

# Individual Mental Health Therapy Provider / Substance Use Disorder Rate Updates

June 22, 2023

# Funding Overview



The Iowa Department of Health and Human Services (HHS) appropriation bill included additional funding for mental health (MH) and substance use disorder (SUD) providers.



House File (HF) 561, authorized \$13.0M in new funding to increase reimbursement rates.



## **Of the amount allocated:**

\$7.0M shall be used to increase reimbursement rates for individual MH therapy providers.

\$3.0M shall be used to increase reimbursement rates for SUD providers.

\$3.0M shall be used to increase reimbursement rates for mental health providers (can be used at HHS discretion).

# Individual MH Therapy Providers



# Provider Types

HHS determined that the \$7.0M applies to individual practitioners that provide mental health therapy services.

The provider types impacted by this increase are:

- Psychologists (Provider Type 29)
- Clinical Social Workers (Provider Type 48)
- Behavioral Health Providers (Provider Type 62)

# Estimated Rate Increase Percentage

Rate increase will be applied to specifically-identified mental health service procedure codes.

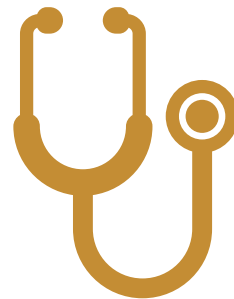
Estimated percentage increase to calculate an increase of \$7.0M state dollars is based on the following:

- State fiscal year (SFY) 2024 federal medical assistance matching (FMAP) rates.
- Historical Medicaid fee-for-service (FFS) and Medicaid managed care utilization using paid claims from SFY 2022.

Estimated percentage increase is 56.57% applied to the rates in effect on June 30, 2023.

Estimated total dollar increase is \$16.5M.

# SUD Providers



# Estimated Rate Increase Percentage

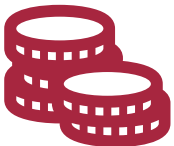


Estimated percentage increase to calculate an increase of \$3.0M state dollars is based on the following:

- SFY 2024 FMAP rates
- Historical FFS and Medicaid managed care utilization using paid claims from SFY 2022



Estimated percentage increase is 96.47% applied to the rates in effect on June 30, 2023.



Estimated total dollar increase is \$14.5M.

# Questions?

