



STATE OF IOWA DEPARTMENT OF
Health AND **Human**
SERVICES

Iowa Health Link
RFP# MED-26-001

Rate Estimate Discussion
March 18, 2024

AGENDA



- Rate Estimate Development
- Rate Estimate Components
- Post-Award Adjustments
- Questions

Rate Estimate Development

Purpose

The SFY 2026 rate estimate is intended for bidders to understand the rate development process and rates in the Health Link program.

What the Rate Estimate Represents

SFY 2024 Capitation Rates



Adjustments and Exclusions



SFY 2026 Rate Estimates

- Developed in accordance with rate setting guidelines established by CMS; however, they should not be considered actuarially sound nor are they approved by CMS for the SFY 2026 contract period.*
- The Agency may decline to provide additional cost and utilization data beyond the information provided in this rate estimate document.*

Rate Estimate Components



Base Data

- *SFY 2022 incurred*
- *Incurred but not reported factors.*
- *Encounter data under-reporting, including MCO subcapitated expenditures.*
- *Allowable provider incentive and settlement payments.*



Adjustments

- *Trend factors*
- *Program changes*
- *PHE/Acuity Adjustment*
- *Administration and non-claims expense*



Exclusions

- *Leap year*
- *High-cost pharmacy carve-out*
- *Prospective risk adjustment*
- *LTSS rate blend*
- *Directed / supplemental payments including graduate medical expense*

Post-Award Adjustments



- *Updated base data period*
- *Trend factors*
- *Programmatic changes occurring after the procurement*
- *Non-medical load and underwriting gain*
- *Risk adjustment*
- *LTSS rate blending*
- *Directed payments*
- *Pay for Performance Withholds*
- *Impacts associated with, but not limited to, federal and/or state policy or court/judicial decisions.*
- *Other (as necessary)*

QUESTIONS

