

## **Table of Contents**

**State/Territory Name: Iowa**

**State Plan Amendment (SPA) #: 20-0005**

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 64106-2898



Medicaid and CHIP Operations Group

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June 25, 2020

Mr. Michael Randol, Medicaid Director  
Division of Medical Services  
Department of Human Services  
Iowa Medicaid Enterprise  
611 5<sup>th</sup> Avenue  
Des Moines, IA 50309

Dear Mr. Randol:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Iowa's State Plan Amendment (SPA) Transmittal #20-0005, submitted on June 2, 2020. This SPA seeks an exception to 42 CFR § 455.502, which requires each state to establish a Recovery Audit Contractor (RAC) program. The state seeks this exception because it is unable to procure a RAC vendor due to the small fee-for-service claims volume in the state.

SPA #20-0005 was approved on June 24, 2020, with an effective date of July 1, 2020, as requested by the state. The RAC program exception is granted for two years and expires on June 30, 2022. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the Iowa State Plan.

If you have any questions regarding this amendment, please contact Laura D'Angelo at [Laura.Dangelo1@cms.hhs.gov](mailto:Laura.Dangelo1@cms.hhs.gov) or (816) 426-5925.

Sincerely,

6/25/2020

James G. Scott, Director  
Division of Program Operations

Signed by: James G. Scott -5

Enclosures

cc:  
Mikki Stier, Deputy Director, DHS  
Jennifer Steenblock, IME  
Alisa Horn, IME

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 0 — 0 0 5

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, 2020

5. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR §455 Subpart F

+

7. FEDERAL BUDGET IMPACT

a. FFY 2020 \$ 0.00

b. FFY 2021 \$ 0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Section 4.5 page 36b and 36c

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)

Section 4.5 page 36b and 36c

10. SUBJECT OF AMENDMENT

Since Iowa's transition to a predominately managed care delivery system on April 1, 2016, there are insufficient claims volume to attract a RAC vendor. Iowa is requesting renewal of the existing exception to allow the state to operate the FFS system without a RAC program. +

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

13. TYPED NAME

MICHAEL RANDOL

14. TITLE

MEDICAID DIRECTOR

15. DATE SUBMITTED

June 2, 2020

16. RETURN TO

MICHAEL RANDOL  
MEDICAID DIRECTOR  
DEPARTMENT OF HUMAN SERVICES  
611 5TH AVENUE  
DES MOINES IA 50309

## FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

June 2, 2020

18. DATE APPROVED

June 24, 2020

## PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

Digitally signed by James G. Scott -S  
Date: 2020.06.25 16:39:53 -05'00'

21. TYPED NAME

James G. Scott

22. TITLE

Director, Division of Program Operations

23. REMARKS

State/Territory: IOWA

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

#### 4.5 Medicaid Recovery Audit Contractor Program

<p><u>Citation</u></p> <p>Section 1902(a)(42)(B)(i) of the Social Security Act</p>	<p>___ The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.</p> <p><u>x</u> The State is seeking an exception to establishing such program for the following reasons:</p> <p>Pursuant to 42 CFR § 455.516, the state seeks an exception to 42 CFR § 455.502, which requires the state to establish a RAC program. The exception is requested because the state is unlikely to procure a RAC vendor.</p> <p>The percentage of enrollees in the fee-for-service delivery system is typically between 5-10%. Under the state's predominately-managed care delivery system, there is not sufficient fee-for-service claims volume to attract a RAC contractor.</p>
<p>Section 1902 (a)(42)(B)(ii)(I) of the Act</p>	<p>___ The State/Medicaid agency has contracts of the types(s) listed in section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.</p> <p>Place a check mark to provide assurance of the following:</p> <p>___ The State will make payments to the RAC(s) only from amounts recovered.</p> <p>___ The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</p>
<p>Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act</p>	<p>The following payments methodology shall be used to determine State payments to Medicaid RACs for identification and recovery of overpayments (e.g., the percentage of the contingency fee):</p> <p>___ The State attests that the contingency fee rate paid to the Medicaid RAC will not exceed the highest rate paid to Medicare RACs, as published in the Federal Register.</p> <p>___ The State attests that the contingency fee rate paid to the Medicaid RAC will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will only submit for FFP up to the amount equivalent to that published rate.</p>

State/Territory: IOWA

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

## 4.5 Medicaid Recovery Audit Contractor Program (cont'd)

Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act	<p>___ The contingency fee rate paid to the Medicaid RAC that will exceed the highest rate paid to Medicare RACs, as published in the Federal Register. The State will submit a justification for that rate and will submit for FFP for the full amount of the contingency fee.</p> <p>___ The following payment methodology shall be used to determine State payments to Medicaid RACs for the identification of underpayments (e.g., amount of flat fee, the percentage of the contingency fee):</p>
Section 1902 (a)(42)(B)(ii)(III) of the Act	<p>___ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act	<p>___ The State assures that the amounts expended by the State to carry out the program will be amounts expended as necessary for the proper and efficient administration of the State plan or a waiver of the plan.</p>
Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act	<p>___ The State assures that the recovered amounts will be subject to a State's quarterly expenditure estimates and funding of the State's share.</p>
Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act	<p>___ Efforts of the Medicaid RAC(s) will be coordinated with other contractors or entities performing audits of entities receiving payments under the State plan or waiver in the State, and/or State and Federal law enforcement entities and the CMS Medicaid Integrity Program.</p>

State Plan TN # IA-20-005Effective 7/1/2020Superseded TN # IA-18-011Approved 6/24/2020