

## **MEDICAID POLICY CLARIFICATION # PC000277**

### **ABM & ENHANCED FEE SCHEDULE**

December 18, 2023

To: Iowa Medicaid Dental Plans

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
- Clarification of existing Iowa Medicaid policy
- Guidance on new process or policy
- Request for information

### **ABM Adjudication of the Enhanced Fee Schedule**

#### **Background:**

When the Annual Benefit Maximum (ABM) was implemented on September 1, 2018, Iowa Medicaid considered the Medicaid fee schedule and historical data to establish the allowable amount for adult members annually. At that time, a \$1,000 ABM was implemented, and plans were contractually held to paying the Medicaid fee schedule reimbursement rate to providers.

However, over the past few years to maintain and grow provider networks, contract language has been made more flexible to allow the dental PAHP's the ability to reimburse providers at a higher rate. It was recently discovered that the dental plans have been calculating ABM amounts based on reimbursement that is reflective of their individual enhanced fee schedule to providers, not the Medicaid fee schedule as intended.

#### **Policy:**

The enhanced fee schedule through the Inter-Governmental Agreement (IGT) with the University of Iowa College of Dentistry and Broadlawns Dental Clinic increases rates over 242% resulting in very few services being able to be received by members before the current ABM of \$1,000 is met.

Below describes the short term (SFY2024) and long term (SFY2025) expectations of the PAPH's in determining ABM amounts:

- **Short Term:** The PAHPs will program their systems to identify claims submitted with specific NPI's coming from the University of Iowa College of Dentistry and Broadlawns Dental Clinic that would be excluded from the ABM logic (meaning claims would be bypassed for ABM tracking).

- **Long Term:** The PAHPs shall program their systems to accommodate two fee schedules – one for ABM and one for reimbursement. The current Medicaid fee schedule must be used to determine member ABM calculations.

**Related Policy Clarifications:**

This policy clarification should be used in correlation with the following policy clarifications:

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 will be reflected in revised capitation rates and implemented July 1, 2024.

Delta Dental of Iowa shall implement this guidance immediately.

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.

Sincerely,

Heather K. Miller, RDH  
Managed Care Account Manager