

Bill of the Week

Medicaid Rate Reviews (HF 2518)

This bill requires reviews and reports on reimbursement rates for home and community-based service providers every four years. It also sets up a similar rate review process for youth services programs (shelter and residential services) that are also not currently a part of the regular Medicaid rate review process.

✓ Key Points

- Most Medicaid provider rates are reviewed regularly, and some rates are based on the provider's actual cost of providing services.
- Iowa's home and community-based service (HCBS) provider rates are not regularly reviewed. Increases in rates are based in legislative action, without any rate review data to support the needed increases.
- This bill requires the Iowa Department of Health and Human Services (HHS) to review costs and Medicaid reimbursement rates for HCBS providers every four years and report the findings to the Governor and Legislature.
- The bill also put in law that other Medicaid rates will be reviewed annually and compared to Medicare rates (except dental, which is compared to border state reimbursement rates).
- The first version of this bill (HSB 696) required Iowa Medicaid to compare Iowa's rates to those in border states and states with similar populations. That was taken out after it was amended during House debate.
- Iowa HHS is directed to make recommendations for rate adjustments and policy changes based on these reviews.

About the Sponsor

Rep. Austin Harris is from Appanoose County. He represents Appanoose County and parts of Davis, Monroe, and Wapello Counties. He serves on the Commerce, Health/Human Services, Natural Resources, and State Government committees.



🔊 Facts and Impact

- Creating annual reviews and benchmarks for Medicaid costs and rates allows Iowa's providers of community services to plan and better serve Iowans.
- Regular reviews will provide much-needed data to help drive decisions and adjust rates on an equal basis across the state.
- Regular review of home and community-based services costs and rates could help more Iowans with disabilities get the services they need.
- Nearly all increases in reimbursement rates to HCBS providers goes directly to raising direct support professional wages, so this should help keep staff and reduce turnover.

