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State/Territory Name: Iowa

State Plan Amendment (SPA)#: IA-25-0013

This file contains the following document in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Page

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



Center for Medicaid and CHIP Services

Medicaid Benefits and Health Programs Group

April 3, 2026

Lee Grossman
Medicaid Director
Iowa Department of Human Services
1305 East Walnut Street
Des Moines, IA 50319

re: Iowa State Plan Amendment (SPA) 25-0013

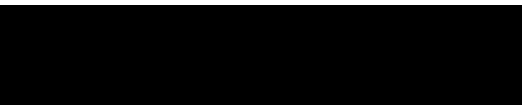
Dear Director Grossman:

The CMS Division of Pharmacy team has reviewed Iowa's SPA 25-0013, received in the CMS Medicaid Services OneMAC application on March 2, 2026. This amendment will allow Iowa the ability to enter into value-based supplemental rebate agreements with drug manufacturers on a voluntary basis.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you IA-25-0013 is approved with an effective date of January 1, 2026. We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Iowa's state plan.

If you have any questions regarding this state plan amendment, please contact Desiree Elekwa Izuakor at 667-290-9590 or desiree.elekwaizuakor@cms.hhs.gov.

Sincerely,



Mickey Morgan
Deputy Director, Division of Pharmacy

cc: Lee Herko, Iowa State Lead, CMS
Latisha McGuire, Iowa Department of Human Services
Jennifer Steenblock, Iowa Department of Human Services

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 2 5 — 0 0 1 3 2. STATE IA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
1/1/2026

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.509

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 26 \$ 0
b. FFY 27 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 3.1A Supplement 2 Page 29

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Supersedes Attachment 3.1A Supplement 2 Page 29

9. SUBJECT OF AMENDMENT
Gives Iowa Medicaid the ability to enter into value-based supplemental rebate agreements with drug manufacturers on a voluntary basis. These agreements link rebate payments to the clinical performance or outcomes of the drug.

10. GOVERNOR'S REVIEW (Check One)
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. TYPED NAME
Rebecca Curtiss

13. TITLE
Medicaid Deputy Director of Operations

14. DATE SUBMITTED
2/20/2026

15. RETURN TO
Iowa Department of Health and Human Services
Iowa Medicaid
321 E 12th St
Des Moines, IA 50319

FOR CMS USE ONLY

16. DATE RECEIVED 3/2/2026 17. DATE APPROVED 4/3/2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
1/1/2026

20. TYPED NAME OF APPROVING OFFICIAL
Mickey Morgan

21. TITLE OF APPROVING OFFICIAL
Deputy Director, Division of Pharmacy

22. REMARKS

State/Territory:

IOWA

- (f). Nonprescription drugs (Some - select acne preparations, analgesics, antidiarrheals/antacids, antiemetics, antihistamines, cough & cold, GI stimulants/antiflatulents, insulin, NSAIDs, ophthalmics, respiratory inhalants, topical antibiotics, topical antifungals, topical keratolytics, topical pediculicides, vaginal antifungals, and nonprescription drugs previously covered as prescription drugs).
- (g). Covered outpatient drugs, which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee. (None)
- (h). Agents when used for the treatment of sexual or erectile dysfunction, unless such agents are used to treat a condition, other than sexual or erectile dysfunction, for which the agents have been approved by the Food and Drug Administration. (None)

SUPPLEMENTAL MEDICAID REBATE AGREEMENT

Pursuant to Section 1927 of the Act, the state has the following policies for supplemental rebates for Medicaid.

- A. CMS has authorized the State of Iowa to enter into "The Sovereign States Drug Consortium (SSDC)." A model rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on March 14, 2018, and entitled "Iowa Medicaid Supplemental Drug Rebate Agreement" has been authorized by CMS.
- B. CMS has authorized the State of Iowa to enter into value/outcomes-based contracts with manufacturers on a voluntary basis. The conditions of the value/outcomes-based contract would be agreed upon by both the state and manufacturer, meeting all federal requirements. These contracts will be executed on the model agreement entitled "Iowa Medicaid Value-Based Supplemental Rebate Agreement."