



Iowa Medicaid  
IOWA HHS

## MEDICAID POLICY CLARIFICATION #PC000279 COVID-19 HCBS RETAINER PAYMENT REVIEW AND RECOUPMENT

January 8, 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 clarification to the MCOs regarding the review and recoupment of retainer payments made for specific 1915(c) HCBS Waiver and 1915(i) Habilitation services that providers were unable to render during the month of April 2020.

[Informational Letter 2136-MC-FFS-CVD](#) notified providers that during the COVID-19 Public Health Emergency (PHE) that HHS requested the flexibility from the federal authorities to make retainer payments for specific 1915(c) HCBS Waiver and 1915(i) State Plan HCBS habilitation services.

[Informational Letter 2349-MC-CVD](#) instructed providers who received COVID-19 retainer payments for the month of April 2020, to conduct a self-audit of their retainer claims submitted and retainer payments received. The self-audit was to ensure that providers claimed the appropriate number of units or each individual member based on each member's historical utilization for the 11 months prior to April 2020. Providers are obligated to notify the MCOs when funds are incorrectly paid or when an overpayment has been detected.

The informational letter did not provide guidance on how the MCOs were to treat claims for retainer payments for services which were authorized in a member's service plan for April 2020 but for which the member had no historical utilization due to the service being newly authorized to begin the month of April 2020. For those members for whom there is no historical utilization of the applicable service prior to April 2020, or members who were to transition from non-waiver funded services to waiver funded services beginning April 2020, and for whom the service was documented in the service plan and

authorized to begin in April 2020, the provider may have billed the number of units of service that member was expected to attend during the month of April 2020.

**Example:**

Member was newly authorized for Medicaid HCBS Day Habilitation 23 daily units (T2020) and 10 15-minute units (T2021) per month beginning April 1, 2020, and the member had no authorization for Medicaid HCBS Day Habilitation for the 12 months preceding April 1, 2020. The Day Habilitation provider expected the new Day Habilitation participant to attend full days Monday through Friday during April 2020, that provider could have billed for 22 daily units of service as there were 22 working days in April 2020. The provider billing 22 units for the member for the month of April 2020 would be properly paid and not subject to recoupment.

**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 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