



STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES
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INFORMATIONAL LETTER NO. 497

To: Iowa Medicaid Long Term Care Pharmacy Providers and Nursing Home Facilities
From: Iowa Department of Human Services
Date: April 21, 2006
Subject: Proper Crediting Iowa Medicaid For Return Of Drugs

This is a reminder for Iowa Medicaid Long Term Care Pharmacy Providers and Nursing Home Facilities who serve Iowa Medicaid Members that proper credit to Iowa Medicaid is required for the return of unused medications upon therapy discontinuation, member discharge, transfer, or death in accordance with State law.

The Iowa Medicaid Prescribed Drugs Provider Manual states, "Any previous charges for intact unit-dose packages returned to the pharmacy must be credited to the Medicaid program. Such credits may be shown on future billings. If no additional billings are to be made, direct a refund in the drug cost component," (pg. 41). The State law pertaining to the return of drugs can be found in the Iowa Board of Pharmacy Examiners rules, contained in 657 Iowa Administrative Code, 22.1(6). It reads as follows:

Under no circumstances shall a pharmacist accept for reuse, except to the same patient, any previously dispensed controlled substances. Drugs, excluding controlled substances, dispensed in single unit, unit dose, or unit of issue packaging in compliance with subrules 22.1(2) to 22.1(5) may be returned to the pharmacy stock and reissued provided that:

- a. The expiration dating information is retrievable and identifiable.*
- b. Drugs returned from unit of issue packaging are kept separate according to manufacturer's lot number and the repackaged expiration date assigned pursuant to subrule 22.1(4). If, however, the pharmacy's recall policy states that all lots of a drug shall be considered part of the recall due to unknown manufacturer's lot numbers, drugs returned to stock from unit of issue packaging shall be kept separate according to the pharmacy's repackaged expiration date.*
- c. The drugs were stored under proper storage conditions.*
- d. The drugs are returned to the pharmacy in the original packaging as when dispensed.*

The pharmacy includes in written policies and procedures the manner in which returned drugs will be recorded or identified.

The Long Term Care Pharmacy Provider, as well as the Nursing Home Facility, is subject to financial review by the State to ensure medications are being returned to the pharmacy when permitted by State and Federal law, and proper credits are applied to the Iowa Medicaid Program. Questions regarding this policy, or how to go about crediting Iowa Medicaid for returned medications should be directed to Provider Services at 1-800-338-7909 (725-1004 in Des Moines) or the Pharmacy Point-of-Sale Help Desk at 1-877-463-7671 (725-1107 in Des Moines)