

Public Notice

Public Comment Period for State Plan Amendment (SPA) IA-21-009: Pharmacy Dispensing Fee Rate and Reimbursement Methodology for Covered Outpatient Drugs

Posted: June 22, 2021

The Iowa Department of Human Services (DHS), pursuant to the requirements outlined in 42 C.F.R. §447.205, hereby gives notice of the following proposed action regarding changes to the pharmacy professional dispensing fee and clarifications to drug reimbursement methodologies under Medicaid reimbursement for covered outpatient prescription drugs provided by enrolled pharmacy providers under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

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

The Medicaid State Plan Amendment (SPA) IA-21-009 will amend Attachment 4.19-B as follows:

Pharmacy Professional Dispensing Fee: The amendment proposes to change the pharmacy dispensing fee for covered outpatient prescription drugs from \$10.07 to \$10.38 based on the 2020 Cost of Dispensing survey. The effective date is November 1, 2021 or the first day of the month following the Centers for Medicare and Medicaid Services (CMS) approval of the SPA; whichever is later.

Reimbursement Methodology for Covered Outpatient Drugs: The amendment proposes clarifications under the Medicaid drug reimbursement methodologies consistent with current practice, and as required under CMS Covered Outpatient Drug final rule with comment (CMS-2345-FC) as follows:

- i. Separation of “the submitted charge” and “the provider’s usual and customary charge” to reflect that if the amounts are different, the lower of the two is utilized for reimbursement.
- ii. Revised the term “estimated acquisition cost” (EAC) to reflect “actual acquisition cost” (AAC) consistent with 42 CFR §447.512.

Estimated Fiscal Impact: The estimated increase in Medicaid Fee-for-Service (FFS) expenditures for State Fiscal Year (SFY) 2022 related to the pharmacy dispensing fee change is:

Total Dollars:	\$ 21,927
Federal Dollars:	\$ 15,614
State Dollars:	\$ 6,313

Clarifications to the Reimbursement Methodology for Covered Outpatient Drugs will not result in any change in expenditures as these clarifications are technical in nature only and will align State Plan language with current policy.

Public Review and Comments: A copy of this SPA is posted on the DHS website at the following link: <https://dhs.iowa.gov/public-notices/pharmacy-dispensing-fee-2021>. The SPA is also available for public review at each local DHS office.

Written comments may be sent to Susan Parker, Pharmacy Policy Specialist, Department of Human Services, Iowa Medicaid Enterprise, 1305 East Walnut Street, Des Moines, IA 50319, or may be emailed to sparker2@dhs.state.ia.us. Please indicate SPA 21-009 in the subject line of the email.

All comments must be received by: July 22, 2021, at 4:30 p.m.

Submitted by:

Liz Matney, Medicaid Director
Iowa Medicaid Enterprise
Iowa Department of Human Services