

Public and Tribal Notice
Iowa Department of Human Services, Iowa Medicaid Enterprise

Non-State Government-Owned or Operated Nursing Facility Upper Payment Limit

Submitted June 28, 2017

The Iowa Department of Human Services (DHS), pursuant to the requirements outlined in 42 CFR 447.205 and 1902(a)(13)(A) of the Social Security Act, hereby gives notice of the following proposed action regarding its methods and standards for paying providers under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective for services provided on or after July 1, 2017, the Iowa Medicaid Enterprise (IME) proposes to implement alternative reimbursement rates for participating non-state government owned or operated nursing facilities (NSGO) in accordance with the upper payment limit (UPL) requirements pursuant to 42 CFR 447.272. The State share of total payments will be funded through an intergovernmental transfer (IGT) by participating nursing facilities.

The proposal would allow NSGO's additional Medicaid payments that in aggregate would not exceed the reasonable estimate of the amount that would be paid for the services furnished by NSGO's under Medicare principles

The IME is making this proposed change as required by the 87th session of the Iowa General Assembly in House File (HF) 653.

Estimated Fiscal Impact: This policy change is estimated to increase overall Iowa Medicaid expenditures (Medicaid Managed care and Medicaid fee for service) by \$8.9 million (total, state and federal funds) for facilities currently classified as a NSGO. Based on this estimate, the federal dollar impact will be \$5.0 million and the non-federal share funded by participating NSGOs will be \$3.9 million.

If current private nursing homes enter into arrangements with non-state government entities, the estimated increase in overall Iowa Medicaid expenditures could be \$379 million (total, state and federal funds). Based on this estimate, the federal dollar impact will be \$215 million and the non-federal share funded by participating NSGOs will be \$164 million.

Copies of this notice are available at each county DHS office for public review. Additional information regarding this proposed amendment is available upon request at the address cited below.

Written comments may be sent to Jennifer Steenblock, Federal Compliance Officer, Iowa Medicaid Enterprise, 100 Army Post Road, Des Moines, IA 50315. Comments may also be submitted to jsteenb@dhs.state.ia.us. Written and e-mailed comments must be received within 30 days from the publication date of this notice.

Any written comments may be reviewed by the public at the IME, 100 Army Post Road, Des Moines, IA, Monday through Friday between 8:30 a.m. – 4:30 p.m.