

INFORMATIONAL LETTER NO. 2305-MC-FFS-CVD

DATE: January 10, 2022

TO: Iowa Medicaid Physicians, Dentists, Advanced Registered Nurse Practitioners, Therapeutically Certified Optometrists, Podiatrists, Pharmacies, Home Health Agencies, Rural Health Clinics, Clinics, Skilled Nursing Facilities, Intermediate Care Facilities, Nursing Facilities – Mental ILL, Federally Qualified Health Centers (FQHC), Indian Health Service, Maternal Health Centers, Certified Nurse Midwife, Community Mental Health, Family Planning, Residential Care Facilities, ICF/ID State- and Community-Based ICF/ID Providers, and Physician Assistants

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS), Coronavirus Disease (CVD)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid

RE: Oral COVID-19 Therapeutics Pharmacy Coverage

EFFECTIVE: Upon Receipt

Background

The Food and Drug Administration (FDA) authorized two oral antivirals for treatment of COVID-19 under an emergency use authorization (EUA). [Paxlovid](#)¹ and [molnupiravir](#)² may only be prescribed for an individual patient by physicians, advanced practice registered nurses, and physician assistants that are licensed or authorized under state law to prescribe drugs in the therapeutic class to which these drugs belong (i.e., anti-infectives). Any future medications approved, authorized, or licensed by the FDA for COVID-19 treatment must be ordered in accordance with such approval, authorization, or license.

The federal government will be purchasing these drugs and will oversee the distribution of the drugs to the states, who will subsequently determine how those drugs are distributed within the state. Under the American Rescue Plan Act of 2021 (Pub. L. No. 117-2, enacted on March 11, 2021), state Medicaid programs are required to cover these COVID-19 treatments despite EUA drugs not meeting the definition of a covered outpatient drugs and not being eligible for manufacturer rebates. Because the federal government will be purchasing these drugs, states will be responsible only for paying the Medicaid professional dispensing fee.

¹ [Paxlovid](#)

² [Molnupiravir](#)

There may be Medicare/Medicaid dual eligibles whose Medicare Part D plan does not cover the dispensing fees for these oral COVID-19 medications. In those situations, Medicaid is responsible for paying the dispensing fee for the dual eligible.

Pharmacy Coverage Summary

- Submit a valid National Drug Code (NDC) through the pharmacy point of sale (POS) as with any other oral medication.
- The medication must be prescribed by a Medicaid-enrolled provider who is permitted to prescribe and filled by a Medicaid enrolled pharmacy.
- No prior authorization (PA) or copayment is required.
- Preferred Drug List (PDL) - These oral EUA COVID-19 treatment drugs will not be listed on the posted Medicaid PDL at this time but will be covered.
- Reimbursement
 - Dispensing Fee = \$10.38
 - Ingredient Cost = \$0.00 or \$0.01
 - Due to some system limitations which require the ingredient cost field to have a value >\$0.00, these claims may process a payment amount of \$0.01.
- Medicare/Medicaid dual eligibles
 - Claims should be submitted to the Medicare Part D plan first.
 - If a claim denial is received, the claim should then be submitted to Medicaid for reimbursement of the dispensing fee.
- Indian health facilities will be reimbursed the regular rate of one pharmacy encounter payment per date of service for drugs provided to American Indians or Alaskan natives.

If you have questions, please contact the appropriate Managed Care Organization (MCO). For questions regarding FFS claims, please contact the pharmacy POS helpdesk at 1(877) 463-7671 (toll-free) or (515) 256-4608 (Des Moines area).