

FEB 13 2001  
HUMAN RESOURCES

HOUSE FILE 246  
BY HOVERSTEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the allowable price charged federal Medicare  
2 recipients by pharmacies participating in the medical  
3 assistance program, and providing for a repeal.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 246

1 Section 1. NEW SECTION. 249A.21 PHARMACIES -- CONDITION  
2 OF PARTICIPATION IN MEDICAL ASSISTANCE PROGRAM.

3 1. As a condition of participation in the medical  
4 assistance program, a pharmacy, upon presentation by an  
5 individual of a valid prescription and the individual's  
6 federal Medicare card, shall charge the individual a price for  
7 the prescription that does not exceed the reimbursement rate  
8 and any additional charges established by the department for  
9 dispensing of the prescription under the medical assistance  
10 program. The price requirements of this section do not apply  
11 to the prices of over-the-counter medications or compounded  
12 prescriptions.

13 2. The department shall provide a mechanism to calculate  
14 and transmit the price to the pharmacy. The drug utilization  
15 review process shall not apply to prescriptions provided under  
16 this section.

17 3. The department shall monitor pharmacy participation  
18 under this section and shall report the results of the  
19 monitoring to the general assembly by January 1, annually.  
20 The report shall include but is not limited to information  
21 regarding any pharmacy that discontinues participation in the  
22 medical assistance program and the reasons provided for the  
23 discontinued participation.

24 4. It is the intent of the general assembly that the  
25 provision of benefits under this section is to be reevaluated  
26 if a prescription drug benefit is provided through the federal  
27 Medicare program. The department shall inform the legislative  
28 fiscal bureau if a prescription drug benefit is provided  
29 through the federal Medicare program.

30 Sec. 2. Section 249A.21 is repealed January 1, 2003.

31 EXPLANATION

32 This bill provides that as a condition of participation in  
33 the medical assistance program, pharmacies are required to  
34 charge the reimbursement rate plus any other charge  
35 established by the department of human services for dispensing

1 of the prescription that is charged under the medical  
2 assistance program for prescriptions of individuals who  
3 present a valid prescription and a federal Medicare card to  
4 the pharmacist. The price requirements do not apply to over-  
5 the-counter medications or to compounded prescriptions. The  
6 department of human services is to provide a mechanism to  
7 calculate and transmit the price to the pharmacy. Drug  
8 utilization review requirements under the medical assistance  
9 program do not apply to the provisions of the bill. The  
10 department of human services is directed to monitor pharmacy  
11 participation under the bill and is to report annually on the  
12 results of the monitoring. The bill provides that it is the  
13 intent of the general assembly to reevaluate the benefits  
14 provided under the bill if a prescription drug benefit is  
15 provided through the federal Medicare program. The department  
16 is directed to inform the legislative fiscal bureau if such a  
17 benefit is provided through the federal Medicare program. The  
18 bill provides that the new Code section is repealed January 1,  
19 2003.

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