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State/Territory Name: IA

State Plan Amendment (SPA) #: 20-0004

This file contains the following documents in the order listed:

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

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

June 12, 2020

Michael Randol, Medicaid Director
Division of Medical Services
Department of Human Services
Iowa Medicaid Enterprise
611 Fifth Avenue
Des Moines, IA 50309

Dear Mr. Randol:

The Centers for Medicare and Medicaid Services (CMS) has completed its review of Iowa's State Plan Amendment (SPA) #20-0004, which was submitted on March 31, 2020. Section 53102(a)(1) of the Bipartisan Budget Act of 2018 amends section 1902(a)(25)(E) of the Social Security Act to require a state to cost avoid for prenatal services. The purpose of SPA #20-0004 is to remove the exemption from third party liability for prenatal services in order to comply with the amended section 1902(a)(25)(E) of the Act and the CMCS Informational Bulletin issued on June 1, 2018¹.

CMS approved this SPA on June 3, 2020, with an effective date of January 1, 2020, and with the understanding that implementation of this SPA is conditioned upon the date that state rules can be put into place. Enclosed is a copy of the CMS-179 summary form, as well as the approved page for incorporation into the Iowa State Plan.

If you have any questions about this letter or require any further assistance, please contact Laura D'Angelo at (816) 426-6425, or Laura.DAngelo1@cms.hhs.gov.

Sincerely,

James G. Scott, Director
Division of Program Operations

Enclosures

cc:

Mikki Stier, Deputy Director, DHS

¹ Accessible at <https://www.medicaid.gov/sites/default/files/federal-policy-guidance/downloads/cib060118.pdf>.

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

1. TRANSMITTAL NUMBER <u>2</u> <u>0</u> — <u>0</u> <u>0</u> <u>4</u>	2. STATE IOWA
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE January 1, 2020	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (*Check One*)

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 433.139(b)(2)	7. FEDERAL BUDGET IMPACT a. FFY <u>2020</u> \$ <u>0.00</u> b. FFY <u>2021</u> \$ <u>0.00</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.22-B, page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment 4.22-B, page 1

10. SUBJECT OF AMENDMENT

Section 53102(a)(1) of the BBA of 2018 amends section 1902(a)(25)(E) that require a state to cost avoid for prenatal services. One change was to remove the exemption from TPL for prenatal services effective February 9, 2018.

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	16. RETURN TO MICHAEL RANDOL MEDICAID DIRECTOR DEPARTMENT OF HUMAN SERVICES 611 5TH AVENUE DES MOINES IA 50309
13. TYPED NAME MICHAEL RANDOL	
14. TITLE MEDICAID DIRECTOR	
15. DATE SUBMITTED	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 03/31/2020	18. DATE APPROVED 06/03/2020
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL 01/01/2020	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME James G. Scott	22. TITLE Director, Division of Program Operations

23. REMARKS

On May 11, the State of Iowa requested pen-and-ink change to Line #6 to include federal regulation citation

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 Enterprise (IME) 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 Medicaid for the difference (up to the Medicaid maximum allowable fee). Auditing is performed on a random basis to ensure correct billing.

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.

TN No. IA-20-004
Supersedes IA-16-024 Approval Date 06/03/2020 Effective Date 01/01/2020