

**HUMAN SERVICES DEPARTMENT[441]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Chapter 85, “Services in Psychiatric Institutions,” and Chapter 88, “Managed Health Care Providers,” Iowa Administrative Code.

These amendments change the reimbursement methodology for non-state-owned psychiatric medical institutions for children (PMICs). On and after July 1, 2014, non-state-owned PMICs shall be reimbursed according to the Iowa Plan for Behavioral Health contractor’s provider-specific per diem rate without reconciliation.

The reimbursement methodology is not changing for state-owned PMICs. The basis of payment for state-owned providers of inpatient psychiatric services for individuals under 21 years of age is 100 percent of the actual and allowable cost. The actual and allowable cost is based on the cost report information the facility submits to the Department on Form 470-0664, Financial and Statistical Report.

These amendments also add a reference to Chapter 85 within Chapter 88 in order to include PMIC services under the Iowa Plan for Behavioral Health contract requirements.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 1921C** on March 18, 2015. The Department received no comments during the public comment period. One change has been made in the table in Item 1 since these amendments were published under Notice of Intended Action. The words “managed care” have been omitted from the second column to match other usage.

The Council on Human Services adopted these amendments on May 13, 2015.

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 249A.4.

These amendments will become effective August 1, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule **79.1(2)**, provider category “Psychiatric medical institutions for children,” as follows:

Provider category	Basis of reimbursement	Upper limit
Psychiatric medical institutions for children:		
1. <u>Inpatient in non-state-owned facilities</u>	<u>Retrospective cost-related Provider-specific fee schedule as determined by the Iowa Plan for Behavioral Health contractor</u>	<u>Effective 8/1/11: Actual and allowable cost not to exceed a maximum for non-state-owned providers of 103% of patient-day-weighted average costs of non-state-owned providers located within Iowa. Effective 7/1/14: non-state-owned facilities provider-specific fee schedule in effect.</u>
2. <u>Inpatient in state-owned facilities</u>	<u>Retrospective cost-related</u>	<u>Effective 8/1/11: 100% of actual and allowable cost.</u>
<del>2.</del> <u>3. Outpatient day treatment</u>	<u>Fee schedule</u>	<u>Fee schedule in effect 6/30/13 plus 1%.</u>

ITEM 2. Amend rule 441—85.25(249A) as follows:

**441—85.25(249A) Reimbursement to psychiatric medical institutions for children.**

**85.25(1)** *Computation of inpatient rate for non-state-owned facilities prior to July 1, 2014, and for state-owned facilities.* ~~Facilities~~ For services rendered by non-state-owned facilities on or before June

30, 2014, or by state-owned facilities, facilities are paid at a per diem rate based on the facility's actual and allowable cost for the service not to exceed the upper limit as provided in 441—subrule 79.1(2).

*a. to c.* No change.

**85.25(2)** *Inpatient reimbursement for non-state-owned facilities effective July 1, 2014.* Services rendered by non-state-owned facilities on or after July 1, 2014, shall be reimbursed according to the Iowa Plan for Behavioral Health contractor's negotiated, provider-specific per diem rate.

~~85.25(2)~~ **85.25(3)** *Reserve bed payments.*

*a. to c.* No change.

~~85.25(3)~~ **85.25(4)** *Day treatment rates.* Outpatient day treatment services are paid on a fixed fee basis.

ITEM 3. Amend subrule 88.62(1) as follows:

**88.62(1)** *Contract.* The department may enter into a contract for the provision of mental health and substance abuse services specified in 441—Chapter 78, and Chapter 85, Division II, or any portion thereof, with a prepaid health plan.

*a. and b.* No change.

[Filed 5/18/15, effective 8/1/15]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/10/15.