Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

IME Policy Clarification # 000116_3

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:

☒Provide formal guidance
☐Request for information

The following applies to Iowa Medicaid members in Medicaid Nursing Facilities (NF), Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/ID), and Psychiatric Medical Institutions for Children (PMIC):

1). Nonprescription or Over-the-Counter (OTC) **Drugs**

- References:
  - 441 Iowa Administrative Code (IAC) 78.2(5)
  - Informational Letter No. 1654 released March 30, 2016
  - Informational Letter No. 1676 released June 3, 2016
- For the cost of nonprescription drugs (with the exceptions of insulin and covered pseudoephedrine products) for use by members in, NFs, ICF/IDs, and PMIC facilities, the pharmacies should invoice the facilities and the cost would be reported on the facility cost report. It would then be built into the provider's reimbursement rate which is a per diem rate for these providers.
- Effective date is July 1, 2016, as the cost will start occurring on cost reports that would be used for the next nursing facility rebase which is effective July 1, 2017.

2). Durable Medical Equipment (DME)

- Reference:
  - 441 IAC 78.1(2)*"a"*, providing:

        - Drugs and supplies may be covered when prescribed by a legally qualified practitioner as provided in this rule. See the IAC referenced in the first bullet of this section for coverage of drugs and medical supplies (i.e., 441—78.1(2)).
    - 441 IAC 78.10(2)*"a"*, providing:
        - DME provided in a hospital, NF, or ICF-IDs is not separately payable. However, 441—78.10(2) *"a"* does include a list of exceptions to the general noncoverage of DME in these settings.

Please sign and return the attached receipt and attestation of understanding by XX XX, 20XX.

Sincerely,

Xxxxxx

Attestation:

I hereby attest to understanding this communication including all requirements and due dates.

Name_____ Date_____