Iowa Medicaid
IOWA HHS

Frequently Asked Questions (FAQ)

COST REPORTING

This FAQ was created to assist providers in understanding expectations in addition to the recorded training available to LTSS providers. This aid was prepared as a service to the public and is not intended to grant rights or impose obligations. This aid may contain references or links to statutes, regulations, or other policy materials outside of Iowa Medicaid. The information provided is only intended to be a general summary. Use of this aid is voluntary. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

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Please use Forms | Iowa Department of Health and Human Services to find the cost report froms and accompanying instructions for additional information.

GENERAL QUESTIONS

QUESTION	ANSWER
What if our policies on depreciation have us depreciate at a smaller amount than $5,000	See the section in the instructions labeled: "Instructions for Schedule C: Property and Equipment Depreciation." If your entity's internal accounting policies have a lower threshold than $5,000, then follow your agency policies so you aren't depreciating things differently. See training video for an example.
Can we just get the estimated useful lives now instead of contacting you individually?	The Estimated Useful Lives of Depreciable Hospital Assets is copyrighted material by the American Hospital Association and not able to be distributed by Iowa Medicaid Provider Cost Audit. Feel free to reach out to (PCA) for assistance in determining depreciation for a questionable item.
Will these new changes apply to old cost reports?	No. This will be implemented going forward.
Is an independent audit required?	No. If you have an independent audit, Provider Cost Audit would appreciate a copy as a part of your review.
Why would unrestricted contributions need to be offset?	They would not most of the time. People receive revenue from many sources and older versions didn't allow for an offset, but sometimes providers needed this

QUESTION	ANSWER
	because they had unique revenue streams that they needed to reflect on reporting. This functionality has been added and may not be needed everywhere it was added.
Can host home providers be deemed contracted employees?	No. Report Host Home Fees on Line 2420 on the new form.
Schedule D should never be higher than Schedule C-1?	Incorrect. Schedule C-1 is only member residences and Schedule D reports all property expense, so Schedule D could be the same amount or higher than C-1, but never be less than C-1. That would be a good flag for review if the numbers do not match this rationale.
Should we be reporting property used for administrative purposes that is a residence if it is not used for member residences on the Schedule C-1.	The purpose of Schedule C-1: Residential Property Expense is to identify property expenses incurred by the agency for ***member residences*** (member room and board). Expenses are often from property owned by the agency and leased to the member as well as from property leased by the agency and subleased to the member. Room and board expenses for home and community-based waiver members are non-reimbursable cost per Iowa Administrative Code. If your agency uses a residence that is not a member home for administrative purposes, this is not included in this schedule.
How/where should we indicate extra units when our reported units may be more than billed (and therefore more than what's reported by the MCOs)?	The statistical data page is the correct space but add an explanation on a Support Schedule or attached materials. If in review you are asked about this discrepancy, you can clarify with supportive documentation.
What is an example of a contracted staff who support direct care?	Any staff who are not employees but are contractors using a 1099 form. An agency may have a nurse that is contracted to serve specific tasks outlined in their contract.
We typically exclude the overage in Mileage and I understand that we don't have to do that going forward, but since this change is in the middle of a calendar year, what do we do with the first 6 months? Do we exclude this?	Exclude the overage in the first 6 months so you apply the limit in effect at the point in time that you are reporting. The IRS rate limit for HCBS mileage applied as of July 1, 2022. Apply the previous limit to the point to the first 6 months and the new limit to the next 6 months if this changed halfway through your fiscal year.

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On the Schedule A-1, the section starting on line 17, "MCO & Other Payors Fee for Service," is this on a cash basis or accrual basis?	This will be on accrual basis.
Allocation methods may not be straight-forward and it would be difficult to 'assume' an allocation % when reviewing. How should we address this?	Utilize Schedule F and provide as much detail as possible when explaining an allocation method. If Provider Cost Audit is unable to understand what an allocation method is based on or how it was calculated, they will reach out for further explanation.
What would be the best way to allocate background check costs for individuals who are applying for more than one community-based job (such as H2015 and H2021)? Overall percentage based on units provided, specific to the individual, or something else?	Ideally based on the specific individual and where they are ultimately hired. Depending on your hiring practices and how your accounts are organized, there may be other options. PCA is happy to discuss.
Can you also provide what direct care mileage entails: is this based on mileage only when providing direct care (essentially billable service) or can it be used for attending case plan meetings, MCO quarterly reviews for a member, etc.?	Direct care mileage reimbursement is for miles reimbursed for business use of a personal vehicle used for member transportation, transportation to and from member sites, and for any purpose in regards to a specific member or service.
How do we allocate mileage when a client receives more than one service from one agency when it comes to case plan meetings, quarterly reviews, etc. **What if it's a combination of allocation methods?**	Mileage is typically allocated based on mileage logs and the purpose of the trip. When the purpose of the trip benefits multiple services, the cost should be allocated between them equitably. Depending on the trip purpose and the requirements for each service a member receives, this may need to be allocated proportionate to the services received by the member or equally between all services which require that activity. Combination allocations are acceptable. You'll use a blank line on Schedule F to assign the combination a unique allocation method and describe it in detail.
Do you have any tips for navigating the instructions?	• The instructions generally follow the same order as the cost report schedules in the template.

QUESTION	ANSWER
	• Using CTRL+F will assist in finding a key word in the document if you need to search for an item. • Having the instructions accessible or on the screen while completing the cost report may be helpful.
All these changes appear to add significant time to your reviews. Do you anticipate this will slow the processing of the cost reports?	Change usually makes things slower in the first year or two as everyone gets comfortable with the new forms, but we expect this to be more efficient in future years. Steps such as this training, having proper documentation, and being responsive and thorough when asked for additional information will assist in a more efficient review.