
BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Pharmacy Benefits Managers Program — CMRF

Purpose and History

2022 Iowa Acts, [House File 2384](#) (Pharmacy Benefits Managers), established definitions for terms related to pharmacy benefits managers (PBMs), required rulemaking, added additional duties for PBMs and the Iowa Insurance Division (IID), and made changes to PBM reimbursements. The Act also changed references to “health carrier” in Iowa Code section [510C.2](#) to “third-party payor” and added a requirement for PBMs to reimburse all in-state pharmacies at the rate the PBM reimburses its affiliates for dispersing the same prescription drug. Finally, the Act permitted the IID to adopt emergency rules to implement the provisions of the Act.

PBMs are companies that represent health insurers, self-insured employers, union health plans, and government purchasers in the selection, purchase, and distribution of pharmaceuticals. PBMs influence which drug products are used most frequently and set terms for how much pharmacies are paid for their part in the process. Beginning in FY 2023, the IID used 2.0 full-time equivalent (FTE) positions for the management, enforcement, and investigation of matters related to PBM programs.

Funding — Other Sources of Revenue

For FY 2023, \$200,000 was appropriated from the Commerce Revolving Fund (CMRF) for this purpose.

Related Statutes and Administrative Rules

Iowa Code chapters [510B](#) and [510C](#)

Budget Unit Number

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More Information

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