State/Territory: IOWA

Name and address of state administering agency, if different from the state Medicaid agency.

Not applicable – The state administering agency is also the state Medicaid agency for the state of Iowa.

I. Eligibility

The state determines eligibility for PACE enrollees under rules applying to community groups.

A. ☑ The state determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The state has elected to cover under its state plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

Individuals who meet a special income level of 300% of the SSI Federal Benefit Rate (FBR) according to provision of 42 CFR 435.236.

Note: Spousal impoverishment eligibility rules under section 1924 of the Social Security Act apply.

B. ☐ The state determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II. Compliance and State Monitoring of the PACE Program.

C. ☑ The state determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the state's approved HCBS waiver(s).

Regular Post Eligibility

1. ☑ SSI State. The state is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

State/Territory: IOWA

a. Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1) Allowances for the needs of the:

a) Individual (check one):

(1) ☐ The following standard included under the state plan (check one):

(a) ☐ SSI
(b) ☐ Medically Needy
(c) ☐ The special income level for the institutionalized
(d) ☐ Percent of the Federal Poverty Level: _____%
(e) ☐ Other (specify):_____

(2) ☐ The following dollar amount: $_____

Note: If this amount changes, this item will be revised.

(3) ☑ The following formula is used to determine the needs allowance:

300 % of the SSI benefit and for consumers who have a medical assistance income trust (Miller Trust) an additional 10% (or higher if court ordered) to pay for the administration fees

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

b) Spouse only (check one):

(1) ☐ SSI standard

(2) ☐ Optional state supplement standard

(3) ☐ Medically Needy income standard

(4) ☐ The following dollar amount: $_____

Note: If this amount changes, this item will be revised.

(5) ☐ The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.

(6) ☐ The amount is determined using the following formula:

(7) ☑ Not applicable (N/A)

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c) Family (check one):

(1) ☐ AFDC need standard

(2) ☑ Medically Needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the state's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

(3) ☐ The following dollar amount: $_____

Note: If this amount changes, this item will be revised.

(4) ☐ The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.

(5) ☐ The amount is determined using the following formula:

(6) ☐ Other

(7) ☐ Not applicable (N/A)

2) Medical and remedial care expenses in 42 CFR 435.726.

2. ☐ 209(b) State, a state that is using more restrictive eligibility requirements than SSI. The state is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

a. **2 CFR 435.735**--States using more restrictive requirements than SSI.

1) Allowances for the needs of the:

a) Individual (check one):

(1) ☐ The following standard included under the state plan (check one):

(a) ☐ SSI
(b) ☐ Medically Needy
(c) ☐ The special income level for the institutionalized
(d) ☐ Percent of the Federal Poverty Level: _____%
(e) ☐ Other (specify):_____

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(2) ☐ The following dollar amount: $_____
Note: If this amount changes, this item will be revised.

(3) ☐ The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

b) Spouse only (check one):

(1) ☐ The following standard under 42 CFR 435.121: _____

(2) ☐ The Medically Needy income standard: _____

(3) ☐ The following dollar amount: $_____
Note: If this amount changes, this item will be revised.

(4) ☐ The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.

(5) ☐ The amount is determined using the following formula:

(6) ☐ Not applicable (N/A)

c) Family (check one):

(1) ☐ AFDC need standard

(2) ☐ Medically Needy income standard
The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the state's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

(3) ☐ The following dollar amount: $_____
Note: If this amount changes, this item will be revised.

(4) ☐ The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.

(5) ☐ The amount is determined using the following formula:

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(6) ☐ Other

(7) ☐ Not applicable (N/A)

2) Medical and remedial care expenses specified in 42 CFR 435.735.

Spousal Post Eligibility

3. ☑ State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the state Medicaid plan.

a. Allowances for the needs of the:

1) Individual (check one):

a) ☐ The following standard included under the state plan (check one):

(1) ☐ SSI
(2) ☐ Medically Needy
(3) ☐ The special income level for the institutionalized
(4) ☐ Percent of the Federal Poverty Level: _____%
(5) ☐ Other (specify):_____

b) ☐ The following dollar amount: $_____

Note: If this amount changes, this item will be revised.

c) ☑ The following formula is used to determine the needs allowance:

300 % of the SSI benefit and for consumers who have a medical assistance income trust (Miller Trust) an additional 10 (or higher if court ordered) to pay for the administration fees

If this amount is different than the amount used for the individual's maintenance allowance under 42 CFR 435.726 or 42 CFR 435.735, explain why you believe that this amount is reasonable to meet the individual's maintenance needs in the community:

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II. Payments and Rates

A. The state assures CMS that the capitated rates will be less than the cost to the agency of providing state plan approved services to an equivalent non-enrolled population group based upon the following methodology. A description of the negotiated rate setting methodology and how the state will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

I. ☐ Rates are set at a percent of the amount that would otherwise have been paid for a comparable population

2. ☐ Experience-based (contractors/state's cost experience or encounter data) (please describe)

3. ☐ Adjusted community rate (please describe)

4. ☒ Other (please describe)

AWOP Development

The state's contracted actuary calculates the amount that would have otherwise been paid (AWOP) for PACE-eligible individuals in accordance with 42 CFR § 460.182 and the PACE Medicaid Capitation Rate Setting Guide. The AWOP represents the cost the state would have incurred to provide Medicaid-covered services to a comparable population in the absence of PACE enrollment.

The AWOP is developed using the most recent and appropriate Medicaid claims and eligibility data available, including managed care encounter data, fee-for-service claims data, and enrollment information as appropriate, with necessary data adjustments. The data used for AWOP development is no more than three years prior to the rating period.

The rate cell development is based on characteristics that materially impact expected costs and utilization, including, but not limited to, age and Medicare eligibility status. The underlying data is adjusted, as necessary, to ensure alignment with the PACE-eligible population, including limiting the population to individuals aged 55 and over and reflecting the service mix and delivery system applicable to that population.

Appropriate adjustments are applied to ensure the AWOP reflects the expected cost of services for the rating period and includes all Medicaid state plan services covered under PACE. These adjustments may include, but are not limited to, changes in utilization, reimbursement levels, programmatic and policy changes, and other factors necessary to reflect the cost of a comparable population.

A regional cost analysis is subsequently conducted to adjust the experience among the counties within the PACE service areas. Separate per-member-per-month (PMPM) rates by cohort and region are calculated by blending AWOPs for nursing home and waiver populations. The population mix of the PACE-comparable group is used to blend the nursing home and waiver populations into the final rating cohorts used for payment. No members enrolled with any PACE organizations operational in the state, or their claims, are included in development of the AWOP.

Separate AWOPs are developed for each applicable rate cell and are calculated for a period of no longer than 12 months.

Rate Setting

The state establishes PACE capitation rates for each rate cell based on the corresponding AWOP and ensures that all payment rates are less than the AWOP for the applicable population.

Rates are developed on a per member per month basis and may vary across rate cells to reflect differences in expected costs. In establishing rates, the state considers multiple factors, including state appropriations, PACE provider's cost experience and changes in provider costs, utilization patterns, and other relevant market driven factors.

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.

C. The State will submit all capitated rates to CMS for prior approval, and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

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III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.