

## **Table of Contents**

**State/Territory Name: Iowa**

**State Plan Amendment (SPA) IA: 24-0006**

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  
230 South Dearborn Street  
Chicago, Illinois 60604



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**Financial Management Group**

October 11, 2024

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

RE: TN 24-0006

Dear Director Matney:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Iowa (IA) State Plan Amendment (SPA) to Attachment 4.19-B IA-24-0006, which was submitted to CMS on August 15, 2024. This plan amendment implements several provider rate increases.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. 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 Lindsay Michael at 410-786-7197 or [Lindsay.michael@cms.hhs.gov](mailto:Lindsay.michael@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 4 — 0 0 0 6

2. STATE

IA3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL  
SECURITY ACT

XIX



XXI

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

4. PROPOSED EFFECTIVE DATE

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR §447.200

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 24 \$ 42,596b. FFY 25 \$ 168,323

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, pages 7, 7a, 8, 9b, 9d, 10, 12, 12a, 14

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)Supersedes Attachment 4.19-B, pages 7, 7a, 8, 9b, 9d, 10,  
12, 12a, 14

9. SUBJECT OF AMENDMENT

The proposed state plan amendment implements several provider rate increase as authorized by House File (HF) 2698. Per HF 2

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:

Y OFFICIAL

15. RETURN TO

12. TYPED NAME

Elizabeth Matney

13. TITLE Director, Iowa Medicaid & Division of Administration and HHS  
Deputy Director

14. DATE SUBMITTED

August 9, 2024

**FOR CMS USE ONLY**

16. DATE RECEIVED

8/15/24

17. DATE APPROVED

October 11, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

7/1/24

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, DRR

22. REMARKS

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Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT).

6d4. HEARING AID DISPENSER SERVICES

Fee schedule. The fee schedule is based on the definitions of medical and surgical supplies given in the most recent edition of Healthcare Common Procedure Coding System (HCPCS).

6d5A. PSYCHOLOGISTS' SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT).

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of psychologists' services. The agency's fee schedule rate was set as of July 1, 2023 and is effective for services provided on or after that date. All rates are published on the agency's website at: <https://hhs.iowa.gov/ime/providers/csrp/fee-schedule>

6d5B. SOCIAL WORKERS' SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT). The following are exceptions:

When social worker services are provided by a social worker employed by a physician, hospital, home health agency, rural health clinic, federally qualified health center or community mental health center, payment for the service will be made to the provider based upon a fee schedule for physician and community mental health center and the reimbursement defined for hospital, home health agency, rural health clinic and federally qualified health center services.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of social workers' services. The agency's fee schedule rate was set as of July 1, 2023 and is effective for services provided on or after that date. All rates are published on the agency's website at: <https://hhs.iowa.gov/ime/providers/csrp/fee-schedule>

6d6 BEHAVIORAL SCIENCE PRACTITIONERS

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT).

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of behavioral science practitioners services. The agency's fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published on the agency's website at: <https://hhs.iowa.gov/ime/providers/csrp/fee-schedule>

6d7 PHYSICIAN ASSISTANT SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures give in the most recent edition of Physician's Current Procedural Terminology (CPT). The fee schedule is established as 85% of the Iowa Medicaid physician fee schedule.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of physician assistant services. The agency's fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published on the agency's website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

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Superseded TN #	IA-23-0018	Approved	10/11/2024

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6d8 SERVICES OF ADVANCED REGISTERED NURSE PRACTITIONERS

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT). The fee schedule is established as 85% of the Iowa Medicaid physician fee schedule.

6d9 SERVICES OF CERTIFIED NURSE ANESTHETISTS

Fee Schedule. Payment for CRNA services is made using the CMS fee schedule (CPT-4) anesthesiology procedure list and associated base units. When the CRNA receives medical direction from the surgeon, reimbursement to the CRNA is 80% of the amount that would be paid to an anesthesiologist (MD or DO). When the CRNA receives medical direction from an anesthesiologist, reimbursement to the CRNA is 60% of what an anesthesiologist would receive for the same procedure.

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6d9. PHARMACIST/PHARMACY SERVICES: Fee schedule.

6d10. SERVICES OF ADVANCED NURSE PRACTITIONERS CERTIFIED IN PSYCHIATRIC OR MENTAL HEALTH SPECIALTIES: Fee schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT). The fee schedule is established as 85% of the physician fee schedule.

7. HOME HEALTH SERVICES – SKILLED NURSING SERVICES, HOME HEALTH AIDE SERVICES, PHYSICAL THERAPY SERVICES, OCCUPATIONAL THERAPY SERVICES & SPEECH PATHOLOGY SERVICES

Fee schedule. The payment for each home health service is determined by the Medicare low utilization payment adjustment (LUPA) wage index-adjusted fee schedule rates for each of the disciplines (skilled nursing, home health aide, physical therapy (PT), occupational therapy (OT), and speech therapy (ST). The LUPA base rates and the Medicare wage index shall be updated every two years.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of home health skilled nursing, home health aide, physical therapy, occupational therapy, and speech pathology services. The agency's fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published on the agency's website at:

<https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

7a. HOME HEALTH SERVICES - MEDICAL SUPPLIES AND EQUIPMENT: Fee schedule.

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State Plan TN #	IA-24-0006	Effective	07/01/2024
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community mental health services.

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of community mental health services. The agency’s fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published on the agency’s website at:

<https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

2. 100 percent of the reasonable costs of service.

This methodology will consist of a cost report and reconciliation. If payments exceed Medicaid-allowable costs, the excess will be recouped.

Interim Payment

The Department makes interim payments to the Community Mental Health Center based upon 105% of the greater of the statewide fee schedule for Community Mental Health Centers effective July 1, 2006 or the average Medicaid managed care contracted fee amounts for Community Mental Health Centers effective July 1, 2006.

After cost reports are received, the Department will examine the cost data for Community Mental Health Center services to determine if an interim rate change is justified.

Determination of Medicaid-allowable direct and indirect costs

To determine the Medicaid-allowable direct and indirect costs of providing Community Mental Health Center services, the following steps are performed:

1. Direct costs for Community Mental Health Center services include unallocated payroll costs and other unallocated costs than can be directly assigned to Community Mental Health Center services. Direct payroll costs include total compensation of direct services personnel.  
  
Other direct costs include costs directly related to the approved Community Mental Health Center personnel for the delivery of medical services, such as purchased services, direct materials, supplies, and equipment.

These direct costs are accumulated on the annual cost report, resulting in total direct costs.

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by the Community Mental Health Center for services delivered during the reporting period as documented in the Medicaid Management Information System (MMIS), resulting in cost reconciliation.

#### Cost Settlement Process

EXAMPLE: For services delivered for the period January 1, 2010, through December 31, 2010, the annual Medicaid cost report is due on or before March 31, 2011, for free-standing clinics or May 31, 2011, for hospital-based clinics, with the cost reconciliation process completed no later than December 31, 2012.

If, at the end of the cost reconciliation, it is determined that the CMHC provider has been overpaid, the provider will return the overpayment to the Department and the Department will return the overpayment to the federal government pursuant to 42 CFR 433.316. If an underpayment is determined, then the CMHC provider will receive a lump sum payment upon discovery, but no later than 24-months of the end of the cost reporting period, in the amount of the underpayment.

#### 10. DENTAL SERVICES

Fee Schedule. The definitions of dental and surgical procedures are based on the definitions of dental and surgical procedures given in the Current Dental Terminology (CDT).

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of physical therapy services. The agency’s fee schedule rate was set as of September 1, 2019 and is effective for services provided on and after that date. All rates are published on the agency’s website at: <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule>

#### 11a. PHYSICAL THERAPY SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician’s Current Procedural Terminology (CPT).

A payment provision applies when more than one therapy procedure or unit of service within the same therapy discipline or same therapy plan of care is performed by the same provider or provider group for an individual patient on the same date of service. Payment is made for the procedure with the highest fee schedule amount at 100%; payment for each additional unit or procedure is 90%.

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of physical therapy services. The agency’s fee schedule rate was set as of July 1, 2024 and is effective for services provided on and after that date. All rates are published on the agency’s website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

#### 11b. OCCUPATIONAL THERAPY SERVICES

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician’s Current Procedural Terminology (CPT).

A payment provision applies when more than one therapy procedure or unit of service within the same therapy discipline or same therapy plan of care is performed by the same provider or provider group for an individual patient on the same date of service. Payment is made for the procedure with the highest fee schedule amount at 100%; payment for each additional unit or procedure is 90%.

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patient on the same date of service. Payment is made for the procedure with the highest fee schedule amount at 100%; payment for each additional unit or procedure is 90%.

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of physical therapy services. The agency’s fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published on the agency’s website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

11c. SERVICES FOR INDIVIDUALS WITH SPEECH, HEARING AND LANGUAGE DISORDERS  
Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent addition of Physician’s Current Procedural Terminology (CPT).

A payment provision applies when more than one therapy procedure or unit of service within the same therapy discipline or same therapy plan of care is performed by the same provider or provider group for an individual patient on the same date of service. Payment is made for the procedure with the highest fee schedule amount at 100%; payment for each additional unit or procedure is 90%.

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of speech, hearing and language disorder services. The agency’s fee schedule rate was set as of July 1, 2019 and is effective for services provided on or after that date. All rates are published on the agency’s website at: <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule>

12a. PRESCRIBED DRUGS

(a). Reimbursement for covered outpatient prescription and nonprescription drugs shall be the lowest of the following as of the date of dispensing:

1. “Actual Acquisition Cost (AAC),” defined as the average state AAC, as determined from biannual surveys of Iowa Medicaid enrolled pharmacies, plus the professional dispensing fee pursuant to subsection (b). If no state AAC is available, the AAC will be defined as the Wholesale Acquisition Cost (WAC).
2. “Federal upper limit (FUL),” defined as the upper limit for a multiple source drug established in accordance with the methodology of the Centers for Medicare and Medicaid Service as described in 42 CFR 447.514, plus the professional dispensing fee pursuant to subsection (b).
3. Total submitted charge.
4. The provider’s usual and customary charge to the general public.

(b). The professional dispensing fee is based on the cost of dispensing survey which must be completed by all medical assistance program participating pharmacies. For services rendered on or after July, 1, 2024, the professional dispensing fee is \$10.63.

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Pharmacies and providers will submit information to the department or its designee within 30 days following a request for such information unless the department or its designee grants an extension upon written request of the pharmacy or provider. Pharmacies and providers are required to produce and submit information in the manner and format requested by the department or its designee, as requested, at no cost to the department or its designee.

12b. DENTURES

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of preventive services. The agency's fee schedule rate was set as of April 1, 2016, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: [www.dhs.iowa.gov](http://www.dhs.iowa.gov)

12c. PROSTHETIC DEVICES

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of preventive services. The agency's fee schedule rate was set as of July 1, 2024, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

12d. EYEGLASSES

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of preventive services. The agency's fee schedule rate was set as of April 1, 2016, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: [www.dhs.iowa.gov](http://www.dhs.iowa.gov)

## 13a. RESERVED

## 13b. RESERVED

## 13c. RESERVED

13d. REHABILITATIVE SERVICES

For services provided from July 1, 2011, to March 31, 2016, rehabilitative services will be reimbursed according to the Medicaid Managed Care provider specific fee schedule. The provider specific fee schedule was established using cost based rates in effect on February 28, 2011 in accordance with the reimbursement methodology in effect prior to July 1, 2011, described below.

Beginning April 1, 2016, except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of rehabilitative services. The agency's fee schedule rate was set as of July 1, 2022, and is effective for services provided on or after that date. All rates are published on the Department of Human Services website: [www.dhs.iowa.gov](http://www.dhs.iowa.gov).

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State Plan TN #	<u>IA-24-0006</u>	Effective	<u>07/01/2024</u>
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## 13d. REHABILITATIVE SERVICES (Cont.)

For services provided prior to July 1, 2011, rehabilitative treatment services are reimbursed on the basis of the provider's reasonable and necessary costs plus 1%, calculated retrospectively, as determined by State Medicaid agency, for those services actually provided under the treatment plan recommended. Reasonable and necessary cost shall not exceed 110 percent of the statewide average allowable cost for the service.

No payment is made for services other than those included in the treatment plan.

An interim rate based on the State Medicaid agency's estimate of actual reasonable and necessary costs for the services provided will be paid based on financial forms approved by the department, with suitable retroactive adjustments based on final financial reports. The method of cost apportionment specified in 2 CFR Part 200 shall be used to determine the actual cost of services rendered to Medicaid recipients.

The retroactive adjustment is performed each year at the end of the agency's fiscal year based on submission of the agency's cost report. Based on this report the department adjusts the interim rate for the following months until submission of the next cost report.

Assertive Community Treatment (ACT) Services. ACT services are comprehensive, integrated, and intensive outpatient services provided by a multidisciplinary team under the supervision of a psychiatrist. ACT services are directed toward the rehabilitation of behavioral, social, or emotional deficits or the amelioration of symptoms of a mental disorder. Most services are delivered in the member's home or another community setting. See Supplement 2, Attachment 3.1A, Page 31(b)(1-8) for a list of the specific services.

For ACT services, the unit of service is a client day. The services will be paid on a fee-for-service basis for each day that services are performed, including face-to-face contact with the client and conducting daily organization staff meetings to review the status of the team's clients and the scheduling of upcoming interventions. Providers cannot bill for a day during which no service was performed.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of ACT services. The agency's fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published at <https://hhs.iowa.gov/ime/providers/csrp/fee-schedule>.

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State Plan TN #	IA-24-0006	Effective	07/01/2024
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All other payments for the services of a nurse-midwife enrolled in the Iowa Medicaid program shall be paid on the basis of the fee schedule for services provided nurse mid-wives and no separate payment shall be made to any other facility or provider in connection with the birth, other than a hospital, or ambulatory surgical center. The nurse-midwife fee schedule is based on 85% of the physician fee schedule.

Except as otherwise noted in the plan, state – developed fee schedules rates are the same for both governmental and private providers of certified nurse-midwife services. The agency’s fee schedule rate was set as of July 1, 2024 and is effective for services provided on or after that date. All rates are published on the agency’s website at: <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/policies-rules-and-regulations/covered-services-rates-and-payments/fee-schedules>

18. HOSPICE SERVICES

Iowa Medicaid reimburses for hospice services in accordance with the requirements of Section 4306 of the State Medicaid Manual (Hospice Reimbursement).

Pursuant to Section 4307 of the State Medicaid Manual (Payment for Physician Services Under Hospice), when the Iowa Medicaid agency has been notified of the name of the physician who has been designated as the attending physician and is not a hospice employee, the Iowa Medicaid Agency will reimburse the attending physician in accordance with the physician fee schedule described in Item 5a.

19a. CASE MANAGEMENT SERVICES

For Target Group 1 (Adults with chronic mental illness, and severely emotionally disturbed children receiving services through the HCBS Children’s Mental Health waiver); and Target Group 2 (Persons with a developmental disability, including mental retardation):

For the period July 1, 2010, through June 30, 2018, reimbursement rates for case management providers will be established on the basis of a 15 minute unit consistent with 2 CFR, part 200 as implemented by HHS at 45 CFR, Part 75. Case Management services, as described in Supplement 2 to Attachment 3.1-A, will be reimbursed on the basis of 100% of the provider’s reasonable and necessary costs calculated retrospectively, as determined by the State Medicaid agency.

Interim Payment

The Department will make interim payments to Case Management providers based upon a projected cost report. Providers are required to submit a CMS-approved, Medicaid projected cost report on July 1 of each year for the purpose of establishing a projected rate for the new fiscal year, thus avoiding underpayment or overpayment.

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State Plan TN #	<u>IA-24-0006</u>	Effective	<u>07/01/2024</u>
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