



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1705-MC

DATE: July 29, 2016

TO: Iowa Medicaid Pharmacies and Managed Care Organizations (MCOs)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Pharmacy Dispensing Fee Change

EFFECTIVE: August 1, 2016

Background:

- Pursuant to the authority of 2012 Iowa Acts, Senate File 2336, Section 33, the pharmacy dispensing fee is based on a Cost of Dispensing survey required to be completed by all Iowa Medicaid enrolled pharmacies.
- According to the 2013 Iowa Acts, Senate File 446, section 29 the frequency of the Cost of Dispensing survey will be every two years beginning in 2014.

Update on Dispensing Fee (DF):

- The cost of dispensing survey resulted in an average cost of dispensing (weighted by Medicaid volume) of \$10.02 for all Iowa Medicaid enrolled pharmacies.
- As a result, the dispensing fee will be adjusted from \$11.73 to \$10.02 effective on August 1, 2016, pending the Centers for Medicare and Medicaid Services (CMS) approval of the State Plan Amendment (SPA).
- The IME must obtain approval from CMS in the form of a SPA for any change to pharmacy reimbursement.
- Upon CMS approval, claims already paid with a dispensing fee will be retroactively adjusted. This applies to claims with dates of service August 1, 2016, through the implementation date of the dispensing fee change in the Point-of-Sale (POS) system.
- The dispensing fee will be posted on the DHS web page [Fee Schedules](#)¹ under the Pharmacy Dispensing Fee.

Pharmacy Listserv:

- For additional updates on the change in reimbursement, please send your email address to pharmacy@mslc.com to request to be added to the Iowa Medicaid pharmacy listserv.
- If you have questions, please contact the pharmacy unit of Myers and Stauffer by email at pharmacy@mslc.com or toll-free at 1-800-591-1183.

¹ <http://dhs.iowa.gov/ime/providers/csrp/fee-schedule>