



INFORMATIONAL LETTER NO. 2536-MC-FFS-D

DATE: December 5, 2023

TO: Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS), Dental (D)

FROM: Iowa Department of Health and Human Services (HHS), Iowa Medicaid

RE: FQHC/RHC Rate Floor Update

EFFECTIVE: January 1, 2024

[Informational Letter \(IL\) 1562¹](#), issued October 27, 2015, set the rate floor for Managed Care Organization (MCO) payments to Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) at the provider specific Benefits Improvement and Protection Act (BIPA) Prospective Payment System (PPS) rate. The BIPA PPS rates are updated annually using the Medicare Economic Index (MEI) factor.

The MEI factor for 2024 is 4.6 percent. Updated provider specific BIPA PPS rates have been calculated and will be provided to MCOs on November 30, 2023. The updated rates are effective for services on or after **January 1, 2024**.

If you have any questions, please contact the Iowa Medicaid Provider Cost Audit Unit by email at costaudit@dhs.state.ia.us.

¹ <https://secureapp.dhs.state.ia.us/IMPA/Information/Bulletins.aspx>