

IME Policy Clarification – PC000254

August 5, 2021

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

Content

The purpose of this letter is to provide concise expectations related to the implementation of the rate increases that were outlined in the narrative supplied by Optumas in conjunction with the increases applied to the SFY22 capitation rates.

Home and Community Based Services

- **Effective Date:** July 1, 2021
- Increase of 3.55% should be applied to all contracted rates, excluding those found in single case agreements or requiring an exception to policy. Iowa Medicaid does not have a comprehensive list of contracted rates and will not be able to provide a rate file with these increases applied.
- If contracted HCBS rates are aligned with published fee schedules, those can be found at the below links with a 3.55% increase applied.
- Home Based Habilitation Services are not included in this 3.55% increase. Please refer to the following section for details related to the Home Based Habilitation Services revised rate schedule.

- Note, Home Based Habilitation Services
 - ID Waiver Tiered Rates
https://dhs.iowa.gov/sites/default/files/Tiered_Rate_Fee_Schedule_7-1-21.pdf?071920211752
 - HCBS BI, ID and Hab Prevocational and SE Rates
https://dhs.iowa.gov/sites/default/files/HCBS_Prevocational_and_Support_ed_Employment_Fee_Schedule_1.pdf
 - HCBS Waiver Transportation
https://dhs.iowa.gov/sites/default/files/MHDS_Regional_Average_NEMT_Rates_HCBS_July_2021.pdf?071920211336

Home Based Habilitation Services

- **Effective Date:** July 1, 2021
- New fee schedule can be found at:
http://dhs.iowa.gov/sites/default/files/HCBS_Habilitation_Home_Based_Habilitation_Fee_Schedule_July_2021.pdf?071920211342

Psychiatric Medical Institutions for Children

- **Effective Date:** July 1, 2021
- Increase of 52% should be applied to all contracted rates, excluding those found in single case agreements or requiring an exception to policy. Iowa Medicaid does not have a comprehensive list of contracted rates and will not be able to provide a rate file with these increases applied.
- An updated rate file was sent to MCOs on July 16th that can be leveraged where contracted rates align with Iowa Medicaid.

Nursing Facility

- **Effective Date:** July 1, 2021
- An updated rate file will be sent to MCOs by August 6th that can be leveraged where contracted rates align with Iowa Medicaid.

Home Health (LUPA)

- **Effective Date:** July 1, 2021
- An updated rate file was sent to MCOs on July 16th that can be leveraged where contracted rates align with Iowa Medicaid.
- For new providers, the rate provided for that geographic area can be leveraged for contracting.

Air Ambulance

- **Effective Date:** July 1, 2021
- Expectation is that the air ambulance codes A0430 and A0431 are adjusted to the rate of \$550 in alignment with the effective date.

Dispensing Fee

- **Effective Date:** The first of the month following CMS approval (anticipated November 1, 2021)
- Expectation is that MCOs make adjustments to their pharmacy point of sale such that dispensing rates are increased to \$10.38 in alignment with the effective date.

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 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.

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,

Account Manager

Managed Care Account Manager