



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1136

DATE: June 6, 2012

TO: Iowa Medicaid Pharmacies

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Reimbursement Changes for Pharmacy and Important Dates #1

Background:

The 84th Iowa General Assembly enacted during the 2012 Iowa Legislative session the requirement that the Department of Human Services (DHS) perform a cost of dispensing survey and implement an average acquisition cost reimbursement methodology for all drugs. (Senate File 2336, Section 33). Pursuant to this legislation, pharmacies that participate in the Medical Assistance program are required to complete the cost of dispensing survey. Additionally pharmacies must make available drug acquisition cost invoice information upon request. Any dispensing fee expenses or acquisition cost information required to be submitted under this legislation that specifically identifies a pharmacy or providers individual cost will remain confidential.

Process:

The IME has contracted with the firm of Myers and Stauffer LC to conduct a dispensing cost survey and to develop and implement the average acquisition cost (AAC) reimbursement methodology. Myers and Stauffer is a national accounting and consulting firm that specializes in assisting State Medicaid agencies in a multitude of health care provider settings. The initial step in this reimbursement change is to perform the Cost of Dispensing survey. This will be followed by requests for drug invoice purchase information. Additional detailed Informational Letters will be released as change in reimbursement proceeds.

Important Dates:

Cost of Dispensing Surveys Mailed to Pharmacies	June 11, 2012
Cost of Dispensing Webinar for Pharmacies	June 19, 2012 at 8:30am – 9:30am CT June 21, 2012 at 2:00pm – 3:00pm CT
Cost of Dispensing Survey Due Date	August 13, 2012
Implementation of AAC	January 1, 2013

Important Information:

Instructions for completion of the cost of dispensing survey will be included with the survey packet mailed on June 11, 2012. In addition, an informational webinar will be conducted to guide pharmacists through the survey and answer questions regarding the survey. The webinar will be conducted twice; refer to the table above for date and time options.

Contact information for this process can be found at <http://www.msliciowa.com>. This will be updated as new information becomes available. Additionally, staff may be contacted by email at pharmacy@mslc.com or by telephone at 800-591-1183.