



[HF 2268](#) – Medicaid, Refunds and Offsets (LSB5556HV)
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Fiscal Note Version – New

Description

[House File 2268](#) limits any post-payment review of claims paid under either Medicaid fee-for-service (FFS) or managed care administration to 24 months from the date of payment unless the claim involves fraud or misrepresentation. In addition, any provider overpayment identified for which 24 months or more have elapsed since the date of payment of the claim shall not be subject to repayment or to offset against future reimbursement of claims by the provider, and any improper payment identified through a review may be resubmitted by the provider as a claims adjustment. The Bill does not apply to retroactive Medicaid cost settlements or rate changes based on a Medicaid or Medicare cost report.

The Bill takes effect upon enactment.

Background

Iowa Code section [249A.42](#) allows an administrative action to recover a provider overpayment within a period of five years from the date an overpayment was incurred, which would be changed in the Bill to 24 months for instances of overpayment that do not involve fraud or misrepresentation.

Assumptions

- The Department of Health and Human Services (HHS) will be required to return the federal share of overpayments to the federal government regardless of collection of overpayments from providers.
- Managed care organizations (MCOs) will make administrative efforts for any recoveries within the 24-month window in the Bill, if enacted, and the Bill will not cause an increase in capitation rate payments to the MCOs.
- Post-payment review does not apply to retroactive Medicaid cost settlements or rate changes based on a Medicaid or Medicare cost report.
- According to the HHS, the fiscal impact will fall solely upon State Medicaid's FFS program at a cost of approximately \$535,000 annually.
- The Bill takes effect upon enactment; however, the impact to the HHS is estimated to begin in FY 2025.
- The State fiscal impact will include increased costs to the General Fund Medical Assistance (Medicaid) appropriation.

Fiscal Impact

House File 2268 is estimated to increase costs to the State Medicaid program by approximately \$535,000 annually due to lost recoveries, beginning in FY 2025.

Source

Department of Health and Human Services

/s/ Jennifer Acton

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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