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

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

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