



Iowa Department of Human Services

Terry E. Branstad
Governor

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Lt. Governor

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Director

INFORMATIONAL LETTER NO.1152

DATE: July 19, 2012

TO: All Iowa Medicaid Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Patient Protection and Affordable Care Act (PPACA) Requirement:
Provider Payment Suspensions

EFFECTIVE: Immediately

In 2011, as required by the Patient Protection and Affordable Care Act (PPACA), the federal government promulgated an administrative regulation that requires each state Medicaid agency to suspend all Medicaid payments to a provider after the agency determines there is a credible allegation of fraud for which an investigation is pending under the Medicaid program against an individual or entity, unless the agency has good cause to not suspend payments or to suspend payment only in part. The good cause exceptions provided for in the law are:

- (1) Law enforcement officials have specifically requested that a payment suspension not be imposed because such a payment suspension may compromise or jeopardize an investigation.
- (2) Other available remedies implemented by the state more effectively or quickly protect Medicaid funds.
- (3) The state determines based upon the submission of written evidence by the individual or entity that is the subject of the payment suspension, that the suspension should be removed.
- (4) Recipient access to items or services would be jeopardized by a payment suspension because of either of the following:
 - (i) An individual or entity is the sole community physician or the sole source of essential specialized services in a community.
 - (ii) The individual or entity serves a large number of recipients within a Health Resources and Services Administration (HRSA)-designated medically underserved area.
- (5) Law enforcement declines to certify that a matter continues to be under investigation.
- (6) The state determines that a payment suspension is not in the best interest of the Medicaid program.

Additionally, a state may find that good cause exists to suspend payments in part, or to convert a payment suspension previously imposed in whole into one imposed only in part, to an individual or entity against which there is an

investigation of a credible allegation of fraud if any of the following are applicable:

- (1) Recipient access to items or services would be jeopardized by a payment suspension in whole or part because of either of the following:
 - (i) An individual or entity is the sole community physician or the sole source of essential specialized services in a community.
 - (ii) The individual or entity serves a large number of recipients within a HRSA-designated medically underserved area.
- (2) The state determines, based upon the submission of written evidence by the individual or entity that is the subject of a whole payment suspension, that such suspension should be imposed only in part.
- (3)(i) The credible allegation focuses solely and definitively on only a specific type of claim or arises from only a specific business unit of a provider; and
 - (ii) The state determines and documents in writing that a payment suspension in part would effectively ensure that potentially fraudulent claims were not continuing to be paid.
- (4) Law enforcement declines to certify that a matter continues to be under investigation.
- (5) The state determines that payment suspension only in part is in the best interests of the Medicaid program.

The Iowa Department of Human Services, Iowa Medicaid Enterprise (IME), is complying with this federal law. Payment suspensions of providers for which there is a pending criminal investigation by the Medicaid Fraud Control Unit (MFCU) are ongoing.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.