

DHS - Medical Assistance  
SFY 2009 Projected Expenditure Reduction

		<b>SFY 2009 Appropriation Reduction</b>			
		<b>\$ 10,460,739</b>			
		<b>Proposed Rate Decrease</b>	<u>12-Months</u> <b>1.32%</b>	<u>4-Months</u> <b>3.97%</b>	<u>State Share</u> <b>37.38%</b>
<b>Expenditure Reduction If No FMAP Increase</b>					
<b>Provider</b>	Reimbursement Method	SFY 09 Projected State Cost	Annualized Rate Reduction (State Dollars)	Rate Reduction Effective March 1st (State Dollars)	All Funds
Hospital					
Inpatient (With PMIC Included)	Prospective Reimbursement Rate	\$ 99,092,480	\$ 1,311,938	\$ 1,311,938	3,509,734
Outpatient	Prospective Reimbursement Rate or Hospital Outpatient Fee Schedule	\$ 68,451,082	\$ 906,261	\$ 906,261	2,424,453
Hospital Rebasing	Prospective Reimbursement Rate	\$ 5,500,000	\$ 72,817	\$ 72,817	194,803
DSH, IME, DME	N/A	\$ 15,284,533	\$ 202,360	\$ 202,360	541,359
Home Health	Blend of Fee Schedule and Retrospectively Cost-Related	\$ 32,105,559	\$ 425,063	\$ 425,063	1,137,139
Physician	IME Fee Schedule	\$ 78,669,935	\$ 1,041,553	\$ 1,041,553	2,786,392
Psychiatric	IME Fee Schedule	\$ 299,042	\$ 3,959	\$ 3,959	10,592
Family Planning Providers	IME Fee Schedule	\$ 3,713,926	\$ 49,171	\$ 49,171	131,543
EPSDT Providers	IME Fee Schedule	\$ 5,473,160	\$ 72,462	\$ 72,462	193,853
Dental	IME Fee Schedule	\$ 19,141,772	\$ 253,428	\$ 253,428	677,978
Optometric	IME Fee Schedule	\$ 3,541,430	\$ 46,887	\$ 46,887	125,433
Medical Supplies	IME Fee Schedule	\$ 18,433,002	\$ 244,044	\$ 244,044	652,874
Ambulance	IME Fee Schedule	\$ 1,686,646	\$ 22,330	\$ 22,330	59,739
Other Practitioner	IME Fee Schedule	\$ 4,065,771	\$ 53,829	\$ 53,829	144,005
Podiatrist	IME Fee Schedule	\$ 973,804	\$ 12,893	\$ 12,893	34,491
Chiropractic	IME Fee Schedule	\$ 2,162,450	\$ 28,630	\$ 28,630	76,591
Clinics	IME Fee Schedule	\$ 2,380,211	\$ 31,513	\$ 31,513	84,304
Lead Inspection	IME Fee Schedule	\$ 11,125	\$ 147	\$ 147	394
HCBS Waivers	Blend of Fee Schedule, Retrospectively Cost-Related, and Prospective Rates	\$ 65,299,948	\$ 864,541	\$ 864,541	2,312,844
Nursing Facilities	Prospective Reimbursement Rate	\$ 180,354,486	\$ 2,387,810	\$ 2,387,810	6,387,934
Estimated SFY 2009 Accountability Payment		\$ 2,381,587	\$ 31,531	\$ 31,531	84,353
Habilitation	Blend of Fee Schedule and Retrospectively Cost-Related	\$ 3,448,366	\$ 45,655	\$ 45,655	122,137
Remedial Services	Retrospectively Cost-Related plus 1%	\$ 19,875,858	\$ 263,147	\$ 263,147	703,978
Pharmacy Dispensing Fees	\$4.57 Dispensing Fee	\$ 5,033,914	\$ 66,647	\$ 66,647	178,295
Lab/X-Ray	Medicare Fee Schedule	\$ 2,406,688	\$ 31,863	\$ 31,863	85,242
Rehabilitation Agency	Medicare Fee Schedule	\$ 2,571,365	\$ 34,044	\$ 34,044	91,075
Hospice	Medicare Fee Schedule	\$ 9,895,320	\$ 131,009	\$ 131,009	350,480
Prescription Drugs (Less Dispensing Fees)	Maximum Reimbursement of 150% of the Average Wholesale Price (AWP)	\$ 50,144,814	\$ 663,894	\$ 663,894	1,776,068
Medical Transportation	Per Mile or Cost-Related	\$ 3,931,956	\$ 52,057	\$ 52,057	139,265
Patient Management	\$2 per Member per Month	\$ 1,228,529	\$ 16,265	\$ 16,265	43,513
Targeted Case Management	Retrospectively Cost-Related	\$ 7,776,150	\$ 102,953	\$ 102,953	275,422
Money Follows the Person	Blend of Fee Schedule, Retrospectively Cost-Related, and Prospective Rates	\$ 833,049	\$ 11,029	\$ 11,029	29,506
ICF-MR	Prospective Reimbursement up to 80th Percentile of Facility Costs	\$ 12,675,495	\$ 167,818	\$ 167,818	448,950
HMO	Actuarially Set Capitation Payment	\$ 3,337,434	\$ 44,186	\$ 44,186	118,208
Iowa Plan	Actuarially Set Capitation Payment	\$ 43,028,596	\$ 569,679	\$ 569,679	1,524,020
Community Mental Health Centers	Retrospectively Cost-Related	\$ 752,956	\$ 9,969	\$ 9,969	26,669
Rural Health Clinics & Federally Qualified Health Centers	Retrospectively Cost-Related	\$ 13,859,408	\$ 183,492	\$ 183,492	490,883
PACE	Actuarially Set Capitation Payment	\$ 291,860	\$ 3,864	\$ 3,864	10,337
<b>Total</b>		<b>\$ 790,113,709</b>	<b>\$ 10,460,739</b>	<b>\$ 10,460,739</b>	<b>\$ 27,984,856</b>
<b>Excluded Providers</b>					
Critical Access Hospital - Inpatient	100% cost-based retrospectively adjusted prospective rates	\$ 14,501,827			
Critical Access Hospital - Outpatient	100% cost-based retrospectively adjusted prospective rates	\$ 9,490,794			
Local Education Agencies	IME Fee Schedule	\$ 9,288,242			
Area Education Agencies	IME Fee Schedule	\$ 870,483			
Infant & Toddler	IME Fee Schedule	\$ 176,484			
<b>Total</b>		<b>\$ 34,327,831</b>			
<b>Footnotes</b>					
1. The State intends to reduce provider payments to 96% of their otherwise reimbursable amount beginning March 1st, 2009. The State will not revise its current reimbursement schedules. Rather, a single state plan amendment will be submitted to CMS requesting a 4% across-the-board reduction to provider payments.					
2. This analysis excludes county-funded payments. The impact to county-funded providers (ICF-MR, MR Waiver, Habilitation, and Targeted Case Management providers) would be greater than what is reflected in the above table, as county-funded payments would also be reduced by 4%.					