
INFORMATIONAL LETTER NO. 2600-MC-FFS

DATE: June 20, 2024

TO: Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID)

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

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

RE: Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID) Rates July 2024

EFFECTIVE: July 1, 2024

Per Iowa Administrative Code (IAC) 81.5(14)e, the maximum rate for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID) shall be updated to the “eightieth percentile of the total per diem cost of all participating” facilities. The eightieth percentile “shall be adjusted July 1 of each year using cost reports on file December 31 of the previous year.” Inflation is also updated annually effective July 1 based on the Consumer Price Index for all urban consumers, U.S. City Average (CPI-U), per 441 IAC 82.5(6)i.

The inflation factor is 3.40% for rates effective July 1, 2024, through June 30, 2025. The previous year’s CPI-U was 6.50% for rates effective July 1, 2023, through June 30, 2024.

The eightieth percentile maximum based on cost reports on file on December 31, 2023, for rates effective July 1, 2024, through June 30, 2025, is \$457.31. The previous year’s eightieth percentile maximum was \$440.99 for rates effective July 1, 2023, through June 30, 2024. The calculation of the maximum can be found [here](#)¹.

The Direct Care Worker Add-on was an increased reimbursement rate over the rates in effect on June 30, 2022. The entire rate increase is used for wages and associated costs specific to wages, benefits and required withholding of direct support professionals and frontline management. For the period July 1, 2022, through June 30, 2024, the eightieth percentile will be increased by the wage adjustment factor, that is, the direct care worker add-on, as the costs

¹ <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments>

were not included in the cost reports used in the calculation. Rates based on cost reports for the fiscal year end June 30, 2024, will not include the Direct Care Worker Add-on. The expenses incurred from the Direct Care Worker Wage Add-on should be included in expenses reported on the cost report.

If you have questions, please contact the Iowa Medicaid Provider Cost Audit and Rate Setting Unit, Iowa Medicaid Provider Services or the appropriate MCO:

Iowa Medicaid Provider Cost Audit and Rate Setting Unit:

- Phone: 1-866-863-8610
- Des Moines Phone: 515-256-4610
- Email: costaudit@dhs.state.ia.us

Iowa Medicaid Provider Services:

- Phone: 1-800-338-7909
- Email: imeproviderservices@dhs.state.ia.us

Managed Care Organizations (MCOs):

Iowa Total Care:

- Phone: 1-833-404-1061
- Email: providerrelations@iowatotalcare.com
- Website: <https://www.iowatotalcare.com>

Molina Healthcare of Iowa:

- Phone: 1-844-236-1464
- Email: aproviderrelations@molinahealthcare.com
- Website: <https://www.molinahealthcare.com/providers/ia/medicaid/home.aspx>
- Provider Portal: <https://www.availity.com/molinahealthcare>

Wellpoint Iowa, Inc. (formerly Amerigroup Iowa, Inc.):

- Phone: 1-833-731-2143
- Email: ProviderSolutionsIA@wellpoint.com
- Website: <https://www.provider.wellpoint.com/iowa-provider/home>