

## **Table of Contents**

**State/Territory Name: Iowa**

**State Plan Amendment (SPA) IA: 24-0008**

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
230 South Dearborn Street  
Chicago, Illinois 60604



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**Financial Management Group**

September 26, 2024

Elizabeth Matney Medicaid Director  
Division of Medical Services  
Department of Human Services  
Iowa Medicaid Enterprise  
1305 E. Walnut Street  
Des Moines, IA 50319

RE: TN 24-0008

Dear Director Matney:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Iowa (IA) State Plan Amendment (SPA) to Attachment 4.19-B IA-24-0008, which was submitted to CMS on August 8, 2024. This plan amendment increases the rates for the 1915(i) HCBS habilitation services.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Lindsay Michael at 410-786-7197 or [Lindsay.michael@cms.hhs.gov](mailto:Lindsay.michael@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER <u>2 4 — 0 0 0 8</u>	2. STATE <u>IA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE  
July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR §447.200

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 24 \$ 10,710  
b. FFY 25 \$ 41,286

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-B, pages 17, 18

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Supersedes Attachment 4.19-B, pages 17, 18

9. SUBJECT OF AMENDMENT

The proposed state plan amendment implements the 1915(i) HCBS Habilitation Services rate increase as authorized by House File

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  
[Redacted]

12. TYPED NAME  
Elizabeth Matney

13. TITLE Director, Iowa Medicaid & Division of Administration and HHS  
Deputy Director

14. DATE SUBMITTED  
August 2, 2024

15. RETURN TO

**FOR CMS USE ONLY**

16. DATE RECEIVED  
8/8/24

17. DATE APPROVED  
September 26, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
7/1/24

19. SIGNATURE OF APPROVING OFFICIAL  
[Redacted]

20. TYPED NAME OF APPROVING OFFICIAL  
Todd McMillion

21. TITLE OF APPROVING OFFICIAL  
Director, DRR

22. REMARKS

## Methods and Standards for Establishing Payment Rates

1. **Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

<input checked="" type="checkbox"/>	<p><b>HCBS Case Management</b></p> <p>Providers of case management services shall be reimbursed at cost. Providers are reimbursed throughout each fiscal year on the basis of a projected interim payment rate for a 15-minute unit of service based on each provider’s reasonable and proper costs of operation. Reasonable and proper costs of operation are identified pursuant to federally accepted reimbursement principles (OMB A-87 principles).</p> <p>The methodology for determining the reasonable and proper cost for service provision assumes the following:</p> <ul style="list-style-type: none"><li>• The indirect administrative costs shall be limited to 23 percent of other costs. Other costs include: professional staff – direct salaries, other – direct salaries, benefits and payroll taxes associated with direct salaries, mileage and automobile rental, agency vehicle expense, automobile insurance, and other related transportation.</li><li>• Mileage shall be reimbursed at a rate no greater than the state employee rate.</li><li>• Costs of operation shall include only those costs that pertain to the provision of services which are authorized under rule 441—90.3(249A).</li></ul> <p>Interim payments are subject to annual retrospective cost settlement based on submission of actual costs of operation and service utilization data by the provider on Form 470-0664., Financial and Statistical Report submitted by providers ninety days after each fiscal year end. The cost settlement represents the difference between the amount received by the provider during the year for covered services and the amount supported by the actual costs of doing business, determined in accordance with an accepted method of cost apportionment.</p> <p>For dates of services on or after July 1, 2018, HCBS case management services shall be reimbursed by fee schedule.</p>
<input checked="" type="checkbox"/>	<p><b>HCBS Home-Based Habilitation</b></p> <p>For services provided on July 1, 2013 through December 31, 2013, home-based habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency’s fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013.</p> <p>For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home-based habilitation. The agency’s fee schedule rate was set as of July 1, 2024, and is effective for services provided on or after that date.</p> <p>All rates are published on the agency’s website at: <a href="https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules">https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules</a></p>

<input checked="" type="checkbox"/>	<b>HCBS Day Habilitation</b> For services provided on July 1, 2013 through December 31, 2013, day habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013.  For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home-based habilitation. The agency's fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date.  The rates for Day habilitation are located at 441 IAC 79.1(2) <a href="https://www.legis.iowa.gov/docs/iac/rule/07-05-2017.441.79.1.pdf">https://www.legis.iowa.gov/docs/iac/rule/07-05-2017.441.79.1.pdf</a>
<input type="checkbox"/>	<b>HCBS Behavioral Habilitation</b>
<input type="checkbox"/>	<b>HCBS Educational Services</b>
<input checked="" type="checkbox"/>	<b>HCBS Prevocational Habilitation</b> For services provided on July 1, 2013 through December 31, 2013, prevocational habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fees were set as of July 1, 2013 and are effective for dates of service provided on and after that date through December 31, 2013.  For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home-based habilitation. The agency's fee schedule rate was set as of July 1, 2024, and is effective for services provided on or after that date.  All rates are published on the agency's website at: <a href="https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules">https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules</a>
<input checked="" type="checkbox"/>	<b>HCBS Supported Employment Habilitation</b> For services provided on July 1, 2013 through December 31, 2013, supported employment habilitation services will be reimbursed according to the Iowa Plan for Behavioral Health contractor provider-specific cost based fee schedule rate without reconciliation. The Agency's fee schedule rate was set as of July 1, 2013 and is effective for dates of service provided on and after that date through December 31, 2013.  For dates of services on or after January 1, 2014, providers shall be reimbursed a prospective statewide rate. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of supported employment habilitation. The agency's fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date.  All rates are published on the agency's website at: <a href="https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules">https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules</a>