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State/Territory Name: IA

State Plan Amendment (SPA) #: 17-0007

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 12th Street, Suite 355
Kansas City, Missouri 64106



Division of Medicaid and Children's Health Operations

September 1, 2017

Jerry Foxhoven, Director
Department of Human Services
1305 East Walnut, 5th Floor
Des Moines, IA 50319-0114

Dear Mr. Foxhoven:

This letter is to inform you that the Centers for Medicare and Medicaid Services (CMS) approves state plan amendment #17-0007 submitted by Iowa on August 1, 2017. This SPA is adjusting the Medicaid reimbursement rates for physician services by applying a site of service differential to reflect the difference between the cost of physician services when provided in a health care facility setting and the cost of physician's services when provided in the physician's office.

SPA #17-0007 was approved August 31, 2017, with an effective date of July 1, 2017, as requested by the state. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into Iowa's State Plan.

If you have any questions regarding this amendment, please contact Karen Hatcher or Sandra Levels at (816) 426-5925.

Sincerely,

//s//

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

Enclosure

cc:
Mikki Stier, Deputy Director and Medicaid Director
Martin Swartz, IME
Jeff Marston, IME
Jennifer Steenblock, IME
Alisa Horn, IME

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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | 1. TRANSMITTAL NUMBER <u>1 7</u> — <u>0 0 7</u> | 2. STATE IOWA |
| | 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 July 1, 2017 | |

5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN 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 2017 \$ (164,500.00) b. FFY 2018 \$ (658,000.00) |
| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Page 1d | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Page 1d |

10. SUBJECT OF AMENDMENT

Adjust the Medicaid reimbursement rates for phys. services by applying a site of service differential to reflect the difference between the cost of phys. services when provided in a health care facility setting & the cost of phys. services when provided in a phys. office

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

| | |
|--|--|
| 12. SIGNATURE OF STATE AGENCY OFFICIAL | 16. RETURN TO Jerry R. Foxhoven DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114 |
| 13. TYPED NAME Jerry R. Foxhoven | |
| 14. TITLE DIRECTOR | |
| 15. DATE SUBMITTED | |

FOR REGIONAL OFFICE USE ONLY

| | |
|-------------------------------------|--------------------------------------|
| 17. DATE RECEIVED August 1, 2017 | 18. DATE APPROVED August 31, 2017 |
|-------------------------------------|--------------------------------------|

PLAN APPROVED - ONE COPY ATTACHED

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|---|--|
| 19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2017 | 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

Home Health-Intermittent Nursing Services – Effective for services rendered on or after December 1, 2009, reimbursement made at the lower of: the home health agency’s average cost per visit per the Medicare cost report; the agency’s rate in effect at November 30, 2009, less five percent; or the base year Medicare per visit limitations plus inflation. (Page 8 of Attachment 4.19-B)

Effective for services rendered on or after July 1, 2012, reimbursement made at the lower of: the home health agency’s average cost per visit per the Medicare cost report; the agency’s rate in effect at June 30, 2012, plus two percent; or the base year Medicare per visit limitations plus inflation (Page 8 of Attachment 4.19-B).

Community Mental Health Centers – Effective for services rendered December 1, 2009 through June 30, 2010, reimbursement will be reduced to 97.5% of reconciled cost. (Page 9, of Attachment 4.19-B)

Rehabilitation – Effective for services rendered on or after December 1, 2009, reimbursement will be 100% of cost, not to exceed 110% of the statewide average allowable cost less 5% (Page 12 of Attachment 4.19-B)

Hospital-Specific Base APC Rates – Effective for services rendered on or after December 1, 2009, all reimbursement rates will be reduced by 5%, excluding IowaCare network providers. Effective for services rendered on or after July 1, 2013, reimbursement rates will be increased by 1%, excluding IowaCare network providers. (Page 14 of Supplement 2 of Attachment 4.19-B)

Graduate Medical Education and Disproportionate Share Pool – Effective from December 1, 2009, the total annual pool amount that is allocated to the Graduate Medical education and disproportionate share pool for direct medical education related to outpatient services is \$2,776,336. (Page 22 of Supplement 2 of Attachment 4.19-B).

Physician and Non-Physician Care Services Rendered in Facility Settings – Effective for services rendered on or after July 1, 2017, physician and non-physician care providers are subject to a site-of-service payment adjustment. A site of service differential that reduces the fee schedule amount for specific CPT/HCPCS codes will be applied when the service is provided in the facility setting. Based on the Medicare differential, Iowa Medicaid will reimburse specific CPT/HCPCS codes with adjusted rates based on the site-of-service. The Department shall update the Medicare differentials applied to the site-of-service payment adjustment every January 1, thereafter.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of physician and non-physician care services. The agency’s rate was set as of July 1, 2017, and is effective for services provided on or after that date. All rates are published on the agency’s website: <http://dhs.iowa.gov/ime/providers/csrp/fee-schedule>.

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| State Plan TN # | IA-17-007 | Effective | July 1, 2017 |
| Superseded TN # | IA-13-016 | Approved | August 31, 2017 |
