

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

December 23, 2003

Kevin W. Concannon
Director
Iowa Department of Human Services
Hoover State Office Building, 5th Floor
Des Moines, Iowa 50319

Dear Mr. Concannon:

We have reviewed Iowa's State Plan Amendment (SPA) 03-020 that implements a Preferred Drug List (PDL) and related Medicaid supplemental rebate program. Based upon the information provided, we are pleased to inform you that SPA 03-020 is approved, effective December 1, 2003.

We have determined that the SPA, PDL and supplemental rebate agreement are consistent with the objectives of the Medicaid program. Both the PDL and supplemental rebate agreement are designed to increase the efficiency and economy of Medicaid operations and benefit the Medicaid population.

Please note that the approval of SPA 03-020 extends only to the model supplemental drug rebate agreement that was submitted to CMS on November 25, 2003 and which is specifically referenced in this SPA. If changes are subsequently made to that model drug rebate agreement, a new SPA and the revised agreement should be submitted to CMS for review and approval.

A copy of the CMS-179 form, as well as the pages approved for incorporation into the Iowa state plan will be forwarded by the Kansas City Regional Office. If you have any questions regarding this amendment, please contact Cindy Pelter at (410) 786-1176.

Sincerely,

/s/

Larry Reed
Co-Director
Pharmacy Team

cc: Tom Lenz, ARA, Kansas City Regional Office
Frank Campbell, Kansas City Regional Office

