



Iowa Medicaid Review of State Fair Hearing (SFH) Appeals Biannual Legislative Report

January 1, 2025 to June 30, 2025

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Executive Summary

Pursuant to 2018 Iowa Acts, SF 2418, the Iowa Department of Health and Human Services (HHS) conducts an analysis of Medicaid member State Fair Hearing (SFH) appeals that have been withdrawn, dismissed, or overturned. HHS develops plans as necessary to address any negative patterns or trends identified by the analysis. A report of the analysis and findings shall be submitted to the Governor and General Assembly on a biannual basis. This report provides an analysis of Medicaid Managed Care Organization (MCO) member appeals from **January 1, 2025**, to **June 30, 2025**.

In this report, HHS analyzed SFH appeals that were withdrawn by a Medicaid member, dismissed by the MCO, or overturned by an Administrative Law Judge (ALJ). The MCOs serving Iowa Medicaid during the reporting period included Wellpoint Iowa, Inc. (WLP), Iowa Total Care (ITC) and Molina Healthcare (MOL).

The HHS Iowa Medicaid dashboard contains appeals reporting information publicly available on the [Iowa Medicaid Dashboard](#). Timeframes and data may differ between this report and the dashboard due to data definition variances.

A Medicaid member or their representative(s) may initiate an appeal following a decision by the MCO to deny, reduce, or limit items or services. Following the adverse action by the MCO, the member receives a letter explaining the reason for the denial, reduction, or limitation of benefits. The member has 60 days from the date of the letter to initiate the appeal process, also referred to as a first level review.

The initial appeal process includes an internal first level review between the member and the MCO, during which members can appeal the adverse action. The MCO has 30 days to complete the first level review and report, in writing, the findings to the member. If the member disagrees with the MCO's decision, the member can file an appeal with HHS through the SFH appeals process within 120 days of the MCO's decision. The SFH allows members to present their case to an ALJ for review. SFH appeals are legal proceedings like a non-jury trial in a court of law where an impartial ALJ presides over the hearing.

During the reporting period, **960** requests were submitted for SFH appeal review. HHS's Quality Improvement Organization (QIO) reviewed **154** SFH appeals to determine if the MCO's initial decision to deny, reduce, or limit the service request was consistent or inconsistent with Iowa Administrative Code (IAC) and state and federal criteria. The QIO clinical review team consisted of physicians, nurses, licensed social workers, and subject matter experts with experience in Medicaid services and supports.

Of the **154** SFH appeals reviewed by the QIO, the MCO dismissed **58** SFH appeals, members withdrew **75**, and an ALJ overturned **21**.

Table one below outlines the membership of the three MCOs along with Fee for Service (FFS) during this reporting period and the number of Long Term Services and Supports (LTSS) members. Member counts differ between plans, which in turn means some plans may have more requests than others.

While any member can appeal a decision by an Iowa Medicaid Plan to deny or limit items or services, LTSS members tend to receive more services through their person-centered service plan.

Table 1: Member Counts

Plan	Number of Members	Number of LTSS Members
FFS	43,244	2,113
ITC	220,073	16,163
MOL	191,571	7,268
WLP	242,699	20,728
Total	697,587	46,272

Key Findings

The HHS Dashboard was used in the collection of the claim and member counts for each plan. The Plans provided **15,411,533** unique, appealable services to members. Out of this, members submitted **960** SFH appeal requests, which is only **0.006229** percent of the total appealable services. Moreover, only **0.000331** percent of the total appealable services resulted in an overturned decision by an ALJ.

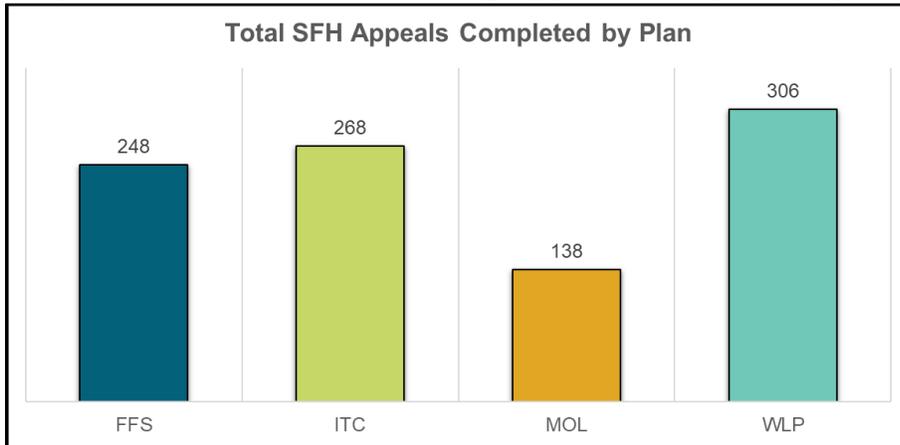
Table 2 and Graph 1 depict the number and percentage distribution of SFH appeal requests completed, categorized by plan. Of the total requests filed, **26** percent involved FFS enrolled members, **28** percent involved ITC members, **14** percent involved MOL members, and **32** percent involved WLP members.

Table 2: State Fair Hearings by Plan

Plan	Number of Members	Number of SFH Appeals	Percent of SFH Appeals
FFS	43,244	248	26%
ITC	220,073	268	28%
MOL	191,571	138	14%
WLP	242,699	306	32%
Total	697,587	960	100%

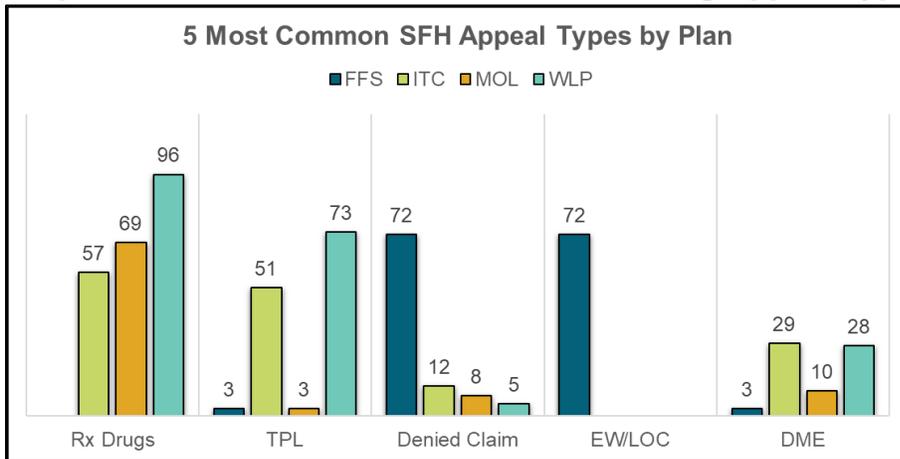
Number and percentage of SFH appeal requests completed by plan

Graph 1: Total State Fair Hearing Appeals Completed by Plan



Total number of SFH appeal requests completed by plan

Graph 2: Five Most Common State Fair Hearing Appeal Types by Plan



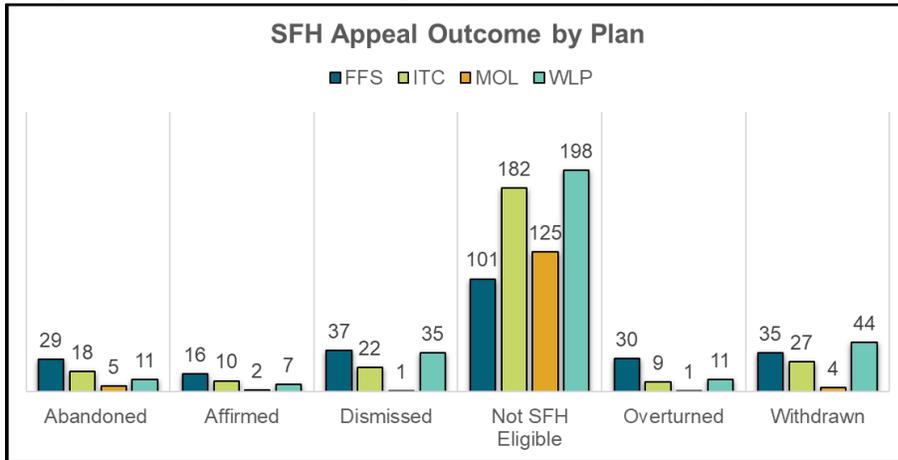
Top five SFH appeal types by plan – all outcomes

Requests during the reporting period were categorized by the type of action taken.

These actions were:

- ▶ Abandoned by the member or representative. This means the member or representative did not attend the hearing.
- ▶ Affirmed by the ALJ after the SFH appeal hearing.
- ▶ Dismissed by the Plan prior to or during the SFH appeal hearing.
- ▶ Overtured by the ALJ after the SFH appeal hearing.
- ▶ Withdrawn by the member or representative prior to the SFH appeal hearing.
- ▶ Not Appeal Eligible means the case was determined not eligible for a SFH appeal.

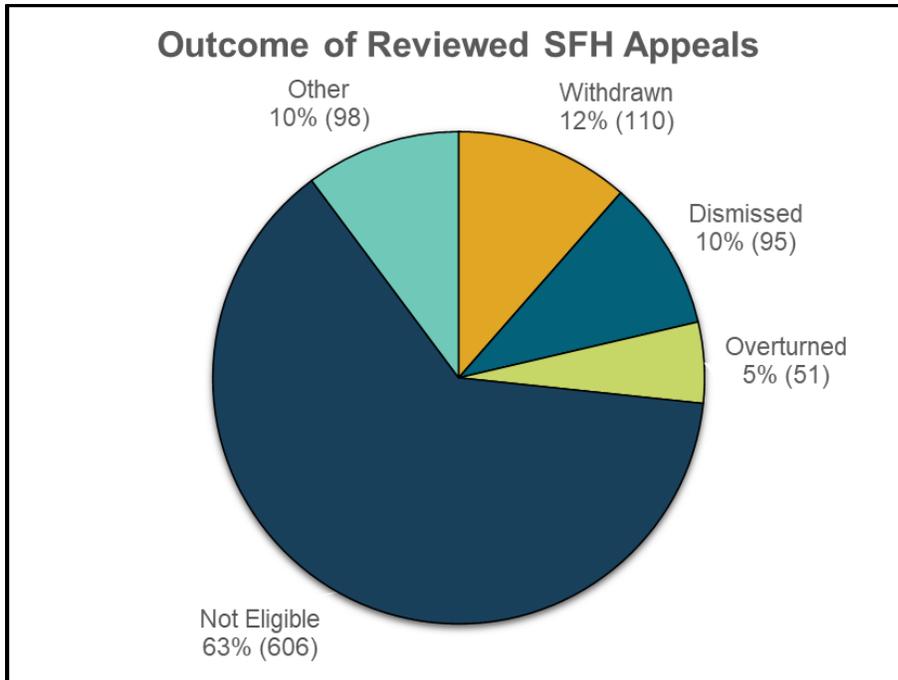
Graph 3: State Fair Hearing Appeal Outcome by Plan



Breakdown of total SFH appeal decisions by action (reporting period 1/1/2025-6/30/2025)

Graph 4 shows the breakdown of withdrawn, dismissed, overturned, and not appeal eligible categories. As shown, of the total SFH appeal requests completed, only **five percent** resulted in overturned decisions by an ALJ, and **63 percent** of the requests were determined not eligible.

Graph 4: Outcomes of Reviewed State Fair Hearing Appeals



Breakdown of SFH appeal decisions by reviewed appeals

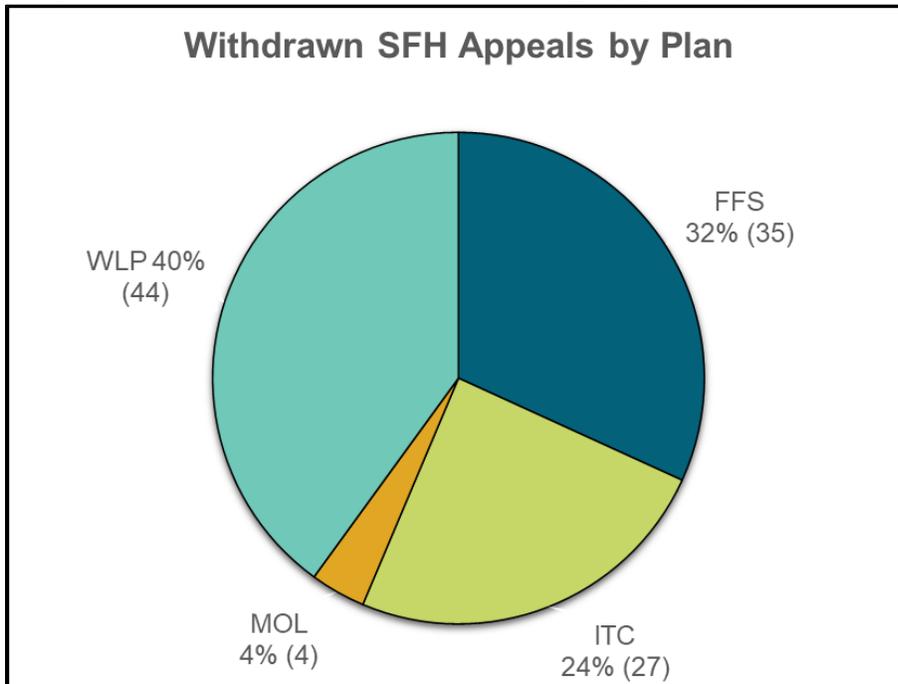
State Fair Hearing Appeals Withdrawn

SFH appeal requests are withdrawn solely at the member’s discretion when they decide they no longer wish to proceed with the SFH appeal process.

Of the total SFH appeal requests received, members withdrew **110**. **WLP** had the highest percentage withdrawn at **4.58** percent compared to the total number of requests filed.

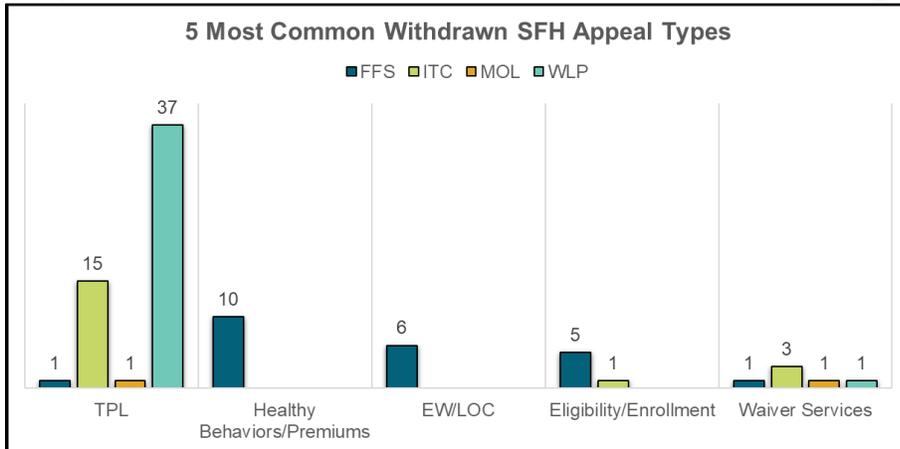
Graph 5 displays volume breakdown for withdrawn requests. Of the **109** requests withdrawn, **32** percent were FFS requests, **25** percent were ITC requests, nearly **four** percent were MOL requests and **40** percent were for WLP. In total, only **11.46** percent of the **960** requests were withdrawn.

Graph 5: Withdrawn State Fair Hearing Appeals by Plan



Breakdown of withdrawn SFH appeals by plan

Graph 6: Five Most Common Withdrawn State Fair Hearing Appeal Types



Five most common withdrawn SFH appeal types by payer

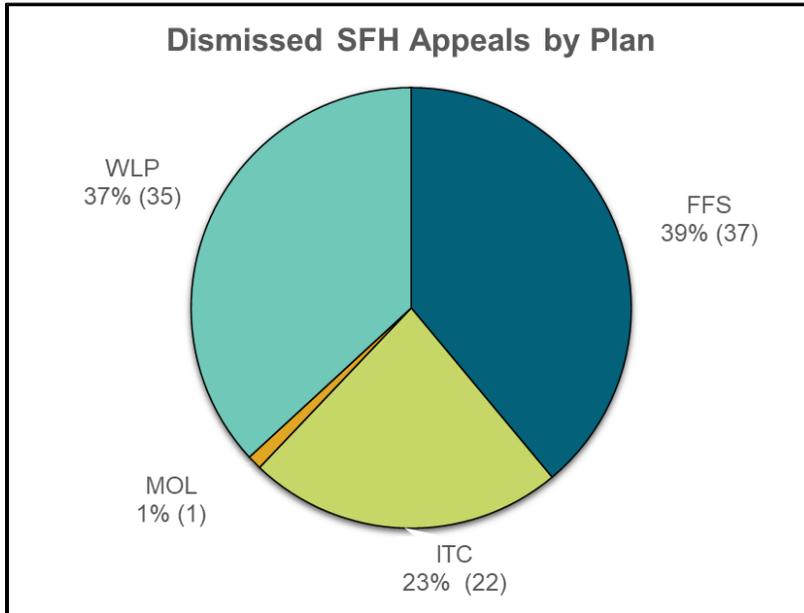
State Fair Hearing Appeals Dismissed

A SFH appeal is dismissed when the Plan reverses their original decision to deny, reduce, or limit a service. This can be done before or during the hearing.

Graph 7 shows the volume breakdown for dismissed requests. Of the **95** dismissed, **39** percent were FFS, **23** percent were for ITC, **one** percent was for MOL, and **37** percent were WLP.

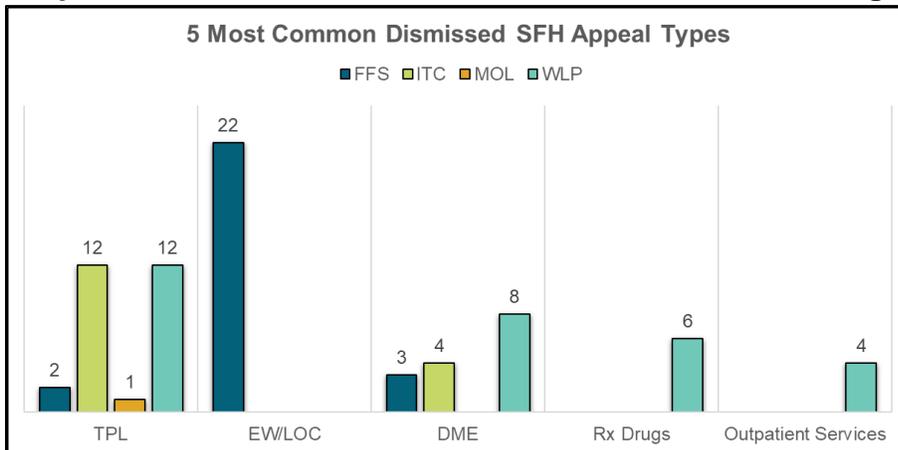
Further breakdown indicates the percentage of dismissed requests compared to the total number filed. FFS dismissed **four** percent, ITC dismissed **two** percent, MOL dismissed **less than one** percent and WLP dismissed **four** percent. In total, nearly **ten** percent of the **961** requests were dismissed.

Graph 7: Dismissed State Fair Hearing Appeals by Plan



Breakdown of dismissed SFH appeals by Plan

Graph 8: Five Most Common Dismissed State Fair Hearing Appeal Types



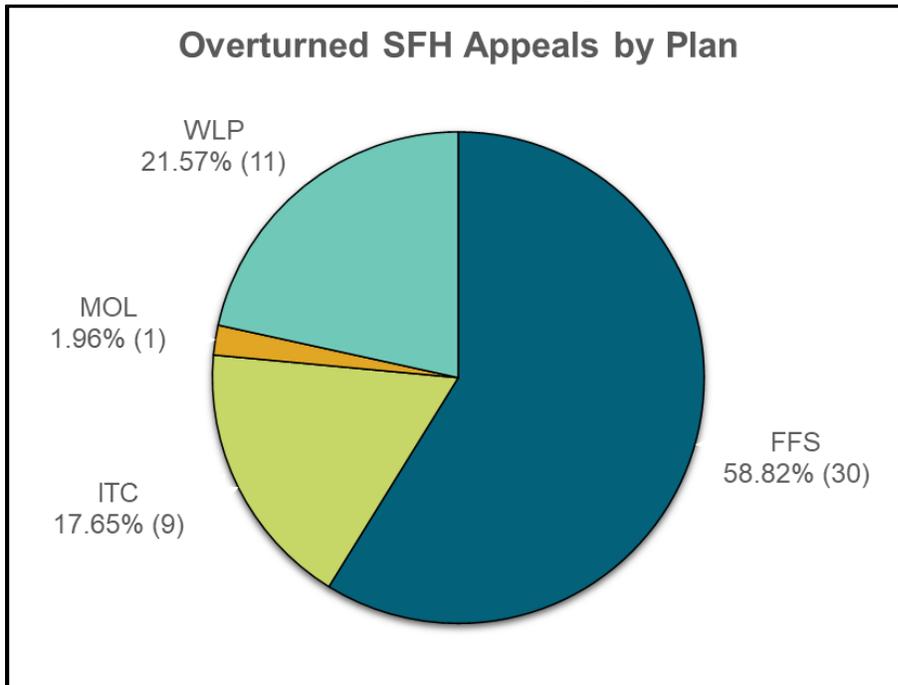
Five most common dismissed appeal types

State Fair Hearing Appeals Overturned

A SFH appeal is overturned when an ALJ determines the original denial of the requested item or service was not consistent with state and/or federal criteria.

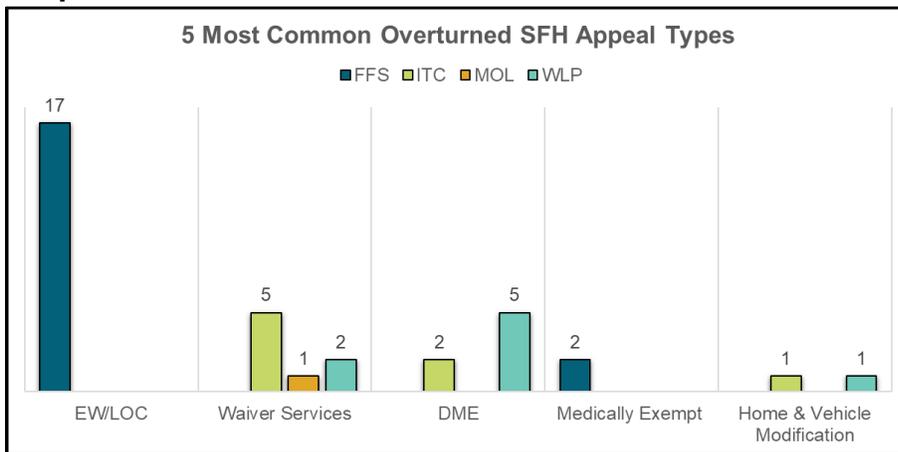
Graph 9 show of the **51** overturned SFH appeals, **FFS** had the highest number at nearly **59** percent. Further breakdown shows of the **960** SFH appeals filed,

Graph 9: Overturned State Fair Hearing Appeals by Plan



Breakdown of overturned appeals by plan

Graph 10: Five Most Common Overturned State Fair Hearing Appeal Types



Five most common overturned SFH appeal type

Ineligible State Fair Hearing Appeals

A SFH appeal is deemed ineligible if:

- ▶ The internal MCO first-level review process has not been completed, OR
- ▶ If the appeal is not filed within the expected time frame, OR
- ▶ There is an absence of an adverse Notice of Decision to the member or legal representative(s), OR
- ▶ A provider is attempting to appeal a claim dispute

There were **606** SFH appeals filed during the reporting period that were determined to be ineligible. While the clinical review team did not review these SFH appeals.

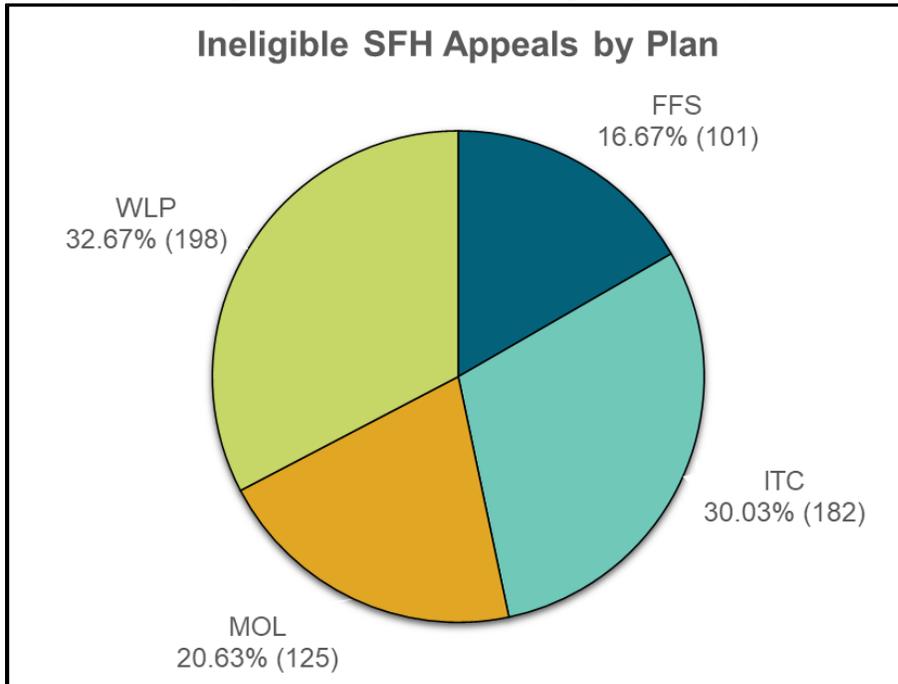
Table 2 and Graph 11 show the distribution of ineligible appeals by MCO.

Table 2: Ineligible State Fair Hearing Appeals by Plan

Plan	Number of Ineligible SFH Appeals	Percent of Ineligible SFH Appeals	Percent of Total SFH Appeals
FFS	101	16.67%	10.5%
ITC	182	30.03%	19.0%
MOL	125	20.63%	13.0%
WLP	198	32.67%	20.6%
Total	606	100%	63.1%

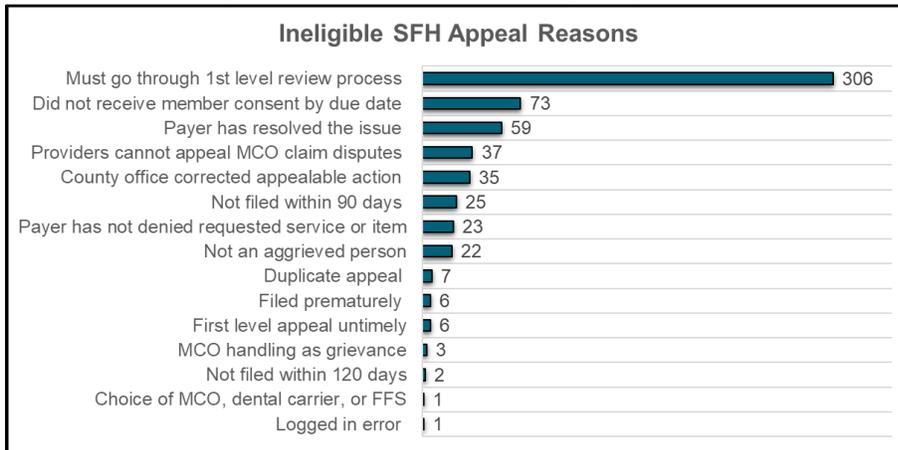
Number of SFH appeals determined to be ineligible

Graph 11: Ineligible State Fair Hearing Appeals by Plan



Breakdown of ineligible SFH appeals by Plan

Graph 12: Ineligible State Fair Hearing Appeal Reasons



Reasons SFH appeals were deemed ineligible

Clinical Review

The clinical review team reviewed each dismissed, withdrawn, or overturned appeal to determine whether the MCO’s original decision to deny, reduce, or limit services was based off state and federal criteria as well as IAC. *FFS was not included in this review.*

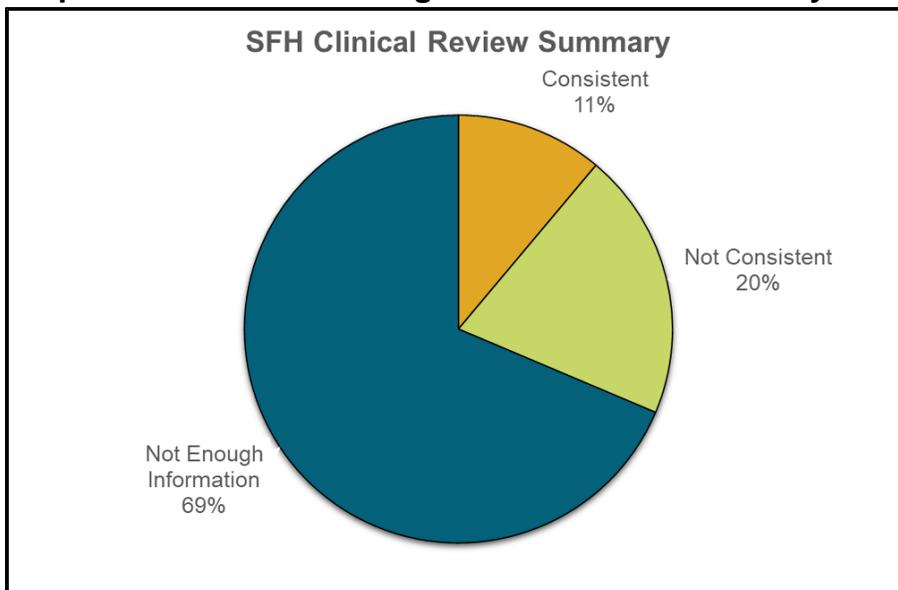
Table 3 and Graph 13 show the breakdown, by MCO, whether the original denial was consistent, inconsistent, or whether there was insufficient information to complete an objective review. The findings indicate of the **154** reviewed, **11** percent of the time, the MCOs were consistent with state and federal criteria; **20** percent of the time, the MCOs were inconsistent with state and federal criteria; and **69** percent of the time, there was not enough information to perform an objective review.

Table 3: Clinical Review Summary of SFH Appeals Outcome by MCO

MCO	Consistent		Not Consistent		Not Enough Information		Total Reviewed SFH Appeals
ITC	7	5%	10	6%	41	27%	58
MOL	0	0%	1	1%	5	3%	6
WLP	10	6%	20	13%	60	39%	90
Total	17	11%	31	20%	106	69%	154

Percentages are calculated using the total SFH appeals reviewed (**154**: 75 Withdrawn, 58 Dismissed, 21 Overturned)

Graph 13: State Fair Hearing Clinical Review Summary



Clinical review outcome

Progress Report

Listed below is an update on the improvement opportunities identified in the previous report (**January 1, 2025, to June 30, 2025**):

Action Item: HHS will collaborate with the MCOs to identify ways to support members and providers in their understanding of the steps in the appeals process and how to access a first-level appeal. HHS is working to identify opportunities to provide education on the appeals process within its communication vehicles and with its partners.

Progress Updates:

- ▶ HHS and MCO's will work in collaboration to understand processes and expectations for appeals and State Fair Hearings. This will be completed through meetings with the MCO's. Along with possible updates to forms (Member Handbooks, Appeal Forms, etc.) to ensure unified wording and design.
- ▶ Once the MCO and HHS documentation is updated, the changes and new processes will be presented to both members and providers during Town Halls. HHS will continue to monitor the first-level appeal process trends for each MCO.

New Action Item: HHS will work aligning the Biannual Legislative Report with the [Iowa Medicaid Dashboard](#) to improve consistency and accuracy. Future reports will incorporate data derived from the required CMS reporting fields. The dashboard displays data reported from MCO's to Iowa Medicaid on a quarterly basis, which supports the legislative reporting requirements.

Analysis

This analysis identified the following opportunities for improvement:

- ▶ The MCOs should seek additional information from providers, when necessary, prior to deciding on a member's request for service. This information may provide additional insight into the reasons for a member's request for services that allow for a more informed, defensible decision.
 - In nearly three percent of the clinical reviews, it was mentioned additional information would have been helpful in making the determination.
- ▶ More consideration of cases should be given to extenuating circumstances, including a significant decrease in units of service, as this could put the members' continued progress and goals in jeopardy.

The benefit of actively addressing these opportunities will create a timelier response to members' needs and ultimately a reduction for decisions resulting in the need for a State Fair Hearing.

Glossary of Terms

Term	Definition
Abandoned	The member or representatives did not attend the hearing.
Affirmed	The appeal was heard by the ALJ and the original decision made by the Plan was correct. ALJ agrees with the Plan decision.
Adverse Decision	A decision that results in a denial, reduction or limitation of services.
ALJ	Administrative Law Judge
CDAC	Consumer Directed Attendant Care
CMS	Centers for Medicare and Medicaid Services
Dismissed	The Plan has decided to grant the previously denied item or service and a SFH appeal hearing is no longer necessary.
DME	Durable Medical Equipment
FFS	Fee-for-Service
First level Review	The first step in the member appeal process, when the member or representative appeals to their MCO.
IAC	Iowa Administrative Code
LTSS	Long Term Services and Supports
MCO	Managed Care Organization
Not Appeal Eligible	<p>An appeal is deemed ineligible for the State Fair Hearing appeal process if:</p> <ol style="list-style-type: none"> 1. The Internal MCO first-level review process has not been completed, OR 2. If the appeal is not filed within the expected time frame, OR 3. The absence of an adverse Notice of Decision to the member or legal representative(s).
Overtured	The appeal was heard by an ALJ and the original decision to deny was reversed.
SFH	Administrative appeal heard before an ALJ
Withdrawn	The member or representative decided they no longer wished to pursue the appeal process prior to the appeal hearing.