

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Disabled & Elderly Health Programs Group

January 29, 2013

Charles M. Palmer, Director
Department of Human Services
Hoover State Office Building
1305 East Walnut, 5th Floor
Des Moines, Iowa 50319-0119

Attention: Jennifer H. Vermeer

Dear Mr. Palmer:

We have reviewed Iowa's State plan amendment (SPA) 12-022 received in the Kansas City Regional Office of the Centers for Medicare and Medicaid Services (CMS) on November 6, 2012. Under this amendment, the State of Iowa proposes to change the definition for estimated acquisition cost (EAC) from average wholesale price (AWP) to average acquisition cost (AAC) as determined from surveys of Iowa Medicaid enrolled pharmacies. In addition, the state specifies that if there is no AAC available, the EAC will be defined as wholesale acquisition cost (WAC). Under this SPA, the state proposes to increase the dispensing fee from \$6.20 to \$10.02. We are pleased to inform you that Iowa SPA 12-022 is approved, effective February 1, 2013.

The Kansas City Regional Office will forward to you a copy of the CMS-179 form, as well as the pages approved for incorporation into the Iowa Medicaid State Plan. If you have any questions regarding this amendment, please contact Bernadette Leeds at (410) 786-9463.

Sincerely,

/s/

Larry Reed
Director
Division of Pharmacy

cc: James Scott, ARA Kansas City Regional Office
Benton Williams, Kansas City Regional Office
Alisa Horn, Iowa Medicaid Enterprise
Susan Parker, Iowa Medicaid Enterprise