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Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT).

11c. SERVICES FOR INDIVIDUALS WITH SPEECH, HEARING AND LANGUAGE DISORDERS

Fee Schedule. The fee schedule is based on the definitions of medical and surgical procedures given in the most recent edition of Physician's Current Procedural Terminology (CPT).

12a. PRESCRIBED DRUGS

The amount of payment shall be based on several factors, subject to the upper limits in 42 CFR 447.500-520 as amended.

a. Reimbursement for covered prescription drugs shall be the lowest of the following as of the date of dispensing:

(1) "Estimated acquisition cost (EAC)", defined as:

- A. The average wholesale price as published by Medi-Span less 12 percent for non-specialty drugs and
- B. The average wholesale price as published by Medi-Span less 17 percent for specialty drugs,
Plus the professional dispensing fee.

Specialty drugs include biological drugs, blood-derived products, complex molecules, and select oral, injectable, and infused medications identified by the Department and published on the Specialty Drug List including the following categories ALS, Aminoglycosides, Anti-Asthmatics—Alpha Proteinase Inhibitors, Antidotes, Antihemophilic Agents, Anti-Inflammatory Agents, Biologicals, Glucocorticoids-Corticotropin, Growth Hormone, Hepatitis C Agents, Hydrolytic Enzymes, Immune Serums/IVIG, Immunosuppressants, Mucopolysaccharidosis, PKU, Pulmonary Anti-Hypertensives, RSV Prophylaxis, Urea Cycle Disorders and any new Specialty Drug category identified by the State will be reimbursed at AWP - 17%.

(2) "Maximum allowable cost (MAC)", defined as the upper limit for multiple source drugs established in accordance with the methodology of the Centers for Medicare and Medicaid Service as described in 42 CFR 447.514, plus the professional dispensing fee.

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- (3) "State Maximum Allowable Cost (SMAC)", reimbursement as assigned to certain drug products meeting therapeutic equivalency, market availability, or other criteria determined appropriate by the Department of Human Services. SMAC fees are based on the prices at which affected drugs are widely and consistently available to pharmacy providers enrolled in the Iowa Medicaid Program, adjusted as determined appropriate by the Department. SMAC limits set by the State in aggregate are equal to or less than applicable Federal Upper Limits, in compliance with Federal law. The Department's discretion to establish and apply SMAC fees to drugs, determine criteria for drugs subject to the SMAC, adjust SMAC fees or other policy or procedural

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elements of the SMAC, or otherwise direct the SMAC program is in accordance with applicable State and Federal law.

- (4) Submitted charge, representing the provider's usual and customary charge for the drug.
- b. Subject to prior authorization requirements, if a physician certifies in the physician's handwriting that, in the physician's medical judgement, a specific brand is medically necessary for a particular recipient, the MAC or SMAC does not apply and the payment equals the lesser of EAC or submitted charges. If a physician does not so certify, the payment for the product will be the lower of MAC or SMAC.
 - c. No payment shall be made for sales tax.
 - d. All hospitals which wish to administer vaccines which are available through the vaccines for children program to Medicaid recipients shall enroll in the vaccines for children program. In lieu of payment, vaccines available through the vaccines for children program shall be accessed from the department of public health for Medicaid recipients. Hospitals receive reimbursement for the administration of vaccines to Medicaid recipients through the DRG reimbursement for inpatients and APG reimbursement for outpatients.
 - e. The basis of payment for nonprescription drugs shall be the same as specified in paragraph "a" except that the department shall establish a maximum allowable reimbursable cost for these drugs using the average wholesale prices of the chemically equivalent products available. The department shall set the maximum allowable reimbursable cost at the median of those average wholesale prices. No exceptions for higher reimbursement will be approved.
 - f. An additional reimbursement amount of one cent per dose shall be added to the allowable ingredient cost of a prescription for an oral solid if the drug is dispensed to a patient in a nursing home in unit dose packaging prepared by a pharmacist.
 - g. For services rendered on or after July 1, 2008, the professional dispensing fee is equal to \$4.57. Except for the time period of December 1, 2009 through June 30, 2010, during which time the professional dispensing fee is equal to \$4.34.
 - h. For purposes of prescription drug reimbursement, equivalent products are those that meet therapeutic equivalent standards as published in the federal Food and Drug Administration document, "Approved Prescription Drug Products With Therapeutic Equivalence Evaluations."
 - i. Pharmacies and providers that are enrolled in the Iowa Medicaid program are required to make available and submit to the department or its designee, drug acquisition cost information, product availability information, or other information deemed necessary by the department for the determination of reimbursement rates and the efficient operation of the pharmacy benefit.

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