



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1163

DATE: August 20, 2012

TO: Iowa Medicaid Pharmacy Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Pharmacy Dispensing Fee Increase

EFFECTIVE: Immediately

Pursuant to an additional appropriation made in the 2011 Iowa Acts, House File 649, the Medicaid dispensing fee for prescribed drugs was increased to **\$6.20**, the usual fee of \$4.34 plus an add-on of \$1.86 to reflect the additional appropriation. The effective date of the dispensing fee increase was **August 1, 2011**.

The Centers for Medicare and Medicaid Services (CMS) recently approved the dispensing fee rate increase. This approval will allow the Iowa Medicaid Enterprise (IME) to proceed with the dispensing fee increase back to the effective date indicated.

1. Effective **August 9, 2012**, the pharmacy point of sale system began processing pharmacy claims submitted with the new dispensing fee of \$6.20.
2. Pharmacy claims submitted between the dates of **August 1, 2011 and August 8, 2012** will be adjusted by the IME to reflect the dispensing fee of \$6.20. This adjustment will only be applied to pharmacy claims submitted during this time period that were reimbursed a \$4.34 dispensing fee; it will not include pharmacy claims reimbursed at the usual and customary price. This reprocessing of pharmacy claims is anticipated to be complete by August 24, 2012.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or 515-256-4609 (local) or by email at imeproviderservices@dhs.state.ia.us.