

## **Table of Contents**

**State/Territory Name: IA**

**State Plan Amendment (SPA) #: 13-022**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 East 12<sup>th</sup> Street, Suite 355  
Kansas City, Missouri 64106



**Division of Medicaid and Children's Health Operations**

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April 4, 2014

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

Dear Mr. Palmer:

On August 21, 2013, the Centers for Medicare & Medicaid Services (CMS) received Iowa's State Plan Amendment (SPA) transmittal #13-022, which proposes to modify reimbursement for targeted case management services by applying a limit on programmatic indirect and overhead costs effective July 1, 2013.

This SPA 13-022 was approved on April 3, 2014, with an effective date of July 1, 2013. 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](mailto:Narinder.Singh@cms.hhs.gov).

Sincerely,

//s//

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

Enclosure

cc: Jennifer Vermeer

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <div style="text-align: center;">1 3 — 0 2 2</div>	2. STATE <div style="text-align: center;">IOWA</div>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <div style="text-align: center;">July 1, 2013</div>	
5. TYPE OF PLAN MATERIAL (Check One)			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION		7. FEDERAL BUDGET IMPACT	
		a. FFY '13 \$ (982,697)	
		b. FFY '14 \$ (3,670,506)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 14a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Page 14a	
10. SUBJECT OF AMENDMENT 2013 Iowa Legislature SF 446 directed the Department to establish a reimbursement methodology for targeted case management services that imposes limits effective July 1, 2013.			
11. GOVERNOR'S REVIEW (Check One)			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL		16. RETURN TO	
13. TYPED NAME CHARLES M. PALMER		CHARLES M. PALMER DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114	
14. TITLE DIRECTOR			
15. DATE SUBMITTED 8-21-13			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED August 21, 2013		18. DATE APPROVED April 3, 2104	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2013		20. SIGNATURE OF REGIONAL OFFICIAL /s/	
21. TYPED NAME James G. Scott		22. TITLE Associate Regional Administrator for Medicaid and Children's Health Operations	
23. REMARKS			

State/Territory:

IOWA

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For the period July 1, 2010, and thereafter, reimbursement rates for case management providers will be established on the basis of a 15 minutes unit in accordance with the Office of Management and Budget Circular A-87, "Cost Principles for State and Local Governments." Case Management services, as described in Supplement 2 to Attachment 3.1-A, will be reimbursed on the basis of 100% of the provider's reasonable and necessary costs calculated retrospectively, as determined by the State Medicaid agency.

#### Interim Payment

The Department will make interim payments to Case Management providers based upon a projected cost report. Providers are required to submit a CMS-approved, Medicaid projected cost report on July 1 of each year for the purpose of establishing a projected rate for the new fiscal year, thus avoiding underpayment or overpayment.

#### Annual Cost Report Process

Case Management providers are required to submit a CMS-approved, Medicaid cost report to the Department 90 days after each fiscal year end. A 30-day extension of the Medicaid cost report due date may be granted upon request by the Case Management.

The Medicaid cost report data includes direct costs, programmatic indirect costs, and general and administrative costs. Direct costs include total compensation (i.e., salaries and benefits and contract compensation) of direct services personnel and other direct costs related to the delivery of Case Management services. Programmatic indirect costs include salaries, benefits and other costs that are indirectly related to the delivery of Case Management services. General and administrative overhead costs include the salaries, benefits and other costs that, while not directly part of the Case Management service, constitute costs that support the operations of the Case Management agency. These general and administrative overhead costs are included in accordance with OMB Circular A-87.

Effective for services on or after July 1, 2013, programmatic indirect costs and general and administrative overhead costs are limited to 23 percent of total allowable direct costs.

Case Management providers must eliminate unallowable expenses from the cost report. If they are not removed Iowa Medicaid will make the appropriate adjustments to the Case Management's Medicaid cost report.

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State Plan TN #	IA-13-022	Effective	July 1, 2013
Superseded TN #	IA-09-024	Approved	April 3, 2014

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