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State/Territory Name: IA

State Plan Amendment (SPA) #: 18-0007

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

October 11, 2018

Michael Randol, Medicaid Director
Division of Medical Services
Department of Human Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315

Dear Mr. Randol:

On July 18, 2018, the Centers for Medicare & Medicaid Services (CMS) received Iowa's State Plan Amendment (SPA) Transmittal #18-007. The purpose of the SPA is to remove the name of the actuary contractor, and the specific counties covered by the Programs for All-Inclusive Care for the Elderly (PACE). In addition, this SPA clarifies how the state calculates the PACE capitation rates.

SPA #18-007 was approved October 11, 2018, with an effective date of July 1, 2018, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Iowa State Plan.

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

Sincerely, _____

10/11/2018

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

Sign

Enclosure

cc:
Jerry Foxhoven, Director, DHS
Mikki Stier, Deputy Director, DHS
Jennifer Steenblock, IME
Sara Schneider, IME
Alisa Horn, IME

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>1 8 — 0 0 7</u>	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 July 1, 2018	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION		7. FEDERAL BUDGET IMPACT a. FFY 2019 \$ <u>0</u> b. FFY 2020 \$ <u>0</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 3 to Attachment 3.1-A, Page 2, 6, 7, 8, 9, 10 *		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Supplement 3 to Attachment 3.1-A, Page 2, 6, 7, 8, 9, 10 *	
10. SUBJECT OF AMENDMENT This request is to remove the name of the actuary contractor, and the specific counties covered by the Programs for All-Inclusive Care for the Elderly (PACE). Changes were also made to clarify how the actuary calculates the PACE capitation rates. E			
11. GOVERNOR'S REVIEW (<i>Check One</i>) <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL		16. RETURN TO JERRY R FOXHOVEN DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114	
13. TYPED NAME Jerry R. Foxhoven			
14. TITLE DIRECTOR			
15. DATE SUBMITTED 7-18-18			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED July 18, 2018		18. DATE APPROVED October 11, 2018	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2018		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 * Per Pen and Ink change request dated 09.26.18			

State/Territory: IOWA

a. Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1) Allowances for the needs of the:

a) Individual (check one):

(1) The following standard included under the state plan (check one):

- (a) SSI
- (b) Medically Needy
- (c) The special income level for the institutionalized
- (d) Percent of the Federal Poverty Level: _____%
- (e) Other (specify): _____

(2) The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

(3) The following formula is used to determine the needs allowance:

300 % of the SSI benefit and for consumers who have a medical assistance income trust (Miller Trust) an additional 10% (or higher if court ordered) to pay for the administration fees

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

b) Spouse only (check one):

(1) SSI standard

(2) Optional state supplement standard

(3) Medically Needy income standard

(4) The following dollar amount: \$ _____

Note: If this amount changes, this item will be revised.

(5) The following percentage of the following standard that is not greater than the standards above: _____% of _____ standard.

(6) The amount is determined using the following formula:

(7) Not applicable (N/A)

State/Territory: IOWA

II. Rates and Payments

A. The state assures CMS that the capitated rates will be equal to or less than the cost to the agency of providing those same fee-for-service state plan approved services on a fee-for-service basis, to an equivalent non-enrolled population group based upon the following methodology. A description of the negotiated rate setting methodology and how the state will ensure that rates are less than the cost in fee-for-service is attached.

- 1. Rates are set at a percent of fee-for-service costs
- 2. Experience-based (contractors/state’s cost experience or encounter date) (please describe)
- 3. Adjusted community rate (please describe)
- 4. Other (please describe)

The PACE capitation rates will be set as a percent of the amount that would have otherwise been paid (AWOP). The AWOP will be developed using the available historical experience which may include fee-for-service claims, managed care encounter data or other available sources.

B. The state Medicaid agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the capitation rates.

1. Actuary

The Iowa Department of Human Services (DHS) retains actuarial services to calculate capitation rates that are reasonable and predictable for the Program of All-Inclusive Care for the Elderly (PACE) for the State of Iowa. The actuary shall determine capitation rates for all CMS-approved PACE organizations within the State.

2. Attestation/Description for the Capitation Rates

a. General Statements

The PACE capitation rate report will illustrate the development of the AWOP.

The AWOP will be developed separately for appropriate rate categories. The base data utilized in the development of the AWOP will contain claims experience for a population that can be considered comparable to the PACE population.

State Plan TN # IA-18-007
 Superseded TN # MS-07-020

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The PACE capitation rates will be developed as a percentage discount off the AWOP.

The base data sources and adjustments utilized in the development of the AWOP will be established in a manner that complies with CMS guidance.

The PACE capitation rates will comply with 42 CFR 460.182 and therefore:

- Be less than the AWOP under the State Plan if the participants were not enrolled under the PACE program.
- Take into account the comparative frailty of PACE participants.
- Be a fixed amount regardless of changes in the participant’s health status.

b. Rate Setting Methodology

The PACE capitation rates will be set as a percent of the AWOP. The AWOP will be developed using the available historical experience which may include fee-for-service claims, managed care encounter data or other available sources.

The PACE organization capitation rates will be calculated prospectively, for a period no longer than 12 months. Additionally, PACE capitation rates and the AWOP calculation will be rebased at least every 3 years.

The state will submit all purposed capitated rates and supporting documentation to the CMS regional office for review and approval.

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III. Enrollment and Disenrollment

The state assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the state and the state administering agency.

The state Medicaid agency and the state administering agency are the same entity.

The state assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the state's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

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