



Fund Iowa Medicaid Prescription Reimbursement

- Iowa Medicaid's current model is transparent, predictable, and fair.

HISTORY:

2011: AAC + COD adopted

2012: \$10.02

2014: \$11.73

2016: \$10.02

(MCO model adopted)

2018: \$10.12

2020: \$10.38

2022: \$10.97
(not yet funded)

Payment = AAC + COD

- Payment to pharmacies per prescription = Average Acquisition Cost (AAC) + Average Cost of Dispensing (COD)
- State-managed survey establishes AAC and COD to provide transparency into PBM activities in Medicaid.
- State leaders supported the adoption of this model.
- Other states are following Iowa's lead and transitioning to this model (FL, KS, KY, LA, MI, MS, OH, AR, NC).¹

Continue Funding Iowa's Pharmacies

- Most recent survey shows a \$0.59 increase per prescription drug.
- Total state appropriation – \$2.4 million, retroactive to July 1, 2023.
- Medicaid reimbursement makes up approximately 1/3 of a pharmacy's total coverage. Given the current state of community pharmacy in Iowa, Medicaid reimbursement below cost jeopardizes patient access to the pharmacy and its services.²

QUESTIONS?

Contact Seth Brown at sbrown@iarx.org or **515-270-0713**.

1. FL Executive Order 22-164 (2022)

2. "[State of Community Pharmacy in Iowa](#)," Iowa Pharmacy Association