

INFORMATIONAL LETTER NO.2164-MC-FFS

DATE: September 16, 2020

TO: Iowa Medicaid Targeted Case Managers, Integrated Health Home (IHH), Home and Community Based Services (HCBS) Waiver and Habilitation Providers

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

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

RE: HCBS Settings Extension

EFFECTIVE: Upon Receipt

****This Informational Letter Replaces IL 1842-MC-FFS****

In March 2014, the Centers for Medicare and Medicaid Services (CMS) publicized rules to assure that all residential and non-residential settings where HCBS Waiver and Habilitation services are provided, are integrated community based settings by March 17, 2019. In May 2017, CMS extended the timeline for full compliance with the rules in response to states request for more time to demonstrate compliance with the regulatory requirements and ensure compliance activities are collaborative, transparent, and timely. At that time the date for full compliance with the HCBS settings rule was extended by CMS to March 17, 2022.

On July 14, 2020, in response to the COVID 19 public health emergency and the impact it has had on members, service providers and states, CMS issued a State Medicaid Director Letter ([SMD #20-003](#)¹) to extend the date for full compliance with the settings rules to March 17, 2023.

Iowa completed the assessment of all existing non-residential settings on March 31, 2018. Providers have either come into compliance with the settings rules or have developed a corrective action plan (CAP) that fully addresses the needed changes and establishes reasonable timelines for compliance. The HCBS Quality Oversight Unit will monitor the provider CAPs to ensure progress is being made towards full compliance prior to March 17, 2023. Providers that cannot develop an acceptable CAP or fail to make progress towards the implementation of the CAP for non-residential services will no longer be eligible for Medicaid funds and will be terminated from enrollment with the Medicaid program effective March 17, 2023.

Please forward any questions concerning this informational letter to hcbsettings@dhs.state.ia.us.

¹ <https://www.medicaid.gov/Federal-Policy-Guidance/Downloads/smd20003.pdf>