

## Public Notice

### State Plan Amendment (SPA) IA-23-0013

#### State Plan Amendment (SPA) IA-23-0013 - Changes to Medicaid Payment Rates for Nursing Facilities

**Posted:** June 23, 2023

The Iowa Department of Health and Human Services (HHS), pursuant to the requirements outlined in 42 C.F.R. §447.205 and §1902(a)(13)(A) of the Social Security Act, hereby gives notice of the following proposed action regarding its methods and standards for changes to the nursing facility (NF) quality assurance assessment fees and the nursing facility per diem rates utilizing 2022 cost report data under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

#### **Summary:**

Nursing facilities are reimbursed based on a modified price-based system with quarterly adjustments to reflect changes in case-mix (acuity) of Medicaid members residing in the nursing facility. Nursing facility rates are rebased every second year beginning July 1, 2001, to reflect more current cost information on a biannual basis with an effective date of July 1 of each odd numbered year.

Iowa Medicaid calculates prospective per diem rates for nursing facilities and applies an inflation factor to allowable costs. The current inflation factor in the approved Attachment 4.19-D of the Medicaid State Plan is from the midpoint of the cost report period to April 1, 2023.

Per diem rates for nursing facilities effective July 1, 2023, are based on cost reports submitted by the nursing facilities for fiscal year ends during calendar year 2022. The inflation factor will be changed to ensure that the amounts estimated using 2022 cost information, estimated resident days and client participation will not exceed the appropriation. Once data is available from nursing facility cost reports with FY end December 31, 2022, or earlier, the specific amount of inflation will be calculated, and the State Plan Amendment filed.

The proposed State Plan Amendment (SPA) IA- 23-0013 will also change the frequency of nursing facility rate updates from quarterly to semi-annually. A separate calculation shall be made to determine the average case-mix index for a nursing facility-wide case-mix index, and a case-mix index for the residents of a nursing facility who are active medical assistance program recipients using all of the minimum data set reports by the nursing facility for the previous semi-annual period of the state fiscal year using a day weighted calculation effective July 1, 2023.

Iowa Medicaid is making proposed changes as required by the 2022 Iowa Acts Senate File (SF) 561

#### **Estimated Fiscal Impact**

The changes in the frequency and data used to establish semi-annual rates using fiscal year 2022 cost report data is not expected to have a fiscal impact to the facilities or state for rates effective July 1, 2023.

Estimated payments to nursing facilities cannot exceed amounts appropriated by the legislature. The inflation factor will be changed to ensure that the amounts estimated using 2022 cost information, estimated resident days and client participation will not exceed the appropriation. Inflation will not exceed the \$15,000,000 appropriated in SF 561.

The proposed amendment will be effective July 1, 2023.

Total Dollars	\$42,710,706
Federal Dollars	\$27,710,706
State Dollars	\$15,000,000

### **Public Review and Comments**

This public notice for SPA IA-23-0013 is posted on the HHS website at the following link: <https://hhs.iowa.gov/public-notices>. To reach all stakeholders, non-electronic copies will be made available for review at each local HHS office.

### **Submission of Comments**

Written comments may be sent to Jessica McBride, Policy Program Manager, Department of Health and Human Services, Iowa Medicaid, 1305 E. Walnut Street, Des Moines, IA 50319 or may be emailed to [jmcbriid@dhs.state.ia.us](mailto:jmcbriid@dhs.state.ia.us). Please indicate SPA IA-23-0013 in the subject line of the email.

All written and emailed comments must be received no later than July 23, 2023, by 4:30 p.m.

**Submitted by:**  
**Elizabeth Matney, Medicaid Director**  
**Iowa Department of Health and Human Services**