



Iowa Department of Human Services

INFORMATIONAL LETTER NO.1925-MC-FFS

DATE: July 30, 2018

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: Pharmacy Dispensing Fee Increase

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 (COD) 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 COD survey will be every two years beginning in 2014.

Update on Dispensing Fee (DF):

The 2018 COD survey resulted in an average COD (weighted by Medicaid volume) of \$10.07 for all Iowa Medicaid enrolled pharmacies. The [2018 COD report](#)¹ is posted on the [Iowa Medicaid Pharmacy Reimbursement website](#)² under COD Survey. As a result, the dispensing fee will be adjusted from \$10.02 to \$10.07 effective November 1, 2018, or the first day of the month following the approval by the Centers for Medicare and Medicaid Services (CMS) of the State Plan Amendment (SPA), whichever is later. This and future changes in the dispensing fee will consistently be prospective. The IME must obtain approval from CMS in the form of a SPA for any change to pharmacy reimbursement. Upon CMS approval, an Informational Letter will relay the effective date and the dispensing fee will be posted on the [DHS website](#)³ under the heading Pharmacy Dispensing Fee with the effective date.

Pharmacy Listserv:

For updates regarding pharmacy reimbursement, send your email address to pharmacy@mslc.com requesting 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, by calling toll-free at 1-800-591-1183 or by visiting the [Iowa Medicaid Pharmacy Reimbursement website](#).

¹ http://www.mslc.com/uploadedFiles/Iowa/COD/IA_2018_COD_Report_FINAL.pdf

² <http://www.mslc.com/iowa/default.aspx>

³ <http://dhs.iowa.gov/ime/providers/csrp/fee-schedule>