

INFORMATIONAL LETTER NO. 2281-MC-FFS

DATE: November 1, 2021

TO: Home- and Community-Based Services (HCBS) Waiver Providers including Consumer Choices Option (CCO) providers, HCBS Habilitation Providers, Targeted Case Managers (TCM), Service Workers, Supervisors, Service Area Administrators, Case Managers (CM), Integrated Health Homes (IHH), Financial Management Services (FMS), and Independent Support Brokers (ISB)

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: HCBS Provider-Specific Rate Changes and Managed Care Claims

EFFECTIVE: Immediately

The purpose of this informational letter (IL) is to provide further guidance related to [IL 2267-MC-FFS](#)¹ regarding the HCBS waiver rates that were increased by 3.55% effective July 1, 2021.

Typically, if a provider has not billed charges that account for a rate increase, corrected claims would be required to ensure the billed amount reflects the new allowed amount. As an exception to standard practice, the managed care organizations (MCOs) will allow claims received for dates of service in July and August 2021, to reprocess and bypass the Lesser of Logic rules (i.e., MCO payment rules that require the provider to bill an amount equal to or greater than the allowed rate amount) to pay the difference up to the new allowed amount. This only applies to providers who have provider-specific HCBS waiver rate increases of 3.55%. If claims were previously billed above the allowed amount, the MCOs will reprocess clean claims without initiation by the provider.

Any rate that is posted or on a fee schedule is not eligible for reprocessing as part of this one-time exception. Specifically, the following will be **excluded** from reprocessing:

- Home-based habilitation tiered rates
- Supported employment for Habilitation/HCBS Waiver

¹ <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=ffbbf5d9-ae8-4fa2-a994-364737c01b61>

- Intellectual disability (ID) waiver tiered rates
- HCBS Waiver transportation services
- CCO (please see [IL 2267-MC-FFS](#)² that indicates payments will be made with the updated budgets reflected on dates of service of October 1, 2021, or later)

Clean claims received as of September 30, 2021, are included in reprocessing work initiated by the MCOs.

As a reminder, claims with dates of service on and after September 1, 2021, must include the increased charges to receive the 3.55% increase. Providers are allowed to bill usual and customary charges as noted in [IL 1785-MC-FFS](#)³.

If you have questions, please contact the appropriate MCO:

Amerigroup Iowa, Inc.:

- Provider Services: 1-800-454-3730
- Website: <https://providers.amerigroup.com/ia>

Iowa Total Care:

- Provider Services: 1-833-404-1061
- Website: <https://www.iowatotalcare.com>

² <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=ffbbf5d9-ae88-4fa2-a994-364737c01b61>

³ <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=699f124e-476c-4b00-bd30-ffcee16214f4>