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June 21, 2024

Ms. Elizabeth Matney
Iowa Medicaid Director
Department of Health and Human Services
1305 East Walnut Street
Des Moines, IA 50319-0114

PROPRIETARY AND CONFIDENTIAL

Subject: **SFY25 Dental Wellness Plan Capitation Rate Development**

Dear Ms. Matney:

Thank you for the opportunity to assist the Department of Health and Human Services (HHS) and Iowa Medicaid with the development of the SFY25 Dental Wellness Plan capitation rates. The following report summarizes the methodology for the development of these capitation rates, effective July 1, 2024 – June 30, 2025 (SFY25). We have also provided our actuarial certification for these rates, compliant with CMS guidelines and requirements. Please email me at barry.jordan@optumas.com or call me at 480.588.2492, or email Stephanie at stephanie.taylor@optumas.com if you have any questions.

Sincerely,

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State of Iowa

Dental Wellness Plan Actuarial Certification

July 1, 2024 – June 30, 2025 Capitation Rates

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Executive Summary

Background

This report provides documentation and actuarial certification for the State of Iowa's Dental Wellness Plan (DWP) capitation rate development for rates effective July 1, 2024 – June 30, 2025 (SFY25).

Prior to July 1, 2017 the State of Iowa provided dental benefits to adult Medicaid members via two distinct benefit packages and delivery systems which varied based on a member's Medicaid eligibility group. In particular, the Affordable Care Act Medicaid Expansion (Wellness Plan) population received dental services via a managed care delivery system, while all other adult Medicaid populations received dental services via fee-for-service (FFS). Effective July 1, 2017 (SFY18), the State developed a unified dental managed care program for all adult populations. The combined DWP program (DWP Adults) provides dental services to adults ages 19 and older.

Beginning July 1, 2021, the administration of children's Medicaid dental benefits transitioned from FFS to managed care via the DWP Kids program. The children's Medicaid dental benefits under the managed care program have remained the same as they were under FFS with no annual benefit maximum for the DWP Kids. Dental services are provided via the two dental plans contracted with the State: Delta Dental of Iowa and Managed Care of North America Dental (MCNA). Delta Dental and MCNA administer the combined DWP Adults and DWP Kids programs through one contract that is referred to as the DWP Managed Care Program. This certification describes the capitation rate build up for both populations with specific reference to either the DWP Kids or DWP Adult populations for instances where data sources or rating adjustments vary.

As the consulting actuaries to the Iowa Department of Health and Human Services (HHS) and Iowa Medicaid, CBIZ Optumas (Optumas) ensured that the methodology used to develop the SFY25 DWP capitation rates complied with the Centers for Medicare & Medicaid Services (CMS) guidance for the development of actuarially sound rates, 42 Code of Federal Regulations (CFR) 438.4, as well as 438.5, 438.6, and 438.7. Optumas worked with HHS and Iowa Medicaid to identify the necessary rate development components for the July 1, 2024 – June 30, 2025 rating period, accounting for the covered services and populations as described in the dental contracts. The final rates were developed according to actuarially sound principles and reasonably reflect the experience projected for the SFY25 DWP program.

This document is structured consistent with the CMS 2024-2025 Medicaid Managed Care Rate Development Guide. Since the Dental Wellness Plan only covers dental services, Section II of the CMS guidance regarding long-term services and supports (LTSS) is not applicable, but has been included for completeness.

Summary of Capitation Rates

In developing the SFY25 capitation rates, Optumas adhered to guidance provided by CMS in accordance with 42 CFR 438.4, the CMS standards for developing actuarially sound capitation rates for Medicaid managed care programs. CMS defines actuarially sound rates as meeting the following criteria:

1. They have been developed in accordance with generally accepted actuarial principles and practices.
2. They are appropriate for the populations to be covered and the services to be furnished under the contract.
3. They have been certified by an actuary who meets the qualification standards established by the American Academy of Actuaries and follows practice standards established by the Actuarial Standards Board.

Optumas specifically considered the following Actuarial Standards of Practice (ASOPs) when developing the DWP capitation rates:

- ASOP 5 – Incurred Health and Disability Claims
- ASOP 23 – Data Quality
- ASOP 41 – Actuarial Communications
- ASOP 49 – Medicaid Managed Care Capitation Rate Development and Certification

Optumas worked in conjunction with Iowa Medicaid to develop an appropriate rate setting methodology which incorporated the necessary adjustments to ensure that the rates for the contract period were reasonable, appropriate, and attainable. The body of this document outlines the CMS 2024-2025 Medicaid Managed Care Rate Development Guide with compliance to each section discussed in detail.

The certified capitation rates for the DWP managed care program, effective July 1, 2024 - June 30, 2025, can be found in the following appendices:

- Appendix I.E – Delta Dental DWP Rates
- Appendix I.F – MCNA DWP Rates

Fiscal Impact Estimate

Optumas developed separate SFY25 DWP Adults capitation rates for Delta Dental and MCNA, consistent with the SFY24 rate development. To develop each dental carrier's capitation rates, Optumas used plan-specific SFY23 (July 1, 2022 – June 30, 2023) base data from Iowa's Medicaid Management Information System (MMIS) encounters. Both plan-specific rate developments followed the same rate setting methodology, meaning the same program changes and rating adjustments were applied in the development of each plan's rates; however, the impact of each adjustment may vary based on the services and populations inherent within their plan-specific SFY23 base data.

The estimated fiscal impact of the SFY25 DWP capitation rates is an aggregate increase of approximately $1.80M for Delta Dental and an aggregate increase of approximately $0.88M for MCNA, based on SFY23 membership. The fiscal impact of the SFY24 certified capitation rates, gross withhold, compared to the SFY25 capitation rates, gross withhold, are shown in Appendix I.E and Appendix I.F.

Rate Development Summary

A brief description of each component in the rate development process is shown in *Table 1* below. Each step of the SFY25 rate development will be discussed in further detail throughout the remainder of the document.

Table 1. Rate Development Process

Adjustment	Overview
Base Data	**DWP Adults** – The base data includes SFY23 DWP MMIS encounter experience and membership from the corresponding DWP capitation payments. **DWP Kids** – The base data includes SFY23 DWP MMIS encounter experience and membership from the corresponding DWP capitation payments.
Reporting/Incurred but not Reported (IBNR) Adjustment	Developed reporting and IBNR factors by comparing the raw non-subcapitated encounter data to the dental carrier reported financials.
Federally Qualified Health Center (FQHC) Repricing	Repriced all FQHC encounters within the base data to the latest FQHC prospective payment system (PPS) rates available at the time of rate development with a projected reimbursement increase to the contract period.
Reimbursement Adjustment	Adjustment to reflect reimbursement at a level of the Medicaid fees allowable within the contract between the plan and the State.
University of Iowa Hospitals and Clinics (UIHC) / Broadlawns Dental Clinics (Broadlawns) Enhanced Fee Adjustment	Adjustment to increase the base data reimbursement to reflect the enhanced reimbursement levels for UIHC and Broadlawns providers.
Trend	Trend projections are created to account for the forecasted change in utilization and unit costs from the base to the contract period.
Acuity Adjustment	Reflects anticipated increase in the per capita dental amounts for disenrollment associated with the ending of the Public Health Emergency (PHE).
Non-Medical Loading	Administrative load to account for non-medical expenditures incurred by the dental carriers as well as a profit, risk, and contingency margin.

Section I. Medicaid Managed Care Rates

1. General Information

A. Rate Development Standards

i. Rate Range Standards

Optumas understands that unless otherwise stated, all standards and documentation expectations outlined in the CMS rate development guide for capitation rates also apply for the development of the upper and lower bounds of rate ranges, in accordance with 42 CFR §438.4(c). It should be noted that Optumas is certifying capitation rates and not capitation rate ranges. As such, any sections pertaining only to capitation rate ranges are not applicable but have been included for completeness.

ii. Contract Period

The rates contained in this certification are effective for the one-year period from July 1, 2024 through June 30, 2025 (SFY25).

iii. Required Components

Letter from Certifying Actuary

The rates contained in this document have been certified by Barry Jordan, Member of the American Academy of Actuaries (MAAA), and a Fellow of the Society of Actuaries (FSA) and Stephanie Taylor, Member of the American Academy of Actuaries (MAAA), and an Associate of the Society of Actuaries (ASA). Mr. Jordan and Ms. Taylor meet the requirements for an actuary in 42 CFR §438.2 and have certified that the final capitation rates meet the standards in 42 CFR §438.3(c), 438.3(e), 438.4, 438.5, 438.6, and 438.7. The certification letter is included at the end of this document.

Final Certified Capitation Rates

The final and certified capitation rates for all rate cells are provided in Appendix I.E and Appendix I.F in accordance with 42 CFR §438.4(b)(4) and 42 CFR §438.3(c)(1)(i).

Description of Program

The Dental Wellness Plan program is a statewide Medicaid managed care program covering dental benefits for Iowa Medicaid beneficiaries and began operating May 1, 2014. The managed care program originally covered dental benefits for only members within the Iowa Health and Wellness adult populations (Medicaid expansion), while the remaining adult Medicaid populations received dental benefits via the FFS environment. Effective July 1, 2017 and July 1, 2021, respectively, the program transitioned the remaining adult populations and Medicaid children covered under FFS to the managed care delivery system, with limited exceptions. All Medicaid populations are mandatorily enrolled in the risk-based managed care dental program administered by the two prepaid ambulatory health plans (PAHPs) Delta Dental of Iowa and MCNA. The combined DWP dental program provides a comprehensive

range of dental services for all Medicaid recipients. *Table 2* and *Table 3* below show the DWP rate cells and service categories that were used within the SFY25 rate development.

Table 2. DWP Covered Populations

DWP Program Rate Cells	
Community and LTSS Disabled	CHIP – Children 2-5
Community and LTSS Elderly	CHIP – Children 6-18
Community Duals <65	Wellness Plan 19-34 F
Pregnant Women	Wellness Plan 19-34 M
Temporary Assistance to Needy Families (TANF) 19-34 F	Wellness Plan 35-49 F
TANF 19-34 M	Wellness Plan 35-49 M
TANF 35-49 F	Wellness Plan 50+
TANF 35-49 M	Children 0-1
TANF 50+	Children 2-5
Children's Health Insurance Program (CHIP) – Children 0-1	Children 6-18

Table 3. DWP Covered Services

Categories of Service (COS)	
Adjunctive General Services	Preventive
Dental - FQHC	Prosthodontics Removable
Diagnostic	Prosthodontics, Fixed
Endodontics	Public Health Services
Miscellaneous	Restorative
Oral & Maxillofacial Surgery	Broadlawns (Enhanced Fee)
Orthodontia (included beginning SFY24)	UIHC (Enhanced Fee)
Periodontics	

The following Medicaid populations are not eligible for the DWP program and continue to receive their dental benefits through the Iowa Medicaid FFS delivery system or PACE program:

- Program of All-Inclusive Care for the Elderly (PACE)
- Health Insurance Premium Payment Program
- Presumptively Eligible
- Persons eligible only for the Medicare Savings Program
- Medically Needy
- Periods of retroactive eligibility
- Nonqualified immigrants receiving time-limited coverage for certain emergency medical conditions.

Additionally, children enrolled in the Healthy and Well Kids in Iowa (Hawki) program will continue to receive their dental benefits through the separate Hawki dental managed care program administered solely by Delta Dental of Iowa.

The comprehensive dental services covered within the SFY25 contract period are consistent with the services covered within the SFY24 contract period.

The certification letter includes documentation for the following special contract provisions related to payment underlying the capitation rates:

- Withhold arrangement
- Risk Corridor
- Minimum medical loss ratio (MLR) requirement

If the State and Optumas determine that a retroactive adjustment to the capitation rates is necessary, these retroactive adjustments will be certified by an actuary in a revised certification and submitted as a contract amendment in accordance with 42 CFR §438.7(c)(2). The revised rate certification will include a description of the rationale for the adjustment, the data, assumptions, and methodologies used to develop the magnitude of the adjustment, whether the state adjusted rates in the rating period by a *de minimis* amount in accordance with 42 CFR §438.7(c)(3) prior to the submission of the rate amendment and will address and account for all differences from the most recently certified rates.

iv. Differences Among Capitation Rate Assumptions

Any differences in the assumptions, methodologies, and factors used to develop the SFY25 DWP capitation rates for covered populations are based on valid rate development standards that represent actual cost differences in providing covered services to the covered populations. Any differences in the assumptions, methodologies, and factors used to develop the SFY25 DWP capitation rates do not vary with the rate of federal financial participation (FFP) associated with the covered populations in a manner that increases federal costs.

v. Rate Cell Cross-Subsidization

There is no rate cell cross-subsidization within the SFY25 DWP capitation rates.

vi. Program Change Dates

The assumptions used for development of the SFY25 DWP capitation rates are consistent with the effective dates of changes to the DWP program. The assumptions and adjustments are described in greater detail in Section I.2 in this document.

vii. MLR

The DWP program capitation rates were developed using generally accepted actuarial practices and principles. The rates were developed in such a way that they provide reasonable, appropriate, and

attainable non-benefit costs and that each plan would reasonably achieve an MLR of at least 85% for the contract period. As part of the Iowa DWP dental contract, the State has established a minimum MLR of 85% for MCNA and 87.75% for Delta Dental for the SFY25 contract period. Further details on this arrangement are described within the Risk-Sharing Mechanisms portion of this document.

viii. Rate Range Certification

This document certifies the specific SFY25 DWP rates for each rate cell and does not certify a range of capitation rates for each rate cell.

ix. Rate Range Documentation

This document certifies the specific SFY25 DWP rates for each rate cell and does not certify a range of capitation rates for each rate cell.

x. Generally Accepted Actuarial Practices

Reasonable, Appropriate, and Attainable Costs

All adjustments to the capitation rates, or to any portion of the capitation rates, reflect reasonable, appropriate, and attainable costs in the actuary's judgment and are included in the rate certification.

Adjustments Outside the Rate Setting Process

No adjustments are made outside of the rate setting process described in the rate certification. Adjustments to the rates that are performed outside of the rate setting process described in the rate certification are not considered actuarially sound under 42 CFR §438.4.

Final Contracted Rates

Consistent with 42 CFR §438.7(c) and 438.4(c)(2)(i), the final contracted rates in each rate cell match the capitation rates in the rate certification.

xi. Rate Certification Periods

The rates in this document were developed for the SFY25 contract period and are certified for the SFY25 period, effective from July 1, 2024 through June 30, 2025.

xii. COVID-19 PHE

Optumas has included narrative support describing the evaluation conducted, and the rationale for any applicable assumptions included in rate development related to the COVID-19 PHE within the applicable sections of this rate certification.

xiii. Amendments

FFP

The State of Iowa intends to claim FFP for the DWP capitation rates and will comply with the time limit for filing claims for FFP specified in section 1132 of the Social Security Act and implementing regulations at 45 CFR Part 95.

Changes to Rates

Any changes to the rates will result in the submission of a new rate certification, except for changes permitted as specified in 42 CFR §438.7(c) or 42 CFR §438.7(c)(3).

Contract Amendments

If contract amendments revise the covered populations, services furnished under the contract, or other changes that could reasonably change the rate development and rates, supporting documentation will be provided indicating the rationale as to why the rates continue to be actuarially sound in accordance with 42 CFR §438.4.

Limited Payment Changes

Supporting documentation rather than a new or revised certification will be provided to CMS if the actuarially sound capitation rates per rate cell outlined in this certification increase or decrease, as required in 42 CFR §438.7(c) and 438.4(b)(4), up to 1.5 percent during the rating period, in accordance with 42 CFR §438.7(c)(3).

Other Changes

A contract amendment will be submitted any time a rate changes for any reason other than application of an approved payment term included in the initial managed care contract. There are currently no approved payment terms associated with the DWP managed care contracts expected to be implemented within the SFY25 contract period.

Changes in Federal Statutes or Regulatory Authority

Optumas and Iowa Medicaid will submit a rate amendment if any DWP program features are invalidated by courts of law, or by changes in federal statutes, regulations, or approvals. The rate amendment will adjust the capitation rates to remove costs that are specific to any program or activity that is no longer authorized by law, taking into account the effective date of the loss of program authority.

B. Appropriate Documentation

i. Certification of Capitation Rates or Rate Ranges

This document certifies the specific SFY25 DWP rates for each rate cell and does not certify a range of capitation rates for each rate cell.

ii. Documentation of Data, Assumptions, and Methodology

Data used, secondary data sources, justification for assumptions, and methods for analyzing data and developing adjustments are described in the relevant sections of this certification letter.

iii. MLR

The DWP program capitation rates were developed using generally accepted actuarial practices and principles. The rates were developed in such a way that they provide reasonable, appropriate, and attainable non-benefit costs and that each plan would reasonably achieve a medical loss ratio (MLR) of at least 85% for the contract period. As part of the Iowa DWP dental contract, the State has established a minimum MLR of 85% for MCNA and 87.75% for Delta Dental for the SFY25 contract period. Further details on this arrangement are described within the Risk-Sharing Mechanisms portion of this document.

iv. Rating Assumption Variations

This document provides rate certification for the DWP program, and the actuaries certify to specific rates for each rate cell, not rate ranges, in accordance with 42 CFR §438.4(b)(4) and 438.7(c). The certification discloses and supports the specific assumptions that underlie the certified rates for each rate cell, including the magnitude and narrative support for each specific assumption or adjustment. To the extent assumptions or adjustments underlying the capitation rates vary between managed care plans, the certification describes the basis for this variation.

v. Rate Range Requirements

This document certifies the specific SFY25 DWP rates for each rate cell and does not certify a range of capitation rates for each rate cell.

vi. Index

This rate certification follows the structure of the CMS 2024-2025 Medicaid Managed Care Rate Development Guide. The table of contents at the beginning of this document serves as an index that documents the page number or the section number for the items described within the guidance. Inapplicable sections of the guidance are included for completeness and marked as “Not Applicable.”

vii. FFP Assurance

Optumas confirms that any proposed differences in the assumptions, methodologies, or factors used to develop capitation rates for covered populations comply with 42 CFR §438.4(b)(1), and that any differences in the assumptions, methodologies, or factors used to develop the capitation rates for covered populations are based on valid rate development standards that represent actual cost differences in providing covered services to the covered populations, and that these differences do not vary with the rate of FFP associated with the populations in a manner that increases federal costs.

viii. Federal Medical Assistance Percentage (FMAP)

There are services, populations, or programs for which the state receives a different FMAP than the regular state FMAP. The accompanying appendices contain the final capitation rates by rate cell.

ix. Rate Change Comparison

The SFY25 DWP capitation rates, gross withhold, compared to the SFY24 DWP certified rates, gross withhold, can be found in Appendix I.E and Appendix I.F. In general, the DWP capitation rates increased from SFY24 to SFY25. The primary drivers of the rate changes are the updated SFY23 base data and revised PHE acuity adjustments based on emerging experience. All other material changes to the capitation rates compared to the prior rating period are addressed in other sections of this guidance.

x. Known Amendments

Iowa Medicaid reviewed dental reimbursement as part of their annual rate review in CY23. During this review, it was identified that Iowa Medicaid reimburses more than other Midwest regional Medicaid programs for orthodontia services while reimbursing less for other dental services. As a result, Iowa Medicaid is considering rebalancing reimbursement levels between orthodontia and diagnostic/preventative services. To the extent there is a change in the Medicaid dental fee schedule for these services, Optumas will evaluate the impact to the reimbursement adjustments underlying the DWP rates to determine if a rate amendment is warranted. There is currently no estimated effective date for the potential fee schedule rebalancing.

There are no other potential amendments associated with the SFY25 DWP contract that are known at this time.

xi. COVID-19 Public Health Emergency Documentation

State-Specific, National, or Regional Data and Information

Optumas used Iowa state-specific data in determining how to address the COVID-19 PHE in rate setting. Optumas reviewed January 2022 through March 2024 IA DWP enrollment data to derive the acuity adjustment described in this report.

Description of Direct and Indirect Impacts

The SFY25 DWP capitation rates directly account for the impacts of the COVID-19 PHE on member behavior and changes in utilization by using SFY23 data as the base data period. The acuity adjustment estimates the impact of member disenrollments that began in April 2023 as a result of unwinding the PHE continuous enrollment requirement.

Non-Risk Basis Costs

There are no COVID-19 related costs that are covered on a non-risk basis outside of the capitation rates for the DWP program.

Risk Mitigation Strategies

Consistent with the SFY24 contract period, a two-sided risk corridor and minimum MLR requirement remain in place for the DWP program for the SFY25 contract period.

2. Data

A. Rate Development Standards

i. Base Data

Encounter Data, FFS Data, and Audited Financial Reports

As part of the SFY25 rate setting process, Optumas received detailed IA DWP MMIS encounter data, FFS data, and State eligibility and dental capitation payments for incurred dates between January 1, 2015 through January 31, 2024, paid through January 31, 2024. The detailed capitation enrollment information was merged onto the claims and encounters to ensure that the base data used for rate development was only for members with valid DWP eligibility. The State also provided Optumas with the most recent financial reports for Delta Dental and MCNA which were used to help validate the MMIS encounter data. Additional capitation payments through March 2024 were provided and used in the acuity adjustment described later.

Appropriate Base Data

Optumas selected SFY23 (July 1, 2022 – June 30, 2023) encounter data as the base data for the DWP Adults and DWP Kids for the SFY25 rate development. Optumas deemed this the most appropriate base data since it was the most recent and complete year of data available and is comprised of experience with inherent impacts of the COVID-19 pandemic and PHE.

Medicaid Population

The SFY23 base data used for rate setting represents detailed encounter data and enrollment for the Medicaid population in Iowa.

Exceptions

The base data used for this rate setting falls within the most recent and complete three years prior to the rating period so no request for an exception is necessary.

B. Appropriate Documentation

i. Base Data

Due to the significant difference in penetration rates (members receiving at least one service within an annual time frame) that persists between the two dental plans, Optumas and the State continue to develop plan-specific rates for the SFY25 contract period. Optumas relied on dental plan-specific SFY23 MMIS encounter experience for the DWP Adults and DWP Kids programs as the base data for the SFY25 rate development. Appendix I.A and Appendix I.B contain summaries of the SFY23 base data at the rate cell level.

ii. Rate Development Data

Optumas relied on the dental plan-specific SFY23 MMIS encounter data as the base data for rate development. A summary of the SFY23 base data by plan and rate cell can be found in Appendix I.A and Appendix I.B.

None of the services rendered through the DWP program are provided through subcontractors with the dental plans; thus, there are no sub-capitated arrangements or payments present in the MMIS encounter data used as the basis for rate development.

To ensure compliance with ASOP 23 – Data Quality, Optumas conducted the following data validation analyses:

1. **Referential Integrity Checks** – Optumas ensured that all claims and encounters included in the base data were incurred by a member with a valid Medicaid eligibility span that coincided with the incurred date associated with the specific claim.

2. **Volume Checks** – Optumas checked both volume of claims and total dental service expenditures by looking at utilization, unit cost, and per-member per-month expenditures totals longitudinally. This ensured that any gaps or spikes in the data were identified and addressed before creating the base data. Delta Dental's MMIS encounter data for January 2023 – March 2023 (SFY23 Q3) appeared to be low in volume relative to other quarters. This drop in volume for SFY23 Q3 was accounted for in the Reporting/IBNR adjustment.

3. **Benchmark Comparison** – Optumas compared summarized data to other base data summaries used in reference dental programs in other states for benchmarking purposes. Additionally, Optumas compared the MMIS encounter data to the reported financials from the DWP dental plans to ensure consistency of the data across sources and that the SFY23 base data used for rate development was complete. Delta Dental's reported financials confirmed that the encounter data was understated for SFY23 Q3 by approximately 4.8% in aggregate. The financial comparison was used as the basis of the Reporting/IBNR adjustment described later in this document to ensure the adjusted base data was complete.

Optumas relied upon the encounter and capitation data provided by HHS and the contracted dental vendors. Optumas determined that the adjusted base data used was suitable for the purpose of developing actuarially sound rates for the SFY25 contract period since there were no further concerns over the availability or quality of the data received from the State.

iii. Adjustments

Data Credibility

Consistent with SFY24, for the DWP Kids, certain CHIP rate cells were deemed to have insufficient enrollment volume to develop stand-alone rates. As a result, the CHIP enrollment, costs, and utilization

were included with the more substantial corresponding children rate cells to enhance credibility. The combined rate cells are shown in *Table 4* below:

Table 4. Combined Rate Cells

Original Rate Cell	Combined Rate Cell
CHIP – Children 0-1	Children 0-1
CHIP – Children 2-5	Children 2-5
CHIP – Children 6-18	Children 6-18

Completion Factors

For the DWP Adults and DWP Kids, Optumas summarized the detailed SFY23 base data and compared it to the financial data shared by the dental plans. The SFY23 base data reflects encounters paid and submitted through January 31, 2024. Optumas developed plan-specific Reporting/IBNR adjustments by comparing the raw SFY23 encounter data to the plan reported financials inclusive of the plan-reported IBNR estimates through December 31, 2023. The combined Reporting/IBNR adjustment was applied in aggregate for MCNA's SFY23 base data experience to reconcile these data sources and account for encounters not yet properly flowing through the MMIS system. Quarterly Reporting/IBNR Factors split between DWP Adults and DWP Kids were developed for Delta's SFY23 base data experience to reconcile these data sources and account for encounters not yet properly flowing through the MMIS data. The development of quarterly factors was necessary to appropriately account for the lower volume of MMIS encounters observed for SFY23 Q3. The resulting Reporting/IBNR adjustments by rate cell can be found in Appendix I.A and Appendix I.B.

Errors in Data

Optumas benchmarked and validated the data and concluded that no errors outside of the higher volume of missing encounters for SFY23 Q3 existed within the data.

Program Changes

FQHC/IHS Repricing

Optumas calculated and applied an adjustment to account for the annual FQHC PPS and Indian Health Services (IHS) encounter rate changes using the latest applicable rates, effective January 1, 2024, and a projection of the January 1, 2025 rates. Given that the contract period spans two calendar years (CY24 and CY25), Optumas applied the full rate change effective January 1, 2024 and half of the projected January 1, 2025 rate change since the latter is only applicable to half of the contract period. Optumas identified FQHC and IHS providers receiving encounter rate reimbursement within the SFY23 MMIS encounter data. FQHC and IHS services reimbursed under procedure codes D0999 for MCNA and D9999 for Delta were repriced to the latest encounter rate, consistent with how Iowa FQHC and IHS facilities bill Medicaid dental encounters. The impact of the FQHC/IHS repricing adjustment by rate cell can be found in Appendix I.A and Appendix I.B.

Provider Reimbursement Adjustment

The State made the decision to establish capitation rates reflecting a dental provider reimbursement limit of 110% of the Medicaid fee schedule in aggregate across all rate cells. According to the contract between the plans and the State, provider fee agreements above 105% of the Medicaid fee schedule must be submitted to the State and demonstrate how the fee arrangement will improve network adequacy. The dental plans are allowed to reimburse providers however they see fit; however, the aggregate reimbursement underlying the capitation rates for the contract period will reflect a level at 110% of the Medicaid fee schedule for the non-UIHC and Broadlawns providers. FQHC and IHS services are reimbursed via separate encounter rates so were not adjusted to reflect this level of aggregate reimbursement. The impact of this adjustment, by rate cell, can be found in Appendix I.A and Appendix I.B.

UIHC/Broadlawns Enhanced Fee Adjustment

Effective July 1, 2023 for UIHC and October 1, 2023 for Broadlawns, dental services rendered by eligible professional service practitioners who are employed by, under contract to, or who assigned Iowa Medicaid payments to the University of Iowa Hospitals and Clinics (UIHC) or Broadlawns Dental Clinics (Broadlawns) began receiving rate payment adjustments to reflect an enhanced minimum fee schedule. The minimum fee schedule increases for the SFY25 contract period are 140.13% and 103.44% for UIHC and Broadlawns respectively. The adjustments applied are 118.3% and 84.9% to UIHC and Broadlawns respectively, to account for the underlying reimbursement being set at 110% of the Medicaid fee based on the provider reimbursement adjustment noted above.

COVID-19 PHE Acuity Adjustment

The acuity adjustments applied to the SFY25 rates account for an expected increase in per capita costs due to the expiration of the disenrollment moratorium effective during the COVID-19 PHE. Beginning in April 2023, HHS began the process to disenroll members due to the expiration of the Maintenance of Eligibility (MOE) requirement. This disenrollment process continued throughout the rest of SFY23 and into SFY24 and therefore is not fully inherent in the SFY23 base data used within the rate development process.

Optumas reviewed enrollment data through March 2024 to determine which members in the base data have been disenrolled due to the end of the COVID-19 PHE enrollment freeze. Optumas observed that the members who have been disenrolled because of the PHE unwind have overall lower costs in the base data relative to members who have remained in the program and are anticipated to remain in the SFY25 contract period. Removing these lower-cost members who have been disenrolled from the base data results in an increase to the base PMPMs. An explicit adjustment has been applied to the majority of the DWP Adults and DWP Kids rate cohorts as outlined in Appendix I.A and Appendix I.B.

Service and Payment Exclusions

Optumas ensured that only services included in the contract were considered for rate development.

3. Projected Benefit Costs and Trends

A. Rate Development Standards

i. Services Allowed

Final capitation rates are based only upon the services allowed in 42 CFR §438.3(c)(1)(ii) and 438.3(e).

ii. Trend Assumptions

In accordance with 42 CFR §438.5(d), each projected benefit cost trend assumption is reasonable and developed in accordance with generally accepted actuarial principles and practices. Trend assumptions are developed primarily from actual experience of the Iowa Medicaid population and include consideration of other factors that may affect projected benefit cost trends through the rating period.

Trend factors were applied to estimate the change in utilization rate (frequency of services) and unit cost (pure price change, technology, acuity/intensity, and mix of services) of services over time. These trend factors were used to project the costs from the base period to the contract period. Trends were developed on an annualized basis and applied by major category of service (e.g., Preventative, Diagnostic, etc.) and broad population (e.g., TANF, Wellness Plan, etc.). Prospective trends were applied from the midpoint of the SFY23 base data to the midpoint of the SFY25 contract period.

Prior to reviewing historical Iowa Medicaid experience, Optumas normalized the SFY23 base data for the programmatic and reimbursement changes described above, to ensure that the impact of these changes was not duplicated as both a rating adjustment and as trend. Once this was done, the encounter data was arrayed by rate cell, COS, and month of service, so that historical utilization/1,000, unit cost, and PMPMs could be reviewed. The data was arrayed so that 3-month moving averages (MMA), 6 MMA, and 12 MMA could be calculated. In general, a combination of these three metrics was used to determine prospective trends. However, there is not a pre-determined algorithm in place and trend assumptions vary based on nuances with a specific population or COS; given that prospective trend is a projection of future experience, it is necessary to make adjustments considering that historical trend experience may differ from what will materialize in the future.

The annualized prospective utilization and unit cost trend assumptions by rating cohort and rating category of service are included within Appendix I.C and Appendix I.D.

iii. In-Lieu-Of Services

Rate setting for the SFY25 DWP capitation rates does not include in-lieu-of services.

iv. Projected In-Lieu-of Services Cost Percentage and Managed Care Costs

Rate setting for the SFY25 DWP capitation rates does not include in-lieu-of services. Therefore, the projected percentage of in-lieu-of services is 0%.

v. IMD as In-Lieu-of Service

Services covered under the DWP program only consist of certain dental procedures. As such, IMD benefits are not applicable to the SFY25 DWP rate development.

B. Appropriate Documentation

i. Final Projected Benefit Costs

The rate certification documents the final projected benefit costs by rate cell in Appendix I.A and Appendix I.B.

ii. Development of Projected Benefit Costs

Description of Data, Assumptions, and Methodologies

As described in the Trend Assumptions section above, Optumas relied on the MMIS encounter data provided by the State for the development of projected benefit cost trends. No material changes to the data, assumptions, or methodologies used outside of the program change adjustments previously described have occurred since the SFY24 rate certification.

Changes to Data, Assumptions, and Methodologies

Projected costs were developed in a manner consistent with the development of the SFY24 rates and generally accepted actuarial principles and practices.

Overpayments to Providers

Prior to summarizing the SFY23 base data used for rate development, the detailed MMIS data was adjusted to include only last-in-chain, or final, versions of claims for Iowa Medicaid dental covered services.

iii. Projected Benefit Cost Trends

The Trend Assumptions section above describes the methodologies Optumas used to develop projected dental benefit trends. Optumas relied on Iowa MMIS Dental Wellness Plan encounters provided by the State for the periods between January 1, 2022 – December 31, 2023 as the primary basis for trend development. The annual utilization and unit cost trend assumptions are shown within Appendix I.C and Appendix I.D by rate cell and dental service category.

iv. Mental Health Parity and Addiction Equity Act

The Mental Health Parity and Addiction Equity Act is not applicable to the DWP program since only dental services are covered within the program.

v. In-Lieu-Of Services

In lieu of services do not exist within the SFY25 DWP rate development.

vi. Retrospective Eligibility

Retrospective eligibility dates have not historically been covered by the DWP program and will not be covered during the SFY25 contract period.

vii. Changes in Covered Benefits

No material changes to covered benefits or services have occurred since the last rate certification.

viii. Impact of Changes

The impact of the policy changes in effect between the SFY23 base data and the SFY25 contract period are shown in Appendix I.A and Appendix I.B. All policy changes related to changes in covered benefits or services have been accounted for and are itemized within the rate development. No other policy changes or adjustments applicable to the DWP program were deemed to be immaterial or were excluded from the rate development.

4. Special Contract Provisions Related to Payment

A. Incentive Arrangements

There are no incentive arrangements included in the contract between the State and the dental plans in the DWP program.

B. Withhold Arrangements

i. Rate Development Standards

Per the SFY25 DWP contract, 2.0% of premium is withheld by the State of Iowa and the dental plans can earn back the withhold to the extent that specific quality and performance measures are met as stated in the contract. These quality and performance measures are distinct from general operational requirements under the contract.

Per CMS guidance, contracts that provide for a withhold arrangement must ensure that the capitation payment minus any portion of the withhold that is not reasonably achievable is actuarially sound as determined by an actuary. The total amount of the withhold, achievable or not, must be reasonable and take into consideration the MCO, PIHP or PAHP financial operating needs accounting for the size and characteristics of the populations covered under the contract, as well as the MCO, PIHP or PAHP capital reserves as measured by the risk-based capital level, months of claims reserve, or other appropriate measure of reserves.

The estimated percentage of the withhold that is expected to be earned back is at least 50% based on a review of the earn back for the SFY23 contract period as well as the specific measures in place for SFY25. As part of the rate development, Optumas has evaluated the capitation rate alongside the 2.0% withhold and determined that the capitation rate net of the expected withhold earn back results in net capitation rates that are actuarially sound and consistent with the CMS guidance mentioned above.

Appendix I.E and Appendix I.F show the SFY25 capitation rates for each rate cell, gross and net of the withhold.

ii. Appropriate Documentation

The withhold arrangement is applicable for the entire SFY25 contract period and the purpose of the withhold arrangement is to incentivize the dental plans to meet specific quality and performance measures as stated in the SFY25 contract. The total percentage of the withhold arrangement is 2.0% of the final certified capitation rates, after non-medical load has been applied.

The DWP specific withhold arrangement and performance metrics had no impact on the development of the capitation rates; all rating adjustments made within the capitation rate development were made independent of any consideration to the withhold arrangement.

To the extent that the dental plan does not earn back the withhold, the payment rate would still be reasonable and appropriate for the covered services and populations and the resulting rates would still be actuarially sound.

C. Risk-Sharing Mechanisms

i. Rate Development Standards

This section provides supporting documentation and describes the risk-sharing arrangements between the State and the dental plans. During the SFY25 contract period there will be a program-wide risk corridor. Optumas worked with the State to develop a program-wide risk corridor based on the aggregate MLR percent experience across all populations and services for the dental plans. The profit and loss shares for the plans and the State for the different risk corridor bands are shown in the tables below.

Table 5: Delta Dental SFY25 Risk Corridor Arrangement

SFY25 Risk Corridor Bands		Profit/Loss Share	
Min. Threshold %	Max Threshold %	Dental Plans	State
0%	87.75%	0%	100%
87.75%	89.75%	100%	0%
89.75%	91.75%	100%	0%
91.75%	91.75%+	0%	100%

Table 6: MCNA SFY25 Risk Corridor Arrangement

SFY25 Risk Corridor Bands		Profit/Loss Share	
Min. Threshold %	Max Threshold %	Dental Plans	State
0%	85%	0%	100%
85%	87%	100%	0%
87%	89%	100%	0%
89%	89%+	0%	100%

The risk corridor reconciliation will be applied prior to the calculation of the minimum MLR and any recoupments necessary between the MCO and State will be incorporated as an adjustment to revenue prior to the minimum MLR calculation.

ii. Appropriate Documentation

The overall MLR risk corridor percentage is calculated as total adjusted dental expenditures divided by the total capitation revenue for the SFY25 period. Adjusted dental expenditures shall be determined by the State/Optumas based on encounter data and plan financial data submitted by the dental plans.

Items like fraud, waste, and abuse, or activities that improve health care quality or other administrative-related expenditure, are not considered in the numerator of the MLR risk corridor calculation.

Adjusted dental expenditures only include services covered by the DWP contract and may include valued-based purchasing arrangements or other provider incentives that were pre-approved by the State on a prospective basis. The dental plan may provide value-add services to enrollees that are in addition to those covered under the State Plan. The cost of these value-add services may not be included within the dental expenditures portion of the risk corridor calculation for the SFY25 contract period. Additionally, the risk corridor is anchored around the administrative load percent for each plan. This ensures that the risk-sharing arrangement will not result in a remittance/payment based on the pricing assumptions used in the capitation rate development.

The implementation of the risk corridor and MLR requirement did not impact the development of the actuarially sound capitation rates or influence any of the adjustments made within rate development.

The minimum MLR is established as 85% for MCNA and 87.75% for Delta Dental. If a dental plan's claims experience for the contract period after the risk corridor reconciliation is less than the established minimum MLR, the dental plan must refund the State the difference. The payment amount will be the amount that results in an 85% MLR for MCNA and 87.75% for Delta Dental relative to the effective net revenue, after risk corridor reconciliation. Plan submitted MMIS encounters and reported financials will be reconciled to the assumed experience included in the SFY25 rates to evaluate any MLR payments necessary after the risk corridor calculation reconciliation.

The methodology that will be used to calculate the MLR under the DWP contract, to the extent each item exists for each dental plan within the contract period, is as follows:

A. The numerator for the MLR calculation will be comprised of the following components:

    1. Incurred claims
    2. IBNR estimate for claims incurred in contract period
    3. Non-claim service-related payments (incentive and bonus payments)
    4. Costs for Activities that Improve Health Care Quality (per 42 CFR §438.8 (e)(3))
    5. Fraud prevention costs (per 42 CFR 438.8 (e)(4))
    6. Reinsurance premiums less recoveries
    7. Less related-party medical margin

    This will result in the sum of items 1-6, minus item 7.

B. The denominator for the MLR calculation will be comprised of the following components:

    1. Capitation payments net of withhold
    2. Earned withhold amount
    3. Risk corridor reconciliation amount
    4. Less other applicable federal/state taxes

This will result in the sum of items 1-3, minus item 4.

The MLR calculation will then be conducted as the numerator (A) divided by the denominator (B). To the extent that A/B is below the established minimum MLR, a payment will be triggered from the dental plan to the State.

D. State Directed Payments

i. Rate Development Standards

There are no delivery system or provider payment initiatives applicable to the SFY25 DWP program capitation rates.

ii. Appropriate Documentation

There are no delivery system or provider payment initiatives applicable to the SFY25 DWP program capitation rates.

E. Pass-Through Payments

i. Rate Development Standards

There are no pass-through payments for the SFY25 DWP program capitation rates.

ii. Appropriate Documentation

There are no pass-through payments for the SFY25 DWP program capitation rates.

5. Projected Non-Benefit Costs

A. Rate Development Standards

i. Required Components

In accordance with 42 CFR §438.5(e), the development of the non-benefit component of the rate includes reasonable, appropriate, and attainable expenses related to the program administration, taxes, licensing and regulatory fees, contribution to reserves, risk margin, and cost of capital.

ii. PMPM and Percentage of Capitation Rates

Non-benefit costs were developed as a percentage of the capitation rates.

B. Appropriate Documentation

i. Development

Non-benefit costs were developed using financial data reported by the dental plans for SFY23 and emerging SFY24 experience along with a review of non-benefit costs in Medicaid programs from states with similar covered populations and services. In developing the non-benefit cost assumption, consideration was given to economies of scale and the changing covered population size as part of the COVID-19 PHE unwinding.

ii. Cost Categories

The non-benefit cost load includes administrative costs and an allocation for profit, risk, and contingency. The profit, risk, and contingency component of the rates is 2% of premium for all rate cells.

iii. Historical Non-Benefit Cost Data

As described in the sections above, the historical non-benefit cost data provided by the dental plans was relied on when developing the non-medical load assumptions within the SFY25 capitation rates. The plans provided financial information for the SFY23 and the first half of SFY24 experience periods. Optumas will continue to monitor the DWP program non-benefit cost data provided by the dental plans in future rate development cycles.

6. Risk Adjustment

A. Risk Development Standards

i. Risk Adjustment

No risk adjustment methodology or relative risk factors were used in the development of the SFY25 DWP capitation rates.

ii. Methodology

Not applicable, no risk adjustments were utilized to develop the SFY25 DWP capitation rates.

B. Appropriate Documentation

i. Prospective Risk Adjustment

Not applicable, no prospective risk adjustments were made for the DWP program in SFY25.

ii. Retrospective Risk Adjustment

Not applicable, no retrospective risk adjustments were made for the DWP program in SFY25.

iii. Changes to Risk Adjustment Model and Budget Neutrality

Not applicable, no risk adjustments were made for the DWP program for either SFY24 or SFY25 rate development.

7. Acuity Adjustments

A. Rate Development Standards

i. Acuity Adjustment

A prospective acuity adjustment has been applied and is discussed further below. No retrospective acuity adjustments are in place for the SFY25 DWP rates.

B. Appropriate Documentation

i. Description of Acuity Adjustment

The acuity adjustment applied to the SFY25 rates accounts for an expected increase in per capita costs due to expiration of the disenrollment moratorium effective during the COVID-19 PHE. Beginning in April 2023, HHS began the process to disenroll members due to the expiration of the MOE requirement. This disenrollment process continued throughout SFY24 and therefore is not fully inherent in the SFY23 base data used for rate development.

Optumas reviewed DWP program enrollment data through March 2024 to determine members in the base data that have been disenrolled due to the end of the COVID-19 PHE enrollment freeze. Optumas observed that the members who have been disenrolled because of the PHE unwind have lower costs in the base data relative to members who are anticipated to remain in the program throughout SFY25. Removing these lower-cost members who have been disenrolled due to the PHE unwinding results in an increase to the base PMPMs. An explicit adjustment has been applied to the majority of the DWP Adults and DWP Kids rate cohorts.

The impact of the acuity adjustment can be found in Appendix I.A and I.B for each dental plan.

Section II. Medicaid Managed Care Rates with Long-Term Services and Supports

The DWP program only covers dental services for the Iowa Medicaid populations. Therefore, the following sections regarding Managed Long-Term Services and Supports (MLTSS) are not applicable to the DWP dental program and have been omitted from this document.

Section III. New Adult Group Capitation Rates

1. Data

A. New Adult Group Data

The same data sources used to set the SFY25 rates for the traditional Medicaid populations were used to develop rates for the new adult group. DWP program encounter data for the Wellness Plan (WP) new adult group, as described in Section I.2, was primarily used to develop SFY25 rates.

B. Previous Rating Periods

i. New Data

Optumas used DWP experience from SFY23 as the basis for SFY25 rate development.

ii. Monitor Costs

Iowa Medicaid and Optumas continue to review emerging experience for the WP population and will consider the necessity of any additional adjustments in future rate developments should emerging experience vary materially from cost projections.

iii. Actual Experience Compared with Expectations

Optumas continues to use emerging and actual DWP experience as the basis for rate development for the WP populations.

iv. Adjustment for Differences

Emerging base data continues to be used to develop the projected DWP capitation rates to better align projected experience with actual experience.

2. Projected Benefit Costs

A. New Adult Group Required Documentation

i. New Adult Groups Covered in Previous Rating Periods

Optumas worked with Iowa Medicaid to utilize SFY23 DWP encounter data as the base for the SFY25 capitation rates. This source is consistent with past rate cycles, however, beginning with the development of the SFY22 capitation rates the rates have been developed at a plan-specific level.

No adjustments were made for the following items as a result of using actual DWP program experience:

- Pent-up demand
- Adverse selection
- Demographic changes
- Differences in provider reimbursement rates, as these differences do not exist between the WP and non-WP populations.

All benefit plan changes have been documented in Section I of this certification letter. No additional benefit plan changes specific to the WP population have been made.

ii. New Adult Groups Not Covered in Previous Rating Periods

Not applicable. The State has covered the new adult group in previous rating periods.

iii. Key Assumptions

Acuity Adjustments

COVID-19 PHE Acuity Adjustment

The acuity adjustment applied to the SFY25 rates accounts for an expected increase in per capita costs due to expiration of the disenrollment moratorium effective during the COVID-19 PHE. This adjustment is described for all populations in further detail within Section I.7. No specific modifications to the general methodology described previously were applied for the WP population.

Pent-up Demand

The WP population has several years of experience within the DWP program at the time of the SFY23 base data period, so no adjustment for pent-up demand was deemed necessary.

Adverse Selection

The WP population has had several years of experience within the DWP program and no significant changes in the population are expected, so no adjustment for adverse selection was deemed necessary.

Demographics

The WP population has had several years of experience within the DWP program and no significant changes in the population are expected, so no adjustment for demographic changes was deemed necessary.

Provider Reimbursement and Networks

Any reimbursement or network adjustments made as part of the program change adjustments for the DWP Adults were applied to all adult populations and are described in Section I. Any variations in the assumptions used to develop the projected benefit costs for DWP covered populations were based on valid rate development standards and not based on the rate of FFP associated with the covered populations.

Other Adjustments

No other adjustments were made to the WP projected benefit costs outside of those previously described in Section I.

B. Other Material Changes or Adjustments to Projected Benefit Costs

There are no other material changes or adjustments to projected benefit costs not already described in this certification letter.

3. Projected Non-Benefit Costs

A. Required Components

i. Changes in Methodology

Projected non-benefit costs for the WP populations were developed using the same data, methodology, and assumptions as the traditional Medicaid adult populations, described in Section I.5. No other methodology changes have been made to the projected non-benefit costs between the SFY24 and SFY25 DWP rate development for the WP population.

ii. Changes in Assumptions

Projected non-benefit costs for the WP population were developed using the same data, methodology, and assumptions as the traditional Medicaid adult populations, described in Section I.5. No other changes in assumptions for the following items have been made to the projected non-benefit costs between the SFY24 and SFY25 DWP rate development outside of what has already been described in Section I.5:

- Administrative costs
- Care coordination and care management
- Provision for operating or profit margin
- Taxes, fees, and assessments
- Other material non-benefit costs

B. Key Assumptions

Optumas used the same assumptions in developing the plan-specific non-benefit costs for the WP and traditional Medicaid adult populations. The development of non-benefit costs for all populations is described in Section I.5 and non-benefit costs are shown by rate cell and plan for the DWP adults in Appendix I.A and Appendix I.B.

4. Final Certified Rates

A. Required Components

i. Comparison to Previous Rates

Consistent with CMS' request under 42 CFR §438.7(d), Appendix I.E and Appendix I.F contain a comparison of the final certified SFY25 rates to the final rates from the previous SFY24 rate certification. These appendices contains the comparison for all rate cells, including WP populations.

ii. Other Material Changes

No other material changes outside of what has previously been described in this document were made to the rate development for either the standard Medicaid populations or the new adult WP populations.

5. Risk Mitigation Strategies

A. Description of Strategy

As discussed in Section I.4, the SFY25 DWP capitation rates have been developed as full risk rates. There is a program-wide risk corridor in place for the SFY25 contract period, but there are no risk mitigation strategies that are specific to only the WP population. Both the risk corridor and minimum MLR requirement apply to the overall DWP program, across all populations.

B. Comparison to Previous Period

i. Changes in Strategy

There have been no changes in risk mitigation strategy for SFY25 compared to the SFY24 DWP rates specific to the WP population.

ii. Rationale for Change

There has been no change from the SFY24 rates in use of a risk corridor specific to the WP population. There is a program-wide risk corridor across all populations.

iii. Experience and Results

No risk mitigation strategy has been in place specific to the WP population. Therefore, there is no relevant information available for prior rate cycles.

Actuarial Certification Letter

We, Barry Jordan, Director/Consulting Actuary at Optumas and Member of the American Academy of Actuaries (MAAA) and a Fellow of the Society of Actuaries (FSA), and Stephanie Taylor, Senior Manager/Consulting Actuary at Optumas and Member of the American Academy of Actuaries (MAAA) and an Associate of the Society of Actuaries (ASA), certify the calculation of the capitation rates described in this certification letter. Appendix I.E and Appendix I.F contain the SFY25 capitation rates for all cohorts, split by dental plan. We meet the qualification standards established by the American Academy of Actuaries and have followed the practice standards established from time to time by the Actuarial Standards Board.

The capitation rates provided with this certification are considered actuarially sound for purposes of 42 CFR 438.4, according to the following criteria:

- The capitation rates have been developed in accordance with generally accepted actuarial principles and practices.
- The capitation rates are appropriate for the populations to be covered, and the services to be furnished under the contract; and
- The capitation rates meet the requirements of 42 CFR 438.4.

The actuarially sound rates that are associated with this certification are effective July 1, 2024 through June 30, 2025 for the Dental Wellness Plan program.

The actuarially sound capitation rates are based on a projection of future events. Actual experience may vary from the experience assumed within the rate projection. The capitation rates offered may not be appropriate for any specific MCO. An individual MCO should review the rates in relation to the benefits that it is obligated to provide to the covered population and to its specific business model. The MCO should evaluate the rates in the context of its own experience, expenses, capital, surplus, and profit requirements prior to agreeing to contract with Iowa Medicaid. As a result of this evaluation, the MCO may require rates above or below the actuarially sound rates associated with this certification.

Please feel free to contact Barry at 480.588.2492 or Stephanie at stephanie.taylor@optumas.com for any additional information.

Sincerely,

Barry Jordan, FSA, MAAA
Director/Consulting Actuary, CBIZ Optumas

Stephanie Taylor, ASA, MAAA
Sr. Manager/Consulting Actuary, CBIZ Optumas

Appendices

Detailed tables containing data summaries, analyses, and assumptions used within the SFY25 rate development, split by dental plan are shown within the accompanying Excel file:

- "IA DWP - SFY25 Cert Appendix I 2024.06.21.xlsx"