



**Center for Medicaid and CHIP Services**  
**Children and Adults Health Program Group**

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Ms. Jennifer Vermeer  
Medicaid Director  
Division of Medical Services  
Department of Human Services  
Iowa Medicaid Enterprise  
100 Army Post Road  
Des Moines, IA 50315

Dear Ms. Vermeer,

This letter is in regards to the IowaCare section 1115 demonstration amendment. The Centers for Medicare & Medicaid Services (CMS) has accepted updates to Attachment A, Methods and Standards for Establishing Payment Rates for IowaCare Services.

Special Term and Condition 46 states that payment rates for IowaCare services will be contained in Attachment A. Pursuant to conversations with the finance subject matter experts at CMS, the updated payment methodology reflects the change to the methodology which removes a separate pool for laboratory and radiology services. Laboratory and radiology services are now included in the payment to the community health centers that serve as medical homes for IowaCare enrollees. The payment methodology also outlines the process for certifying expenditures by the University of Iowa Health Center which provides a portion of the non-federal share for the demonstration. These changes reflect the new methodology that will be effective from the date of the approval letter for the remainder of the demonstration. Lastly, our subject matter experts had some additional questions unrelated to the immediate changes at hand that require follow up. While the items listed above are approved, CMS requests additional discussion to modify/clarify language in Attachment A, if needed, after the date of approval for items that were identified during the review process.

Enclosed with this letter are the IowaCare Special Terms and Conditions with the updated attachment. Written acceptance is needed for our administrative record within 30 days of the date of this letter. Please direct correspondence to your project officer, Ms. Terri Fraser, and the Kansas City Associate Regional Administrator, Mr. James Scott. They may be reached at:

Ms. Terri Fraser  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: (410) 786-5573  
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Associate Regional Administrator  
Division of Medicaid and Children's Health  
Centers for Medicare and Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, MO 64106  
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CMS looks forward to continuing to work with you and your staff on the demonstration.

Sincerely,

\s\

Angela D. Garner, Acting Director  
Division of State Demonstrations and Waivers

Enclosure

Cc: James Scott, ARA  
Terri Fraser, Project Officer