



Kim Reynolds, Governor

Adam Gregg, Lt. Governor

Kelly Garcia, Director

March 16, 2022

Mr. Adam Steen, Director  
Department of Administrative Services  
Hoover State Office Building  
1305 East Walnut Street  
Des Moines, IA 50319

Dear Mr. Steen:

The Department of Human Services (DHS) is in the process of issuing a request for proposal (RFP) to award a new contract(s) to Managed Care Organization(s) (MCOs) to provide high-quality Medicaid services to Iowa citizens. This procurement will ensure that Medicaid services continue beyond June 30, 2023, when one of the current MCOs' contract expires.

The procurement and implementation process for establishing a new MCO(s) is lengthy and requires a large investment of both Agency time and money. Given the scope of the RFP, large amounts of staff time are required to develop and manage the RFP process, in addition to the expenditure of funds for outside contractor support. Additionally, when DHS enters into a new contract with an MCO, member redistribution occurs and continuity of care is disrupted, affecting both members and providers. For these reasons, DHS is requesting a waiver under 11 Iowa Administrative Code Rule 118.16 to allow for the execution of a potential 8-year contract agreement beginning July 1, 2023. If this waiver is granted, DHS will include in the RFP a contract agreement with a four-year initial term and two, two-year renewal options at the Agency's discretion.

Allowing DHS to execute a Managed Care contract(s) for an 8-year period will improve service coordination, rate structures, and performance outcomes, as well as help the program to serve Medicaid members better and more consistently.

With these goals in mind, the Agency requests that you grant a waiver of Iowa Administrative Code rule 118.11(3) to issue the Managed Care RFP with a potential eight-year term.

Sincerely,

A handwritten signature in black ink that reads "Kelly Garcia".

Kelly Garcia  
Director

This request is approved on the basis of the justification provided.

A handwritten signature in blue ink that reads "Adam Steen".  
Adam Steen, Director, DAS

KG/el

cc: Elizabeth Matney, Medicaid Director.