



Nursing Facilities

Private Room Supplementation Report

May 2025

Introduction and Background

In 2012, the Iowa Legislature enacted Senate File (SF) 2160, which allowed nursing facilities (NFs) to collect additional payment above the Medicaid payment from residents and families who desire a private room. This is referred to as private room supplementation. The legislation set out numerous requirements that must be met for NFs who supplement the Medicaid rate by charging for a private room.

During the 2014 session of the 85th General Assembly, the Iowa legislature enacted House File (HF) 2463, which changed the minimum occupancy requirement for NFs eligible to accept private room supplementation, and which required NFs to report data on their usage of this option to the Department of Health and Human Services (HHS) annually by January 15 and for HHS to submit the compiled data to the legislature annually by May 1. This report is filed in accordance with these requirements.

SF 2160 added subsection 249A.4 to the Iowa Code. This set out requirements for when private room supplementation may be used and directed HHS to adopt administrative rules to implement the law. After following the normal rulemaking process including an opportunity for public comment, the rules became effective on July 1, 2013.

The rules establish circumstances when private room supplementation is not allowed, including:

- Any time period during which the private room is therapeutically required.
- When no room other than the private room was available.
- When the NF only provides one type of room or all private rooms.
- When the NF's occupancy rate was less than 80 percent (the minimum occupancy level was subsequently reduced to 50 percent in HF 2463).
- As a precondition of admission, expedited admission, or continued stay in a facility.

The NF must also ensure that all appropriate care is provided to all residents regardless of the availability of private room supplementation.

The administrative rules also address the amount that may be charged for private room supplementation. The amount that a NF may charge for a private room is based on the difference between the Medicaid rate for a semi-private room and the NF's private-pay rate for a private room; however, total payment for the private room cannot exceed the average private room rate for each NF.

Additionally, when a NF offers private rooms for a supplemental charge, the NF must inform all residents and their legal representatives of the following:

- If the resident desires a private room, the resident or resident's family may directly pay the facility for the amount of supplementation.
- The NF's policy if a resident residing in a private room converts from private pay to Medicaid payment but the resident is not willing or able to pay supplementation for the private room.
- A list of the private rooms for which supplementation is available, including a description.
- The process for an individual to take legal responsibility for providing supplementation, including identification of the individual and the extent of the legal responsibility.

The administrative rules also require that NFs document in the resident's record information about any supplemental charges for a private room including the portion of the total charge reimbursed by Medicaid, and the portion of the total charge reimbursed through supplementation.

In 2014, the legislature enacted additional reporting requirements in HF 2463. The department adopted administrative rules which were effective March 1, 2015, to implement this change. The administrative rules require NFs that are utilizing supplementation to report:

- The total number of beds available at the NF, the number of such beds available in private rooms, and the number of such beds available in other types of rooms.
- The average occupancy rate of the NF monthly.
- The total number of residents for whom supplementation was utilized.
- The average private pay charge for a private room in the NF.
- For each resident for whom supplementation was utilized, the total charge to the resident for the private room, the portion of the total charge reimbursed under the Medicaid program, and the total charge reimbursed through supplementation.

Observations

Beginning with cost report years ended during calendar 2019, HHS included the Supplementation form that had previously been sent to providers. Previously the information was received on a calendar year for all providers. Incorporating the information in the cost report ensured that providers would report whether supplementation was received for the cost report period. The year-ends used for this report are from the provider's fiscal year ends between July 1, 2023, and June 30, 2024. For the period ended June 30, 2024, there is information for 394 facilities including special population facilities.

Of the 394 NFs that submitted data, only 18 NFs (4.57 percent) reported charging a supplemental amount for provision of a private room. 54 residents received private rooms through supplementation payments. The total amount received by the NF for supplementation was \$220,009 with total amounts ranging from \$1,557 to \$26,946 per facility. Appendices A and B provide additional detail for all NFs that reported data.

Appendices

Appendix A: Details of Submitted Cost Report Information July 1, 2023 – June 30, 2024,
Nursing Facility Private Room Supplementation

Appendix B: Occupancy Data for Nursing Facilities Receiving Private Room
Supplementation