

State/Territory:

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**ATTACHMENT 4.19-B  
METHODS AND STANDARDS  
FOR  
ESTABLISHING PAYMENT RATES  
FOR  
STATE PLAN COVERED SERVICES**

- A. When services which are reimbursed per a fee schedule, unless otherwise noted below, the same fee schedule applies to all providers -- both public and private -- and the fee schedule and any annual/periodic adjustments to the fee schedule are published at the Iowa Medicaid Agency's website at: [http://www.ime.state.ia.us/Reports\\_Publications/FeeSchedule.html](http://www.ime.state.ia.us/Reports_Publications/FeeSchedule.html). Except for Other Independent Laboratory services, the agency's rates were set as of September 1, 2012, and are effective for services on or after that date. The fee schedule amounts will be updated annually effective July 1 based on the current inflation factor located at: [http://www.ime.state.ia.us/Reports\\_Publications/FeeSchedule.html](http://www.ime.state.ia.us/Reports_Publications/FeeSchedule.html).

The fee schedule amounts for Other Independent Laboratory services, including code series 81000 are based on 100% of the Medicare Clinical Laboratory Fee Schedule. Effective January 1, 2009, and annually thereafter, the Department shall update the Independent Laboratory fee schedule using the most current calendar update as published by the Centers for Medicare and Medicaid Services.

- B. The principles and standards established in OMB Circular A-87 are applied, when applicable, in determining rates regardless of the reimbursement methodology or fee schedule described below.
- C. Rates paid for individual practitioner services based on the fee schedule or methodology described below shall not exceed the provider's customary charges for the service billed. In order for the Iowa Medicaid Agency to meet the requirements of 42 CFR 447.203(b)(1) providers of individual practitioner services must bill Medicaid the customary charge for the service provided.
- D. Providers of services must accept reimbursement based upon the Iowa Medicaid agency fee or methodology without making any additional charge to the recipient.
- E. All payments are made to providers. The term "provider" means an individual or an entity furnishing Medicaid services under an agreement with the Iowa Medicaid agency. An entity need not be a facility such as a hospital, ICF/MR, or nursing. Pursuant to 42 CFR 447.15 (g), the term may include facilities or entities who employ or contract with persons who are authorized under the Iowa State Plan to provide covered services. Also an entity may provide, for example, "clinic services (as defined in 42 CFR 440.90)" or "home health services (as defined in 42 CFR 440.70) and other services which are otherwise covered under Iowa Medicaid through its employees or contractors. In the latter case the entity would also be paid for those non-clinic and

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**Physician-Administered Drugs** – Effective for services rendered on or after September 1, 2012, reimbursement for HCPCS codes in the ranges J0000 – J9999, S0000 – S9999, and Q0000 – Q9999, will be reduced by 2%. Except as otherwise noted in the Plan, state developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rate was set as of December 1, 2009, and is effective for services provided on or after that date. All rates are published at:  
[http://www.ime.state.ia.us/Reports\\_Publications/FeeSchedule.html](http://www.ime.state.ia.us/Reports_Publications/FeeSchedule.html)

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