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State/Territory Name: IA

State Plan Amendment (SPA) #: 17-0017

This file contains the following documents in the order listed:

1) Approval Letter
2) Summary Form (with 179-like data)
3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 355
Kansas City, Missouri 64106

Division of Medicaid and Children's Health Operations

August 11, 2017

Jerry R. Foxhoven
Director
Department of Human Services
1305 East Walnut, 5th Floor
Des Moines, IA 50319-0114

Dear Mr. Foxhoven:

Iowa submitted SPA 17-0017 on June 29, 2017. This SPA is changing the reimbursement from a single daily encounter rate to a multiple encounter payment methodology based on differing diagnoses for Indian Health Services/Tribal facilities.

SPA #17-0017 was approved August 10, 2017, with an effective date of April 1, 2017, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into Iowa's State Plan.

If you have any questions regarding this amendment, please contact Karen Hatcher or Sandra Levels at (816) 426-5925.

Sincerely, 8/11/2017

James G. Scott
Associate Regional Administrator
for Medicaid and Children's Health Operations

Sign

Enclosure

cc:
Mikki Stier
Alisa Horn

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 1 7 — 0 1 7

2. STATE: IOWA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: April 1, 2017

5. TYPE OF PLAN MATERIAL *(Check One)*

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☑ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION

7. FEDERAL BUDGET IMPACT
a. FFY 2017 $ 680,945.23
b. FFY 2018 $ 1,361,890.46

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, Page 9, 9a and 11

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B, Page 9, 9a and 11

10. SUBJECT OF AMENDMENT
For Indian Health Services/Tribal Facilities the state is changing the rimbursement for a single encounter rate per day to a multiple encounter rate per day based on different diagnoses.

11. GOVERNOR'S REVIEW *(Check One)*

☑ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME: Jerry R. Foxhoven

14. TITLE: DIRECTOR

15. DATE SUBMITTED: 6-29-17

16. RETURN TO
Jerry R. Foxhoven
DIRECTOR
DEPARTMENT OF HUMAN SERVICES
1305 EAST WALNUT 5TH FLOOR
DES MOINES IA 50319-0114

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: June 29, 2017

18. DATE APPROVED: August 10, 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: April 1, 2017

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME: James G. Scott

22. TITLE: Associate Regional Administrator for Medicaid and Children's Health Operations

23. REMARKS

FORM CMS-179 (07/92) *Instructions on Back*

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8. RESERVED

9. CLINIC SERVICES

Physician and dental fee schedules, except as follows:

(a). Clinics that are renal dialysis clinics are paid for clinic services on a fee schedule. Fee schedule amounts were set in accordance with the effective date noted on page 1c of Attachment 4.19-B.

(b). Clinics that are ambulatory surgical centers are paid for clinic services on a fee schedule. Fee schedule amounts were set in accordance with the effective date noted on page 1c of Attachment 4.19-B.

(c). Clinics that are maternal health centers are paid for clinic services on a prospective cost-based fee schedule with no retroactive cost settlement, as determined by the Department based on a cost center report submitted by clinics on an annual basis. Services payable to the clinics include: 1) Maternal Health 2) Maternal Oral Health 3) Immunization 4) Laboratory. Cost of services to calculate the cost-based fee schedule rates includes direct cost (personnel and supplies) and overhead indirect cost incurred to support the services. Agency rates were set in accordance with the effective date noted on page 1c of Attachment 4.19-B.

(d). Clinics that are family planning clinics are paid for clinic services on a fee schedule. Fee schedule amounts were set in accordance with the effective date noted on page 1c of Attachment 4.19-B.

(e). Clinics that are operated by the United States Indian Health Service (IHS) or under the Indian Self-Determination and Education Assistance Act (P.L. 93-638) by an "Indian tribe," or "tribal organization," as those terms are defined in 25 USC 1603, are paid at the rate for outpatient medical care provided by IHS facilities that is published by IHS in the federal register each calendar year for Medicaid beneficiaries. For services provided, these clinics may bill for one visit per patient per calendar day for medical services (at the outpatient per visit rate (excluding Medicare)), which shall constitute payment in full for all services provided on that day, except as follows. For services provided, these clinics may bill for multiple visits per patient per calendar day for medical services (at the outpatient per visit

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rate (excluding Medicare)), only if medical services are provided for different diagnoses or if distinctly different medical services from different categories of services are provided for the same diagnoses in different units of the facility. For this purpose, the categories of medical services are vision services, dental services, mental health and addiction services, Early & Periodic Screening, Diagnostic, and Treatment services for children and other outpatient services. A visit is a face-to-face contact between a patient and a health professional at the clinic.

For services provided, these clinics may bill for one visit per patient per calendar day for covered outpatient prescribed drugs provided by the facility (at the outpatient prescribed drugs per visit rate (excluding Medicare)), which shall constitute payment in full for all services provided on that day.

(f). When a facility provides services, which are otherwise covered under the state plan, in addition to clinic services, payment is based on the methodology as defined for the service that is provided.

(g). Reimbursement methodology for Community Mental Health Centers:

Community Mental Health Centers may choose one of the following reimbursement methodologies:

1. Prospective statewide rate.

   Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of

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(j). Reimbursement for physician administered drugs submitted under the medical benefit is set by a Fee Schedule, based on Average Wholesale Price (AWP) of the drug less 15.6 percent, which is based on the following formula:

1. Average of the Average Wholesale Price (AWP) for the applicable National Drug Codes (NDCs) less 12 percent

2. Amount calculated in (1) less 5 percent

3. Amount calculated in (2) plus 1 percent

Reimbursement for covered entities using drugs purchased through the 340B drug pricing program at the 340B covered entity actual acquisition cost (AAC).

(k). Reimbursement is not provided for investigational drugs, which are not covered.

(l). An additional reimbursement amount of one cent per dose shall be added to the allowable cost of a prescription for an oral solid if the drug is dispensed to a patient in a nursing home in unit dose packaging prepared by a pharmacist.

(m). Reimbursement for drugs provided by Indian Health providers is at the rate for outpatient medical care provided by IHS facilities that is published by IHS in the federal register each calendar year for Medicaid beneficiaries. Indian Health providers may bill for one covered outpatient prescribed drug visit per patient per calendar day for covered outpatient prescribed drugs provided by the facility, which shall constitute payment in full for all drugs provided on that day, including reimbursement for dispensing fees, ingredient cost, and any necessary counseling. For this purpose, Indian Health providers are pharmacies operated by the United States Indian Health Service (IHS) or under the Indian Self-Determination and Education Assistance Act (P.L. 93-638) by an “Indian tribe,” or “tribal organization,” as those terms are defined in 25 USC 1603.