

Policy Clarification #PC000301

CMS NCCI Edits – MUE on Rehab Claims

November 14, 2025

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): [cite contract section and if MCO or PAHP]
- ☐ Guidance on new process or policy
- ☒ Replacement of prior PC: PC #PC000121

The purpose of this letter is to provide formal guidance and replacement of prior policy clarification PC000121.

The following applies to Iowa Medicaid reimbursement of same day multiple therapy units.

1). Iowa Medicaid applies Multiple Procedure Payment Reductions (MPPR) for therapy claims by reimbursing at 100% for the first unit of the highest paying procedure code and 90% for each subsequent unit. This reduction only applies to services that are paid at a fee schedule rate and does not affect payment for any

service(s) grouped to an Ambulatory Payment Classification (APC) payment.

2). Iowa Medicaid first applies the above MPPR logic and sends claims file to the CCI vendor every evening. The CCI vendor applies **Medicaid** NCCI editing, including Medically Unlikely Edits (MUE), to the claims. Iowa Medicaid has had customizations in place, with CMS approval, deactivating the MUE editing on facility claims for provider type 19 (Rehab) for CPT 92507, 92508 and 97150. Effective for dates of service 12/1/2025 or after, claims for all providers will be included in standard Medicaid NCCI editing. This means that for these codes, MUE edits will apply and only allow 1 unit per visit.

Related to this Policy Clarification:

- ▶ Effective date of this Policy Clarification: Dates of service on or after 12/1/2025
- ▶ Claims processing requirement:
 - ☒ Prospective
 - ☐ 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