Iowa Medicaid
Iowa HHS

Policy Clarification PC000294

IMPLEMENTATION OF CMS FINAL RULE, SDP and NON-NETWORK PROVIDERS

6/17/2024

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

The purpose of this letter is to provide awareness on the CMS Final Rule implementation regarding non-network providers. CMS is removing the term "network" from the descriptions of permissible State Directed Payment (SDP) arrangements in 42 C.F.R. § 438.6(c)(1)(iii). Under this change, States may direct payments under their managed care contracts for both network and non-network providers. As such, managed care organizations are to cover claims of SDP enrollees, regardless of whether the enrollee is an in-network or non-network provider. Implementation of this practice is hereby effective July 9, 2024.

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 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 July1, 2021.

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,

Contract Manager
Managed Care Contract Manager