



INFORMATIONAL LETTER NO. 2371-MC-FFS

DATE: September 2, 2022

TO: Home- and Community-Based Services (HCBS) Waiver, Home Health Agencies (HHA) Providing Private Duty Nursing/Personal Care (PDN/PC) Services as part of the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Program, Community Mental Health Centers (CMHC)

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

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

RE: American Rescue Plan Act (ARPA) HCBS Funds Financial and Statistical Report Guidelines

EFFECTIVE: Upon Receipt

This informational letter is intended to provide guidance for the treatment of ARPA HCBS funds when completing the annual financial and statistical report. The applicable ARPA grants are:

- Recruitment and retention.
- Employee training and scholarship.
- Health information technology (IT) and infrastructure.
- Remote monitoring.

Iowa Medicaid providers that are eligible for HCBS ARPA grant funds and provide the following services are required to submit reports in accordance with Iowa Administrative Code (IAC).

- HHA – private duty nursing and personal care
- HCBS Waiver – supported community living, residential-based supported community living (RBSCL), interim medical monitoring and treatment (IMMT) family and community support services
- CMHCs choosing to file cost reports

Medicaid Cost Report Completion

The Medicaid cost report establishes the allowable cost to provide a unit of service for all individuals receiving the service, regardless of payor. All ARPA HCBS fund recipients must maintain appropriate records and cost documentation. Funds received from the ARPA grant projects listed above are not intended to increase reported service costs of the agencies receiving funds.

HCBS Cost Report (Form 470-5477)

Funds received from the ARPA grant projects shall be reported on Schedule A of the HCBS cost report. Recipient providers should enter the ARPA grant name on a blank line of Schedule A (e.g., ARPA HCBS recruitment and retention, employee training and scholarship, health IT and infrastructure, and remote monitoring grants) and report the amount in the total revenue column.

Funds received from the ARPA HCBS grant projects are not intended to increase reported direct or indirect HCBS costs of the agencies receiving funds. Any expense incurred with funds received from the ARPA HCBS grant projects must be reported in the excluded cost column on Schedule D of the cost report. These expenses should **not** be reported in any HCBS cost column, the indirect cost column, or in the other programs cost column.

HHA EPSDT PDN/PC Cost Report (Form I 728-94)

Funds received from the ARPA grant projects shall be reported on Schedule A of the HHA EPSDT PDN/PC cost report. The amount received should be reported on Line 226 in the total revenue column. Supporting Schedule 1 or 2 should be used to itemize the amount reported on Line 210. The supporting schedule should specifically indicate each ARPA grant as applicable and the amount for each.

Funds received from the ARPA grant projects are not intended to increase reported direct or indirect PDN/PC costs of the agencies receiving funds. Any expense incurred with funds received from the ARPA grant projects must be reported in the expense adjustments column on Schedule C of the cost report. These expenses should **not** be reported as T1000, S9122, or other programs on Schedule C. A corresponding adjustment should be reported on Schedule E and indicate the name of the grant, total amount of the expense, and the amounts that would have been reported to each program had the expense been an allowable cost.

CMHC Cost Report (Form 470-4419)

Any expense incurred with funds received from the ARPA grant projects must be reported on Worksheet I, Line 16, in the CMHC non-reimbursable costs. The expenses should not be reported in the CMHC covered health care costs or overhead costs. A supporting schedule should be submitted with the cost report should itemize the grants funds received, as applicable.

If you have any questions, please contact the Iowa Medicaid Provider Cost Audit and Rate Setting Unit at 1-866-863-8610 or by email at costaudit@dhs.state.ia.us.