

**IOWA DEPARTMENT OF HUMAN SERVICES
PUBLIC NOTICE OF PROPOSED CHANGES IN METHODS AND
STANDARDS FOR AMOUNT, DURATION, AND SCOPE OF SERVICES AND
SETTING FOR IOWA MEDICAID PAYMENT RATES**

The Iowa Department of Human Services (DHS), pursuant to the public notice requirements of 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, gives notice of upcoming state plan amendments for significant changes in Medicaid reimbursement.

The following changes shall be in effect upon receiving approval from the Centers for Medicare and Medicaid Services (CMS).

Nursing Facility Reimbursement

Reimbursement rates for participating non-state government owned or operated nursing facilities (NSGO) will receive a supplemental payment in accordance with the upper payment limit requirements pursuant to Code of Federal Regulations 42 Section 447.272. There is not expected to be an increase state dollar cost.

There will not be a State dollar impact in state fiscal year (SFY) 2017 (July 1, 2016 through June 30, 2017) or any subsequent SFY. The legislation authorizing the supplemental payment states the State share of total payments is to be funded by a participating NSGO through an intergovernmental transfer.

The Federal dollar impact of \$5,021,607 for federal fiscal year (FFY) 2017 (October 1, 2016 through September 30, 2017) is based on the most current NSGO upper payment limit calculation (difference in Medicaid payments and estimated Medicare payments) using the federal medical assistance percentage (FMAP). It is estimated that the funding provided by participating NSGOs will be \$3,828,599 and that the supplemental payments made to NSGOs will be \$8,850,206 for any given FFY using current reimbursement methodologies.

The annual Federal dollar impact can increase to as much as \$215 million if current private nursing homes enter into arrangements with non-state governmental entities to be eligible for the supplemental payments. If the current private nursing homes enter into arrangements with NSGOs, it is estimated the funding provided by participants can increase to \$164 million and that the supplemental payments made to NSGOs will be \$379 million for any given FFY using current reimbursement methodologies. The State dollar impact will remain at \$0 as described above.

This public notice is available for review at the DHS County Offices. Questions or comments concerning the proposed changes identified on this public notice may be addressed to:

Jennifer Steenblock
Federal Compliance Officer
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA, 50315

Comments submitted may be reviewed by the public by contacting Ms. Steenblock at the address above.

Mikki Stier, MSHA, FACHE
Medicaid Director
Iowa Department of Human Services