



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

October 12, 2012

Ms. Cindy Mann
Director
Center for State Medicaid Operations
The Centers for Medicare and Medicaid Services
Room C5-21-17
Mail Stop S2-26-12
7500 Security Boulevard
Baltimore, MD 21244-1850

RE: Iowa 1115 Demonstration Waiver Amendment

Dear Ms. Mann:

Attached, please find an amendment to Iowa's IowaCare section 1115 Demonstration waiver. Iowa is requesting to amend the waiver for modification of the current payment structure for the FQHCs, which includes eliminating their portion of the I-SNCP funds (lab and radiology services). The participating FQHCs have experienced unforeseen challenges with the implementation of the state-wide provider network, which has prompted them to reconsider their participation in the IowaCare program. The FQHCs have determined that the current reimbursement methodology does not sufficiently support their financial operations; however, they are open to other payment options that would allow them to remain with the program. Therefore, Iowa is proposing to change from the physician based fee-for-service reimbursement system to an encounter payment for all FQHCs within the IowaCare network.

Please note that this amendment supplements the amendment submitted on October 11, 2012, and is independent of any previously submitted amendments.

An updated budget neutrality projection spreadsheet representing the impact of the encounter payment is attached for your reference. Additionally, Attachment A has been revised to reflect the impact of this change.

We look forward to providing any additional information necessary to expedite final approval of this amendment. Please feel free to contact me at 515-256-4621 or via e-mail at ivermee@dhs.state.ia.us. I look forward to hearing from you soon.

Sincerely,

/Jennifer H. Vermeer/

Jennifer H. Vermeer
Medicaid Director

JHV/dj

Attachments

cc: James G. Scott, CMS Region 7
Alexis Gibson, CMS Central Office
Julie Sharp, CMS Central Office
Charles Palmer, Iowa DHS Director
Julie Lovelady, Assistant Medicaid Director
Anita Smith, Bureau Chief of Adult & Children's Medical Programs
Deanna Jones, IowaCare Program Manager
Alisa Horn, Iowa Medicaid Enterprise