been established as described below:

- Some providers will experience overall revenue reductions. Daily SCL tiered rate reimbursement for these providers will be higher than the final established tiered rates during the phase-in time period.
- Some providers will experience revenue increases. Daily SCL tiered rate reimbursement for these providers will be lower than the final established tiered rates during the phase-in time period.
- Some providers will have moderate revenue losses or gains. Daily SCL tiered rate reimbursement will begin at the tiered rates fee schedule on December 1, 2017.

Providers who experience overall revenue reductions or increases will have the individual provider phase-in rates during the 19 month phase-in time period. Individual provider phase-in tiered rates have been sent to the identified providers by the IME. Initial phase-in rates will begin December 1, 2017. Phase-in rates will be adjusted on July 1, 2018. Final fee schedule tiered rates will be fully implemented statewide for all providers on July 1, 2019.

In addition, effective December 1, 2017:

- Tiered rate reimbursement for full day Day Habilitation and full day Adult Day Care services will use the tiered rate fee schedule.
- Any change in provider enrollment status including, but not limited to, new providers, enrolled providers merging into one or more consolidated provider entities, acquisition or takeover of existing HCBS providers, or change in the majority ownership of a provider will require the new provider entity to use the tiered rate fee schedule.
- Providers that are enrolled and have active provider status with the IME for SCL, Day Habilitation or Adult Day care services and have not submitted a service claim in 2017 shall use the final established tiered rates fee schedule.

The tiered rates service codes identified above for daily SCL, full day Day Habilitation, and full day Adult Day Care must be used for services provided on or after December 1, 2017.

A frequently asked question (FAQ) [web page](#)¹ is available for review on the DHS website.

Additional questions may be submitted to the IME at hcbswaivers@dhs.state.ia.us. Please use "tiered rates" in the subject line.

¹ <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule/hcbs-id-tiered-rates-faq>