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

June 20, 2012

Charles M. Palmer, Director Department of Human Services Hoover State Office Building 1305 East Walnut, 5th Floor Des Moines, Iowa 50319-0119

Dear Mr. Palmer:

On September 29, 2011, the Centers for Medicare & Medicaid Services (CMS) received lowa's State Plan Amendment (SPA) transmittal #11-023, which proposes to modify the outpatient hospital reimbursement effective August 1, 2011.

Based upon the information received, we are now ready to approve SPA #11-023 as of June 19, 2012, with an effective date of August 1, 2011, as requested by the State. However, during the review of this SPA, CMS performed an analysis of the coverage and reimbursement provisions. This analysis revealed issues that will require additional information and/or possible revision through a corrective action plan. Under separate cover, CMS will release a letter detailing those issues and providing guidance on timeframes for correction.

Enclosed is a copy of the CMS-179 form, as well as, the approved pages for incorporation into the Iowa State Plan. If you have any questions regarding this amendment, please contact Narinder Singh at (816) 426-5925 or Narinder.Singh@cms.hhs.gov.

Sincerely,

/s/

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

Enclosure

cc: Jennifer Vermeer