

# House File 2698 Provider Rate Increases

July 18, 2024



Health and  
Human Services

# Topics

- ▶ Overview of Methodology
- ▶ Increases By Provider Type
- ▶ Timing of changes

# Overview of Methodology

- ▶ State Fiscal Year (SFY) 2023 Medicaid managed care and fee-for-service paid claims used for the base expenditures.
- ▶ Estimated state share was calculated using the SFY 2025 federal medical assistance percentage (FMAP).
- ▶ Percentage increase calculated to get as close to the legislative state dollar appropriation as possible.

# Increases By Provider Type

## ▶ Medical Supplies (Provider Types 08 and 12)

- Legislative appropriation: \$144,014
- Percentage increase: 0.438%
- Estimated total dollar increase: \$462,175

## ▶ Physician Assistant (Provider Type 68)

- Legislative appropriation: \$29,691
- Percentage increase: 2.138%
- Estimated total dollar increase: \$106,139

# Increases By Provider Type

## ▶ Physical Therapist (Provider Type 15)

- Legislative appropriation: \$418,121
- Percentage increase: 18.213%
- Estimated total dollar increase: \$1,521,606

## ▶ Occupational Therapist (Provider Type 32)

- Legislative appropriation: \$64,692
- Percentage increase: 21.197%
- Estimated total dollar increase: \$213,287

# Increases By Provider Type

- ▶ Certified Nurse Midwife (Provider Type 38)
  - Legislative appropriation: \$3,122
  - Percentage increase: 11.740%
  - Estimated total dollar increase: \$9,424
- ▶ Community Mental Health Center (Provider Type 21)
  - Legislative appropriation: \$276,947
  - Percentage increase: 3.300%
  - Estimated total dollar increase: \$930,044

# Increases By Provider Type

## ▶ Pharmacy Dispensing Fee

- Legislative appropriation: \$500,000
- Percentage increase: 2.408%
- Estimated total dollar increase: \$1,597,209
- New dispensing fee = \$10.63

# Increases By Provider Type

## ► Mental Health Providers

- Legislative appropriation: \$2,104,186
- Assertive Community Treatment
  - Percentage increase: 50.291%
  - Estimated total dollar increase: \$4,496,576
- Applied Behavioral Analysis
  - Percentage increase: 5.000%
  - Estimated total dollar increase: \$1,370,821
- Crisis Services
  - Percentage increase: 15.000%
  - Estimated total dollar increase: \$155,179



# Increases By Provider Type

## ► Home Health

- Legislative appropriation: \$3,000,000
- Iowa Medicaid leadership directed the following:
- \$1,500,000 used for Low Utilization Payment Adjustment (LUPA) amounts.
  - Percentage increase: 6.900%
  - Estimated total dollar increase: \$4,257,869
- \$1,500,000 used to develop a payment methodology for increased reimbursement to high needs patients.
  - HHS will develop and submit a state plan amendment for the proposed payment methodology.

# Increases By Provider Type

- ▶ Home and Community Based Services (HCBS) Waiver and Habilitation Services
  - Legislative appropriation: \$14,600,000
  - Intermittent Supported Community Living
    - Procedure Codes H2015 and H2015-HI
    - Percentage increase: 9.000%
  - All other HCBS and Habilitation Services
    - Percentage increase: 4.100%
  - Residential-Based Supported Community Living
    - Legislative appropriation: \$1,300,000
    - Percentage increase: 187.40%
    - Add two level II modifiers – UB and UC (created three tier rates)

# Timing of Changes

- ▶ Rate changes that require Medicaid state plan amendments are currently in the public notice/public comment period.
- ▶ HCBS waiver and habilitation services rates have been updated.
- ▶ HHS is working on updating the Medicaid fee-for-service (FFS) claim system for the other provider type increases.

# Questions



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