

Table of Contents

State/Territory Name: Iowa

State Plan Amendment (SPA) #: 22-0009

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

September 14, 2022

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

Re: Iowa State Plan Amendment (SPA) 22-0009

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) 22-0009. This amendment extends the existing RAC Exemption SPA for two years ending June 30, 2024.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR §455 Subpart F. This letter is to inform you that Iowa Medicaid SPA 22-0009 was approved on September 13, 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,

A solid black rectangular box redacting the signature of James G. Scott.

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 <u>2 2 — 0 0 0 9</u>	2. STATE <u>IA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR §455 Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 22 \$ 0
b. FFY 23 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Section 4.5 page 36b and 36c

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Section 4.5 page 36b and 36c

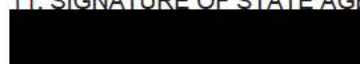
9. SUBJECT OF AMENDMENT

Since Iowa's transition to a predominately managed care delivery system on April 1, 2016, there are insufficient claims volume to a

10. GOVERNOR'S REVIEW (Check One)

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

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Elizabeth Matney

13. TITLE
Medicaid Director

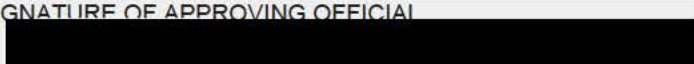
14. DATE SUBMITTED
07/28/2022

15. RETURN TO
Elizabeth Matney
Medicaid Director
Department of Human Services
Iowa Medicaid Enterprise
1305 East Walnut Street
Des Moines, IA 50319

FOR CMS USE ONLY

16. DATE RECEIVED <u>August 1, 2022</u>	17. DATE APPROVED <u>September 13, 2022</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL <u>July 1, 2022</u>	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL <u>James G. Scott</u>	21. TITLE OF APPROVING OFFICIAL <u>Director, Division of Program Operations</u>

22. REMARKS

State/Territory: IOWA

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

4.5 Medicaid Recovery Audit Contractor Program

<u>Citation</u>	
Section 1902(a)(42)(B)(i) of the Social Security Act	<p><input type="checkbox"/> 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><input checked="" type="checkbox"/> 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>
Section 1902 (a)(42)(B)(ii)(I) of the Act	<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><input type="checkbox"/> 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><input type="checkbox"/> The State will make payments to the RAC(s) only from amounts recovered.</p>
Section 1902 (a)(42)(B)(ii)(II)(aa) of the Act	<p><input type="checkbox"/> The State will make payments to the RAC(s) on a contingent basis for collecting overpayments.</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><input type="checkbox"/> 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><input type="checkbox"/> 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</p>

State Plan TN # IA-22-0009Effective 7/1/2022Superseded TN # IA-20-005Approved 9/13/2022

State/Territory: IOWA

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

4.5 Medicaid Recovery Audit Contractor Program (cont'd)

<p>Section 1902 (a)(42)(B)(ii)(II)(bb) of the Act</p>	<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>
<p>Section 1902 (a)(42)(B)(ii)(III) of the Act</p>	<p>___ The State has an adequate appeal process in place for entities to appeal any adverse determination made by the Medicaid RAC(s).</p>
<p>Section 1902 (a)(42)(B)(ii)(IV)(aa) of the Act</p>	<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>
<p>Section 1902 (a)(42)(B)(ii)(IV)(bb) of the Act</p>	<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>
<p>Section 1902 (a)(42)(B)(ii)(IV)(cc) of the Act</p>	<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 #	<u>IA-22-0009</u>	Effective	<u>7/1/2022</u>
Superseded TN #	<u>IA-20-005</u>	Approved	<u>9/13/2022</u>