

Annual Rate Review

Overview

- ▶ Purpose of the annual rate review is to compare Iowa Medicaid reimbursement rates to a benchmark.
- ▶ For most services, the benchmark rate used are Medicare rates.
 - Exceptions: Physician-administered drugs and dental services.
- ▶ Medicare rates are a good benchmark because they are updated at least once per year.

Overview

- ▶ Issue with comparing to other State Medicaid agency rates is that they may not be updated as often and the method for how the rates were determined is unknown.
- ▶ Medical Services is grouped by provider type assigned to the claims data.
 - Disclaimer-because the legacy provider ID is populated with mixed success in the managed care encounter data, the reliability of provider type code is not consistent.
- ▶ Dental Services grouped by service category.

Overview

- ▶ Includes provider types reimbursed by prospective fee schedule with rate changes subject to legislative appropriation.
- ▶ Excludes provider types that have scheduled rate updates.
- ▶ The rate review process is limited to a review of fee schedules per unit of service resulting in an average differential.
- ▶ The rate review does not include an analysis of Medicaid policy that may provide additional insight into any payment discrepancies.

Overview

- ▶ Site of service differential applied, when applicable.
- ▶ Iowa Medicaid-specific modifiers for behavioral health providers and community mental health centers are not recognized by Medicare for payment differential. In these instances, used the Medicare rate for the base procedure code for comparison.
- ▶ If no Iowa Medicaid FFS rate, calculated the rate per unit by dividing allowed amount by covered units from claim/encounter data.