



INFORMATIONAL LETTER NO. 2484-MC-FFS

DATE: July 20, 2023

TO: Iowa Medicaid Behavioral Health Services Providers

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

FROM: Iowa Department of Health and Human Services (HHS), Iowa Medicaid

RE: Medicaid Payment Rates for Substance Use Providers

EFFECTIVE: July 1, 2023

Iowa Medicaid will submit a state plan amendment (SPA) for federal approval to establish a Medicaid payment rate increase for substance use providers. Pursuant to the authority of 2023 Iowa Acts, Senate File (SF) 561, Section 13, Item 21, \$3,000,000 will be used to increase the reimbursement rates for individual mental health providers.

This rate increase will impact the following provider types: social workers (48) and behavioral health providers (62) for FFS. Overall, rates will increase by 96.47%. These rate increases will be developed utilizing the managed care organization (MCO) average rate paid for Fiscal Year (FY) 2022 and contracted through each MCO, and are dependent on the Centers of Medicare and Medicaid Services (CMS) approval of the SPA.

MCOs will implement the increase to the codes indicated below. Please ensure that billed claims beginning with dates of service July 1, 2023, are in alignment with increases in order to avoid corrected claims, because of lesser of logic reimbursement. Please note that if there was not a rate established by code at the provider level (TIN and NPI level) as of June 30, 2023, there will not be a reimbursement update. If you are qualified and wish to provide these services, MCO contact information is below.

The following codes will be impacted:

HCPS/CPT Codes	Modifier	Description
H0015	N/A	Alcohol and/or drug services; intensive outpatient
H0017	TF – intermediate level of care	Level III.3 and Level III.5 Clinically-managed medium/high-intensity residential substance use disorder treatment – hospital-based
H0018	TG – complex/high tech level of care TF – intermediate level of care	Level III.3 and Level III.5 Clinically-managed medium/high-intensity residential substance use disorder treatment – community-based
H0035	N/A	Alcohol and/or drug services; partial hospitalization
H2034	N/A	Level III.1 Clinically-managed low-intensity residential substance use disorder treatment

Iowa Medicaid members enrolled with a managed care organization (MCO) have access to an expanded array of mental health and substance use disorder services. These services are often referred to as “B3” services. This rate increase includes substance use disorder services provided through B3 services. For more information regarding B3 services, please refer to [Informational Letter 2348-MC](#)¹.

If you have questions, please contact Iowa Medicaid Provider Services or the appropriate MCO:

Iowa Medicaid Provider Services:

- Telephone: 1-800-338-7909
- Email: imeproviderservices@dhs.state.ia.us

Amerigroup Iowa, Inc.:

- Telephone: 1-800-454-3730
- Email: iowamedicaid@amerigroup.com
- Website: <https://providers.amerigroup.com/ia>

¹ <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=74e6ca12-6439-4df8-8998-39a51bac61ae>

Iowa Total Care:

- Telephone: 1-833-404-1061
- Email: providerrelations@iowatotalcare.com
- Website: <https://www.iowatotalcare.com>

Molina Healthcare of Iowa

- Telephone: 1-844-236-1464
- Email: aproviderrelations@molinahealthcare.com
- Website: <https://www.molinahealthcare.com/ia>
- Provider portal: provider.molinahealthcare.com