



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

Iowa Health Link  
RFP #MED-24-004

Rate Estimate Discussion  
June 5, 2023



**CBIZ Optumas**

Consultants • Actuaries • Economists

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# AGENDA

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- ✓ Rate estimate development
- ✓ Post-award adjustments
- ✓ Questions

# Rate Estimate Development

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## Purpose

*SFY 2025 (July 1, 2024 – June 30, 2025) rate estimate is intended for bidders to understand the rate development process and rates under the DWP (Kids & Adults) and Hawki programs.*

## What the Rate Estimate Represents

SFY 2023 Capitation Rates



Adjustments and Exclusions



SFY 2025 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 2025 contract period.*
- The Agency may decline to provide additional cost and utilization data beyond the information provided in this rate estimate document.*

# Rate Estimate Development

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## Base Data

- *SFY 2021 incurred*
- *Incurred but not reported factors / Encounter data under-reporting.*
- *FQHC Repricing (DWP program only)*

## Adjustments Include

- *Provider reimbursement adjustment (DWP program only)*
- *Trend factors*
- *Program changes*
- *Administration and non-claims expense including profit/risk/contingency*

## Excluded Items

- *Acuity impacts associated with COVID-19 PHE*
- *Orthodontia services*
- *Certain program changes (refer to narrative)*

# Post-Award Adjustments



*\*Subject to change*

- *Updated base data period*
- *Trend factors*
- *Programmatic changes occurring after the procurement (e.g., orthodontia, FQHC PPS rates)*
- *COVID-19 Public Health Emergency Unwinding (Acuity adjustment)*
- *Non-medical load and underwriting gain*
- *Pay for Performance Withholds*
- *Impacts associated with, but not limited to, federal and/or state policy or court/judicial decisions.*
- *Other (as necessary)*

# QUESTIONS

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