



MEDICAID POLICY CLARIFICATION #PC000270 NURSING FACILITY SERVICES FOR IOWA HEALTH AND WELLNESS AND MODIFIED ADJUSTED GROSS INCOME (MAGI)

January 24, 2023

To: Iowa Medicaid Managed Care 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

Nursing facility services are a Medicaid state plan benefit and available as a covered service for all qualifying members who have full Medicaid benefits. This includes Iowa Health and Wellness plan (IHAWP) members who have a Medically Exempt (ME) status and members on MAGI Medicaid coverage groups. MAGI Medicaid applies to coverage groups that include children, pregnant women, parents, and adults, which includes the IHAWP population. Non-MAGI Medicaid applies to coverage groups that include individuals who are aged 65 and older, blind, or disabled. To qualify for nursing facility services the member must reside in a skilled nursing facility (SNF), a nursing facility (NF), hospital swing bed or receiving hospice benefits while residing in a SNF or NF, meet the required level of care (LOC), and are subject to Transfer of Assets (TOA) policies.

IHAWP is a limited Medicaid coverage group for individuals aged 19-64 years of age. This coverage group is an expansion of the Affordable Health Care Act and based off of household tax filing status. MAGI is the basis for determining Medicaid income eligibility for most children, pregnant women, parents, and adults. Non-MAGI is Medicaid for individuals who are aged (65 years of age or older), blind or disabled.

To determine if the LOC is met, providers will need to submit level of care (LOC) documentation to Iowa Medicaid Quality Improvement Organization (QIO) by uploading the Level of Care for Facility documents to the Iowa Medicaid Portal Access (IMPA), or by faxing it to the Iowa

Medicaid QIO at (515)-725-1349. QIO complete the initial LOC process for IHAWP and MAGI members, but the continued stay reviews continue to be the responsibility of the MCO. If there is a change in health needs and result in a change in LOC status, the QIO will review and determine the LOC.

The States Pre-Admission Screening and Resident Review (PASRR) process must be followed. If a provider has questions on PASRR submissions or entries into PathTracker, please contact Maximus at IowaPASRR@maximus.com or 1-833-907-2777.

To determine if a TOA has occurred, the Income Maintenance Worker will send a request for information to the member. Please note, if the information is not returned, nursing facility services will not be covered (except for the allowed 120 skilled LOC days for members on IHAWP). This process is effective with case activity reports (CAR's) submitted to the Department on or after March 1, 2022.

Iowa Medicaid will send a request for information to the member for the following information to determine if a TOA has occurred:

- Do you or anyone in your household have a life estate?
- Do you or anyone in your household have a trust?
- Have you or anyone in your household not accepted an inheritance in the past 5 years?
 - If yes, who?
- Have you or anyone in your household transferred, sold, or given away resources for less than their fair value in the past five years?
 - If yes, who/what?
 - Date this occurred:
- If you answered 'yes' to any of the questions above, you can provide verification with this letter to speed up the processing timeline. If you do not provide verification, it may be requested at a later date

IHAWP Members who need to be determined Medically Exempt (ME)

An IHAWP member may enter a facility without the ME status and still be eligible for 120 days of skilled level of care (LOC). If a member's health condition should need facility care beyond the 120 days, an application for the ME determination must be submitted to Iowa Medicaid Member Services. The ME request must be initiated by the provider or the member, not the MCO. The ME status will be processed and approved by Iowa Medicaid and the effective date of an approved ME status is the month following the month of the determination. Iowa Medicaid will issue a Notice of Decision regarding the approval or denial of the ME request, and this will be mailed to the members address on file with the Department. Information regarding the medically exempt process can be found [here](#)¹.

¹ <https://dhs.iowa.gov/dhs.iowa.gov/ime/providers/nf-IHAWP-MAGI>

To be eligible for the state plan nursing facility service coverage beyond the 120 days the member must meet the following criteria:

- meet a skilled LOC or a nursing facility LOC,
- have been determined ME,
- have been determined to not have a TOA.

IHAWP Members who have NOT been determined Medically Exempt (ME)

IHAWP members who do not have a ME status are only eligible for nursing facility benefits if they meet skilled LOC. Facility benefits are limited to 120 days per a rolling year. The year for a member starts with the first day they entered a facility on skilled LOC.

The Department will continue to send the MCO the members Medicaid eligibility and the ME status on the 834 file and the facility spans are sent on the LTSS file. It is the MCO's responsibility to check the ME status. If an IHAWP or MAGI members Medicaid eligibility is canceled, nursing services will not be covered until the eligibility has been reestablished. If an IHAWP or MAGI members Medicaid eligibility is canceled, nursing services will not be covered until the eligibility has been reestablished. The MCO should continue to track the 120 days used for members who are not ME.

MAGI Medicaid members

MAGI Medicaid is available to children, pregnant women, adults, and caretakers. This coverage group is not required to have a ME status to qualify for NF services. This population is also not subject to client participation.

Plan Benefits	Traditional Medicaid Eligibility (MAGI)	Iowa Health and Wellness Plan (IHAWP)		Home- and Community-Based Services (Non-MAGI)
		Iowa Wellness Plan (MAGI)	Medically Exempt Coverage (Medicaid State Plan / MAGI)	
	Includes aid types: 063, 308, 370, 375, 376, 920	Includes aid types: 501,531	Includes aid types: 501,531 *must check IMPA or the eligibility file to confirm the member's Medically Exempt status	Includes aid types: 100, 130, 131, 134, 135, 136, 137, 138, 140, 141, 142, 143, 146, 246, 377, 37E, 600, 60M, 630, 631, 632, 633, 634, 635, 636, 637, 638, 640, 641, 642, 643, 645, 646, 647, 731, 732, 733, 734, 735
Skilled Nursing Facility (SNF), and Nursing Facility (NF)	Covered, no limits or medically exempt status needed.	SNF limited to 120 days per rolling calendar year NF not covered.	Covered, no limits.	Covered, no limits.

Prior authorizations (PA) for a skilled stay are completed by the MCO. Once completed, PA's need uploaded into IMPA for the QIO to complete the LOC entries into IoWAN's. For NF stays, the LOC is completed by the QIO. Once the facility stay has been approved, the members facility span will be sent to the MCO on the LTSS file.

IMPA updates have been completed for providers and the MCO's to verify a member ME status.

Regulations: 42 C.F.R. 440.315 [917(c)(1)(C)(ii)], 42 USC 1396p(c)(1)(A), IAC 441 441 74.12(3), IAC 75.1(249A), IAC 441 75.23, IAC 441 81.3

Related Policy Clarifications:

This policy clarification replaces Policy Clarification #000261

This formal guidance impacts capitation rates in the following manner:

- ☐ This [is was] 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, 2021.