Iowa Medicaid
Iowa HHS

Policy Clarification #000312
Medicaid National Correct Coding Initiative

July 10, 2026

To: Iowa Medicaid Managed Care Plans

This letter is a formal notification of the Department's expectations related to the operations and implementation of Iowa Medicaid under the managed care program.

Purpose of this communication (check all that apply):

☒ Provide formal guidance
☒ Clarification of existing Iowa Medicaid policy
    Federal mandate: [cite CFR]
    Iowa Code: [cite section]
    Iowa Administrative Code: [cite IAC]
    Managed Care Contract (if applicable): **MCO contract section I.12.02**
☒ Guidance on new process or policy
☐ Replacement of prior PC: [PC #]

The purpose of this letter is to provide clarification around the use of the National Correct Coding Initiative (NCCI) edits for adjudication of Iowa Medicaid claims. Quarterly National Correct Coding Initiative edit files include 6 files for Procedure-to-Procedure edits and Medically Unlikely Edits, a change report, and add on code files.

To align claims editing and processing, Iowa Medicaid will provide Iowa specific NCCI files for Managed Care Organizations (MCO) to incorporate into their claims adjudication system. Publicly available files are not intended for use for claims processing. CMS publishes quarterly NCCI files approximately 45 days prior to quarter effective. MCO's will be notified on a quarterly basis by Iowa Medicaid once the files

have been retrieved and loaded to the PI SFTP. CMS also issues replacement files as needed, and these will be shared upon receipt.

NCCI edit files should be incorporated and utilized in accordance with the published instructions in the Medicaid NCCI Technical Guidance Manual. Additionally, all denials should align with NCCI language standards communicating the NCCI rationale to the provider. Denied claims reporting to Iowa Medicaid should be consistent with NCCI categories and easily comparable across organizations.

For additional information regarding CMS NCCI edits please reference the Medicaid NCCI FAQ Library at https://www.cms.gov/medicare/coding-billing/ncci-medicaid/medicaid-ncci-faq-library

Related to this Policy Clarification:

- Effective date of this Policy Clarification: June 1, 2026
- Claims processing requirement:
  - ☒ Prospective: Claims received on or after July 1, 2026
  - ☐ Retroactive
  - ☐ Not applicable

Attestation:

I hereby acknowledge receipt and understanding of this policy clarification, including all specified requirements and deadlines.

Name_____ Date_____

The department will monitor progress towards implementation and may impose remedies for failure to implement.

Sincerely,

Contract Manager
Managed Care Contract Manager