

Public Notice

Public Comment Period for State Plan Amendment IA-19-008: Critical Access Hospital Cost Adjustment Factor

Posted June 28, 2019

Pursuant to the requirements outlined in 42 CFR 447.205 and 1902(a)(13)(A) of the Social Security Act, notice is hereby given that the Iowa Department of Human Services (DHS) has posted for public comment Medicaid State Plan Amendment (SPA) 19-008.

This SPA proposes to update its methods and standards for critical access hospital (CAH) reimbursement under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Summary

In accordance with House File (HF) 766, CAHs will receive additional reimbursement using a cost adjustment factor (CAF). The CAF will apply to inpatient and outpatient services. The CAF will be hospital specific and will apply to Iowa Medicaid Fee-for-Service (FFS) and managed care claims.

The CAF will be applied prospectively using previous cost report data. For year one, cost reports from provider fiscal year ends (FYE) of September 30, 2017, December 31, 2017 and June 30, 2018 will be used in the calculation. Year two will be provider FYEs of September 30, 2018, December 31, 2018 and June 30, 2019 and so forth.

The provider specific interim inpatient diagnosis-related group (DRG) base rate will be calculated based on the most recently filed cost report and will be increased by the provider specific CAF. The provider specific interim outpatient cost to charge ratio will be calculated using the most recently filed Medicaid cost report and adding percentage points to the cost to charge ratio to include the CAH amount.

In future years, an adjustment to the CAF will be included for prior year overpayment or underpayment that may have occurred in the aggregate relative to the estimated cap.

CAHs will always receive at least the cost based interim rates as calculated annually and retrospective cost settlements will still be calculated for FFS claims by review of the cost report.

Fiscal Impact

Total Dollars: \$3,834,356
Federal Dollars: \$2,334,356
State Dollars: \$1,500,000

Public Review and Comments

This notice and a copy of SPA 19-008 is posted on the DHS website at the following link: <https://dhs.iowa.gov/public-notices/CAF>. To reach all stakeholders, non-electronic copies will be available for public review at each local DHS office.

Written comments may be sent to Jennifer Steenblock, Federal Compliance Officer, Department of Human Service, Iowa Medicaid Enterprise, 611 Fifth Avenue, Des Moines, IA 50309 or may be emailed to jsteenb@dhs.state.ia.us. Please indicate SPA 19-008 in the subject line of the email. All comments must be received by July 29, 2019 at 4:30 p.m.

Submitted by:
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Iowa Medicaid Enterprise