

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Rule making related to provider rates.

The Human Services Department hereby amends Chapter 78, “Amount, Duration And Scope Of Medical And Remedial Services,” Chapter 79, “Other Policies Relating To Providers Of Medical And Remedial Care,” and Chapter 83, “Medicaid Waiver Services,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 249A.4.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 249A.4 and 2022 HF 2578.

Purpose and Summary

During the 2022 Legislative Session, 2022 Iowa Acts, House File 2578, appropriated funds to increase specific home- and community-based services (HCBS) waiver and HCBS habilitation provider reimbursement rates over the rates in effect June 30, 2022, as follows:

- Increase rates for behavioral health intervention services (BHIS) by 20.6 percent.
- Increase rates for applied behavior analysis (ABA) by 8.9 percent.
- Increase rates for home health agencies providers located in rural areas. These are the providers covered under the low utilization payment adjustment (LUPA) methodology, whose rates may vary depending on type of provider. LUPA is a standard per-visit payment for episodes of care with a low number of visits. Currently, LUPA occurs when there are four or fewer visits during a 60-day episode of care.

As part of the American Rescue Plan Act (ARPA), Section 9817, HCBS implementation plan, the Department has designated \$14.6 million in state funds to increase HCBS waiver and habilitation reimbursement rates by 4.25 percent. The following rate changes are in effect:

- Increase the reimbursement rates and upper rate limits for providers of HCBS waiver and habilitation services beginning July 1, 2022, by 4.25 percent over the rates that are in effect on June 30, 2022.
- Increase the monthly caps on the total monthly cost of HCBS waiver and habilitation services.
- Increase the monthly cap on HCBS support employment and intellectual disabilities (ID) waiver respite services.
- Increase the annual or lifetime limitations for home and vehicle modifications and specialized medical equipment.

The amendments also corrected the following technical errors:

- Remove the individual placement and support supported employment (IPS SE) from the HCBS waiver supported employment and add it under the HCBS habilitation supported employment services. IPS SE is only provided to individuals enrolled in the 1915(i) habilitation program.
- Align the total monthly cap on supported employment services under the HCBS habilitation program with the HCBS waiver employment service monthly cap, as is the current practice.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on December 14, 2022, as ARC 6736C.

No public comments were received.

No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Council on Human Services on February 9, 2023.

Fiscal Impact

During the 2022 Legislative Session, HF 2578 appropriated funds to increase home health agency rates for providers operating in rural areas and to increase BHIS and ABA provider rates. As part of the American Rescue Plan Act (ARPA), Section 9817 HCBS implementation, the Department has designated \$14.6 million in state funds to increase HCBS waiver and habilitation reimbursement rates by 4.25%

Jobs Impact

This amendment raises the rate of reimbursement for rural home health agencies, behavioral health intervention and applied behavior analysis. This amendment raises the rate of reimbursement for HCBS Waiver and HCBS Habilitation service providers. This rate will directly benefit HCBS members accessing Consumer Directed Attendant Care and Consumer Choices Option by enabling them to offer an increased wage to potential employees which may increase the recruitment and retention rates of CDAC workers and CCO employees. This increase could assist HCBS providers with recruitment and retention efforts which may provide improved quality of services for HCBS members. The rules may have a positive influence on private-sector jobs and employment opportunities in Iowa.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441__1.8(17A, 217)

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on April 1, 2023.

The following rule-making action is adopted:

Please see attached.

The following rule-making actions are adopted:

ITEM 1. Amend subparagraph **78.27(10)“f”(2)** as follows:

(2) In absence of a monthly cap on the cost of waiver services, the total monthly cost of all supported employment services may not exceed ~~\$3,167.89~~ \$3,302.53 per month.

ITEM 2. Amend paragraph **78.34(9)“g”** as follows:

g. Service payment shall be made to the enrolled home or vehicle modification provider. If applicable, payment will be forwarded to the subcontracting agency by the enrolled home or vehicle modification provider following completion of the approved modifications. Payment of up to ~~\$6,592.66~~ \$6,872.85 per year may be made to certified providers upon satisfactory completion of the service.

ITEM 3. Amend paragraph **78.41(2)“i”** as follows:

i. Payment for respite services shall not exceed ~~\$7,595~~ \$7,917.79 per the member’s waiver year.

ITEM 4. Amend paragraph **78.43(5)“g”** as follows:

g. Service payment shall be made to the enrolled home or vehicle modification provider. If applicable, payment will be forwarded to the subcontracting agency by the enrolled home or vehicle modification provider following completion of the approved modifications. Payment of up to ~~\$6,592.66~~ \$6,872.85 per year may be made to certified providers upon satisfactory completion of the service.

ITEM 5. Amend paragraph **78.43(8)“c”** as follows:

c. Payment of up to ~~\$6,592.66~~ \$6,872.85 per year may be made to enrolled specialized medical equipment providers upon satisfactory receipt of the service.

ITEM 6. Amend paragraph **78.46(2)“g”** as follows:

g. Service payment shall be made to the enrolled home or vehicle modification provider. If applicable, payment will be forwarded to the subcontracting agency by the enrolled home or vehicle modification provider following completion of the approved modifications. Payment of up to ~~\$6,592.66~~ \$6,872.85 per year may be made to certified providers upon satisfactory completion of the service.

ITEM 7. Amend paragraph **78.46(4)“c”** as follows:

c. Payment of up to ~~\$6,592.66~~ \$6,872.85 per year may be made to enrolled specialized medical equipment providers upon satisfactory receipt of the service.

ITEM 8. Adopt the following new provider category in subrule **79.1(2)**:

Applied behavior analysis	Fee schedule	Fee schedule in effect 7/1/22.
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ITEM 9. Amend subrule **79.1(2)**, provider categories of “Behavioral health intervention,” “HCBS waiver service providers,” “Home- and community-based habilitation services” and “Home health agencies,” as follows:

Behavioral health intervention	Fee schedule	Fee schedule in effect 7/1/13 7/1/22.
HCBS waiver service providers, including: 1. Adult day care	For AIDS/HIV, brain injury, elderly, and health and disability waivers: Fee schedule	Effective 7/1/21 7/1/22, for AIDS/HIV, brain injury, elderly, and health and disability waivers: Provider’s rate in effect 6/30/21 6/30/22 plus 3.55% 4.25%, converted to a 15-minute, half-day, full-day, or extended-day

		<p>rate. If no 6/30/21 <u>6/30/22</u> rate: Veterans Administration contract rate or \$1.52 <u>\$1.58</u> per 15-minute unit, \$24.30 <u>\$25.33</u> per half day, \$48.38 <u>\$50.44</u> per full day, or \$72.55 <u>\$75.63</u> per extended day if no Veterans Administration contract.</p>
	<p>For intellectual disability waiver: Fee schedule for the member's acuity tier, determined pursuant to 79.1(30)</p>	<p>Effective 7/1/21 <u>7/1/22</u>, for intellectual disability waiver: The provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute or half-day rate. If no 6/30/21 <u>6/30/22</u> rate, \$2.03 <u>\$2.12</u> per 15-minute unit or \$32.38 <u>\$33.76</u> per half day.</p> <p>For daily services, the fee schedule rate published on the department's website, pursuant to 79.1(1)"c," for the member's acuity tier, determined pursuant to 79.1(30).</p>
2. Emergency response system:		
Personal response system	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>. If no 6/30/21 <u>6/30/22</u> rate: Initial one-time fee: \$53.89 <u>\$56.18</u>. Ongoing monthly fee: \$41.91 <u>\$43.69</u>.</p>
Portable locator system	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>. If no 6/30/21 <u>6/30/22</u> rate: Initial one-time fee: \$53.89 <u>\$56.18</u>. Ongoing monthly fee: \$41.91 <u>\$43.69</u>.</p>
3. Home health aides	Fee schedule	<p>For AIDS/HIV, elderly, and health and disability waivers effective 7/1/21 <u>7/1/22</u>: Lesser of maximum Medicare rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> or maximum Medicaid rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>.</p> <p>For intellectual disability waiver effective 7/1/21 <u>7/1/22</u>: Lesser of maximum Medicare rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>.</p>

			<p><u>4.25%</u> or maximum Medicaid rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to an hourly rate.</p>
4. Homemakers	Fee schedule		<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$5.38 <u>\$5.61</u> per 15-minute unit.</p>
5. Nursing care	Fee schedule		<p>For AIDS/HIV, health and disability, elderly and intellectual disability waiver effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>. If no 6/30/21 <u>6/30/22</u> rate: \$91.11 <u>\$94.98</u> per visit.</p>
6. Respite care when provided by:			
Home health agency:			
Specialized respite	Fee schedule		<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: Lesser of maximum Medicare rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate, or maximum Medicaid rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate, not to exceed \$326.28 <u>\$340.15</u> per day.</p>
Basic individual respite	Fee schedule		<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: Lesser of maximum Medicare rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate, or maximum Medicaid rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate, not to exceed \$326.28 <u>\$340.15</u> per day.</p>
Group respite	Fee schedule		<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a</p>

			15-minute rate. If no 6/30/21 6/30/22 rate: \$3.64 \$3.76 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.
Home care agency:			
Specialized respite	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$9.28 \$9.67 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.	
Basic individual respite	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$4.95 \$5.16 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.	
Group respite	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$3.64 \$3.76 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.	
Nonfacility care:			
Specialized respite	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$9.28 \$9.67 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.	
Basic individual respite	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$4.95 \$5.16 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.	
Group respite	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$3.64 \$3.76 per 15-minute unit, not to exceed \$326.28 \$340.15 per day.	

Facility care:

Hospital or nursing facility providing skilled care	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed the facility's daily Medicaid rate for skilled nursing level of care.
Nursing facility	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed the facility's daily Medicaid rate.
Camps	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed \$326.28 <u>\$340.15</u> per day.
Adult day care	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed rate for regular adult day care services.
Intermediate care facility for persons with an intellectual disability	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed the facility's daily Medicaid rate.
Residential care facilities for persons with an intellectual disability	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed contractual daily rate.
Foster group care	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect

		<p>6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed daily rate for child welfare services.</p>
Child care facilities	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit, not to exceed contractual daily rate.</p>
7. Chore service	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$4.19 <u>\$4.37</u> per 15-minute unit.</p>
8. Home-delivered meals	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>. If no 6/30/21 <u>6/30/22</u> rate: \$8.39 <u>\$8.75</u> per meal. Maximum of 14 meals per week.</p>
9. Home and vehicle modification	Fee schedule. See 79.1(17)	<p>For elderly waiver effective 7/1/21 <u>7/1/22</u>: \$1,098.78 <u>\$1,145.48</u> lifetime maximum. For intellectual disability waiver effective 7/1/21 <u>7/1/22</u>: \$5,493.88 <u>\$5,727.37</u> lifetime maximum. For brain injury, health and disability, and physical disability waivers effective 7/1/21 <u>7/1/22</u>: \$6,592.66 <u>\$6,872.85</u> per year.</p>
10. Mental health outreach providers	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u>, provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u>. If no 6/30/21 <u>6/30/22</u> rate: On-site Medicaid reimbursement rate for center or provider. Maximum of 1,440 units per year.</p>
11. Transportation	Fee schedule	<p>Fee schedule in effect 7/1/21 <u>7/1/22</u>.</p>
12. Nutritional counseling	Fee schedule	<p>Effective 7/1/21 <u>7/1/22</u> for non-county contract: Provider's rate in effect</p>

		6/30/21 <u>6/30/22</u> plus 3.55% 4.25%, converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$9.07 <u>\$9.46</u> per 15-minute unit.
13. Assistive devices	Fee schedule. See 79.1(17)	Effective 7/1/21 <u>7/1/22</u> : \$119.72 <u>\$124.81</u> per unit.
14. Senior companion	Fee schedule	Effective 7/1/21 <u>7/1/22</u> for non-county contract: Provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% 4.25%, converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$1.96 <u>\$2.04</u> per 15-minute unit.
15. Consumer-directed attendant care provided by:		
Agency (other than an elderly waiver assisted living program)	Fee agreed upon by member and provider	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% 4.25%, converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$5.54 <u>\$5.78</u> per 15-minute unit, not to exceed \$128.25 <u>\$133.70</u> per day.
Assisted living program (for elderly waiver only)	Fee agreed upon by member and provider	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% 4.25%, converted to a 15-minute rate. If no 6/30/21 6/30/22 rate: \$5.54 <u>\$5.78</u> per 15-minute unit, not to exceed \$128.25 <u>\$133.70</u> per day.
Individual	Fee agreed upon by member and provider	Effective 7/1/21 <u>7/1/22</u> , \$3.71 <u>\$3.87</u> per 15-minute unit, not to exceed \$86.32 <u>\$89.99</u> per day. When an individual who serves as a member's legal representative provides services to the member as allowed by 79.9(7)"b," the payment rate must be based on the skill level of the legal representative and may not exceed the median statewide reimbursement rate for the service unless the higher rate receives prior approval from the department.
16. Counseling:		
Individual	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% 4.25%, converted to a

		15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$11.86 <u>\$12.36</u> per 15-minute unit.
Group	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$11.85 <u>\$12.35</u> per 15-minute unit. Rate is divided by the actual number of persons who comprise the group.
17. Case management	Fee schedule	For brain injury and elderly waivers effective 7/1/21 , provider's rate ; <u>Fee schedule</u> in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> .
18. Supported community living	For brain injury waiver: Retrospectively limited prospective rates. See 79.1(15)	For brain injury waiver effective 7/1/21 <u>7/1/22</u> : \$9.61 <u>\$10.02</u> per 15-minute unit, not to exceed the maximum daily ICF/ID rate per day plus 7.477% <u>11.727%</u> .
	For intellectual disability waiver: Fee schedule for the member's acuity tier, determined pursuant to 79.1(30). Retrospectively limited prospective rate for SCL 15-minute unit. See 79.1(15)	For intellectual disability waiver effective 7/1/21 <u>7/1/22</u> : \$9.61 <u>\$10.02</u> per 15-minute unit. For daily service, the fee schedule rate published on the department's website, pursuant to 79.1(1) "c," for the member's acuity tier, determined pursuant to 79.1(30).
19. Supported employment:		
Individual placement and support.	Fee schedule	Fee schedule in effect 7/1/21.
Individual supported employment	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> . Total monthly cost for all supported employment services not to exceed \$3,167.89 <u>\$3,302.53</u> per month.
Long-term job coaching	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> . Total monthly cost for all supported employment services not to exceed \$3,167.89 <u>\$3,302.53</u> per month.
Small-group supported employment (2 to 8 individuals)	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> . Maximum 160 units per week. Total monthly cost

		for all supported employment services not to exceed \$3,167.89 <u>\$3,302.53</u> per month.
20. Specialized medical equipment	Fee schedule. See 79.1(17)	Effective 7/1/21 <u>7/1/22</u> , \$6,592.66 <u>\$6,872.85</u> per year.
21. Behavioral programming	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> . If no 6/30/21 <u>6/30/22</u> rate: \$41.86 <u>\$12.36</u> per 15 minutes.
22. Family counseling and training	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$41.85 <u>\$12.35</u> per 15-minute unit.
23. Prevocational services, including career exploration	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> .
24. Interim medical monitoring and treatment:		
Home health agency (provided by home health aide)	Fee schedule	Effective 7/1/21 <u>7/1/22</u> : Lesser of maximum Medicare rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate, or maximum Medicaid rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate.
Home health agency (provided by nurse)	Fee schedule	Effective 7/1/21 <u>7/1/22</u> : Lesser of maximum Medicare rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate, or maximum Medicaid rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate.
Child development home or center	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.64 <u>\$3.76</u> per 15-minute unit.
Supported community living provider	Retrospectively limited prospective rate. See 79.1(15)	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> .

		<p><u>4.25%</u>, converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$9.61 <u>\$10.02</u> per 15-minute unit, not to exceed the maximum ICF/ID rate per day plus 7.477% <u>11.727%</u>.</p>
25. Residential-based supported community living	Fee schedule for the member's acuity tier, determined pursuant to 79.1(30)	Effective 7/1/21 <u>7/1/22</u> : The fee schedule rate published on the department's website, pursuant to 79.1(1) "c," for the member's acuity tier, determined pursuant to 79.1(30).
26. Day habilitation	Fee schedule for the member's acuity tier, determined pursuant to 79.1(30)	Effective 7/1/21 <u>7/1/22</u> : Provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$3.63 <u>\$3.78</u> per 15-minute unit. For daily service, the fee schedule rate published on the department's website, pursuant to 79.1(1) "c," for the member's acuity tier, determined pursuant to 79.1(30).
27. Environmental modifications and adaptive devices	Fee schedule. See 79.1(17)	Effective 7/1/21 <u>7/1/22</u> , \$6,592.66 <u>\$6,872.85</u> per year.
28. Family and community support services	Retrospectively limited prospective rates. See 79.1(15)	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$9.61 <u>\$10.02</u> per 15-minute unit.
29. In-home family therapy	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> , converted to a 15-minute rate. If no 6/30/21 <u>6/30/22</u> rate: \$25.73 <u>\$26.82</u> per 15-minute unit.
30. Financial management services	Fee schedule	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> . If no 6/30/21 <u>6/30/22</u> rate: \$71.42 <u>\$74.46</u> per enrolled member per month.
31. Independent support broker	Rate negotiated by member	Effective 7/1/21 <u>7/1/22</u> , provider's rate in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> . If no 6/30/21 <u>6/30/22</u> rate: \$16.64 <u>\$17.35</u> per hour.

32. to 34. No change.

35. Assisted living on-call service providers (elderly waiver only)	Fee agreed upon by member and provider	\$27.01 <u>\$28.16</u> per day.
Home- and community-based habilitation services:		
1. Case management	Fee schedule. See 79.1(24)“d”	Effective 7/1/21 <u>7/1/22</u> : Fee schedule in effect 6/30/21 <u>6/30/22</u> plus 3.55% <u>4.25%</u> .
2. Home-based habilitation	See 79.1(24)“d” <u>Fee schedule</u>	Fee schedule in effect 7/1/21 <u>7/1/22</u> .
3. Day habilitation	See 79.1(24)“d” <u>Fee schedule</u>	Effective 7/1/21 <u>7/1/22</u> : \$3.42 <u>\$3.57</u> per 15-minute unit or \$66.57 <u>\$69.40</u> per day.
4. Prevocational habilitation Career exploration	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> .
5. Supported employment:		
Individual supported employment	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> . Total monthly cost for all supported employment services not to exceed \$3,136.53 <u>\$3,302.53</u> per month.
Long-term job coaching	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> . Total monthly cost for all supported employment services not to exceed \$3,136.53 <u>\$3,302.53</u> per month.
Small-group supported employment (2 to 8 individuals)	Fee schedule	Fee schedule in effect 7/1/21 <u>7/1/22</u> . Maximum 160 units per week. Total monthly cost for all supported employment services not to exceed \$3,136.53 <u>\$3,302.53</u> per month.
<u>Individual placement and support supported employment</u>	<u>Fee schedule</u>	<u>Fee schedule in effect 7/1/22. Total monthly cost for all supported employment services not to exceed \$3,302.53 per month.</u>
Home health agencies		
1. Skilled nursing, physical therapy, occupational therapy, speech therapy, home health aide, and medical social services; home health care for maternity patients and children	Fee schedule. See 79.1(26). For members living in a nursing facility, see 441—paragraph 81.6(11)“r”	Effective 7/1/21 <u>7/1/22</u> : The Medicaid LUPA fee schedule rate published on the department’s website.
2. and 3. No change.		

ITEM 10. Amend paragraph **83.2(2)“b”** as follows:

b. Except as provided below, the total monthly cost of the health and disability waiver services, excluding the cost of home and vehicle modification services, shall not exceed the established aggregate monthly cost for level of care as follows:

<u>Skilled level of care</u>	<u>Nursing level of care</u>	<u>ICF/ID</u>
\$2,891.79 <u>\$3,014.69</u>	\$993.56 <u>\$1,035.79</u>	\$3,875.80 <u>\$4,040.52</u>

For members enrolled in the health and disability waiver in accordance with subrule 83.2(1), when a member turns 21 years of age, the average monthly cost of services received through 441—subrule 78.9(10) (state plan private duty nursing or personal care services for persons aged 20 and under) shall be used to increase the monthly waiver budget in accordance with the following:

(1) to (5) No change.

ITEM 11. Amend paragraph **83.42(2)“b”** as follows:

b. The total monthly cost of the AIDS/HIV waiver services shall not exceed the established aggregate monthly cost for level of care. The monthly cost of AIDS/HIV waiver services cannot exceed the established limit of ~~\$1,943.43~~ \$2,026.03.

ITEM 12. Amend paragraph **83.102(2)“b”** as follows:

b. The total cost of physical disability waiver services, excluding the cost of home and vehicle modifications, shall not exceed ~~\$730.90~~ \$761.95 per month.

ITEM 13. Amend paragraph **83.122(6)“b”** as follows:

b. The total cost of children’s mental health waiver services needed to meet the member’s needs, excluding the cost of environmental modifications, adaptive devices and therapeutic resources, may not exceed ~~\$2,077.57~~ \$2,165.87 per month.



Iowa Department of Human Services
Information on Proposed Rules

Name of Program Specialist	Telephone Number	Email Address
LeAnn Moskowitz	515-321-8922	lmoskow@dhs.state.ia.us

1. Give a brief purpose and summary of the rulemaking:

As part of the American Rescue Plan Act (ARPA) Section 9817 HCBS implementation plan, the Department has designated \$14.6M in state funds to increase HCBS Waiver and Habilitation reimbursement rates by 4.25 percent. The proposed changes include revisions to 441-Chapter 78, 79 and 83:

- To increase the reimbursement rates and upper rate limits for providers of Home and Community Based Service (HCBS) Waiver and HCBS Habilitation services beginning July 1, 2022, by 4.25 percent over the rates in effect on 06/30/2022
- To increase the monthly caps on the total monthly cost of HCBS waiver services and Habilitation
- To increase the monthly cap on HCBS Supported Employment and ID Waiver Respite services.
- To increase annual or lifetime limitations for Home and Vehicle Modifications, Specialized Medical Equipment

During the 2022 Legislation Session HF 2578 appropriated funds to increase specific provider's reimbursement rates over the rates in effect 06/30/2022:

- Behavioral Health Intervention services 20.6 percent rate increase over the rate in effect 06/30/2022
- Applied Behavior Analysis 8.9 percent rate increase over the rate in effect 06/30/2022
- Home Health Agencies providers located in rural areas

These amendments also correct the technical errors:

- by removing Individual Placement and Support Supported Employment from the HCBS Waiver Supported Employment and adding it under the HCBS Habilitation Supported Employment services. IPS SE is only provided to individuals enrolled in the 1915(i) Habilitation Program.
- Aligning the total monthly cap on supported employment services under the HCBS Habilitation program with the HCBS Waiver employment service monthly cap as is current practice.

2. What is the legal basis for the change? (Cite the authorizing state and federal statutes and federal regulations):

249A.4 – HF2578

3. Describe who this rulemaking will positively or adversely impact.

This amendment raises the rate of reimbursement for HCBS Waiver and HCBS Habilitation service providers. This rate increase will directly benefit HCBS members accessing Consumer Directed Attendant Care (CDAC) and Consumer Choices Option (CCO) by enabling them to offer an increased wage to potential employees which may improve the recruitment and retention rates of CDAC workers and CCO employees. This increase could assist HCBS providers with recruitment and retentions efforts which may provide improved quality of services for HCBS members.

This amendment raises the rate of reimbursement for rural home health agencies, behavioral health intervention and applied behavior analysis.

4. Does this rule contain a waiver provision? If not, why?

A waiver provision is not necessary. 441 -1.8(17A, 217) provides for waiver of administrative rules in exceptional circumstances.

5. What are the likely areas of public comment?

Providers and Medicaid members will respond positively to the increase in reimbursement rates.

6. Do these rules have an impact on private-sector jobs and employment opportunities in Iowa? (If yes, describe nature of impact, categories and number of jobs affected, state regions affected, costs to employer per employee.)

These rules may have a positive influence on private-sector jobs and employment opportunities in Iowa.



Administrative Rule Fiscal Impact Statement

Date: 07/01/2022

Agency: Human Services IAC citation: 441 IAC 78, 79 and 83 Agency contact: LeAnn Moskowitz
Summary of the rule: As part of the American Rescue Plan Act (ARPA) Section 9817 HCBS implementation plan, the Department has designated \$14.6M in state funds to increase HCBS Waiver and Habilitation reimbursement rates by 4.25% During the 2022 Legislative Session, HF2578 appropriated funds to increase Home Health Agency Rates for providers operating in rural areas and to increase BHIS and ABA provider rates.
<i>Fill in this box if the impact meets these criteria:</i> <input type="checkbox"/> No fiscal impact to the state. <input type="checkbox"/> Fiscal impact of less than \$100,000 annually or \$500,000 over 5 years. <input type="checkbox"/> Fiscal impact cannot be determined.
<i>Brief explanation:</i>
<i>Fill in the form below if the impact does not fit the criteria above:</i> <input checked="" type="checkbox"/> Fiscal impact of \$100,000 annually or \$500,000 over 5 years.
Assumptions: Total SFY21 claims paid habilitation services and HCBS waiver services. 4.25% increase over the reimbursement and upper rate limits rates in effect on 06/30/2022 beginning July 1, 2022, for providers of Home and Community Based Service (HCBS) Waiver and HCBS Habilitation services. 62.88% SFY23 Blended FMAP \$14,600,000 SFY23 budget target for habilitation and HCBS waiver payments.

Describe how estimates were derived:

Rate adjustments were applied to the applicable services to achieve the targeted payout.

				4.25%				62.88%
Medicaid Paid Claims Data					Medicaid Paid Claims Data			
Provider Type Description	Claims Paid During SFY 2021 - Medicaid Fee for Service with 3.55% from HF 891	Claims Paid During SFY 2021 - Medicaid Managed Care with 3.55% from HF 891	Claims Paid During SFY 2021 - Total Medicaid with 3.55% with HF 891	Percentage Increase	Estimated Increase - Total Dollars	Estimated Increase - Federal Dollars	Estimated Increase - State Dollars	
HABILITATION SERVICES	\$1,242,646	\$160,364,707	\$161,607,353	4.25%	\$6,868,313	\$4,318,795	\$2,549,518	
WAIVER	\$44,743,432	\$710,237,142	\$754,980,574	4.25%	\$32,086,674	\$20,176,101	\$11,910,574	
TOTAL	\$45,986,078	\$870,601,849	\$916,587,927		\$38,954,987	\$24,494,896	\$14,460,091	

Budget Target	\$14,600,000
Difference	(\$139,909)

				4.25%				63.55%
Medicaid Paid Claims Data					Medicaid Paid Claims Data			
Provider Type Description	Claims Paid During SFY 2021 - Medicaid Fee for Service with 3.55% from HF 891	Claims Paid During SFY 2021 - Medicaid Managed Care with 3.55% from HF 891	Claims Paid During SFY 2021 - Total Medicaid with 3.55% with HF 891	Percentage Increase	Estimated Increase - Total Dollars	Estimated Increase - Federal Dollars	Estimated Increase - State Dollars	
HABILITATION SERVICES	\$1,242,646	\$160,364,707	\$161,607,353	4.25%	\$6,868,313	\$4,364,813	\$2,503,500	
WAIVER	\$44,743,432	\$710,237,142	\$754,980,574	4.25%	\$32,086,674	\$20,391,081	\$11,695,593	
TOTAL	\$45,986,078	\$870,601,849	\$916,587,927		\$38,954,987	\$24,755,894	\$14,199,093	

Budget Target	\$14,600,000
Difference	(\$400,907)

Estimated Impact to the State by Fiscal Year		
	<u>Year 1 (SFY 23)</u>	<u>Year 2 (SFY24)</u>
Revenue by each source:		
General fund	\$14,460,091	\$14,199,093
Federal funds	\$24,494,896	\$24,755,894
Other (specify):		
TOTAL REVENUE	\$38,954,987	\$38,954,987
Expenditures:		
General fund	\$14,460,091	\$14,199,093
Federal funds	\$24,494,896	\$24,494,896
Other (specify):		
TOTAL EXPENDITURES	\$38,954,987	\$38,954,987
NET IMPACT	\$0	\$0
<input checked="" type="checkbox"/> This rule is required by state law or federal mandate. <i>Please identify the state or federal law:</i> Identify provided change fiscal persons: 2022 legislative session House File 2478 ARPA HCBS Spending Plan for SFY2023		
<input checked="" type="checkbox"/> Funding has been provided for the rule change. <i>Please identify the amount provided and the funding source:</i> During the 2022 Legislative Session, HF2478 appropriated funds to increase specific provider's reimbursement rates. The proposed changes include revisions to 441-Chapter 78, 79 and 83. ARPA funds have been allocated for the HCBS Waiver and Habilitation provider rate increases.		
<input type="checkbox"/> Funding has not been provided for the rule. <i>Please explain how the agency will pay for the rule change:</i>		
Fiscal impact to persons affected by the rule: Medicaid providers will see increased reimbursement.		
Fiscal impact to counties or other local governments (required by Iowa Code 25B.6): No impact.		
Agency representative preparing estimate: Jason Buls, JB 9/29/22		
Telephone number: 515-281-5764		