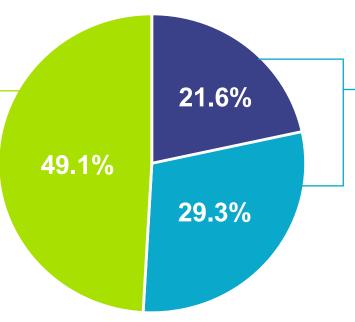




## **State Fiscal Year 2020 (SFY20) Cost Drivers**



Health care costs continue to rise locally and nationally, in both public and commercial systems. The goal of managed care is to bend the cost curve. This represents less than half of the increase in SFY20 rates. This only accounts for 3.95% of the rate increase. below the 5% average for the lowa Medicaid program prior to managed care.



50.9% \$196M

The legislative changes for SFY20 included a significant amount of new spending. This, combined with program and policy changes (i.e. increased Hepatitis C Coverage) account for more than half of the overall increase in SFY20 rates.

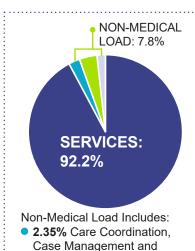
- Health Care Costs
  - -Based on actual experience
  - -Rising pharmaceutical costs
  - -Rising cost of services

## Legislation

- -Critical Access Hospitals
- -Nursing Facility QAAF
- -Nursing Facility Re-base
- -Tiered Rate Increase
- -Assertive Community Treatment (ACT)

## Program/Policy Changes

- -FQHC/RHC
- -ICF/ID Re-base
- -Hepatitis C Coverage



- Medical Management
- 3.7% Traditional Admin
- 1.75% Profit/risk/contingency