

INFORMATIONAL LETTER NO. 2267-MC-FFS

DATE: September 10, 2021

TO: Home and Community Based Services (HCBS) Waiver Providers including Consumer Choices Option (CCO) providers, Targeted Case Managers (TCM), Service Workers, Supervisors, Service Area Administrators, Case Managers (CM), Integrated Health Homes (IHH), Financial Management Services (FMS), and Independent Support Brokers (ISB)

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

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

RE: HCBS Waiver Rate Changes

EFFECTIVE: July 1, 2021

****This letter replaces Informational Letter No. 2252-MC-FFS Dated August 4, 2021.
This letter adds information regarding CCO providers.****

Provisions of the 2021 Iowa Acts, House File 891, Section 31, require DHS to implement an increase in reimbursement rates effective July 1, 2021.

Medicaid HCBS providers are reimbursed based on retrospectively limited prospective rates services, fee schedules, or through the CCO rate setting methodology.

For updated Iowa Administrative Code rules regarding payment methodologies, please refer to the Iowa Administrative Code 441-79.1(2).

<https://www.legis.iowa.gov/DOCS/ACO/IAC/LINC/Chapter.441.79.pdf>

HCBS Waiver Rates

Provider rates in effect June 30, 2021, will be increased by 3.55 percent for dates of service on or after July 1, 2021. Managed Care Organizations (MCOs) will automatically increase individual provider rate by 3.55 percent on or after July 1, 2021.

HCBS FFS Waiver Monthly Budget Maximums

Each HCBS waiver monthly budget maximum or cap has been increased by 3.55 percent effective July 1, 2021. The new monthly maximums are as follows:

	Skilled Nursing Facility Level of Care (SNF)	Nursing Facility Level of Care (NF)	Intermediate Care Facility for Persons with Intellectual Disability Level of Care (ICF/ID)	Hospital
AIDS/HIV Waiver				\$1,943.43
Children's Mental Health (CMH) Waiver				\$2,077.57
Health and Disability (HD) Waiver	\$2,891.79	\$993.56	\$3,875.80	
Physical Disability (PD) Waiver		\$730.90		

HCBS FFS Upper Rate Limits

The HCBS waiver upper rate limits will be increased by 3.55 percent effective July 1, 2021.

The HCBS Waiver Annual Caps

The HCBS waiver annual and lifetime caps for services have been increased by 3.55 percent effective July 1, 2021, as follows:

AIDS/HIV Waiver

Respite Daily limit: \$326.28

Brain Injury (BI) Waiver

Home and Vehicle Modifications: \$6,592.66 per waiver member year

Specialized Medical Equipment: \$6,592.66 per waiver member year

Supported Employment: \$3,167.89 per calendar month

Respite Daily limit: \$326.28

CMH Waiver

Environmental modifications/

Adaptive devices: \$6,592.66 per waiver member year

Respite Daily limit: \$326.28

Elderly Waiver

Home and Vehicle Modifications: \$1,098.78 lifetime maximum

Respite Daily limit: \$326.28

Health and Disability (HD) Waiver

Home and Vehicle Modifications: \$6,592.66 per waiver member year
Respite Daily limit: \$326.28

Intellectual Disability (ID) Waiver

Home and Vehicle Modifications: \$5,493.88 lifetime maximum
Respite Daily limit: \$326.28
Respite Annual limit: \$7,595.00 per waiver member year
Supported Employment: \$3,167.89 per calendar month

Physical Disability (PD) Waiver

Home and Vehicle Modifications: \$6,592.66 per waiver member year

Rates that are Cost Based – HCBS FFS:

Cost reported rates in place in the members' service plans on June 30, 2021, will be automatically increased by 3.55 percent in IoWANS by IME. This includes:

- Supported Community Living daily (BI Waiver only) 15 min (BI and ID Waivers)
- Family Training and Counseling
- Interim Medical Monitoring and Treatment

ID Waiver Tiered Rates

The ID Waiver Tiered rates for Adult Day Care, Day Habilitation, Residential Based Supported Community Living (RBSCCL) and daily Supported Community Living (SCL) will be increased by 3.55 percent over the rates in effect June 30, 2021.

For the service rate increase effective July 1, 2021, a Notice of Decision (NOD) issuance is not necessary; the Integrated Health Home Care Coordinator (IHHCC), Case Manager (CM) or Community-based Case Manager (CBCM) and the service provider should place a copy of this Informational Letter in the member's file to support the 3.55 percent increase over those rates approved in the service plan on or before June 30, 2021.

CCO Rates – HCBS FFS

The CCO rate setting methodology is established in Iowa Administrative Code 441-78.34(13)b. See <https://www.legis.iowa.gov/docs/ACO/chapter/441.78.pdf>. The CCO service rates in IoWANS will be increased by 3.55 percent over the rates in effect June 30, 2021. CCO service plans in IoWANS will automatically update on September 22, 2021. All services plans that are authorized and valid on September 22, 2021, will automatically update in IoWANS to the new service rates and monthly budget amount. Updated services plans will have an effective date of October 1, 2021. Plans that do not receive the automatic update will need to be manually entered into IoWANS by the case manager. Any corrections to the updated service plans must be authorized and valid by September 30, 2021, to be effective October 1, 2021. Members, CMs, and ISBs will be informed of the new CCO rates.

For planning purposes, members and ISBs may use the current approved September 1, 2021, monthly CCO budget amount plus 3.55 percent for use in creating the CCO budget beginning October 1, 2021. If the current budget amount is unknown, or if CCO budget changes are going into effect on October 1, 2021, the member or ISB should contact the member's case manager to confirm the October 1, 2021, monthly CCO budget amount.

Rates that are Fee Schedule – HCBS FFS:

- Provider rates will not be automatically increased for FFS members in IoWANS by IME.
- The provider must contact the IHHCC/CM to request a rate increase for the FFS members.
- The FFS member's IHHCC/CM may be asked by the provider to increase the fee in the member's service plan. The rate increase will be effective the month of the provider's request. Upon a request from the provider, the FFS member's IHHCC/CM should update the FFS member's service span effective the month of the provider's request with the increased rate and complete the service plan workflow to authorize the rate increase.
- For the service rate increase effective July 1, 2021, a NOD issuance is not necessary; the member's IHHCC/CM should place a copy of this Informational Letter in the member's file to support the 3.55 percent increase over those rates approved in the service plan on or before June 30, 2021. If a provider wishes to receive a new NOD from the IHHCC/CM they may request one from the IHHCC/CM.
- IHHCC/CMs are responsible to ensure that the rate increase requested by the provider is no more than 3.55 percent over the rate in effect June 30, 2021.

Exception to Policy (ETP) Approved Rates:

- ETPs that are currently approved to exceed the upper rate limit cannot be increased by 3.55 percent. The provider is already being reimbursed at a rate that exceeds the upper rate limit and will not receive an additional 3.55 percent over the rate granted through an ETP.
- Members with ETPs to exceed the monthly cap on the total cost of services, which include services that are fee based, such as transportation or meals, may have the fee schedule rates increased by 3.55 percent. This applies only to those rates in place on or before June 30, 2021. The IHHCC/CM/MCO do not need to request a reconsideration of a previously approved ETP to increase the fee schedule by 3.55 percent, but should follow the directions for fee schedule rates above.

The fee schedules for HCBS Prevocational and Supported Employment services and the ID Waiver Tiers will be updated and posted to the IME Fee Schedule website: <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule>.

IME is aware that there are individual situations that do not fall into one of the categories mentioned above. Providers, IHHCCs, CMs, CBCMs and IME staff will coordinate efforts to address these situations as they arise.

IME appreciates your partnership as we work together to serve the needs of Iowa Medicaid members. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally 515-256-4609, or by email at: imeproviderservices@dhs.state.ia.us.