Fund Iowa Medicaid Prescription Reimbursement

- 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 this model (FL, KS, KY, LA, MI, MS, OH, AR, NC).  

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)

Continue Funding Iowa’s Pharmacies

- Most recent survey shows a $0.59 increase per prescription drug
- Total state appropriation—$1.2 million.
- Since 2012, the Legislature has funded Medicaid pharmacy reimbursement without interruption.

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

1. FL Executive Order 22-164 (2022).