

INFORMATIONAL LETTER NO. 2188-MC-FFS

DATE: November 16, 2020

TO: Iowa Medicaid Nursing Facility Providers

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

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Nursing Facility Non-Related Party Leasing Arrangements

EFFECTIVE: October 26, 2020

For Nursing Facility Financial and Statistical Reports received by the IME Provider Cost Audit and Rate Setting (PCA) Unit after March 18, 2020, Iowa Administrative Code (IAC) 441 Chapter 81.6(11)m was updated for determining reimbursable lease expense for non-related party leasing arrangements.

Due to the Public Health Emergency related to COVID-19 and because the Fiscal Year 2019 Financial and Statistical Reports will not be used to rebase provider payment rates, IME Policy is delaying implementation of this updated rule for Fiscal Years ending in 2019 **only**. Schedule G-2 of the Financial and Statistical Report is therefore not required to be completed for non-related party lease arrangements and the lease expense reported on Schedule D is not be required to be limited.

For Fiscal Years ending in 2020 and thereafter, lessor information for non-related party leasing arrangements must be reported on Schedule G-2 of the Financial and Statistical Report and reimbursable expense must be limited according to IAC 441 Chapter 81.6(11)m. A provider must be able to support the information reported on Schedule G-2 in order for the expense(s) to be considered for being included in reimbursable cost.

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