IME Policy Clarification # [PC000XXX]

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:

X Provide formal guidance
☐ Request for information

Content
The University of Iowa Healthcare (UI Health) indicated that the 'lesser of" billed charge or fee schedule payment was being applied to their physician state-directed payments. For the UI Health physician state-directed payment the 'lesser of' language should not be applied. This is because the State is requiring that the MCOs make directed payments based on a specified methodology (that is unrelated to billed charges).

Iowa Code: None

Contract Language:
1.3.3.3 Other Payments.
1.3.3.3.1 Pay out GME as directed in the rate sheet applicable to each payment period.

1.3.3.3.2 Pay other supplemental payments to providers as directed by the Agency when supplements are built into the rates and to the extent the supplements are permissible under federal law.

Conclusion: The 'lesser of' language should not be applied to the UI Health Hospitals and Clinics physician state-directed payment.

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.
XThis is a new process or policy that was reflected in revised capitation rates and implemented March 1, 2020

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.