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**State/Territory Name: IA**

**State Plan Amendment (SPA) #: 16-017**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 East 12<sup>th</sup> Street, Suite 355  
Kansas City, Missouri 64106



**Division of Medicaid and Children's Health Operations**

December 2, 2016

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

Dear Mr. Palmer:

On September 20, 2016, the Centers for Medicare & Medicaid Services (CMS) received Iowa's State Plan Amendment (SPA) Transmittal #16-017. This SPA increased the Medicaid LUPA wage index-adjusted fee rates in effect on June 30, 2016, by 2.93% effective July 1, 2016.

SPA #16-017 was approved December 1, 2016, with an effective date of July 1, 2016, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved page for incorporation into the Iowa State Plan.

If you have any questions regarding this amendment, please contact Karen Hatcher or Kevin Slaven at (816) 426-5925.

Sincerely, 

12/2/2016

James G. Scott  
Associate Regional Administrator  
for Medicaid and Children's Health Operations

Sign

Enclosure

cc:  
Mikki Stier  
Alisa Horn  
Jennifer Steenblock

IONA

July 1, 2016

☒ AMENDMENT

b. FFY 2017	\$ 1,020,340.45
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Attachment 4.19-B, Page 8

Conference Committee Report for HF 2450 authorized a rate increase for home health LUFA rate effective 7/1/16. The appropriation included an allocation of \$1 million state dollars to fund the increase.

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED

CHARLES M. PALMER  
DIRECTOR  
DEPARTMENT OF HUM  
1305 EAST WALNUT  
DES MOINES IA 50

December 1, 2016

$$||s||$$

22. TITLE Associate Regional Administrator  
for Division of Children's Health Operations

23. REMARKS

State/Territory:

IOWA

6d9. CERTAIN PHARMACISTS SERVICES: Fee schedule.

6d10. SERVICES OF ADVANCED NURSE PRACTITIONERS CERTIFIED IN PSYCHIATRIC OR MENTAL HEALTH SPECIALTIES: Fee schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT). The fee schedule is established as 85% of the physician fee schedule.

7. HOME HEALTH SERVICES

The payment for each home health service is determined retrospectively based on the disciplines (skilled nursing, home health aide, physical therapy (PT), occupational therapy (OT), and speech therapy in aggregate. Interim payments for home health agencies are made based on the home health agency's cost-to-charge ratios. A tentative cost settlement is performed based on the as-submitted Medicare cost report and a final cost settlement is performed based on the finalized Medicare cost report.

For services on or after July 1, 2013, the payment for each home health service is determined by the Medicare low utilization payment adjustment (LUPA) wage index-adjusted fee schedule rates for each of the disciplines (skilled nursing, home health aide, physical therapy (PT), occupational therapy (OT), and speech therapy (ST). The LUPA base rates and the Medicare wage index shall be updated every two years. For services on or after July 1, 2015, payment will be the most current Medicare LUPA rates less 8.35%. For services on or after July 1, 2016, the Medicaid LUPA wage index-adjusted fee schedule rates in effect on June 30, 2016, will be increased by 2.93%.

7a. HOME HEALTH SERVICES – SKILLED NURSING SERVICES

The basis of payment for skilled nursing services provided by a home health agency is reasonable cost subject, reconciled on a retrospective basis by the State Medicaid Agency, subject to the following: Payment for skilled nursing services is made at the lower of: the home health agency's average cost per visit per the submitted Medicare cost report; the agency's Medicaid per visit limit in effect at November 30, 2009, less five percent; or the base year Medicare per visit limitations plus inflation effective November 30, 2009. The average cost per visit is derived from the Medicare cost report where cost for Medicaid is calculated by multiplying the average cost per visit times the covered Medicaid skilled nursing visits which are subject to a desk review. The agency's Medicaid per visit limit is based on agency cost at 06/30/2001 subject to periodic adjustment. The base year for the Medicare per visit limit was calendar year 2000 subject to annual home health market basket updates.

For services on or after July 1, 2013, the payment for each home health service is determined by the Medicare low utilization payment adjustment (LUPA) wage index-adjusted fee schedule rates for each of the disciplines (skilled nursing, home health aide, physical therapy (PT), occupational therapy (OT), and speech therapy (ST). The LUPA base rates and the Medicare wage index shall be updated every two years. For services on or after July 1, 2015, payment will be the most current Medicare LUPA rates less 8.35%. For services on or after July 1, 2016, the Medicaid LUPA wage index-adjusted fee schedule rates in effect on June 30, 2016, will be increased by 2.93%.

7b. HOME HEALTH SERVICES– HOME HEALTH AIDE SERVICES: Same as 7a.

7c. HOME HEALTH SERVICES - MEDICAL SUPPLIES AND EQUIPMENT: Fee schedule. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of medical supplies and equipment. The agency's fee schedule rate was set as of July 1, 2016, and is effective for services provided on or after that date. All rates are published at [www.dhs.iowa.gov](http://www.dhs.iowa.gov).

7d. HOME HEALTH SERVICES - PHYSICAL THERAPY, OCCUPATIONAL THERAPY & SPEECH PATHOLOGY SERVICES: Same as 7a.

State Plan TN # IA-16-017

Effective July 1, 2016

Superseded TN # IA-15-006

Approved December 1, 2016