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**SF 231** – Iowa Care Provider Transfers and Compensation (LSB 1776SV)  
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Fiscal Note Version – New

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### **Description**

**Senate File 231** requires the Department of Human Services (DHS) to seek an amendment to the IowaCare waiver to allow for payment of a nonparticipating provider. The Bill also creates a Nonparticipating Provider Reimbursement Fund to compensate nonparticipating providers. The Department is directed to attempt to maximize these funds by drawing down federal financial participation if approved by the Center for Medicare and Medicaid Services (CMS). To receive payment from the Fund, both the participating provider and the nonparticipating provider must agree that the IowaCare member is too medically unstable to transfer or transfer of the IowaCare member is not possible due to lack of available inpatient capacity at the participating provider. Payment to the nonparticipating provider is limited to the amount available in the Fund.

### **Background**

The IowaCare waiver was created during the 2005 Legislative Session and was authorized for five years (FY 2006-FY 2010). The Waiver provides a limited benefits health care plan to Iowans age 19-64 with incomes less than 200.0% of the federal poverty level. There are two participating providers in the program. Broadlawns provides services to Polk County residents and the University of Iowa provides services to everyone else in the State. To date, there are 28,000 individuals enrolled in the Program.

### **Assumptions**

- The Iowa Hospital Association estimates that care for approximately 25 IowaCare members would have been eligible for reimbursement under the terms of the Bill in FY 2008.
- The cost associated with each member can vary widely and cannot be determined.
- The reimbursement to nonparticipating providers is limited to the amount available in the Fund.
- If federal financial participation is approved, the State share of the Federal Medical Assistance Percentage (FMAP) is projected to be 30.51% for FY 2010 and 33.39% for FY 2011. This assumes the enhanced federal stimulus FMAP.

### **Fiscal Impact**

The fiscal impact to the State General Fund cannot be determined and would be subject to appropriation by the General Assembly. The actual cost of providing care by a nonparticipating provider cannot be determined but is limited to the amount available in the Fund. It is also unknown if CMS would approve federal financial participation.

**Sources**

Department of Human Services  
Iowa Hospital Association

/s/ Holly M. Lyons

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March 3, 2009

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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