

Iowa Medicaid Outpatient Pharmacy Carve-Out

HHS Pharmacy Team

Objectives



Overview of Outpatient Pharmacy Carve-Out



Benefits of Transition



Impact of Change



Billing Information



Member Copays



Prior Authorizations



Overview:

Iowa Medicaid is transitioning its outpatient pharmacy benefit from the Managed Care Organizations (MCOs) to a single statewide pharmacy vendor, Optum Rx, as of December 1st, 2026.

This change applies to outpatient prescription drugs billed by pharmacies at the point of sale.

Physician-administered medications (including vaccines) and durable medical equipment will remain under the medical benefit with Managed Care.

Key Benefits of Transition

- ▶ The pharmacy program will be state-administered and not managed by a pharmacy benefit manager (PBM). Optum Rx will serve as the pharmacy benefit administrator (PBA).
- ▶ Pharmacies will work with one vendor for pharmacy claims and prior authorizations instead of four.
- ▶ Provider enrollment and claims processing will be more efficient, with pharmacies tracking payments from a single entity.

Impact of Change

Member Impact

- All members will use their State Medicaid card for outpatient pharmacy services.
- MCO members will continue using their MCO card for medical services.

Provider Impact

- Pharmacy-enrolled providers will work with one vendor for medication and prior authorization questions.
- Pharmacy provider enrollment will be more efficient.
- Pharmacies will receive Medicaid payments from one entity instead of four.
- The professional dispensing fee will not change and will continue through the current update process.

Billing Information

FFS Pharmacy Benefit Processing Information

- **ID:** Member's State Medicaid ID
- **BIN:** 011933
- **PCN:** IAPOP

Members should present their Iowa Medicaid card at the pharmacy when filling prescriptions.

FFS Pharmacy Contact Information

- Optum Rx Point of Sale phone numbers: 1-877-463-7671 or 515-256-4608 (local)
- Email address: pba_iapdinfo@optum.com
- Optum Rx Prior Authorization Help Desk: 1-877-776-1567 or 515-256-4607 (local)
- Optum Rx Prior Authorization Fax #: 1-800-574-2515
- FFS Provider Services Help Desk: 1-800-338-7909 or 515-256-4609 (local)

Member Copays

With this change, member copayments of \$1.00 for covered prescription and non-prescription medicines are required except for:

- Members under the age of 21
- Members who receive Family Planning Services (oral contraceptives)
- Pregnant women
- Members with an income below 50% of the Federal Poverty Level
- Members in a nursing facility or receiving hospice care
- Iowa Health and Wellness (IHAWP) members
- American Indian/Alaska Native members receiving services from an Indian health care provider

Prior Authorizations (PAs)

Current prescriptions with a prior authorization (PA) will not be affected by the pharmacy benefit carve-out.

- If a member has an active PA for a prescription through their current Managed Care Organization, the PA will remain in effect after the pharmacy benefit transition until it's expiration.
- Providers do not need to obtain a new PA solely because of the carve-out.
- The transition will not interrupt access to medications that already have an approved, active PA.

Existing prescription prior authorizations will carry over — no new PA is required solely due to the pharmacy benefit carve-out.



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Questions

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