



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

November 15, 2022

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 6619C (NOIA)

Rule Summary Defines “acute psychiatric intensive care” and identifies how a patient meets the need for that level of care. Identifies the payment methodology for the acute psychiatric intensive care services.

State or Federal Law Implemented: Iowa Code chapter 249A and 2022 Iowa Acts, House File 2546 (Medicaid, Psychiatric Intensive Care Unit Rates Act).

Fiscal Impact **Agency Response:** It is anticipated there will be a \$1.5 million State cost in FY 2023 and a \$3.0 million State cost in FY 2024 with the assumption that the implemented rate will be developed to align with the funding appropriated. The Legislature has not yet appropriated the full annualized cost.

LSA Response: The LSA concurs in part. 2022 Iowa Acts, HF 2578 (FY 2023 Health and Human Services Appropriations Act) contains an increase in the Medical Assistance appropriation for FY 2023, which includes the \$1.5 million projected increase for psychiatric tiered rates, detailed in the **Notes on Bills and Amendments (NOBA)**.

ARC 6625C (AF)

Rule Summary Amends requirements for the utilization of generally accepted accounting principles (GAAP) in the completion of cost report reviews as part of the Home- and Community-Based Services (HCBS) Waiver cost reporting. Amendments include:

- Clarifying the programs that submit cost reports.
- Correcting the Financial and Statistical Report form numbers.
- Removing the 20.0% limitation from all HCBS salary, benefit, and payroll tax expenses.
- Changing the mileage reimbursement for business use of personal employee vehicles to be reimbursed according to the federal Internal Revenue Service (IRS) published mileage rate.
- Changing the cost reporting period to align with the provider’s fiscal year.
- Setting the maximum allowed compensation for the executive director, corporate executive officer, or equivalent position, who is an owner or immediate relative, to be equal to the Intermediate Care Facility for Individuals with an Intellectual Disability (ICF/ID) maximum compensation for facilities with 60 beds or more.
- Adding rebasing language for the recalculation of rates every three years for HCBS Brain Injury (BI) Waiver supported community living services, HCBS Children’s

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Mental Health (CMH) Waiver family and community support services, and interim medical monitoring and treatment services when provided by an HCBS-certified supported community living services agency to be consistent with Intellectual Disability (ID) Waiver rebasing.

State or Federal Law Implemented: Iowa Code section 249A.4.

Fiscal Impact

Agency Response: This rulemaking increases the amount of reportable costs for the following services: ID Waiver Supported Community Living (15-minute unit), BI Waiver Supported Community Living (15-minute unit), BI Waiver Supported Community Living (daily unit), CMH Waiver Family and Community Support Services, and Interim Medical Monitoring and Treatment for the BI, Health and Disability (HD), and ID waivers. An increase in reportable costs could increase Medicaid provider rates. The prospective rates for established providers are capped at the upper rate limits in subrule 441—79.1(2). Across these services, there are currently 134 of 238 providers paid below the upper rate limit. It is unclear by how much provider rates will increase because of these changes. A high-end estimate assumes rates for all 134 providers will increase to the upper limit as a result of these changes. A low-end estimate assumes no providers experience an increase to current rates. The fiscal estimate is based on the midpoint of these two scenarios. Assumptions used to calculate the fiscal impact are based on the number of providers not currently paid at maximum rates relative to State fiscal year 2020 fee-for-service utilization. It is estimated that the fiscal impact will be approximately \$300,000 annually (\$100,000 of State funding).

LSA Response: The LSA concurs.

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Department of Transportation

ARC 6617C (AF)

Rule Summary

Waives the fee for a chauffeur driver's license (Class D) or a commercial driver's license (Class A, B, or C) for an active-duty military member or a veteran who was issued an honorable discharge or general discharge (under honorable conditions). The rulemaking lists the documents that an applicant must present for a fee to be waived.

State or Federal Law Implemented: Iowa Code section 321.191 and 2022 Iowa Acts, Senate File 2383, section 25.

Fiscal Impact

Agency Response: This rulemaking has no fiscal impact to the State of Iowa beyond any impact anticipated by the legislation.

LSA Response: The LSA concurs. Senate File 2383, section 25, was estimated to decrease revenue to the Statutory Allocations Fund (SAF) by \$245,000 per year. The year-end balance of the SAF is transferred to the Road Use Tax Fund (RUTF). In FY 2021, \$61.8 million was transferred from the SAF to the RUTF. Revenue collected by the RUTF in FY 2021 totaled \$1.861 billion.

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