INFORMATIONAL LETTER NO. 2742-MC-FFS

DATE: 10/16/2026

TO: All Iowa Medicaid Providers

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Health and Human Services (HHS), Iowa Medicaid

RE: Pharmacy Benefit Carve-Out

EFFECTIVE: December 1, 2026

Iowa Medicaid is transitioning its outpatient pharmacy benefit for managed care members from Managed Care to Fee-For-Service (FFS) using a single statewide pharmacy vendor. This change applies to all outpatient prescription and non-prescription drugs billed by pharmacies at the point of sale to Iowa Medicaid.

Beginning **December 1, 2026**, outpatient pharmacy benefits for Medicaid members will no longer be administered through the Medicaid Managed Care Organizations (MCOs). Instead, all Iowa Medicaid outpatient pharmacy claims will be processed directly through Optum Rx, a pharmacy benefit administrator (PBA), and paid for by Iowa Medicaid.

What Is Changing?

- Outpatient pharmacy benefits for MCO members will transition from managed care administration to fee-for-service Medicaid administration starting December 1, 2026.
- Outpatient pharmacy claims for Medicaid members with dates of service on or after December 1, 2026, must be submitted through the Iowa Medicaid Fee-For-Service Pharmacy Program.
- Prior authorization services will be administered by Optum Rx.

- Pharmacy processing information for MCO members will now be the same as what is used to process pharmacy claims for FFS, or regular Medicaid, members.

What Is NOT Changing?

- Physician-administered medications (including vaccines) and durable medical equipment will remain under the medical benefit with the MCOs.
- Any pharmacy claims prior to December 1, 2026, will still be processed by the MCOs.

Pharmacy Processing Information

Iowa Medicaid Fee-For-Service will continue using the current pharmacy billing information. This will be used for all Iowa Medicaid member pharmacy claims effective December 1, 2026.

Iowa Medicaid Point-of-Sale Unit

BIN: 011933

PCN: IAPOP

ID: Member's Medicaid ID#

Member Prior Authorizations

Optum Rx will review and process all outpatient pharmacy prior authorizations (PAs) for Iowa Medicaid members beginning December 1, 2026. Optum Rx will honor all active MCO PAs that span dates beyond December 1, 2026, for the life of the PA.

MCOs PA departments will accept pharmacy PA requests for their members until the cutoff time of 4:00pm CT on Monday, November 30, 2026. For PAs received after 4:00pm CT, providers will receive a response from the MCO to submit the prior authorization to Optum Rx on Tuesday, December 1, 2026, or after.

Fee-For-Service Pharmacy Program Contact Information

Effective December 1, 2026, all inquiries and communications for Iowa Medicaid outpatient pharmacy claims should be directed to the Fee-For-Service Helpdesks. See phone numbers and hours of operations below for each one.

	Phone numbers	Hours of Operations
Point of Sale (POS) Helpdesk – Optum Rx	1-877-463-7671 515-256-4608 (local)	8:00 am – 5:00 pm CST Monday – Friday, excluding State Holidays
Pharmacy Prior Authorization (PA) Helpdesk – Optum Rx	1-877-776-1567 515-256-4607 (local)	8:00 am – 5:00 pm CST Monday – Friday, excluding State Holidays
Iowa Medicaid Member Services	1-800-338-8366 515-256-4606 (local)	8:00 am – 5:00 pm CST Monday – Friday, excluding State Holidays
Iowa Medicaid Provider Services	1-800-338-7909 515-256-4609 (local)	8:00 am – 5:00 pm CST Monday – Friday, excluding State Holidays

Program Updates

Some Fee-For-Service pharmacy program changes regarding Coordination of Benefits and Pay and Chase were implemented in July 2026. These changes will continue to be applied for all outpatient pharmacy claims effective December 1, 2026.

Coordination of Benefits (COB) – Iowa Medicaid has updated the policy for COB. Other payer amount paid (OPAP) and Other Payer Patient Responsibility (OPPR) are both required when other coverage code (OCC) 2 is used. Please note, OCC 8 is no longer an accepted value. Please refer to the payer sheet for additional information.

Pay and Chase – Please note, claims for members less than 21 years of age should be billed to Iowa Medicaid as primary. Members should continue to contact member services at 800-338-8366 or 515-256-4606 (local) for updates related to primary insurance coverage.

TO PREPARE FOR THIS PHARMACY CARVEOUT TRANSITION, PROVIDERS SHOULD:

- Ensure billing staff, pharmacy staff, and prescribing providers are aware of the new claim submission process.

- Review prior authorization requirements and the preferred drug list.
- Update internal systems and workflows as needed before the implementation date.

While significant effort has been made to ensure a smooth transition, we request that any unexpected rejections, messaging, or system instability be reported to the pharmacy help desk for expedient triage and resolution. We thank you for your continued dedication to serving Iowa Medicaid members and appreciate your partnership.

For any questions, please call the POS Helpdesk at 1-877-463-7671 or 515-256-4608 locally in Des Moines or by e-mail at pba_iapdlinfo@optum.com.

If you have questions, please contact Iowa Medicaid Provider Services or contact the appropriate MCO

Iowa Medicaid Provider Services:

- Phone: 1-800-338-7909
- Email: imeproviderservices@hhs.iowa.gov

Managed Care Organizations (MCOs):

Iowa Total Care:

- Phone: 1-833-404-1061
- Email: providerrelations@iowatotalcare.com
- Website: https://www.iowatotalcare.com

Molina Healthcare of Iowa:

- Phone: 1-844-236-1464
- Email: iaproviderrelations@molinahealthcare.com
- Website: https://www.molinahealthcare.com/providers/ia/medicaid/home.aspx
- Provider Portal: https://www.availity.com/molinahealthcare

Wellpoint Iowa, Inc.:

- Phone: 1-833-731-2143
- Email: ProviderSolutionsIA@wellpoint.com
- Website: https://www.provider.wellpoint.com/iowa-provider/home