

## **Table of Contents**

**State/Territory Name: Iowa**

**State Plan Amendment (SPA) #: 22-0008**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 179
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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August 25, 2022

Elizabeth Matney  
Medicaid Director  
Iowa Department of Human Services  
1305 East Walnut Street  
Des Moines, IA 50319

Re: Iowa State Plan Amendment (SPA) 22-0008

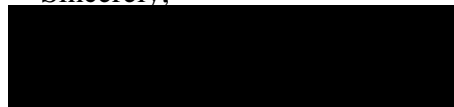
Dear Iowa Medicaid Director Ms. Matney:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0008. This amendment proposes language change to Iowa's Third Party Liability Payment Claims section 1B and 1C.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations Section 53102(a)(1) of the Bipartisan Budget Act (BBA) of 2018. This letter is to inform you that Iowa Medicaid SPA 22-0008 was approved on August 25, 2022, with an effective date of July 1, 2022.

If you have any questions, please contact Lee Herko at 570-230-4048 or via email at [lee.herko@cms.hhs.gov](mailto:lee.herko@cms.hhs.gov) if you have any questions about this approval.

Sincerely,



James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Jennifer Steenblock  
Sara Schneider  
Jeanette Brandner

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

1. TRANSMITTAL NUMBER 2 2 — 0 0 0 8 2. STATE IA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT  XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
~~January 1, 2020~~ July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION  
Section 53102(a)(1) of the Bipartisan Budget Act (BBA) of 2018 amended

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 20 \$ 0  
b. FFY 21 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment. 4.22-B pages 1 and 2; Page 69a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment. 4.22-B pages 1 and 2; Page 69a

9. SUBJECT OF AMENDMENT  
SPA is updated to use the CMS preferred language requiring States to cost avoid for prenatal services. This cleans up the language

10. GOVERNOR'S REVIEW (Check One)  
 GOVERNOR'S OFFICE REPORTED NO COMMENT  OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL  
[Redacted]

12. TYPED NAME  
Elizabeth Matney

13. TITLE  
Medicaid Director

14. DATE SUBMITTED  
07/26/2022

15. RETURN TO  
Elizabeth Matney  
Medicaid Director  
Department of Human Services  
Iowa Medicaid Enterprise  
1305 East Walnut Street  
Des Moines, IA 50319

**FOR CMS USE ONLY**

16. DATE RECEIVED August 1, 2022 17. DATE APPROVED August 25, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2022 19. SIGNATURE OF APPROVING OFFICIAL [Redacted]

20. TYPED NAME OF APPROVING OFFICIAL James G. Scott 21. TITLE OF APPROVING OFFICIAL Director, Division of Program Operations

22. REMARKS  
Box 4: State authorized pen and ink change on August 22, 2022.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

**REQUIREMENTS FOR THIRD PARTY LIABILITY - PAYMENT OF CLAIMS**

1. PROVIDER COMPLIANCE

The requirement that providers bill a liable third party before billing Medicaid is enforced by cost avoidance. The Iowa Medicaid does not pay claims when the Medicaid eligibility file indicates that there is third party liability, but the claim does not show an insurance payment. Providers must resubmit the claim indicating payment or denial from the third party before payment is made by Medicaid.

When the other resource has not paid the provider’s full charge, providers may submit claims to Medicaid for the difference (up to the Medicaid maximum allowable fee). Auditing is performed on a random basis to ensure correct billing.

State Compliance with Statutory Third Party Liability Changes in accordance with the Bipartisan Budget Act (BBA) of 2018.

A. The requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.

(1) Iowa will use standard “cost avoidance” coordination of benefits cost avoidance when processing claims for prenatal services, including labor, delivery and postpartum care claims.

B. The requirement for states to make payment without regard to potential TPL for pediatric preventive services, unless the state has made a determination related to cost-effectives and access to care that warrants cost avoidance for 90 days.

(1) Iowa will use standard pay and chase procedures when processing claims for pediatric preventive services care claims.

C. State Flexibility to make payments without regard to potential TPL for up to 100 days for claims related to child support enforcement beneficiaries.

(1) Iowa will use standard pay and chase procedures when processing claims for child support enforcement beneficiaries.

TN No. IA-22-0008  
Supersedes \_\_\_\_\_ Approval Date 8/25/2022 Effective Date 7/1/2022  
TN No. IA-20-004

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa**REQUIREMENTS FOR THIRD PARTY LIABILITY -  
PAYMENT OF CLAIMS**

However, the Department pays in accordance with the usual payment schedule without regard to third-party liability for claims where the liability is derived, through insurance or otherwise, from a parent whose obligation to pay support is being enforced by the state IV-D agency, or for children receiving preventive pediatric services. These types of claims, are paid by Medicaid, and then are billed to the responsible third party. All services are subject to this provision.

Inquiries for third-party liability on trauma claims are automated on a post payment basis.

**2. THRESHOLD AMOUNTS**

The Department will attempt to collect from a liable third party when a member's total trauma claims for a single trauma incident are greater than \$250. Each member's trauma claims, which are related to a single incident, will be added together for one year to compare to the \$250 threshold.

However, when an attorney notifies Iowa Medicaid of their involvement in casualty situations or a member notifies Medicaid of possible insurance payment in casualty situations, these requests are worked when they total over \$50 in amount.

Insurance claims of less than \$100 dollars are billed once the dollar value of the total claims is greater than \$100.00.

**3. RESERVED****4. PROVIDER RESTRICTIONS**

Providers must agree to accept the payment made by the Medicaid Program as payment in full and make no additional charges to the recipient or others.

No provider of services participating in the Medicaid Program may deny care of services to a recipient eligible for the care and services under the program because of the recipient's inability to pay a copayment.

TN No.	<u>IA-22-0008</u>	Approval Date	<u>8/25/2022</u>	Effective Date	<u>7/1/2022</u>
Supersedes					
TN No.	<u>IA-20-04</u>				

Revision: HCFA-PM-94-1 (MB)  
FEBRUARY 1994

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State/Territory: Iowa

Citation

42 CFR 433.139(b)(3) (ii)(A) x (c) Providers are required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.

(d) ATTACHMENT 4.22-B specifies the following:

42 CFR 433.139(b)(3)(ii)(C) (1) The method used in determining a providers compliance with the third party billing at requirements §433.139(b)(3)(ii)(C).

42 CFR 433.139(0)(2) (2) The threshold amount or other guideline used in determining whether to seek recovery of reimbursement from a liable third party, or the process by which the agency determines that seeking recovery of reimbursement would not be cost effective.

42 CFR 433.139(f)(3) (3) The dollar amount or time period the State uses to accumulate billings from a particular liable third party in making the decision to seek recovery of reimbursement.

42 CFR 447.20 (e) The Medicaid agency ensures that the provider furnishing a service for which a third party is liable follows the restrictions specified in 42 CFR 447.20.

TN No. IA-22-0008

Supersedes \_\_\_\_\_ Approval Date 8/22/2022 Effective Date 7/1/2022

TN No. MS-94-36