



Administrator

Washington, DC 20201

July 23, 2008

Mr. Kevin Concannon
Director
Iowa Department of Human Services
1305 E. Walnut Street
Des Moines, IA 50319-0114

Dear Mr. Concannon:

This letter serves to confirm approval of time-limited demonstration authorities needed to implement the Iowa Disaster Relief section 1115 Demonstration project, from June 16, 2008, through August 31, 2009. The Medicaid portion of the demonstration is approved as Project Number 11-W-00239/7, and the State Children's Health Insurance Program (SCHIP) portion of the demonstration is approved as Project Number 21-W-00059/7.

The Secretary of the Department of Health and Human Services declared a public health emergency in the flood-stricken States of Iowa and Indiana on June 16, 2008. The demonstration is the product of discussions immediately after June 16, 2008, among Iowa Medicaid and SCHIP staff, and staff from the Centers for Medicare & Medicaid Services (CMS).

The demonstration is granted in recognition of the public health emergency in Iowa caused by the flooding and tornadoes in June 2008. The demonstration waivers and expenditure authority outlined in this letter, and in the attached Special Terms and Conditions (STCs), are intended to assist the State of Iowa to continue ensuring Medicaid and SCHIP coverage for needy residents after the natural disasters. In light of the natural disaster, we have determined that due to the overall preventive benefits of ensuring that needy residents of Iowa are able to obtain needed health care to promptly address medical conditions, the demonstration will be presumed to meet the Medicaid budget neutrality requirements applicable to section 1115 demonstration projects. The SCHIP allotment neutrality requirements of section 1115 demonstration projects will apply.

Our approval of this demonstration (and the waivers and Federal matching provided thereunder) is limited to the specific waivers and expenditure authorities outlined in the enclosed list, and the specifications described in the enclosed STCs, which set forth in detail the nature, character, and extent of the demonstration. The award is subject to our receiving your written acceptance of this award within 30 days after the date of this letter.

On June 16, 18, and 19, the State of Iowa submitted three letters detailing the State's requests. Below, please find a description of requests that we are approving, the requests for which we were unable to approve because sufficient information was unavailable, and the requests which we are unable to approve. The approved demonstration project also addresses issues that were raised in discussions with the State.

Approvable Requests

Redeterminations

On June 16, and later on June 18, the State requested to continue eligibility for those individuals who require an eligibility redetermination in five counties in June, and statewide in July and August for individuals enrolled in Medicaid, SCHIP, and the IowaCare and Iowa Family Planning section 1115 demonstrations. We have granted the State the necessary waivers and expenditure authority to extend these redeterminations.

Initial Eligibility Determinations

On June 16, and later on June 18, the State requested flexibility in determining eligibility for persons who may not have all of the required documents at the time of application for Medicaid. CMS recognizes that natural disasters affecting a large portion of the State have created administrative emergencies beyond the State's control, which trigger an exception to the timeliness requirements for Medicaid eligibility determinations, as set out in Federal regulations at 42 CFR 435.911(c)(2). While no waiver of timeliness standards is thus required, CMS confirms that the exception applies, and that the State may make untimely final eligibility determinations for such individuals.

To relieve the financial burden on the State of untimely eligibility determinations, CMS has included in the approved demonstration an expenditure authority permitting Federal financial participation (FFP) in medical assistance expenditures for individuals "pending final confirmation and reconciliation" to the extent that the individuals are ultimately determined to be Medicaid eligible by the end of the second month following application. An individual is "pending final confirmation and reconciliation" when the individual has submitted to the State a signed application and a signed affidavit concerning citizenship, and has been preliminarily determined based on that submission to meet the financial and categorical requirements under the State plan (or other demonstration project), but has not received a final eligibility determination because the information has not been confirmed and appropriately documented by the Medicaid agency.

Federal financial participation will be available during the pending period when the application is pending unless the Medicaid agency is unable to confirm eligibility within the time period specified above. If eligibility is not confirmed for the pending period, the State must return any FFP received. We are allowing the State to utilize this methodology for individuals who applied from June 16, 2008, through August 31, 2008, in the counties of Butler, Bremer, Black Hawk, Linn, and Johnson. We are also allowing the State to utilize this methodology for individuals who apply during the months of July and August 2008, in any county which has been declared by the Federal Emergency Management Agency or the Governor as a disaster-designated county.

Premium Forgiveness

On June 18, the State requested authority to forgive beneficiary premiums in June and July for persons enrolled in SCHIP, Medicaid for Employed People with Disabilities (MEPD), and the IowaCare section 1115 demonstration, and provide the State with the ability to elect forgiving premiums in August. The State has existing authority under the IowaCare STCs to not charge premiums. The State can provide premium forgiveness for the other programs through a time-limited State SCHIP and Medicaid State plan amendment (SPA). We have received the State's

Medicaid and SCHIP SPAs and look forward to working with the State to accomplish this element of your request.

Public Notice

In item 6 of its June 19 letter, the State asked for a waiver of public notice requirements in the event that State plan amendments were required to implement any of the approved waivers. On June 30, 2008, the State submitted a SPA to forgive premiums of persons enrolled in MEPD for the months of June and July 2008. Since public notice is not needed for a Medicaid or SCHIP SPA to forgive premiums, no special authority is required.

Level of Care Requirements

In item 4 of the June 19 letter, the State requests authority to pay for nursing home or Intermediate Care Facility for the Mentally Retarded (ICF/MR) services for Medicaid eligible individuals seeking temporary shelter and services, who, at the time of their stay, would otherwise meet the level of care requirement. Specifically, the State asks for authority to treat individuals as institutionalized, or receiving home and community-based services, even though they receive less than 30 days of continuous care in the respective setting, and for relief from requirements for Preadmission Screening and Resident Review screenings, Minimum Data Set screenings, and ICF/MR assessments. We have provided the requested waivers of State requirements, and expenditure authorities to satisfy this request from June 16 through August 31, 2008. CMS will require the appropriate assessments and screenings within 30 to 45 days following an admission or transfer depending on the type of assessment or screening.

Affidavits

In item number 5 of its June 19 letter, the State requested permission to allow providers to use a Department-developed affidavit for each destroyed case file that attests that the file was lost in the disaster. The State does not need demonstration authority to do this; it can be done administratively. As discussed, the State may adapt the form that was used in Louisiana for this purpose during the aftermath of Hurricane Katrina.

Requests for Which We Are Not Providing Demonstration Authority Because Sufficient Information Was Not Provided to Make a Determination

We may consider an amendment request concerning the items listed below, should the State be able to provide additional data, specifics, and rationale for these payments.

Redirect Unused Disproportionate Share Hospital (DSH) Allotment

In item 2 of the June 19 letter, the State requests that any unused Federal fiscal year (FFY) 2008 (approximately \$56.5 million total computable) and FFY 2009 (approximately \$60 million total computable) DSH allotment be diverted to nursing facilities and ICF/MRs that are affected by the natural disasters. The State has not provided any data regarding the number of nursing facilities, ICF/MRs, or people that have been affected by the natural disasters.

In item 2 of the June 19 letter, the State also requests to make disaster payments to hospitals that do not meet the DSH criteria. The State has provided minimal detail as to the purpose of the proposed payments.

In item 2 of the June 19 letter, the State requests that any disaster payments would not be subjected to the hospital-specific DSH caps. Please note that there is no precedent for waiving the hospital-specific DSH caps. Further, the State has not provided justification as to why it needs to waive the hospital-specific DSH caps.

Finally, in item 2 of the June 19 letter, the State requests that any disaster payments not count towards any of the Upper Payment Limit (UPL) requirements. We note that the State has considerable room under two of its UPL ceilings. With regard to State-owned, government hospitals, the State uses a cost-based methodology to estimate its UPL for this class of hospitals; therefore, any increased costs to this class of hospitals would automatically result in a higher UPL.

Requests For Which We Are Not Providing Demonstration Authority

Medicaid Per Diem Payments to Nursing Facilities and ICF/MRs

In item 1 of the June 19 letter, the State requests FFP (matched at 100 percent) to maintain payments for nursing facilities and ICF/MRs that are affected by the natural disasters, although patients will be transferred to other facilities. The State did not provide data to explain how such payments would promote the objectives of the Medicaid or SCHIP programs, and CMS does not have the statutory authority to provide 100 percent FFP. Therefore, we must disapprove this request.

FFP for Room and Board

In item 3 of the June 19 letter, the State requests FFP (matched at 100 percent) for room and board costs for Home and Community-Based Services (HCBS) waivers. CMS does not have the statutory authority to provide 100 percent FFP. In addition, it is not CMS policy to cover room and board costs in HCBS waivers.

A full listing of the approved waiver and expenditure authorities for the demonstration is enclosed.

Written notification to our office of your acceptance of this award must be received within 30 days after the date of this letter. Your project officer is Ms. Julie Sharp. She is available to answer any questions concerning this demonstration project. Ms. Sharp's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard
Mailstop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-2292
Facsimile: (410) 786-5882
E-mail: Juliana.Sharp@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Sharp and to Mr. James Scott, Associate Regional Administrator for the Division of Medicaid and Children's Health Operations in our Kansas City Regional Office. Mr. Scott's address is:

Center for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
Richard Bolling Federal Building
Room 235
601 East 12th Street
Kansas City, MO 64106

If you have questions regarding this correspondence, please contact Ms. Kathleen Farrell, Acting Director, Family and Children's Health Programs Group, Center for Medicaid and State Operations, at (410) 786-5647.

We recognize the great efforts that Iowa has made in facing significant challenges since June 16, 2008, and we appreciate the opportunity to work with you to ensure that eligible needy Iowa individuals and families receive assistance. If you have additional concerns, please contact me.

Sincerely,

/s/

Kerry Weems
Acting Administrator

Enclosure

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cc:

James Scott, ARA, Region VII

Sharon Taggart, State Representative

**CENTERS FOR MEDICARE & MEDICAID SERVICES
WAIVER LIST**

NUMBER: 11-W-00239/7
21-W-00059/7

TITLE: Iowa Disaster Relief Section 1115 Demonstration

AWARDEE: Iowa Department of Human Services

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived in this list, shall apply to the State plan mandatory and optional populations. In addition, the provisions of the Social Security Act (the Act) specifically listed as waived in this list are “not applicable” to the Demonstration populations made eligible through expenditure authority, as specified in the individual waivers.

The Demonstration will operate under these waiver authorities and those provisions specified as “not applicable” beginning June 16, 2008, through August 31, 2009. The waiver authorities will continue through August 31, 2009, unless otherwise stated.

Title XIX:

1. Annual Redeterminations of Eligibility **Sections 1902(a)(4)
and 1902(a)(19)**

To enable Iowa to permit continuation of eligibility under Iowa’s title XIX program, including IowaCare and the Iowa Family Planning section 1115 Demonstration programs, in five counties (Butler, Bremer, Black Hawk, Linn, and Johnson) for individuals whose redeterminations were due from June 16, 2008, through June 30, 2008, and statewide for individuals whose redeterminations are due from July 1, 2008, through August 31, 2008. This waiver shall apply only when there is a case file which demonstrates eligibility and includes no information indicating that eligibility has been lost. In that instance, eligibility may continue until the next scheduled redetermination, but no longer than 12 months, except that unless information is received by the State Medicaid Agency indicating that a redetermination is warranted.

2. 30-Day Continuity of Stay Requirement **Section 1902(a)(10)(A)(ii)(V)
and 1902(a)(10)(A)(ii)(VI)**

To enable Iowa to treat as individuals as institutionalized, or as individuals receiving home and community-based services, even if they receive less than 30-days of continuous care in the respective setting from June 16 through August 31, 2008.

**3. Preadmission Screening and Resident Review (PASRR) Section 1902(a)(28)
insofar as it incorporates
1919(e)(7)(A)-(B)**

To the extent necessary to enable Iowa not to perform, or require the performance of, PASRR Level I and Level II screenings, evaluations, and determinations consistent with 42 CFR 483 Subpart C, for individuals located in, or relocated from, the disaster area, until 45 days after admission to a facility during the period from June 16, 2008 through August 31, 2008.

**4. Resident Assessments Section 1902(a)(28)
insofar as it incorporates 1919(b)(3)**

To the extent necessary to enable Iowa not to require the performance of a Resident Assessment consistent with 42 CFR 483.20 for individuals located in, or relocated from, the disaster area, until 30 days after admission to a facility, for the period June 16, 2008 through August 31, 2008.

**5. Intermediate Care Facility for the Section 1902(a)(30)(B)(ii)
Mentally Retarded (ICF/MR) Assessment and Section 1902(a)(31)**

To the extent necessary to enable Iowa not to require the performance of an ICF/MR evaluation or assessment, or the preparation of an ICF/MR individual program plan consistent with 42 CFR 483.440(b), (c)(3), or (c)(4) for individuals located in, or relocated to, the disaster area, until 45 days after admission to a facility during the period from June 16 through August 31, 2008.

Title XXI:

1. Annual Redeterminations Section 2102

To enable Iowa to permit continuation of eligibility under Iowa's title XXI program, in five counties (Butler, Bremer, Black Hawk, Linn, and Johnson) for individuals whose redeterminations were due from June 16, 2008, through June 30, 2008, and statewide for individuals whose redeterminations are due from July 1, 2008, through August 31, 2008. This waiver shall apply when there is a case file which demonstrates eligibility and includes no information indicating that eligibility has been lost. In that instance, eligibility may continue until the next scheduled redetermination, but no longer than 12 months unless information is received by the State Medicaid agency earlier than this date, indicating that a redetermination is warranted. And, anyone requesting a Medicaid eligibility determination during this time period, must be enrolled in Medicaid, if the determination shows that they are programmatically eligible.

**CENTERS FOR MEDICARE AND MEDICAID SERVICES
EXPENDITURE AUTHORITY**

NUMBER: 11-W-00239/7
21-W-00059/7

TITLE: Iowa Disaster Relief Section 1115 Demonstration

AWARDEE: Iowa Department of Human Services

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below, which are not otherwise included as expenditures under section 1903 or section 2105, shall, for the period of this Demonstration, be regarded as expenditures under Iowa's title XIX or title XXI plan.

The following expenditure authorities shall enable Iowa to implement the section 1115 Demonstration (Iowa Disaster Relief).

All requirements of the Medicaid and State Children's Health Insurance program (SCHIP) expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply beginning June 16, 2008, through August 31, 2009.

Title XIX:

1. Expenditures for extending medical assistance benefits for up to a 12-month period to individuals receiving benefits under Iowa's title XIX program (including IowaCare and the Iowa Family Planning Section 1115 Demonstration programs), for whom the State is unable to complete a redetermination of eligibility. The period may extend until the shorter of the next scheduled redetermination (no later than 12 months from the missed redetermination) or 30 days following receipt of information that warrants redetermination. This expenditure authority is limited to five counties (Butler, Bremer, Black Hawk, Linn, and Johnson) for individuals whose redeterminations were due from June 16, 2008, through June 30, 2008, and statewide for individuals whose redeterminations are due from July 1, 2008, through August 31, 2008.
2. Expenditures for services provided to individuals who meet the level of care requirements for nursing facilities who are temporarily residing in an uncertified facility because of the natural disasters. This expenditure authority is applicable from June 16 through August 31, 2008.
3. Expenditures for services provided to individuals who meet the level of care requirements for ICF/MRs who are temporarily residing in an uncertified facility because of the natural disasters. This expenditure authority is applicable from

June 16 through August 31, 2008.

4. Expenditures for nursing facility services even though Preadmission Screening and Resident Review (PASRR) Level I and Level II screenings, evaluations, and determinations consistent with 42 CFR 483 subpart C, for individuals located in, or relocated to or from a disaster area have not been performed until 45 days after admission to a facility. The Level I screening, and if needed the Level II evaluation and determinations, must take place no later than the 45th day after admission to the facility. This expenditure authority is applicable from June 16 through August 31, 2008.

Title XXI:

1. Expenditures for extending child health assistance benefits for up to a 12-month eligibility period to individuals previously enrolled in SCHIP, but for whom the State is unable to complete a redetermination of eligibility. The period may extend until the shorter of the next scheduled redetermination (no later than 12 months from the missed redetermination) or 30 days following receipt of information that warrants redetermination. This expenditure authority is limited to five counties (Butler, Bremer, Black Hawk, Linn, and Johnson) for individuals whose redeterminations were due from June 16, 2008, through June 30, 2008, and statewide for individuals whose redeterminations are due from July 1, 2008, through August 31, 2008.

**CENTERS FOR MEDICARE & MEDICAID SERVICES
SPECIAL TERMS AND CONDITIONS**

NUMBER: 11-W-00239/7
21-W-00059/7

TITLE: Iowa Disaster Relief Medicaid Section 1115 Demonstration

AWARDEE: Iowa Department of Human Services

I. PREFACE

The following are the Special Terms and Conditions (STCs) for the Iowa Flood Relief section 1115(a) Medicaid demonstration (hereinafter “Demonstration”), operated by the Iowa Department of Human Services (State) and partially funded by the Centers for Medicare & Medicaid Services (CMS). The STCs set forth in detail the State’s obligations to the Centers for Medicare & Medicaid Services (CMS) during the life of the Demonstration. The STCs are effective June 16, 2008, unless otherwise specified. This Demonstration is approved through August 31, 2009.

The STCs have been arranged into the following subject areas: Program Description and Objectives, General Program Requirements, Definitions and Conditions, Eligibility and Facilities, Benefits, Cost Sharing, Delivery Systems, General Reporting Requirements, General Financial Reporting Requirements Under Title XIX, General Financial Reporting Requirements Under Title XXI, and Schedule of State Deliverables During the Demonstration Period.

II. PROGRAM DESCRIPTION AND OBJECTIVES

The Demonstration is granted in recognition of the public health emergency in Iowa caused by the flooding and tornadoes in June 2008. The Demonstration will assist the State of Iowa to continue assuring Medicaid and State Children’s Health Insurance program (SCHIP) coverage for needy residents in Iowa after this natural disaster. The Demonstration also reduces the administrative burden associated with redetermining ongoing eligibility for the affected State agency staff.

The State reports that households in many areas of the State have been evacuated from their homes to temporary locations while they seek a longer-term solution to their housing needs. These households may have no address at which to receive mail. Many households have also lost documents and many employers are temporarily closed and cannot provide work verification for these households. Additionally, State agency staff in counties not affected by the floods and tornadoes will be working to assist with paper work in counties affected by the natural disasters.

The State’s title XIX and title XXI State plans, IowaCare section 1115 Demonstration, and the Iowa Family Planning section 1115 Demonstration, as approved, will continue to operate concurrently with this section 1115 Demonstration.

III. GENERAL PROGRAM REQUIREMENTS

1. **Compliance with Federal Non-Discrimination Statutes.** The State agrees that it must comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to, the Americans with Disabilities Act of 1990, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.
2. **Compliance with Medicaid and SCHIP Law, Regulation, and Policy.** All requirements of the Medicaid and SCHIP programs expressed in law, regulation, and policy statement not expressly waived or identified as not applicable in the waiver and expenditure authority documents of which these terms and conditions are part, must apply to the Demonstration.
3. **CMS Right to Terminate or Suspend.** CMS may suspend or terminate the Demonstration, in whole or in part, at any time before the date of expiration, whenever it determines, following a hearing that the State has materially failed to comply with the terms of the project. CMS must promptly notify the State in writing of the determination and the reasons for the suspension or termination, together with the effective date.
4. **Finding of Non-Compliance.** The State does not relinquish its rights to challenge CMS's finding that the State materially failed to comply.
5. **Withdrawal of Waiver Authority.** CMS reserves the right to withdraw waiver or expenditure authorities at any time it determines that continuing the waivers or expenditure authorities would no longer be in the public interest or promote the objectives of title XIX or XXI, as applicable. CMS must promptly notify the State in writing of the determination and the reasons for the withdrawal, together with the effective date, and must afford the State a brief opportunity to request reconsideration by submitting a brief explanation of the benefits of the waiver or Demonstration, prior to the effective date. If a waiver or expenditure authority is withdrawn, FFP is limited to normal closeout costs associated with terminating the Demonstration, including services and administrative costs of disenrolling participants.
6. **Adequacy of Infrastructure.** To the extent possible under emergent circumstances, the State will ensure the availability of adequate resources for implementation and monitoring of the Demonstration, including education, outreach, and enrollment; maintaining eligibility systems; compliance with cost sharing requirements; and reporting on financial and other Demonstration components.

IV. DEFINITIONS AND CONDITIONS

7. **Duration of the Demonstration Program:** The duration of the program will be from June 16, 2008, through August 31, 2009.

Effective Date: The Demonstration project will be effective upon approval by the Secretary. Eligibility and payments under such a Demonstration may be retroactive to June 16, 2008.

Disaster Area: Refers to a geographic area or region in which a National Disaster has been declared, or that has been declared by the Governor of Iowa as disaster-designated counties.

For Iowa, this is 86-disaster designated counties (see Attachment A). Additional counties may be added as they are disaster-designated by the Governor.

Pending Final Confirmation and Reconciliation: An individual is “pending final confirmation and reconciliation” when the individual has submitted to the State a signed application and a signed affidavit concerning citizenship, and has been preliminarily determined based on that submission to meet the financial and categorical requirements under the State plan (or other demonstration project), but has not received a final eligibility determination because the information has not been confirmed and appropriately documented by the Medicaid agency.

Reporting Requirements: The State will be required to track separately expenditures associated with this waiver, including but not limited to, administrative costs and program expenditures in accordance with instructions provided in sections X and XI of these STCs.

Final Report: The State will be required to submit a final report to CMS to describe the impact of this program, including but not limited to, the impact on affected individuals, the State, and local governmental units. CMS will provide guidance on the submittal of the final report. The report will be due to CMS by December 31, 2009.

V. ELIGIBILITY & FACILITIES

- 8. **Eligibility Overview.** Eligibility will be based on the eligibility levels contained in the Medicaid State plan, SCHIP State plan, IowaCare section 1115 Demonstration, and Iowa Family Planning section 1115 Demonstration.
- 9. **Annual Redeterminations of Eligibility.** The State may continue Medicaid and SCHIP eligibility without a redetermination for affected individuals in the counties specified below for the time periods specified below. Eligibility may continue until the next scheduled redetermination, or until information is received that warrants a redetermination, whichever is earlier. FFP is available under this Demonstration throughout the period beginning with the date the 2008 redetermination was due and ending with the completion of the next redetermination. The next scheduled redetermination date must not be longer than 12 months from the original redetermination date.

2008 Redetermination Due	Redetermination Waiver Applicable
June 16, 2008, through August 31, 2008	Butler, Bremer, Black Hawk, Linn, and Johnson
July 1, 2008, through August 31, 2008	Statewide

- 10. **Continuity of Care Requirement.** From June 16, 2008, through August 31, 2008, for purposes of eligibility, the State may treat individuals as institutionalized, or receiving home and community based services, even though they receive less than 30 days of continuous care in the respective setting.

11. **Preadmission Screening and Resident Review (PASRR).** From June 16, 2008, through August 31, 2008, the State is not required to perform, or ensure the timely performance of, PASRR Level I and Level II screenings, evaluations, and determinations as required by 42 CFR 483 subpart C, for individuals located in, or relocated to or from, the disaster area (as defined in section IV) upon admission to a nursing facility. The State must do so within 45 days after admission to a nursing facility. Specifically, the Level I screening, and if needed the Level II evaluation and determinations, must take place no later than the 45th day after admission to a nursing facility. Federal financial participation (FFP) is available to nursing facilities for residents for whom required PASRR documentation is lacking for up to 45 days following an admission or transfer to a facility. FFP will not be available for the costs of nursing facility care for such residents after that date.
12. **Resident Assessments.** From June 16, 2008, through August 31, 2008, the State is not required to ensure that nursing facilities timely perform a Resident Assessment (also known as an MDS assessment) as required by 42 CFR 483.20 for individuals located in, or related to or from, the disaster area, to the extent that the Resident Assessment takes place no later than the 30th day after admission to a facility.
13. **Intermediate Care Facilities for the Mentally Retarded (ICF/MR) Assessments.** From June 16, 2008, through August 31, 2008, the State is not required to ensure that ICF/MR facilities timely perform an ICF/MR evaluation, assessment, or prepare an ICF/MR individual program plan as required by 42 CFR 483.440(b), (c)(3), and (c)(4) for individuals located in, or relocated to or from a disaster area, to the extent that these actions take place no later than 45 days after admission to a facility. Specifically, the ICF/MR evaluation and assessment must take place and the ICF/MR individual program plan must be prepared no later than the 45th day after admission to a facility.
14. **Facilities.** The State may, for the duration of this demonstration, pay for nursing facility or ICF/MR services furnished by a facility that does not meet the conditions of participation to provide such services, for individuals who had been receiving services in a nursing facility or ICF/MR in a Governor-designated disaster area in an alternative facility and who have a written plan to return to the facility in the disaster area, or to another qualified facility, as soon as practicable. Rates for such services shall not exceed the customary charges of such facility.

VI. BENEFITS

15. **Benefits.** For individuals who receiving medical assistance “pending final confirmation and reconciliation” or individuals whose redetermination has been delayed, benefits will be those available to the eligibility group for which the individual is determined to be potentially or previously eligible. Individuals shall receive the same benefits as they currently receive under the program for which they are enrolled, e.g., Medicaid State plan, SCHIP State plan, IowaCare section 1115 Demonstration, or Iowa Family Planning section 1115 Demonstration.

VII. COST SHARING

16. **Cost Sharing.** Cost sharing for individuals who receive medical assistance “pending final confirmation and reconciliation” or individuals whose redetermination has been delayed, shall be that for the eligibility group for which the individual is determined to be potentially or previously eligible, taking into consideration the proposed Medicaid State plan amendment (SPA) to exempt individuals for paying premiums from June 16 through August 31, 2008.

VIII. DELIVERY SYSTEMS

17. **Delivery Systems.** This Demonstration project does not affect the method of health care delivery for the following programs: Medicaid State plan, SCHIP State plan, IowaCare section 1115 Demonstration, and Iowa Family Planning section 1115 Demonstration. Depending on the eligibility group, individuals shall use the appropriate delivery systems as specified in the Medicaid State plan, SCHIP State plan, IowaCare section 1115 Demonstration, and Iowa Family Planning section 1115 Demonstration.

IX. GENERAL REPORTING REQUIREMENTS

18. **Monthly Calls.** CMS must schedule monthly conference calls with the State. The purpose of these calls is to discuss any significant, actual or anticipated, developments affecting the Demonstration. The State and CMS (both the Project Officer and the Regional Office) must jointly develop the agenda for the calls. The monthly monitoring calls for this demonstration may be scheduled at the same time as the IowaCare section 1115 Demonstration monthly monitoring calls.
19. **Final Report.** The State will be required to submit a final report to CMS to describe the impact of this program, including but not limited to, the impact on affected individuals, the State, local governmental units, and facilities by provider type. CMS will provide guidance on the submittal of the final report. The draft report will be due to CMS by December 31, 2009. CMS must provide comments on the draft report within 60 days of receipt, and the State must submit a final report within 60 days of receipt of CMS comments.
20. **Cooperation with Federal Evaluators.** Should CMS undertake an evaluation of the Demonstration, the State must fully cooperate with Federal evaluators and their contractors' efforts to conduct an independent federally funded evaluation of the Demonstration.

X. GENERAL FINANCIAL REPORTING REQUIREMENTS UNDER TITLE XIX

21. **Overview.** In light of the natural disaster, the Demonstration will be presumed to meet budget neutrality tests under this Demonstration program. Therefore, Iowa will not be required to provide or demonstrate budget neutrality through “without waiver” and “with waiver” expenditure data. Title XXI allotment neutrality will be applicable under this Demonstration program.

22. **Quarterly Expenditure Reports.** The State shall provide quarterly expenditure reports using the form CMS-64 to report total expenditures for services provided under the Medicaid program, including those provided through the Demonstration under section 1115 authority. This project is approved for expenditures applicable to services rendered during the Demonstration period.
23. **Reporting Expenditures Under the Demonstration.** In order to track expenditures under this Demonstration, Iowa must report Demonstration expenditures through the Medicaid and SCHIP Budget and Expenditure System (MBES/CBES), following routine CMS-64 reporting instructions outlined in section 2500 and section 2115 of the State Medicaid Manual. Demonstration expenditures for newly determined eligibles must be reported each quarter on separate Forms CMS-64.9 Waiver and/or 64.9P Waiver, identified by the Demonstration project number assigned by CMS (including the project number extension, which indicates the Demonstration year in which services were rendered or for which capitation payments were made). Expenditures for newly determined eligibles who are optional targeted low-income children (SCHIP Children) claimed under the authority of title XXI shall be reported each quarter on forms CMS-64.21U Waiver and/or CMS 64.21UP Waiver, as described in section XI.
- a) The State shall continue to report expenditures for individuals in the IowaCare or Iowa Family Planning Demonstration on the waiver forms associated with these Demonstrations.
 - b) Form CMS-64.9 Waiver and/or 64.9P Waiver [Disaster Relief] must be completed to report expenditures for the Demonstration population consisting of any Medicaid State plan eligible (excluding targeted low-income children) who was newly determined eligible from June 16, 2008, through August 31, in the counties of Butler, Bremer, Black Hawk, Linn, and Johnson, and any Medicaid State plan eligible (excluding targeted low-income children) who was newly determined eligible from July 1, 2008, through August 31, 2008, in any county which has been declared by the Federal Emergency Management Agency (FEMA) or the Governor as a disaster-designated county. Initial eligibility determinations are further explained on page 2 of the award letter. The State should not report any expenditures for individuals in the IowaCare or Iowa Family Planning Demonstration on the Medicaid Disaster Relief Waiver Form.
24. **Administrative Costs.** The State must separately track and report additional administrative costs that are directly attributable to the Demonstration. All such administrative costs must be identified on the Forms CMS-64.10 Waiver and/or 64.10P Waiver.
25. **Claiming Period.** All claims for services during the Demonstration period (including any cost settlements) must be made within 2 years after the conclusion or termination of the Demonstration. During the latter 2-year period, the State must continue to identify separately net expenditures related to dates of service during the operation of the Demonstration on the CMS-64 waiver forms.

26. Standard Medicaid Funding Process. The standard Medicaid funding process must be used during the Demonstration. Iowa must estimate matchable Demonstration expenditures (total computable and Federal share) and separately report these expenditures by quarter for each Federal fiscal year on the Form CMS-37 (narrative section) for both the Medical Assistance Payments (MAP) and State and Local Administration Costs (ADM). CMS shall make Federal funds available based upon the State's estimate, as approved by CMS. Within 30 days after the end of each quarter, the State must submit the Form CMS-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended. CMS shall reconcile expenditures reported on the Form CMS-64 with Federal funding previously made available to the State, and include the reconciling adjustment in the finalization of the grant award to the State.

XI. GENERAL FINANCIAL REPORTING REQUIREMENTS UNDER TITLE XXI

27. Quarterly Expenditure Reports. In order to track title XXI expenditures under this Demonstration, the State must report quarterly Demonstration expenditures through the MBES/CBES, following routine CMS-64.21 reporting instructions as outlined in sections 2115 and 2500 of the State Medicaid Manual. CMS will provide enhanced FFP only for allowable expenditures that do not exceed the State's available title XXI funding.

- a) Title XXI expenditures must be reported on Forms CMS-64.21U Waiver and/or CMS-64.21UP Waiver [Disaster Relief], identified by the Demonstration project number assigned by CMS (including project number extension, which indicates the Demonstration year in which services were rendered or for which capitation payments were made). These expenditures are for any targeted low-income child who was newly determined eligible from June 16, 2008, through August 31, 2008, in the counties of Butler, Bremer, Black Hawk, Linn, and Johnson, and any targeted low-income child who was newly determined eligible from July 1, 2008, through August 31, 2008, in any county which has been declared by the Federal Emergency Management Agency (FEMA) or the Governor as a disaster-designated county. Initial eligibility determinations are further explained on page 2 of the award letter.

28. Claiming Period. All claims for expenditures related to the Demonstration (including any cost settlements) must be made within 2 years after the calendar quarter in which the State made the expenditures. Furthermore, all claims for services during the Demonstration period (including cost settlements) must be made within 2 years after the conclusion or termination of the demonstration. During the latter 2-year period, the State must continue to identify separately net expenditures related to dates of service during the operation of the section 1115 Demonstration on the Form CMS-21.

29. Standard SCHIP Funding Process. The standard SCHIP funding process will be used during the demonstration. Iowa must estimate matchable expenditures for SCHIP Children on the quarterly Form CMS-37.12 (narrative section) for both Medicaid Assistance Payments (MAP) and State and local Administrative costs (ADM). CMS will make Federal funds available based upon the State's estimate, as approved by CMS. Within 30 days after the end

of each quarter, the State must submit the Form CMS-64.21U Waiver and/or CMS-64.21UP Waiver. CMS will reconcile expenditures reported on the Form CMS-64.21 waiver forms with Federal funding previously made available to the State, and include the reconciling adjustment in the finalization of the grant award to the State.

30. **Limit on Title XXI Funding.** Iowa will be subject to a limit on the amount of Federal title XXI funding that the State may receive on Demonstration expenditures during the Demonstration period. Federal title XXI funding available for Demonstration expenditures is limited to the State's available allotment, including any redistributed funds.

31. **Limit on Administrative Costs.** Total expenditures for outreach and other reasonable costs to administer the title XXI State plan and the Demonstration that are applied against the State's title XXI allotment may not exceed ten percent of total expenditures.

XII. SCHEDULE OF STATE DELIVERABLES DURING THE DEMONSTRATION PERIOD

Due Date	Deliverable
30 days from approval letter date	State Acceptance of Demonstration, STCs, Waivers, and Expenditure Authorities.
December 31, 2009	Draft Final Report

Attachment A

List of Governor-Designated Disaster Counties

Governor-Designated Disaster Counties in Iowa
Adair, Adams, Allamakee, Appanoose, Audubon, Benton, Black Hawk, Boone, Bremer, Buchanan, Butler, Carroll, Cass, Cedar, Cerro Gordo, Chickasaw, Clarke, Clayton, Crawford, Clinton, Dallas, Delaware, Dubuque, Davis, Decatur, Des Moines, Fayette, Floyd, Franklin, Fremont, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Howard, Humboldt, Henry, Iowa, Jackson, Jasper, Johnson, Jones, Jefferson, Keokuk, Kossuth, Lee, Linn, Louisa, Lucas, Lyon, Marion, Marshall, Mitchell, Monona, Montgomery, Muscatine, Mahaska, Madison, Mills, Monroe, Page, Palo Alto, Pocahontas, Polk, Pottawattamie, Poweshiek, Ringgold, Scott, Story, Shelby, Tama, Taylor, Union, Van Buren, Wapello, Warren, Webster, Winneshiek, Worth, Wright, Washington, Wayne, and Winnebago.