

## **Table of Contents**

**State/Territory Name: IA**

**State Plan Amendment (SPA) #: 14-0013**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages



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**Financial Management Group**

**APR 27 2013**

Charles M. Palmer, Director  
Iowa Department of Human Services  
1305 East Walnut, 5<sup>th</sup> Floor  
Des Moines, IA 50319-0114

RE: Iowa State Plan Amendment TN: 14-013

Dear Mr. Palmer:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-013. This amendment establishes reimbursement for non-state Psychiatric Medical Institutions for Children (PMICs) services through the use of provider specific per diem rates, consistent with the Iowa Plan for Behavioral Health.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment 14-013 is approved effective July 1, 2014. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,

Timothy Hill/  
Director

A handwritten signature in black ink, appearing to be 'Timothy Hill', written over the printed name.

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		<b>1. TRANSMITTAL NUMBER</b> <div style="text-align: center;">1 4 — 0 1 3</div>	<b>2. STATE</b> <div style="text-align: center;">IOWA</div>
<b>TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE &amp; MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
<b>5. TYPE OF PLAN MATERIAL (Check One)</b> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		<b>4. PROPOSED EFFECTIVE DATE</b> <div style="text-align: center;">July 1, 2014</div>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
<b>6. FEDERAL STATUTE/REGULATION CITATION</b>	<b>7. FEDERAL BUDGET IMPACT</b> a. FFY '14 \$ 0 b. FFY '15 \$ 0		
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT</b> Attachment 4.19-A, Page 34, 35, 36	<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)</b> Attachment 4.19-A, Page 34, 35, 36		
<b>10. SUBJECT OF AMENDMENT</b> This changes the reimbursement methodology for non-state PMIC facilities. This SPA request is a continuation of the transition of Medicaid funded mental health services to the Iowa Plan for Behavioral Health.			
<b>11. GOVERNOR'S REVIEW (Check One)</b> <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
<b>12. SIGNATURE OF STATE AGENCY OFFICIAL</b>  <b>13. TYPED NAME</b> CHARLES M. PALMER <b>14. TITLE</b> DIRECTOR <b>15. DATE SUBMITTED</b> 8-28-14	<b>16. RETURN TO</b> CHARLES M. PALMER DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114		
<b>FOR REGIONAL OFFICE USE ONLY</b>			
<b>17. DATE RECEIVED</b>	<b>18. DATE APPROVED</b> APR 27 2015		
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
<b>19. EFFECTIVE DATE OF APPROVED MATERIAL</b> <div style="text-align: center;">JUL 01 2014</div>	<b>20. SIGNATURE OF REGIONAL OFFICIAL</b>		
<b>21. TYPED NAME</b> Kristin Fan	<b>22. TITLE</b> Deputy Director, FMC		
<b>23. REMARKS</b>			

State/Territory:

IOWA

## Methods and Standards for Establishing Payment Rates for Inpatient Psychiatric Services for Individuals Under 21 Years of Age

### 1. Non-State Owned Providers

For services provided by non-state-owned providers on July 1, 2014 and after, inpatient psychiatric services for individuals under 21 years of age will be reimbursed according to the Iowa Plan for Behavioral Health Contractor provider specific per diem rate without reconciliation. The agency's fees were set as of July 1, 2014 and are effective for dates of service provided on or after that date. All rates are published on the Department of Human Services website: [www.dhs.iowa.gov](http://www.dhs.iowa.gov).

### 2. State-Owned Providers

The basis of payment for state-owned providers of inpatient psychiatric services for individuals under 21 years of age is 100 percent of actual and allowable cost. Actual and allowable cost is based on the cost report information the facility submits to the Department on Form 470-0664, *Financial and Statistical Report*. Rates are calculated as total actual and allowable cost divided by total patient days on a retrospective cost-related basis and adjusted retroactively.

#### Interim Rates

Providers shall be reimbursed through a prospective interim rate equal to the previous year's retrospectively calculated cost per day.

#### Retroactive Cost Adjustment

Reimbursement payments made to state-owned psychiatric institution providers for services on or after July 1, 2009, shall be cost settled to actual cost. Following completion of a cost report desk review, cost settlement will be calculated using reasonable and proper actual cost per day from a 12-month period through retroactive adjustments. The retroactive adjustment represents the difference between the amount received by the provider during the year for covered services and the amount determined in accordance with an accepted method of cost apportionment to be the actual cost of service rendered, not to exceed the maximum reimbursement rate. Providers will receive advance notice of the retroactive adjustments and will also receive transaction detail after the adjustments have been completed.

State Plan TN # IA-14-013

Superseded TN # IA-11-006

Effective

Approved

JUL 01 2014

APR 27 2015

State/Territory:

IOWA

Definition of Allowable Costs and Reimbursement Principles

The actual and allowable costs of services rendered to Medicaid recipients are those that meet the principles specified in OMB Circular A-87 and the Medicare Provider Reimbursement Manual (CMS Publication 15-1). Actual and allowable costs must be reasonable and directly related to patient care.

Costs reported under inpatient psychiatric services shall not be reported as reimbursable costs under any other funding source. Cost incurred for other services shall not be reported as reimbursable costs under inpatient psychiatric services. Mileage reimbursement shall be limited to the maximum reimbursement rate allowed State employees at the time of service provision.

Cost Reporting Requirements

All state-owned providers shall submit the Medicaid cost report, Form 470-0664, *Financial and Statistical Report*, on an annual basis. Financial information shall be based on the provider's financial records. When records are not kept on an accrual basis of accounting, the provider shall make the adjustments necessary to convert the information to an accrual basis for reporting. Failure to maintain records to support the cost report may result in adjustment to the reimbursement rate, claim denial, recoupment or termination of the provider's enrollment with the Iowa Medicaid program. The Department may require that an opinion of a certified public accountant accompany the report when a provider has a history of cost report adjustments or inability to support cost report data.

Providers shall submit completed cost reports to the IME Provider Cost Audit and Rate Setting Unit, P.O. Box 36450, Des Moines, IA 50315. Cost reports shall be submitted on or before the last day of the third month after the end of the provider's fiscal year end. Hospital-based providers will be required to submit their cost report within five months from the end of the provider's fiscal year end. The submission must include a working trial balance. Cost reports submitted without a working trial balance will be considered incomplete.

A provider may obtain a 30-day extension for submitting the cost report by sending a letter to the IME provider cost audit and rate setting unit before the cost report due date. No extensions will be granted beyond 30 days.

If a provider fails to submit a complete cost report, including the working trial balance, the department shall reduce payment to 75 percent of the current rate. The reduced rate shall be paid for not longer than three months, after which time no further payments will be made.

State Plan TN #	IA-14-013	Effective	JUL 01 2014
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**3. Provider Appeals**

In accordance with 42 CFR 447.253(c), if a provider of service disagrees with the reimbursement determination, the provider may file an appeal and request reconsideration from the Administrator of the Division of Medical Services in the Department. The appeal must be in writing, clearly state the nature of the appeal, and be supported with all relevant data. Appeals must be submitted within 30 days of the date of the decision.

The Administrator of the Division of Medical Services will review the material submitted, render a decision and advise the provider accordingly within a period of 90 days.

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State Plan TN # IA-14-013Superseded TN # IA-09-018

Effective

Approved

JUL 01 2014APR 27 2015