

IME Policy Clarification # PC000256

Date

MCO CEO Name

MCO

Address Line 1

Address Line 2

Des Moines, Iowa XX

Dear Ms/Mr.:

This letter is a formal notification of the state's expectations related to the operations and implementation of Iowa Medicaid under the managed care program. This purpose of this letter is to do following:

☒ Provide formal guidance

☐ Request for information

### **Content**

The purpose of this letter is to clarify the Department's policy regarding exceptions to policy. This letter replaces the previously issued Policy Clarification 00237 to provide additional clarification.

Waivers of administrative rules referred to as exceptions to policy may be granted in individual cases upon the director's own initiative or upon request. Exceptions to Medicaid policy are only specifically granted by the DHS Director with the recommendation of the Medicaid Director. The Department issues written decisions for all requests for an exception to policy.

The plan is not responsible for decisions regarding exceptions to policy under state rule and should not present themselves as such and shall not use the terms "exception to policy" to describe their own internal medical necessity review decisions when communicating with members.

The plan on their own and by their own determination, may make an exception to their own contractor policies, but shall not refer to these actions as an exception to policy as defined in administrative rule. Any scenario in which the plan determines to provide coverage for items or services outside of their own contractor policies must not be referred to as an exception to policy.

The plan on their own may determine that an exception to the administrative rules such as a request for an item or service not typically covered by Medicaid or a request to exceed service limits is appropriate to meet a member's assessed needs may initiate an administrative exception to policy request following the process outlined in 441 IAC 1.8. The purpose of the ETP request is to communicate to the agency that the plan has determined that it is necessary to exceed the limits and to obtain agency agreement as any exception granted would influence the plans capitation rate in the future

Any scenarios in which the plan determines to approve, deny, reduce or terminate a member's services remains subject to all applicable Iowa Administrative Code (IAC), Iowa Code and the Code of Federal Regulations, including timely notification, content of the notification, and appeal rights.

**When an ETP is to be submitted to the State**

- A member has requested a rate, drug, item or other medically necessary service or support that **is** in excess of the coverage scope, limitation or reimbursement allowed in the IAC.
- The MCO has reviewed the request and has determined that the request is medically necessary to meet the member's medical or remedial need.
- The MCO has agreed to authorize and pay for the requested medically necessary service, rate, drug, item or other support.
- The MCO has determined that a request for an ETP is appropriate.

**When an ETP is not submitted to the State:**

- A member has requested a rate, drug, item or other medically necessary service or support that **is not** in excess of the coverage, scope, limitation or reimbursement allowed in the IAC.
- A member has requested a rate, drug, item or other medically necessary service or support that **is** in excess of the coverage scope, limitation or reimbursement allowed in the IAC and the MCO has determined that the request **is not** medically necessary and that there are alternative services that would meet the member's need.
- The requested rate, drug, item or other medically necessary service or support is in excess of or not included in the MCO's own internal Utilization Management (UM) guidelines but are within the coverage scope and limitations in administrative rule.
- A provider within the MCO's network has requested a rate that is in excess of the upper rate limit allowed in rule. The MCO is free to negotiate mutually acceptable rates with the provider network.

**This formal guidance impacts capitation rates in the following manner:**

☒ This is an Iowa Medicaid practice prior to April 1, 2016 and was included in the experience used to develop the capitation rates.

☐ This is a new process or policy that does not have a fiscal impact.

☐ This is a new process or policy that was reflected in revised capitation rates and implemented July 1, 2019.

Sincerely,

Account Manager  
Managed Care Account Manager

**Attestation:**

I hereby attest to receipt and understanding of this communication including all requirements and due dates.

Name\_\_\_\_\_ Date\_\_\_\_\_.

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

