

STATE OF IOWA DEPARTMENT OF Health and Human services

Iowa Health Link RFP# MED-26-001

Rate Estimate Discussion March 18, 2024



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□ Rate Estimate Development

□ Rate Estimate Components

Post-Award Adjustments

Questions

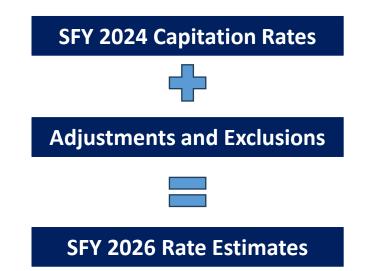


Rate Estimate Development

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



- 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 underreporting, including MCO subcapitated expenditures.
- Allowable provider incentive and settlement payments.



• Trend factors

- Program changes
- PHE/Acuity Adjustment
- Administration and nonclaims expense



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



Post-Award Adjustments

Procurement Post-Period Award

February – June 2025

Go-Live July 1, 2025

- 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



