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State/Territory Name: IA

State Plan Amendment (SPA) #: 23-0002

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



Financial Management Group

April 27, 2023

Ms. Elizabeth Matney, Medicaid Director
Iowa Medicaid Enterprise
1305 E. Walnut Street
Des Moines, IA 50319

RE: IA 23-0002

Dear Ms. Matney:

We have reviewed the proposed amendment to Attachments 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0002. This SPA implements an inpatient hospital psychiatric intensive care per diem rate.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 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 IA 23-0002 is approved effective January 1, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Fred Sebree at Fredrick.sebree@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the Director.

Rory Howe
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 0 2

2. STATE

IA3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR §447.200

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 23 \$ 192,626b. FFY 24 \$ 260,903

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A page 21a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Supersedes TN No. MS-06-010

9. SUBJECT OF AMENDMENT

This amendment implements an inpatient hospital psychiatric intensive care per diem rate as authorized by Iowa House File 2578.

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Elizabeth Matney

13. TITLE

Medicaid Director

14. DATE SUBMITTED

02/09/2023

15. RETURN TO

Elizabeth Matney

Medicaid Director

Department of Human Services

Iowa Medicaid Enterprise

1305 East Walnut Street

Des Moines, IA 50319

FOR CMS USE ONLY

16. DATE RECEIVED

2/9/2023

17. DATE APPROVED

April 27, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

Methods and Standards for Establishing Payment Rates for Inpatient Hospital Care

To become certified for substance abuse treatment, an in-state substance abuse unit may be certified for Medicaid reimbursement if the unit's program is licensed by the department of public health as a substance abuse treatment program. In addition to documentation of the license, an in-state hospital must submit documentation of the specific substance abuse programs available at the facility with a description of their staffing, treatment standards, and population served. An out-of-state substance abuse unit may be certified for Medicaid reimbursement if it is excluded from the Medicare prospective payment system as a psychiatric unit pursuant to 42 Code of Federal Regulations, Sections 412.25 and 412.27, as amended to September 1, 1994. An out-of-state hospital requesting reimbursement as a substance abuse unit must initially submit a copy of its current Medicare prospective payment system exemption notice, unless the facility had certification for reimbursement as a substance abuse unit before July 1, 1993. All out-of-state hospitals certified for reimbursement for substance abuse units must submit copies of new Medicare prospective payment system exemption notices as they are issued, at least annually.

A neonatal intensive care unit may be certified for Medicaid reimbursement if it is certified as a level II or level III neonatal unit and the hospital where it is located is accredited by the Joint Commission on Accreditation of Healthcare Organizations or the American Osteopathic Association. The Medicaid fiscal agent shall verify the unit's certification as a level II or level III neonatal unit in accordance with recommendations set forth by the American Academy of Pediatrics for newborn care. Neonatal units in Iowa shall be certified by the department of public health. Out-of-state units shall submit proof of level II or level III certification.

Psychiatric Intensive Care Services

Acute psychiatric intensive care services. Services that meet the criteria at 441—subrule 78.3(8) shall be reimbursed as follows:

1. Services provided in a certified psychiatric unit will be paid based on the hospital-specific per diem rate pursuant to section 19 of Attachment 4.19-A plus 42.59% for covered days billed with the appropriate psychiatric intensive care revenue code and procedure code.
2. Services not provided in a certified psychiatric unit will be paid based on the hospital-specific DRG payment rate pursuant to section 12 of Attachment 4.19-A plus an add-on per diem rate of \$520.47 for covered days billed with the appropriate psychiatric intensive care revenue code and procedure code.