

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

**Proposing rule making related to assessment levels for nursing facilities
and providing an opportunity for public comment**

The Human Services Department hereby proposes to amend Chapter 36, “Facility Assessments,” and Chapter 81, “Nursing Facilities,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 249A.4 and 2018 Iowa Acts, Senate File 2418.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 249A.4 and 2018 Iowa Acts, Senate File 2418.

Purpose and Summary

These proposed amendments change the assessment levels for nursing facilities effective July 1, 2019. The assessment level cap was removed during the 2018 Legislative Session by 2018 Iowa Acts, Senate File 2418. The Department, in collaboration with stakeholders, developed new assessment levels and requested an effective date of July 1, 2019.

Fiscal Impact

This rule making has a fiscal impact to the State of Iowa of \$100,000 annually or \$500,000 over five years. Assumptions for this fiscal impact include:

- Annual non-Medicare revenue: \$1,499,417,079
- Non-Medicare patient days: 7,016,276
- Estimates were based on changes expected for state fiscal year (SFY) 2020 and not on current revenue levels.

A model was developed to estimate the impact of this change. Based on this model, it is estimated that annual assessment fee revenues will increase from \$32,726,360 under the current policy to \$58,570,397 under the proposed policy, an increase of \$25,844,037. These expenditures will be 100 percent state funds.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on March 5, 2019. Comments should be directed to:

Harry Rossander
Bureau of Policy Coordination
Department of Human Services
Hoover State Office Building, Fifth Floor
1305 East Walnut Street
Des Moines, Iowa 50319-0114
Email: policyanalysis@dhs.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend subrule 36.6(2) as follows:

36.6(2) Assessment level. Effective July 1, 2012, the assessment level for each nursing facility shall be determined on an annual basis and shall be effective for the state fiscal year.

a. Effective July 1, ~~2015~~ 2019, nursing facilities with 46 or fewer licensed beds are required to pay a quality assurance assessment of ~~\$1.36~~ \$2.45 per non-Medicare patient day. Effective with assessment for the state fiscal year beginning July 1, 2012, the number of licensed beds on file with the department of inspections and appeals as of May 1 of each year shall be used to determine the assessment level for the following state fiscal year.

b. Effective July 1, ~~2015~~ 2019, nursing facilities designated as continuing care retirement centers (CCRCs) by the insurance division of the Iowa department of commerce are required to pay a quality assurance assessment of ~~\$1.36~~ \$2.45 per non-Medicare patient day. Effective with assessment for the state fiscal year beginning July 1, 2012, continuing care retirement center designations as of May 1 of each year shall be used to determine the assessment level for the following state fiscal year.

c. Effective July 1, ~~2015~~ 2019, nursing facilities with annual Iowa Medicaid patient days of ~~26,500~~ 21,000 or more are required to pay a quality assurance assessment of ~~\$1.36~~ \$2.45 per non-Medicare patient day. Effective with assessment for the state fiscal year beginning July 1, 2012, the annual number of Iowa Medicaid patient days reported in the most current cost report submitted to the Iowa Medicaid enterprise as of May 1 of each year shall be used to determine the assessment level for the following state fiscal year.

d. Effective July 1, ~~2015~~ 2019, all other nursing facilities are required to pay a quality assurance assessment of ~~\$7.13~~ \$12.75 per non-Medicare patient day.

ITEM 2. Amend paragraph **81.6(21)“b”** as follows:

b. *Quality assurance assessment rate add-on.* Effective with the implementation of the quality assurance assessment paid pursuant to 441—Chapter 36, Division II, a quality assurance add-on of ~~\$10~~ \$15 per patient day shall be added to the Medicaid per diem reimbursement rate as otherwise calculated pursuant to this rule.