

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

**Disabled and Elderly Health Programs Group**

May 16, 2018

Mr. Michael Randol  
Medicaid Director  
Iowa Department of Human Services  
1305 E. Walnut Street  
Des Moines, Iowa 50319-0114

Dear Mr. Randol:

We have reviewed Iowa's State Plan Amendment (SPA) 18-0004, Prescribed Drugs, received in the Kansas City Regional Office on March 14, 2018. This amendment proposes to revise Iowa's Medicaid Supplemental Drug Rebate Agreement, along with removing a nonprescription nicotine replacement therapy from Iowa's excludable drug category on the state plan pages.

Based on the information provided, we are pleased to inform you that consistent with the regulations at 42 CFR 430.20, SPA 18-0004 is approved with an effective date of July 1, 2018. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Iowa state plan will be forwarded by the Kansas City Regional Office.



If you have any questions regarding this amendment, please contact Lisa Shochet at (410) 786-5445 or [lisa.shochet@cms.hhs.gov](mailto:lisa.shochet@cms.hhs.gov).

Sincerely,

/s/

Meagan T. Khau  
Deputy Director  
Division of Pharmacy

CC: James G. Scott, ARA, CMS, Kansas City Regional Office  
Karen Hatcher, CMS, Kansas City Regional Office  
Jerry R. Foxhoven, Director, Iowa Department of Human Services

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <u>1</u> <u>8</u> <u>0</u> <u>0</u> <u>4</u>	2. STATE <b>IOWA</b>
		3. PROGRAM IDENTIFICATION; TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <b>July 1, 2018</b>	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION		7. FEDERAL BUDGET IMPACT a. FFY 2018 \$ <u>0</u> b. FFY 2019 \$ <u>0</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 2 to Attachment 3.1-A, Page 29		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Supplement 2 to Attachment 3.1-A, Page 29	
10. SUBJECT OF AMENDMENT The SDRA has been revised to update the agreement's terms & conditions. Additionally, a minor companion issue to approved SPA IA-13-031 to remove nonprescription nicotine replacement therapy from the excludable drug category as requested by CMS is being made.			
11. GOVERNOR'S REVIEW (Check One) <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO <b>JERRY R FOXHOVEN DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114</b>	
13. TYPED NAME Jerry R. Foxhoven			
14. TITLE DIRECTOR			
15. DATE SUBMITTED 3-14-18			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED March 14, 2018		18. DATE APPROVED May 16, 2018	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2018		20. SIGNATURE OF REGIONAL OFFICIAL  Digitally signed by James G. Scott -S Date: 2018.05.23 10:57:00 -05'00'	
21. TYPED NAME James G. Scott		22. TITLE Associate Regional Administrator for Medicaid and Children's Health Operations	
23. REMARKS			

State/Territory:

IOWA

- (f). Nonprescription drugs (Some - select acne preparations, analgesics, antidiarrheals/antacids, antiemetics, antihistamines, cough & cold, GI stimulants/antiflatulents, insulin, NSAIDs, ophthalmics, respiratory inhalants, topical antibiotics, topical antifungals, topical keratolytics, topical pediculicides, vaginal antifungals, and nonprescription drugs previously covered as prescription drugs).
- (g). Covered outpatient drugs, which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee. (None)
- (h). Agents when used for the treatment of sexual or erectile dysfunction, unless such agents are used to treat a condition, other than sexual or erectile dysfunction, for which the agents have been approved by the Food and Drug Administration. (None)

#### SUPPLEMENTAL MEDICAID REBATE AGREEMENT

Pursuant to Section 1927 of the Act, the state has the following policies for supplemental rebates for Medicaid.

- A. CMS has authorized the state of Iowa to enter into “The Sovereign States Drug Consortium (SSDC).” A model rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on March 14, 2018, and entitled “Iowa Medicaid Supplemental Drug Rebate Agreement” has been authorized by CMS.

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State Plan TN # IA-18-004  
Superseded TN # IA-15-031

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Effective July 1, 2018  
Approved May 16, 2018