



# Iowa Department of Human Services

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Governor

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Lt. Governor

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Director

## INFORMATIONAL LETTER NO.1783-MC-FFS

**DATE:** April 7, 2017

**TO:** Iowa Medicaid Pharmacies

**APPLIES TO:** Managed Care (MC) and Fee-for-Service (FFS)

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

**RE:** Iowa Medicaid Pharmacy Dispensing Fee Decrease

**EFFECTIVE:** Immediately

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. The 2016 survey resulted in an average cost of dispensing (weighted by Medicaid volume) of \$10.02 for all Iowa Medicaid enrolled pharmacies. The effective date of the dispensing fee decrease was **August 1, 2016**.

The Centers for Medicare and Medicaid Services (CMS) recently approved the dispensing fee rate decrease from \$11.73 to \$10.02. This approval will allow the IME and the Managed Care Organizations (MCOs) to proceed with the dispensing fee decrease back to the effective date indicated.

### **For IME FFS Pharmacy Claims**

1. Effective March 30, 2017, the pharmacy point of sale system began processing pharmacy claims submitted with the new dispensing fee of \$10.02.
2. Pharmacy claims submitted between the dates of August 1, 2016, and March 30, 2017, will be adjusted by the IME to reflect the dispensing fee of \$10.02. This adjustment will only be applied to pharmacy claims submitted during this time period that were reimbursed an \$11.73 dispensing fee. This reprocessing of pharmacy claims is anticipated to be complete by June 30, 2017.

If you have questions, please contact the Pharmacy POS Helpdesk at 877-463-7671 or 515-256-4608 (local in Des Moines) or email [info@iowamedicaidpos.com](mailto:info@iowamedicaidpos.com).

### **For MCO Pharmacy Claims**

Each MCO is required to provide notification to their provider network on the process of the new dispensing fee implementation for both prospective changes and the retrospective adjustment process. Contact the respective MCO with any questions relative to their process and/or timeline.