

Iowa Medicaid-Billing Guidance Update Effective October 1st, 2026

FQHC/RHC Medicaid Reimbursement and Wraparound Payments

Description of Change/Guidance:

FQHC/RHC Medicaid Reimbursement:

FQHCs and RHCs are reimbursed for services for Medicaid members under Medicaid FFS based on the greater of: 100 percent of the reasonable Medicaid costs related to the encounter or the provider-specific prospective payment system (PPS) rate as calculated in accordance with section 702 of the Benefits Improvement and Protection Act of 2000 (BIPA).

When an FQHC or RHC provides service under contract with an MCO, the IME will supplement the payment from the MCO to provide for payments of at least the same amount as would otherwise be required under the PPS.

As described in Informational Letter [1562](#)¹ the managed care rate floor for FQHC and RHC services is the provider-specific BIPA PPS rate, updated annually.

- If the rate paid by the MCO is higher than the provider's reasonable cost per encounter from the most recently settled Medicaid Cost Report, the provider will not need to submit a wraparound request.
- If the rate paid by the MCO is lower than the provider's reasonable cost per encounter from the most recently settled Medicaid Cost Report, the provider may submit a

¹ https://dhs.iowa.gov/sites/default/files/1562_ManagedCareOrganizationProviderReimbursementRateFloors.pdf

Managed Care Wrap Request to the IME to collect the higher, cost based, reimbursement. Wraparound payments will be subject to cost settlement during the tentative and final settlement of the Medicaid Cost Reports.

Wraparound Requests:

- 1) Wraparound requests are submitted based on a calendar quarter.
- 2) Wraparound Requests are due to Iowa Medicaid no later than 60 days past the quarter end.
- 3) If a provider is experiencing an extenuating circumstance that prevents timely submission, the provider needs to email Iowa Medicaid Provider Cost Audit (PCA) at costaudit@hhs.iowa.gov and PCA will work with the provider on a late submission. Provided communication with PCA, wraparound requests will be accepted as long as the request is received no later than the date the Medicaid Cost Report is filed for that applicable time period. Medicaid Cost Reports are due five months following the provider's fiscal year end.
- 4) Wraparound Request Forms are as follows, but providers should always refer to HHS website for most updated copy of each form:
 - a. [Form 470-3495](#)²: Wraparound Payment Request
 - b. [Form 470-5419](#)⁴: Wraparound Supporting Claims Detail
- 5) Quarterly, there should be one wraparound request form submitted for all the MCOs that the provider works with. The request needs to include a signature and needs to be accompanied by the supporting claims detail using Form [470-5419](#).

Required Data for Fields in Wraparound Supporting Claims Detail (470-5419):

- 1) Patient Name: Medicaid member name in the following format "Last, First".
- 2) Medicaid ID#: Iowa Medicaid member ID Number (this is not the ID number issued by the MCO).
- 3) Date of Service: Date Medicaid member received services.
- 4) Paid Date: The date the claim was paid by the MCO.
- 5) CPT Code: CPT Codes billed on claim. If more than 10 CPT codes exist on claim, only the T1015 and subsequent 9 CPT codes need to be reported.
- 6) Amount Billed: The total amount billed by the provider.
- 7) Amount Paid by MCO: The amount paid to the provider by the MCO.
- 8) Amount Paid by Other Source: Amount paid on the claim by any payment source other than the MCO.

² <https://dhs.iowa.gov/sites/default/files/470-3495.pdf>

³ <http://dhs.iowa.gov/sites/default/files/470-5210.pdf>

⁴ https://dhs.iowa.gov/sites/default/files/470-5419_0.xlsx

- 9) Claim Adjusted: Is this claim an adjustment to a previously processed claim. If so, place a “Y” in this column, otherwise leave blank.
- 10) Adjusted Claim Identifier: The paid date of the original claim needs to be included in this column.
- 11) MCO: The acronym for the MCO the claim was paid by, ITC (Iowa Total Care), MHC (Molina Healthcare), WLP (Wellpoint Healthcare), MCNA (MCNA Dental), DQT (DentaQuest), or DD (Delta Dental)

Providers are responsible for completing Wraparound Supporting Claims Detail ([470-5419](#)). Information will not be obtained through the MCOs.

What to Include/Exclude in Wraparound Supporting Claims Detail ([470-5419](#)):

- 1) Only Iowa Medicaid Title XIX and Wellness services are eligible for wraparound payment.
- 2) Only include claims paid during the applicable time period (calendar quarter).
- 3) Only include claims where the FQHC/RHC billed using the T1015 encounter code.
- 4) In order to be included, the claim must be considered paid correctly by the MCO.
- 5) Exclude the following:
 - a. **hawk-i** Funded Services
 - b. Dates of service where the recipient was not covered by Iowa Medicaid.
 - c. Interest Payments
 - d. Health Home Payments
 - e. Zero pay claims when Medicaid is primary payer
 - f. Medicare Crossovers claims
- 6) [Example Scenarios](#)⁵: see the linked document detailing scenarios of when to include/exclude claims from the wraparound payment request.

Quarterly Submission of Wraparound Payment Requests:

To ensure data security and a more efficient upload process, all providers that currently submit quarterly wraparound payment requests will be required to submit the documentation via a secure upload process. This includes the Wraparound Payment Request ([470-3495](#)) and Wraparound Supporting Claims Detail ([470-5419](#)).

To use this process, providers must have an account set up in the Iowa Medicaid Portal Access (IMPA) system. If you have not already registered in IMPA, please follow the instructions to register for an account:

- 1) [Go to IMPA⁶](#).
- 2) Select the “Register New Account” at the top of the page.
- 3) Complete the registration form. Your password must be at least eight characters and include one uppercase character, one lowercase character, one digit, and one special character (!@#\$%^&+=). Enter the verification words and click the “Create” link.
- 4) When you receive the Congratulations message, select “OK.”
- 5) In order to upload documents, providers will need to complete the Wraparound Payment Request Access for the Iowa Medicaid Portal [Access \(IMPA\) System \(470-5479⁷\)](#). Completion of this form is only required the first time you upload files. Registrants will receive confirmation that they have been granted access to upload files in the IMPA system.

⁵ https://dhs.iowa.gov/sites/default/files/WrapPaymentExampleScenarios_0.pdf

⁶ [https://secureapp.dhs.state.ia.us/impal/\(S\(rya1g3my3w4454uhpqxl2xik\)\)/Default.aspx](https://secureapp.dhs.state.ia.us/impal/(S(rya1g3my3w4454uhpqxl2xik))/Default.aspx)

To Upload Documents:

- 1) Login to [IMPA](#). When you login for the first time, you will be required to answer security questions before proceeding.
- 2) Within the IMPA application, hover over “File”, then “Upload File”, and then click on Wraparound Payment Request.
- 3) To upload a document, you will need to complete all required information:
 - a. NPI
 - b. Doc Type selection
 - c. Year
 - d. Quarter
- 4) Wraparound Payment Request ([470-3495](#)) must be in PDF format. The Wraparound Supporting Claims Detail ([470-5419](#)) must be in

Excel format.

- 5) Browse to locate your file. Each file will need to be uploaded separately.
- 6) Click on Upload to send your file.
- 7) Providers will need to upload two documents each quarter:

Wraparound Payment Request ([470-3495](#))

- a. Wraparound Supporting Claims Detail ([470-5419](#))

If you have any questions, please contact the IME Provider Cost Audit Unit at 1-866-863-8610, locally in Des Moines at 515-256-4610, or by email at costaudit@hhs.iowa.gov. If you have issues with security or logging into the IMPA system, please contact IMPASupport@hhs.iowa.gov.

⁷ <https://dhs.iowa.gov/sites/default/files/470-5479.pdf>

This letter replaces Informational Letters 1656-MC, 1701-MC, 1714-MC-FFS-D, 1733-MC, 1762-MC-D, 1779-MC-FFS-D, 1790-MC-FFS-D, 1791-MC-FFS-D, and 1905-MC-FFS-D

The above referenced informational letters have addressed IA Health Link Managed Care Wraparound Payments. This billing guidance contains a compilation of previously communicated information related to the process for wraparound payment requests.