



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

FEB 20 2017

24-month extension approved [until 6/30/2019]
s/Janet E. Phipps/
02/22/2017

Ms. Janet Phipps
Director
Department of Administrative Services
Hoover State Office Building
1305 East Walnut Street
Des Moines, IA 50319

Dear Ms. Phipps:

The Department of Human Services (DHS) is seeking a waiver as described in 11 Iowa Administrative Code (IAC) Section 118.16 regarding the contract for Administrative Services for the Healthy and Well Kids in Iowa (*hawk-i*) Program, MED-12-027.

Specifically, Iowa Medicaid seeks a waiver of the six-year contract limitation set forth in IAC 118.11(3) applicable to service contracts. DHS applies for this waiver because it is in the best interests of the taxpayers to extend the existing contract with Maximus for an additional 24 months in order to continue the *hawk-i* third party administrator operations while it successfully procures new vendors to operate the MMIS for Iowa Medicaid. The *hawk-i* third party administrator currently provides a system separate from the MMIS. An extension of the current contract would allow DHS to align the systems procurement with the MMIS.

Also, the federal funding stream for the *hawk-i* program is set to expire on September 30, 2017. The status of any reauthorization of funding is unknown at this time. Extension of the current contract would provide stability and aid in a transition should funding not be reauthorized beyond this date.

Please approve a waiver of IAC 118.11(3) on the grounds that it is not in the best interests of the taxpayers to maintain a six year limit.

Sincerely,

Charles M. Palmer
Director

CMP/ar

cc: Mikki Stier, Medicaid Director