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State/Territory Name: Iowa

State Plan Amendment (SPA) #: 20-0009

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

April 9, 2021

Julie Lovelady, Interim Medicaid Director
Division of Medical Services
Department of Human Services
Iowa Medicaid Enterprise
1305 E. Walnut Street
Des Moines, IA 50319

RE: TN 20-0009

Dear Director Lovelady:

We have reviewed the proposed Iowa (IA) State Plan Amendment (SPA) to Attachment 4.19-B IA-20-0009, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 05, 2020. This plan amendment updates the method and standards for the state-owned practitioners supplemental payment methodology.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or blake.holt@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 0 — 0 0 9

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

7. FEDERAL BUDGET IMPACT

a. FFY 2020 \$ 28,978.00

b. FFY 2021 \$ 115,913.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B Page 16, 16b, 16c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B Page 16, 16b, 16c

10. SUBJECT OF AMENDMENT

Purpose of this SPA is to update its methods and standards for the state-owned physician supplemental payment methodology.

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 5, 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 5, 2020

18. DATE APPROVED

April 9, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

Todd McMillion

22. TITLE

Director, Division of Reimbursement Review

23. REMARKS

12/09/20: State concurs with the following pen and ink change made to Box 7: FY20 from "\$28,978" to "\$200,356"; FY21 from "\$115,913" to "\$801,427".

04/01/21: State concurs with pen and change to Box 6 from blank to "42 CFR 447 Subpart F."

State/Territory:

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Methods and Standards for Establishing Payment Rates for Other Types of Care**Supplemental Payments for Physician and Professional Services at Qualifying Iowa State-Owned or Operated Professional Services Practices**1. Qualifying Criteria

Physicians and other eligible professional service practitioners as specified in 2. below who are employed by, or under contract to, or who assigned Iowa Medicaid payments to an Iowa state-owned hospital with more than 500 beds and eight or more distinct residency programs recognized by the American College of Graduate Medical Education (ACGME) may qualify for supplemental payments for services rendered to Medicaid recipients. To qualify for the supplemental payment, the physician or professional service practitioner must be:

- a. licensed by the State of Iowa;
- b. enrolled as a Iowa Medicaid provider; and,
- c. identified by the Iowa state-owned hospital as a physician or professional service practitioner that is employed, under contract with, or provides services affiliated with the Iowa state-owned hospital.

Providers that qualify under this criterion are the following:

- The University of Iowa Hospitals and Clinics (UIHC)

2. Qualifying Providers Types

For purposes of qualifying for supplemental payments under this section, services provided by the following professional practitioners will be included:

- a. Physicians
- b. Doctors of Dental Medicine
- c. Doctors of Dental Surgery
- d. Optometrists
- e. Podiatrists
- f. Physician Assistants;
- g. Advanced Registered Nurse Practitioners (ARNPs);
- h. Certified Registered Nurse Anesthetists (CRNAs);
- i. Certified Nurse Midwives (CNMs);
- j. Clinical Social Workers (CSWs);
- k. Clinical Psychologists;
- l. Clinical Nurse Specialists;
- m. Anesthesiology Assistants;
- n. Audiologists;
- o. Genetic Counselors;
- p. Licensed Mental Health Counselors;

State Plan TN #	<u>IA-20-009</u>	Effective	<u>07/01/2020</u>
Superseded TN #	<u>IA-14-012</u>	Approved	<u>04/09/2021</u>

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- q. Occupational Therapists;
- r. Ocularists;
- s. Pharmacists
- t. Physical Therapists;
- u. Registered Dietitians or Nutrition Professionals;
- v. Respiratory Therapists; and
- w. Speech-Language Pathologists

3. Methodology to Calculate the Average Commercial Rate

The supplemental payment will be determined in a manner to bring payments for these services up to the community rate level. The community rate level is defined as the rates paid by commercial payers for the same service.

The specific methodology to be used in establishing the average commercial rate for qualifying providers is as follows:

- a. Annually, the state will calculate a Medicaid to commercial conversion factor as follows:
 - i. For services provided by qualifying providers at a hospital meeting the criteria as set forth in "1." above, the state will collect from the hospital its current commercial provider rates by CPT code for the hospital's top five commercial payers by volume.
 - ii. The state will calculate the average commercial rate for each CPT code for each qualifying provider type, as defined under "2." above, that provides services at, under contract to, or in affiliation with the Iowa state-owned hospital.
 - iii. The state will extract from its paid claims history file for the preceding fiscal year all paid claims based on dates of service for those qualifying provider types, as defined under "2." above, who will qualify for a supplemental payment. The state will align the average commercial rate for each CPT code as determined in "ii." above to each Medicaid claim for each qualifying provider type, as defined under "2." above and calculate the average commercial payments for the claims.

The state will then calculate an overall Medicaid to commercial conversion factor by dividing the total amount of the average commercial payments for the claims by the total Medicaid payments for the claims. Mid-level practitioner payment differentials, based on the previous years' overall average payment rate for mid-level providers, will be applied to this calculation.

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4. Methodology to Calculate the Supplemental Payment Amount

- a. For each quarter the state will extract Medicaid claims based on dates of service for each qualifying provider type, as defined under "2." above for that quarter.
- b. The Medicaid paid claims are then multiplied by the Medicaid to commercial conversion factor to establish what the payment amount would have been based on the average commercial rate.
- c. Total Medicaid paid claims are then subtracted from the payment amount based on the average commercial rate to identify the supplemental payment amount for qualifying providers for that quarter.

5. Effective Date of Payment

The supplemental payment will be made effective for services provided on or after July 1, 2020.

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