IOWA PHARMACY ASSOCIATION

Fund Iowa Medicaid Prescription Reimbursement

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 (partially funded in 2024 at $10.63)

2024: $11.37
PARTIALLY FUNDED

2026: Next COD Survey

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

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 similar models: AL, AR, CO, DC, ID, KY, LA, MD, MA, MT, NE, NC, ND, OH, OR, PR, VA, WA, WV, WI, and WY.[1]

Continue Funding Iowa's Pharmacies

- The 2024 survey shows a $0.40 increase per prescription.
- Medicaid beneficiaries make up over 20% of a pharmacy's total patients served. Given the current state of community pharmacy in Iowa, Medicaid reimbursement below cost jeopardizes patient access to the pharmacy and its services.[2,3]

QUESTIONS? Contact IPA at **IPA@iarx.org** or **515-270-0713**.

1. Medicaid Covered Outpatient Prescription Drug Reimbursement Information by State (September 2025)
2. 2024 Iowa Community Pharmacy Survey, Iowa Pharmacy Association
3. State of Community Pharmacy in Iowa, Iowa Pharmacy Association