



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

IME Policy Clarification # 000112

June 1, 2016

MCO CEO Name
MCO
Address Line 1
Address Line 2
Des Moines, Iowa XX

Dear Ms/Mr.:

This letter is a formal notification of the state's expectations related to the operations and implementation of Iowa Medicaid under the managed care program. This purpose of this letter is to do following:

- ☒ Provide formal guidance
- ☐ Request for information

To comply with the Centers for Medicare and Medicaid Services (CMS) conditions for reimbursement for all covered outpatient drugs (including drugs billed through Pharmacy Point of Sale - POS and physician administered drugs billed through the Healthcare Common Procedure Coding System -HCPCS codes), the Managed Care Organizations (MCOs) must enforce the following drug rebate requirements:

- 1) National Drug Code (NDC) - Providers must submit the NDC for all drugs submitted and reimbursed, and
- 2) Rebate Requirement - Outpatient drugs are covered only if marketed by manufacturers that have a signed Medicaid rebate agreement with the Secretary of Health and Human Services.

Please sign and return the attached receipt and attestation of understanding by close of business June 3, 2016.

Sincerely,

Elizabeth Matney
Managed Care Oversight and Supports Bureau Chief

PC #000112
June 1, 2016

Attestation:

I hereby attest to understanding this communication including all requirements and due dates.

Name_____

Date_____