

MEMO: Outreach on ACT Rate in Iowa

September 2024

Rate Increase Effective 7/1/2024

After much research, advocacy, and partnership building, the reimbursement rate for Assertive Community Treatment (ACT) in Iowa increased by 50.291%, from \$55.83 to \$83.91.

ACT Rates in Review

Year	Per diem rate	Comments
2009	\$51.07	https://www.legis.iowa.gov/docs/publications/DF/1022657.pdf
2018	\$55.83	secureapp.dhs.state.ia.us/medicaidfeesched/X67.xml
2024	\$83.91	Effective 7/1/2024. https://hhs.iowa.gov/public-notice/2024-06-28/ia-24-0006

TABLE 1: ACT RATES IN IOWA OVER TIME

Provider Input

In May-June 2024, CEBH conducted outreach with representatives from all ACT teams across the state, prior to the increase.

All ACT providers in Iowa expressed concern about the reimbursement rate, indicating that the rate was insufficient to cover the costs to implement the program. The insufficient rate requires supplement from other sources to make the programs viable, including contributions from MHDS Regions, other grants, and block grants.

In terms of Region funding across the state, coverage was inconsistent:

- Regarding what would be covered (e.g., weekend visits, program start-up expenses, clients who are ineligible for Medicaid).
- Regarding whether it would be covered. Some teams weren't told how much funding they would receive until the end of a budget period.

Uncertainty of funding from the Region made program planning and budgeting difficult. Additionally, while the rate can be negotiated with each of the managed care organizations (MCOs), negotiated rates were/the process was inconsistent across teams and rarely higher than the state rate.

CEBH will continue to monitor the rate and conduct outreach with teams.