

STATE OF IOWA DEPARTMENT OF
Health AND **Human**
SERVICES

Kim Reynolds
GOVERNOR

Adam Gregg
LT. GOVERNOR

Kelly Garcia
DIRECTOR

September 20, 2023

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 Health and Human Services (HHS) is in the process of issuing a request for proposal (RFP) to award a new contract(s) to Dental Pre-ambulatory Health Plans (PAHP) to provide high-quality Medicaid and Hawki Dental services to Iowa citizens. This procurement will ensure that Medicaid and Hawki Dental services continue beyond June 30, 2024, when the current Dental PAHP contracts expire.

The procurement and implementation process for establishing a new PAHP(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 HHS enters into a new contract with an PAHP, member redistribution occurs and continuity of care is disrupted, affecting both members and providers. For these reasons, HHS is requesting a waiver under 11 Iowa Administrative Code Rule 118.16 to allow for the execution of a potential 7-year contract agreement beginning July 1, 2024. If this waiver is granted, HHS will include in the RFP a contract agreement with a three-year initial term and two, two-year renewal options at the Agency's discretion.

Allowing HHS to execute a PAHP(s) for a potential 7-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. This potential contract term would allow HHS to align the Medicaid Managed Care Organization (MCO) and Dental PAHP procurement cycles so that all contracts will be on the same term by July 1, 2031. Additionally, a longer contract term will reduce potential future provider and member abrasion driven by transitions and changes in PAHP policies. Finally, increasing the term of the contract has a strong potential to increase vendor interest in competing to win a contract to serve our members.


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

Sincerely,



Kelly Garcia
Director

Approved based on the justification provided above.


11/19/23
Adam Steen, Director, DAS

KG/klo

cc: Elizabeth Matney, Medicaid Director.