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State/Territory Name: Iowa

State Plan Amendment (SPA) #: 22-0008

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS Form 179
3) Approved SPA Pages
August 25, 2022

Elizabeth Matney
Medicaid Director
Iowa Department of Human Services
1305 East Walnut Street
Des Moines, IA 50319

Re: Iowa State Plan Amendment (SPA) 22-0008

Dear Iowa Medicaid Director Ms. Matney:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0008. This amendment proposes language change to Iowa’s Third Party Liability Payment Claims section 1B and 1C.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations Section 53102(a)(1) of the Bipartisan Budget Act (BBA) of 2018. This letter is to inform you that Iowa Medicaid SPA 22-0008 was approved on August 25, 2022, with an effective date of July 1, 2022.

If you have any questions, please contact Lee Herko at 570-230-4048 or via email at lee.herko@cms.hhs.gov if you have any questions about this approval.

Sincerely,

James G. Scott, Director
Division of Program Operations

Enclosures

cc: Jennifer Steenblock
Sara Schneider
Jeanette Brandner
### TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. **TRANSMITTAL NUMBER:** 22-0008
2. **STATE:** IA
3. **PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT:** XIX
4. **PROPOSED EFFECTIVE DATE:** January 1, 2022
5. **FEDERAL STATUTE/REGULATION CITATION:**
   - Section 53102(a)(1) of the Bipartisan Budget Act (BBA) of 2018 amends
5. **FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars):**
   - a. FFY 20: $0
   - b. FFY 21: $0
6. **PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**
   - Attachment. 4.22-B pages 1 and 2; Page 69a
7. **SUBJECT OF AMENDMENT:**
   - SPA is updated to use the CMS preferred language requiring States to cost avoid for prenatal services. This cleans up the language.
8. **GOVERNOR’S REVIEW:**
   - GOVERNOR’S OFFICE REPORTED NO COMMENT
9. **SIGNATURE OF STATE AGENCY OFFICIAL:**
   - Elizabeth Matney
10. **TYPED NAME:**
   - Elizabeth Matney
11. **TITLE:**
   - Medicaid Director
12. **DATE SUBMITTED:**
   - 07/26/2022
13. **DATE RECEIVED:**
   - August 1, 2022
14. **DATE APPROVED:**
   - August 25, 2022
15. **EFFECTIVE DATE OF APPROVED MATERIAL:**
   - July 1, 2022
16. **SIGNATURE OF APPROVING OFFICIAL:**
17. **TITLE OF APPROVING OFFICIAL:**
   - Director, Division of Program Operations
18. **REMARKS:**
   - Box 4: State authorized pen and ink change on August 22, 2022.

*Instructions on Back*
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

REQUIREMENTS FOR THIRD PARTY LIABILITY - PAYMENT OF CLAIMS

1. PROVIDER COMPLIANCE

The requirement that providers bill a liable third party before billing Medicaid is enforced by cost avoidance. The Iowa Medicaid does not pay claims when the Medicaid eligibility file indicates that there is third party liability, but the claim does not show an insurance payment. Providers must resubmit the claim indicating payment or denial from the third party before payment is made by Medicaid.

When the other resource has not paid the provider’s full charge, providers may submit claims to Medicaid for the difference (up to the Medicaid maximum allowable fee). Auditing is performed on a random basis to ensure correct billing.

State Compliance with Statutory Third Party Liability Changes in accordance with the Bipartisan Budget Act (BBA) of 2018.

A. The requirement for states to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.

   (1) Iowa will use standard “cost avoidance” coordination of benefits cost avoidance when processing claims for prenatal services, including labor, delivery and postpartum care claims.

B. The requirement for states to make payment without regard to potential TPL for pediatric preventive services, unless the state has made a determination related to cost-effectives and access to care that warrants cost avoidance for 90 days.

   (1) Iowa will use standard pay and chase procedures when processing claims for pediatric preventive services care claims.

C. State Flexibility to make payments without regard to potential TPL for up to 100 days for claims related to child support enforcement beneficiaries.

   (1) Iowa will use standard pay and chase procedures when processing claims for child support enforcement beneficiaries.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Iowa

REQUIREMENTS FOR THIRD PARTY LIABILITY - PAYMENT OF CLAIMS

However, the Department pays in accordance with the usual payment schedule without regard to third-party liability for claims where the liability is derived, through insurance or otherwise, from a parent whose obligation to pay support is being enforced by the state IV-D agency, or for children receiving preventive pediatric services. These types of claims, are paid by Medicaid, and then are billed to the responsible third party. All services are subject to this provision.

Inquiries for third-party liability on trauma claims are automated on a post payment basis.

2. THRESHOLD AMOUNTS

   The Department will attempt to collect from a liable third party when a member’s total trauma claims for a single trauma incident are greater than $250. Each member’s trauma claims, which are related to a single incident, will be added together for one year to compare to the $250 threshold.

   However, when an attorney notifies Iowa Medicaid of their involvement in casualty situations or a member notifies Medicaid of possible insurance payment in casualty situations, these requests are worked when they total over $50 in amount.

   Insurance claims of less than $100 dollars are billed once the dollar value of the total claims is greater than $100.00.

3. RESERVED

4. PROVIDER RESTRICTIONS

Providers must agree to accept the payment made by the Medicaid Program as payment in full and make no additional charges to the recipient or others.

No provider of services participating in the Medicaid Program may deny care of services to a recipient eligible for the care and services under the program because of the recipient’s inability to pay a copayment.
Providers are required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.

(d) ATTACHMENT 4.22-B specifies the following:

42 CFR 433.139(b)(3)(ii)(C)
(1) The method used in determining a provider's compliance with the third party billing at requirements §433.139(b)(3)(ii)(C).

42 CFR 433.139(0(2)
(2) The threshold amount or other guideline used in determining whether to seek recovery of reimbursement from a liable third party, or the process by which the agency determines that seeking recovery of reimbursement would not be cost effective.

42 CFR 433.139(f)(3)
(3) The dollar amount or time period the State uses to accumulate billings from a particular liable third party in making the decision to seek recovery of reimbursement.

42 CFR 447.20
(e) The Medicaid agency ensures that the provider furnishing a service for which a third party is liable follows the restrictions specified in 42 CFR 447.20.