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State/Territory Name: IA

State Plan Amendment (SPA) #: 18-0016

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

November 15, 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 September 4, 2018, the Centers for Medicare & Medicaid Services (CMS) received Iowa's State Plan Amendment (SPA) Transmittal #18-0016. The purpose of the SPA is to implement a statewide fee schedule reimbursement for case management services in accordance with 2018 Iowa Acts, Senate File 2418, section 132.

SPA #18-0016 was approved on November 9, 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 Laura D'Angelo at (816) 426-5925.

Sincerely,

11/15/2018

Megan K. Buck
Acting Associate Regional Administrator
for Medicaid and Children's Health Operations

Signed by: PIV

cc:
Mikki Stier, Deputy Director, Iowa DHS
Jennifer Steenblock, IME
Alisa Horn, IME
Sandra Levels, DMCHO

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>1 8</u> — <u>0 1 6</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 (Check One)			
<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 (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION		7. FEDERAL BUDGET IMPACT	
		a. FFY 2018 \$ 0	
		b. FFY 2019 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 14, 14a, 14b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Page 14, 14a, 14b	
10. SUBJECT OF AMENDMENT Implements a statewide fee schedule reimbursement for case mgmt. services in accordance with 2018 Iowa Acts, SF 2418, Sec. 132. Rates were calculated to estimate budget-neutrality.			
11. GOVERNOR'S REVIEW (Check One)			
<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	
13. TYPED NAME Jerry R. Foxhoven		JERRY R FOXHOVEN DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114	
14. TITLE DIRECTOR			
15. DATE SUBMITTED 9-4-18			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED September 4, 2018		18. DATE APPROVED November 9, 2018	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2018		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME Megan K. Buck		22. TITLE Acting Associate Regional Administrator for Medicaid and Children's Health Operations	
23. REMARKS			

State/Territory:

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All other payments for the services of an nurse-midwife enrolled in the Iowa Medicaid program shall be paid on the basis of the fee schedule for services provided nurse mid-wives and no separate payment shall be made to any other facility or provider in connection with the birth, other than a hospital, or ambulatory surgical center. The nurse-midwife fee schedule is based on 85% of the physician fee schedule.

18. HOSPICE SERVICES

Iowa Medicaid reimburses for hospice services in accordance with the requirements of Section 4306 of the State Medicaid Manual (Hospice Reimbursement).

Pursuant to Section 4307 of the State Medicaid Manual (Payment for Physician Services Under Hospice), when the Iowa Medicaid agency has been notified of the name of the physician who has been designated as the attending physician and is not a hospice employee, the Iowa Medicaid Agency will reimburse the attending physician in accordance with the physician fee schedule described in Item 5a.

19a. CASE MANAGEMENT SERVICES

For Target Group 1 (Adults with chronic mental illness, and severely emotionally disturbed children receiving services through the HCBS Children’s Mental Health waiver); and Target Group 2 (Persons with a developmental disability, including mental retardation):

For the period July 1, 2010, through June 30, 2018, reimbursement rates for case management providers will be established on the basis of a 15 minutes unit consistent with 2 CFR, part 200 as implemented by HHS at 45 CFR, Part 75. Case Management services, as described in Supplement 2 to Attachment 3.1-A, will be reimbursed on the basis of 100% of the provider’s reasonable and necessary costs calculated retrospectively, as determined by the State Medicaid agency.

Interim Payment

The Department will make interim payments to Case Management providers based upon a projected cost report. Providers are required to submit a CMS-approved, Medicaid projected cost report on July 1 of each year for the purpose of establishing a projected rate for the new fiscal year, thus avoiding underpayment or overpayment.

State Plan TN #	<u>IA-18-016</u>	Effective	<u>July 1, 2018</u>
Superseded TN #	<u>IA-09-024</u>	Approved	<u>November 9, 2018</u>

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Annual Cost Report Process

Case Management providers are required to submit a CMS-approved, Medicaid cost report to the Department 90 days after each fiscal year end. A 30-day extension of the Medicaid cost report due date may be granted upon request by the Case Management.

The Medicaid cost report data includes direct costs, programmatic indirect costs, and general and administrative costs. Direct costs include total compensation (i.e., salaries and benefits and contract compensation) of direct services personnel and other direct costs related to the delivery of Case Management services. Programmatic indirect costs include salaries, benefits and other costs that are indirectly related to the delivery of Case Management services. General and administrative overhead costs include the salaries, benefits and other costs that, while not directly part of the Case Management service, constitute costs that support the operations of the Case Management agency. These general and administrative overhead cost was identified consistent with 2 CFR, part 200 as implemented by HHS at 45 CFR, Part 75. Case Management providers must eliminate unallowable expenses from the cost report. If they are not removed Iowa Medicaid will make the appropriate adjustments to the Case Management’s Medicaid cost report.

Cost Reconciliation Process

The cost reconciliation must be completed within twenty-four (24) months of the end of the cost report period covered by the annual Medicaid cost report. The total Medicaid allowable costs per unit are compared to the interim projected rate paid for services delivered during the reporting period. Retroactive claim adjustments are made based on the final rates determined using the final actual financial reports.

Because case management is the only service provided by case management providers, enrolled providers are not required to complete CMS approved time studies. The method of cost apportionment consistent with 2 CFR, part 200 as implemented by HHS at 45 CFR, Part 75, shall be used to determine the actual cost of services rendered to Medicaid recipients. The indirect cost rate for each provider is reviewed and monitored annually by the State Medicaid Agency.

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For Dates of Service on or after July 1, 2018

Case management services are reimbursed according to a fee schedule based on 15-minute units of service. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of case management for Target Group 1 and Target Group 2. The agency’s fee schedule rate was set as of July 1, 2018 and is effective for services provided on or after that date. All rates are published on the agency’s website: <http://dhs.iowa.gov/ime/providers/csrp/fee-schedule>

Target Group 3

For Target Group 3 (Children from birth to age three who meet the “developmental delay” eligibility categories set forth in the federal regulations under Part C of the Individuals with Disabilities Education Act (IDEA)):

Case management services are reimbursed according to a fee schedule based on 15-minute units of service. The number of 15-minute units billed cannot exceed 24 per day per case manager. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of case management for Target Group 3. The agency’s fee schedule rate was set as of July 1, 2018 and is effective for services provided on or after that date. All rates are published on the agency’s website: <http://dhs.iowa.gov/ime/providers/csrp/fee-schedule>

19b RESERVED

20. EXTENDED SERVICES FOR PREGNANT WOMEN
Fee Schedule.

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