



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

February 26, 2021

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <https://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact>.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

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### Department of Human Services

#### **ARC 5437C (NOIA)**

**Rule Summary** The federal 21st Century Cures Act required state Medicaid agencies to implement Electronic Visit Verification (EVV) for personal care services beginning January 1, 2020, and for home health services beginning January 1, 2023. Iowa was granted a one-year good faith exemption for personal care services. The Department is using a Managed Care implementation model for EVV. Electronic Visit Verification uses technology to electronically record when attendants begin and end. The rules provide additional guidance for providers, including home health services providers, Consumer Directed Attendant Care (CDAC) providers, and consumer choice options providers. The Department has extended the deadline for Assisted Living Facilities to July 1, 2021. The EVV implementation for the fee-for-service (FFS) population will be deployed in a second phase for compliance.

**State or Federal Law Implemented:** Iowa Code chapter 249A and the federal 21st Century Cures Act.

**Fiscal Impact** **Agency Response:** Electronic Visit Verification implementation for personal care services will be completed via the Managed Care Organizations (MCOs) and the approved contracted vendor to be in compliance with the mandate for the MCO population. There is no direct cost to the State. The FFS portion is estimated to cost the State \$5,000 in FY 2021, \$219,000 in FY 2022, and \$10,000 in FY 2023, with additional development costs in FY 2023 possible. Any additional development costs will likely draw a 90.00% federal match. Cost details include:

- The fee for FFS population compliance costs is greater than the noncompliance fee given the smaller FFS personal care services population and will be deployed to be in compliance in the second phase. The noncompliance fee is estimated at \$5,000 in FY 2021 and \$15,000 in FY 2022. There could potentially be an additional fee of approximately \$10,000 for the first six months of SFY23. The expectation is that FFS personal care will be implemented in the second phase in January 2023.
- Development costs for the FFS system are estimated at \$2.0 million for FY 2022 with a 90.00% federal match. There may also be development costs in FY 2023, but the amount is not yet known. Estimates are based on the contract terms and pricing set forth by the selected EVV system implementation vendor. Estimates for the

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noncompliance costs for personal care services in Calendar Year (CY) 2021 through 2023 were based on the FFS population currently receiving personal care services.

**LSA Response:** The LSA concurs.

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### Iowa Finance Authority

#### **ARC 5468C (NOIA)**

**Rule Summary** The Iowa Finance Authority (IFA) is designated as the housing credit agency for the administration of the Low-Income Housing Tax Credit (LIHTC) program under the state housing credit ceiling. The Consolidated Appropriations Act of 2021 allocated disaster tax credits, under the LIHTC program, for 12 Iowa counties impacted by the August 2020 derecho. To allow developers to apply for Derecho Disaster Set-Aside credits as part of the 2021 tax credit round, the IFA proposes an amendment to the 2020-21 First Amended 9% Qualified Action Plan.

**State or Federal Law Implemented:** Iowa Code section 16.35 and Internal Revenue Code section 42, Pub. L. No. 116-260.

**Fiscal Impact** **Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs in part. The IFA receives an \$8.8 million annual allocation of LIHTC authority. In addition to the annual allocation, the IFA has received additional authority for \$4.2 million in disaster tax credits under the LIHTC program for the 12 Iowa counties impacted by the August 2020 derecho.

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### Board of Educational Examiners

#### **ARC 5416C (AF)**

**Rule Summary** Implements Senate File 2356 (Dyslexia Task Force Recommendations Act), which directs the Board of Educational Examiners to collaborate with the Iowa Reading Research Center (IRRC) to create a new dyslexia specialist endorsement for Iowa licensed teachers.

**State or Federal Law Implemented:** Iowa Code chapter 1048.

**Fiscal Impact** **Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs in part. While the rulemaking itself does not have a fiscal impact, the IRRC has indicated that the estimated cost to develop the curriculum for the endorsement is \$250,000.

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