State of Iowa

Iowa Administrative Code Supplement

Biweekly
May 28, 2014

STEPHANIE A. HOFF
ADMINISTRATIVE CODE EDITOR

Published by the
STATE OF IOWA
UNDER AUTHORITY OF IOWA CODE SECTION 17A.6

The Iowa Administrative Code Supplement is published biweekly pursuant to Iowa Code section 17A.6. The Supplement contains replacement chapters to be inserted in the loose-leaf Iowa Administrative Code (IAC) according to instructions included with each Supplement. The replacement chapters incorporate rule changes which have been adopted by the agencies and filed with the Administrative Rules Coordinator as provided in Iowa Code sections 7.17 and 17A.4 to 17A.6. To determine the specific changes in the rules, refer to the Iowa Administrative Bulletin bearing the same publication date.

In addition to the changes adopted by agencies, the replacement chapters may reflect objection to a rule or a portion of a rule filed by the Administrative Rules Review Committee (ARRC), the Governor, or the Attorney General pursuant to Iowa Code section 17A.4(6); an effective date delay imposed by the ARRC pursuant to section 17A.4(7) or 17A.8(9); rescission of a rule by the Governor pursuant to section 17A.4(8); or nullification of a rule by the General Assembly pursuant to Article III, section 40, of the Constitution of the State of Iowa.

The Supplement may also contain replacement pages for the IAC Index or the Uniform Rules on Agency Procedure.

INSTRUCTIONS

FOR UPDATING THE

IOWA ADMINISTRATIVE CODE

Agency names and numbers in bold below correspond to the divider tabs in the IAC binders. New and replacement chapters included in this Supplement are listed below. Carefully remove and insert chapters accordingly.

Editor's telephone (515)281-3355 or (515)242-6873

Insurance Division[191]

Replace Analysis
Replace Chapter 59

Real Estate Appraiser Examining Board[193F]

Replace Analysis
Replace Chapter 1

Veterinary Medicine Board[811]

Replace Analysis
Replace Chapter 1
Replace Chapter 12

INSURANCE DIVISION[191]

[Prior to 10/22/86, see Insurance Department[510], renamed Insurance Division[191] under the "umbrella" of Department of Commerce by the 1986 Iowa Acts, Senate File 2175]

ORGANIZATION AND PROCEDURES

CHAPTER 4
AGENCY PROCEDURE FOR RULE MAKING AND WAIVER OF RULES

DIVISION I
AGENCY PROCEDURE FOR RULE MAKING

DIVISION II
WAIVER AND VARIANCE RULES

REGULATION OF INSURERS

CHAPTER 5
REGULATION OF INSURERS—GENERAL PROVISIONS

5.1(507) Examination reports
5.2(505,507) Examination for admission
5.3(507,508,515) Submission of quarterly financial information
5.4(505,508,515,520) Surplus notes
5.5(505,515,520) Maximum allowable premium volume
5.6(505,515,520) Treatment of various items on the financial statement
5.7(505) Ordering withdrawal of domestic insurers from states
5.8(505) Monitoring
5.9(505) Rate and form filings
5.10(511) Life companies—permissible investments
5.11(511) Investment of funds
5.12(515) Collateral loans
5.13(508,515) Loans to officers, directors, employees, etc.
5.14 Reserved
5.15(508,512B,514,514B,515,520) Accounting practices and procedures manual and annual statement instructions
5.16 to 5.19 Reserved
5.20(508) Computation of reserves

UNEARNED PREMIUM RESERVES ON MORTGAGE GUARANTY INSURANCE POLICIES

5.21(515C) Unearned premium reserve factors
5.22(515C) Contingency reserve
5.23(507C) Standards
5.24(507C) Commissioner's authority
5.25 Reserved
5.26(508,515) Participation in the NAIC Insurance Regulatory Information System
5.27(508,515,520) Asset valuation
5.28(508,515,520) Risk-based capital and surplus
5.29(508,515) Actuarial certification of reserves
5.30(515) Single maximum risk—fidelity and surety risks
5.31(515) Reinsurance contracts
5.32(511,515) Investments in medium grade and lower grade obligations
5.33(510) Credit for reinsurance
5.34(508) Actuarial opinion and memorandum
5.35 to 5.39 Reserved
5.40(515) Premium tax
5.41(508) Tax on gross premiums—life companies
5.42(432) Cash refund of premium tax
5.43(510) Managing general agents

DISCLOSURE OF MORTGAGE LOAN APPLICATIONS

5.44 to 5.49 Reserved
5.50(535A) Purpose
5.51(535A) Definitions
5.52(535A) Filing of reports
5.53(535A) Form and content of reports
5.54(535A) Additional information required
5.55(535A) Written complaints

CHAPTER 6
ORGANIZATION OF DOMESTIC INSURANCE COMPANIES

CHAPTER 7
DOMESTIC STOCK INSURERS PROXIES

PROXY REGULATIONS

SCHEDULE A
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE B
INFORMATION TO BE INCLUDED IN STATEMENTS FILED BY OR ON BEHALF OF A PARTICIPANT (OTHER THAN THE INSURER) IN A PROXY SOLICITATION IN AN ELECTION CONTEST

POLICYHOLDER PROXY SOLICITATION

STOCK TRANSACTION REPORTING

CHAPTER 8
BENEVOLENT ASSOCIATIONS

CHAPTER 9
Reserved

INSURANCE PRODUCERS

CHAPTER 10
LICENSING OF INSURANCE PRODUCERS

DIVISION I
LICENSING OF INSURANCE PRODUCERS

DIVISION II
LICENSING OF CAR RENTAL COMPANIES AND EMPLOYEES

CHAPTER 11
CONTINUING EDUCATION FOR
INSURANCE PRODUCERS

CHAPTER 12
PORT OF ENTRY REQUIREMENTS

CHAPTER 13
CONSENT FOR PROHIBITED PERSONS
TO ENGAGE IN THE BUSINESS OF INSURANCE

UNFAIR TRADE PRACTICES

CHAPTER 14
LIFE INSURANCE ILLUSTRATIONS MODEL REGULATION

CHAPTER 15
UNFAIR TRADE PRACTICES

DIVISION I
SALES PRACTICES

DIVISION II
CLAIMS

DIVISION III
DISCLOSURE FOR SMALL FACE AMOUNT LIFE INSURANCE POLICIES

DIVISION IV
ANNUITY DISCLOSURE REQUIREMENTS

CHAPTERS 18 and 19
Reserved

PROPERTY AND CASUALTY INSURANCE

CHAPTER 20
PROPERTY AND CASUALTY INSURANCE

DIVISION I
FORM AND RATE REQUIREMENTS

DIVISION II
IOWA FAIR PLAN ACT

DIVISION III
CERTIFICATES OF INSURANCE FOR COMMERCIAL LENDING TRANSACTIONS

CHAPTER 21
REQUIREMENTS FOR EXCESS AND SURPLUS LINES,
RISK RETENTION GROUPS AND PURCHASING GROUPS

CHAPTER 22
FINANCIAL GUARANTY INSURANCE

CHAPTER 23
MOTOR VEHICLE SERVICE CONTRACTS

CHAPTER 24
IOWA RETIREMENT FACILITIES

CHAPTER 25
MILITARY SALES PRACTICES

CHAPTER 26
Reserved

CHAPTER 27
PREFERRED PROVIDER ARRANGEMENTS

CHAPTER 28
CREDIT LIFE AND CREDIT
ACCIDENT AND HEALTH INSURANCE

CHAPTER 29
CONTINUATION RIGHTS UNDER GROUP ACCIDENT
AND HEALTH INSURANCE POLICIES

CHAPTER 35
ACCIDENT AND HEALTH INSURANCE

BLANKET ACCIDENT AND SICKNESS INSURANCE

LARGE GROUP HEALTH INSURANCE COVERAGE

CONSUMER GUIDE

CHAPTER 36
INDIVIDUAL ACCIDENT AND HEALTH—MINIMUM STANDARDS AND RATE HEARINGS

DIVISION I
MINIMUM STANDARDS

CHAPTER 40
HEALTH MAINTENANCE ORGANIZATIONS

(Health and Insurance—Joint Rules)

CHAPTER 41
LIMITED SERVICE ORGANIZATIONS

CHAPTER 42
GENDER-BLENDED MINIMUM NONFORFEITURE
STANDARDS FOR LIFE INSURANCE

CHAPTER 43
ANNUITY MORTALITY TABLES FOR USE IN
DETERMINING RESERVE LIABILITIES FOR ANNUITIES

CHAPTER 44
SMOKER/NONSMOKER MORTALITY TABLES
FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES
AND NONFORFEITURE BENEFITS

INSURANCE HOLDING COMPANY SYSTEMS

CHAPTER 45
INSURANCE HOLDING COMPANY SYSTEMS

CHAPTER 46
MUTUAL HOLDING COMPANIES

SECURITIES

CHAPTER 50
REGULATION OF SECURITIES OFFERINGS AND THOSE WHO ENGAGE IN THE SECURITIES BUSINESS

DIVISION I
DEFINITIONS AND ADMINISTRATION

DIVISION II
REGISTRATION OF BROKER-DEALERS AND AGENTS

DIVISION III
REGISTRATION OF INVESTMENT ADVISERS, INVESTMENT ADVISER REPRESENTATIVES, AND FEDERAL COVERED INVESTMENT ADVISERS

DIVISION IV
RULES COVERING ALL REGISTERED PERSONS

50.50(502)	Internet advertising by broker-dealers, investment advisers, broker-dealer agents, investment adviser representatives, and federal covered investment advisers
50.51(502)	Consent to service
50.52(252J)	Denial, suspension or revocation of agent or investment adviser representative registration for failure to pay child support
50.53(261)	Denial, suspension or revocation of agent or investment adviser representative registration for failure to pay debts owed to or collected by the college student aid commission
50.54(272D)	Denial, suspension or revocation of agent or investment adviser representative registration for failure to pay state debt
50.55(502)	Use of senior-specific certifications and professional designations
50.56 to 50.59	Reserved

DIVISION V
REGISTRATION OF SECURITIES

50.60(502)	Notice filings for investment company securities offerings
50.61(502)	Registration of small corporate offerings
50.62(502)	Streamlined registration for certain equity securities
50.63(502)	Registration of multijurisdictional offerings
50.64(502)	Form of financial statements
50.65(502)	Reports contingent to registration by qualification
50.66(502)	NASAA guidelines and statements of policy
50.67(502)	Amendments to registration by qualification
50.68(502)	Delivery of prospectus
50.69(502)	Advertisements
50.70 to 50.79	Reserved

DIVISION VI
EXEMPTIONS

50.80(502)	Uniform limited offering exemption
50.81(502)	Notice filings for Rule 506 offerings
50.82(502)	Notice filings for agricultural cooperative associations
50.83(502)	Unsolicited order exemption
50.84(502)	Solicitation of interest exemption
50.85(502)	Internet offers exemption
50.86(502)	Denial, suspension, revocation, condition, or limitation of limited offering transaction exemption
50.87(502)	Nonprofit securities exemption
50.88(502)	Transactions with specified investors
50.89(502)	Designated securities manuals
50.90 to 50.99	Reserved

DIVISION VII
FRAUD AND OTHER PROHIBITED CONDUCT

50.100(502)	Fraudulent practices
50.101(502)	Rescission offers
50.102(502)	Fraudulent, deceptive or manipulative act, practice, or course of business in providing investment advice
50.103(502)	Investment advisory contracts
50.104 to 50.109	Reserved

DIVISION VIII
VIATICAL SETTLEMENT INVESTMENT CONTRACTS

CHAPTERS 51 to 53
Reserved

CHAPTER 54
RESIDENTIAL SERVICE CONTRACTS

CHAPTER 55
LICENSING OF PUBLIC ADJUSTERS

CHAPTERS 61 to 69
Reserved

MANAGED HEALTH CARE

CHAPTER 70
UTILIZATION REVIEW

HEALTH BENEFIT PLANS

CHAPTER 71
SMALL GROUP HEALTH BENEFIT PLANS

CHAPTER 72
LONG-TERM CARE ASSET PRESERVATION PROGRAM

CHAPTER 75
IOWA INDIVIDUAL HEALTH BENEFIT PLANS

CHAPTER 76
EXTERNAL REVIEW

CHAPTER 77
MULTIPLE EMPLOYER WELFARE ARRANGEMENTS

CHAPTER 78
UNIFORM PRESCRIPTION DRUG INFORMATION CARD

CHAPTER 79
Reserved

INSURANCE COVERAGE FOR PEDIATRIC PREVENTIVE SERVICES

CHAPTER 80
WELL-CHILD CARE

CHAPTER 81
POSTDELIVERY BENEFITS AND CARE

CHAPTERS 82 to 84
Reserved

CHAPTER 85
REGULATION OF NAVIGATORS

CHAPTERS 86 to 89
Reserved

CHAPTER 90
FINANCIAL AND HEALTH INFORMATION REGULATION

CHAPTER 91
2001 CSO MORTALITY TABLE

REGULATED INDUSTRIES
SALES OF CEMETERY MERCHANDISE, FUNERAL MERCHANDISE AND FUNERAL SERVICES

CHAPTER 100
GENERAL PROVISIONS

CHAPTER 101
TRUST DEPOSITS AND TRUST FUNDS

CHAPTER 102
WAREHOUSED MERCHANDISE

CHAPTER 103
LICENSING OF PRENEED SELLERS AND SALES AGENTS

CHAPTER 104
CONTINUING EDUCATION FOR SALES AGENTS

CHAPTER 105
STANDARDS OF CONDUCT AND PROHIBITED PRACTICES

CHAPTER 106
DISCIPLINARY PROCEDURES

CHAPTERS 107 to 109
Reserved

CHAPTER 110
STANDARDS AND COMMISSIONER'S AUTHORITY FOR COMPANIES DEEMED TO BE IN HAZARDOUS FINANCIAL CONDITION

CHAPTERS 111 to 139
Reserved

CHAPTER 140
BURIAL SITES AND CEMETERIES

CHAPTER 59
PHARMACY BENEFITS MANAGERS

191—59.1(510B) Purpose. The purpose of this chapter is to administer the provisions of Iowa Code chapter 510B relating to the regulation of pharmacy benefits managers.
[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.2(510B) Definitions. The terms defined in Iowa Code sections 510.11 and 510B.1 shall have the same meaning for the purposes of this chapter. The definitions contained in 191—Chapter 58, "Third-Party Administrators," and 191—Chapter 78, "Uniform Prescription Drug Information Card," of the Iowa Administrative Code are incorporated by reference. As used in this chapter:

"Clean claim" means a claim which is received by any pharmacy benefits manager for adjudication and which requires no further information, adjustment or alteration by the pharmacy or the covered individual in order to be processed and paid by the pharmacy benefits manager. A claim is a clean claim if it has no defect or impropriety, including any lack of substantiating documentation, or no particular circumstance requiring special treatment that prevents timely payment from being made on the claim under this chapter. A clean claim includes a resubmitted claim with previously identified deficiencies corrected.

"Complaint" means a written communication expressing a grievance or an inquiry concerning a transaction between a pharmacy benefits manager and a pharmacy.

"Corrective action plan" means an agreement entered into by a pharmacy benefits manager and a pharmacy which is intended to promote accurate submission and payment of pharmacy claims.

"Day" means a calendar day, unless otherwise defined or limited.

"Paid" means the later of either the day on which the payment is mailed by the pharmacy benefits manager or the day on which the electronic payment is processed by the pharmacy benefits manager's bank.

"Pharmacist" means "pharmacist" as defined in Iowa Code section 155A.3.

"Pharmacy" means "pharmacy" as defined in Iowa Code section 155A.3 and includes "pharmacist."
[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.3(510B) Timely payment of pharmacy claims.

59.3(1) All benefits payable under a pharmacy benefits management plan shall be paid as soon as feasible but within 20 days after receipt of a clean claim when the claim is submitted electronically and shall be paid within 30 days after receipt of a clean claim when the claim is submitted in paper format.

59.3(2) Payments to the pharmacy for clean claims are considered to be overdue and not timely if not paid within 20 or 30 days, whichever is applicable. If any clean claim is not timely paid, the pharmacy benefits manager must pay the pharmacy interest at the rate of 10 percent per annum commencing the day after any claim payment or portion thereof was due until the claim is finally settled or adjudicated in full.

59.3(3) Pharmacy benefits managers may demonstrate the date a claim is paid by a mail record or a bank statement.
[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.4(510B) Audits of pharmacies by pharmacy benefits managers.

59.4(1) An audit of pharmacy records by a pharmacy benefits manager shall be conducted in accordance with the following:

a. The pharmacy benefits manager conducting the initial on-site audit must provide the pharmacy written notice at least one week prior to conducting any audit;

b. Any audit which involves clinical or professional judgment must be conducted by or in consultation with a pharmacist;

c. When a pharmacy benefits manager alleges an error in reimbursement has been made to a pharmacy, the pharmacy benefits manager shall provide the pharmacy sufficient documentation to determine the specific claims included in the alleged error;

d. A pharmacy may use the records of a hospital, physician or other authorized practitioner of the healing arts for prescription drugs or medicinal supplies, written or transmitted by any means of communication, for purposes of validating the pharmacy record with respect to orders or refills of a drug dispensed pursuant to a prescription;

e. Each pharmacy shall be audited under the same standards and parameters as other similarly situated pharmacies audited by the pharmacy benefits manager;

f. The period covered by an audit may not exceed two years from the date on which the claim was submitted to or adjudicated by a managed care company, insurance company, third-party payor, or any pharmacy benefits manager that represents such entities;

g. Unless otherwise consented to by the pharmacy, an audit may not be initiated or scheduled during the first seven calendar days of any month due to the high volume of prescriptions filled during that time;

h. The preliminary audit report must be delivered to the pharmacy within 120 days after conclusion of the audit. A final written audit report shall be received by the pharmacy within six months of the preliminary audit report or final appeal, whichever is later;

i. A pharmacy shall be allowed at least 30 days following receipt of the preliminary audit report in which to produce documentation to address any discrepancy found during an audit; and

j. If it is determined by the pharmacy benefits manager that an error in reimbursement to a pharmacy occurred, the following criteria apply:

(1) For each contract between the pharmacy benefits manager and the pharmacy existing on or after January 1, 2015, a pharmacy's usual and customary price for compounded medications is considered the reimbursable cost, unless the contract between the pharmacy benefits manager and the pharmacy specifically provides details for a pricing methodology for compounded medications.

(2) A finding of error in reimbursement must be based on the actual error in reimbursement and not be based on a projection of the number of patients served having a similar diagnosis or on a projection of the number of similar orders or refills for similar prescription drugs.

(3) Calculations of errors in reimbursement must not include dispensing fees unless: prescriptions were not actually dispensed, the prescriber denied authorizations, the prescriptions dispensed were medication errors by the pharmacy, or the amounts of the dispensing fees were incorrect.

(4) Any clerical or record-keeping error of the pharmacy, including but not limited to a typographical error, scrivener's error, or computer error, regarding a required document or record shall not be considered fraud by the pharmacy under paragraph 59.5(3)*"a"* or under a pharmacy's contract with the pharmacy benefits manager.

(5) In the case of an error that has no actual financial harm to the patient or covered entity, the pharmacy benefits manager shall not assess a charge against the pharmacy.

(6) If a pharmacy has entered into a corrective action plan with a pharmacy benefits manager, errors that are a result of the pharmacy's failure to comply with such plan may be subject to recovery.

(7) During the audit period, interest on any outstanding balance shall not accrue for the pharmacy benefits manager or the pharmacy. For purposes of this rule, the audit period begins with the notice of the audit and ends with a final determination of the audit report.

59.4(2) Notwithstanding any other provision in this rule, the entity conducting the audit shall not use the accounting practice of extrapolation in calculating the recoupment or contractual penalties for audits unless required by state or federal laws or regulations. The entity may not use the accounting practice of extrapolation in a manner more stringent than that required by state or federal laws or regulations.

59.4(3) Recoupment of any disputed funds shall occur only after final disposition of the audit, including the appeals process as set forth in subrules 59.4(4) and 59.4(5).

59.4(4) Each pharmacy benefits manager conducting an audit shall establish an appeals process under which a pharmacy may appeal an unfavorable preliminary audit report to the pharmacy benefits manager. The pharmacy benefits manager shall conduct a review of the unfavorable preliminary audit report. The cost of the audit review shall be paid by the pharmacy benefits manager. If, following the review, the pharmacy benefits manager finds that an unfavorable audit report or any portion thereof

is unsubstantiated, the pharmacy benefits manager shall dismiss the unsubstantiated audit report or unsubstantiated portion of the audit report without the necessity of any further proceedings.

59.4(5) A pharmacy benefits manager shall establish a process for an independent third-party review of final audit findings. If, following the appeal of an audit report and upon conducting an audit review, the pharmacy benefits manager finds that an unfavorable audit report or any portion thereof is found to be substantiated, the pharmacy benefits manager shall notify the pharmacy in writing of its right to request an independent third-party review of the final audit findings and the process used to request such a review. If a pharmacy requests an independent third-party review of the final audit findings and the audit report is found to be substantiated, the cost of the third-party review shall be paid by the pharmacy. If a pharmacy requests an independent third-party review of the final audit findings and the audit report is found to be unsubstantiated, the cost of the third-party review shall be paid by the pharmacy benefits manager. If the reviewer finds partially in favor of both parties, the reviewer shall apportion the costs accordingly and each party will bear a portion of the costs of the review.

59.4(6) Any pharmacy's appeal or request for an independent third-party review of an audit report shall be considered a complaint and shall be included in the report required by subrule 59.7(2).

59.4(7) Each pharmacy benefits manager conducting an audit shall, after completion of any review process, provide a copy of the final audit report to the covered entity.

59.4(8) This rule shall not apply to any investigative audit which involves fraud, willful misrepresentation, abuse, or any other statutory provision which authorizes investigations relating to but not limited to insurance fraud.

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.5(510B) Termination or suspension of contracts with pharmacies by pharmacy benefits managers.

59.5(1) A contract between a pharmacy benefits manager and a pharmacy shall include a provision describing notification procedures for contract termination. The contract shall require no less than 60 days' prior written notice by either party that wishes to terminate the contract.

59.5(2) Termination of a contract between a pharmacy benefits manager and a pharmacy or termination of a pharmacy from the network of the pharmacy benefits manager shall not release the pharmacy benefits manager from the obligation to make payments due to the pharmacy for contract-covered services rendered before the contract of the pharmacy was terminated.

59.5(3) The following apply to terminations or suspensions of contracts with pharmacies by pharmacy benefits managers:

a. If the pharmacy benefits manager has evidence that the pharmacy has engaged in fraudulent conduct or poses a significant risk to patient care or safety, the pharmacy benefits manager may immediately suspend the pharmacy from further performance under the contract only if written notice of the suspension and reasoning therefor is provided to the pharmacy, the covered entity and the commissioner.

b. A pharmacy shall not be terminated or suspended from the pharmacy benefits manager's provider network or otherwise penalized by a pharmacy benefits manager solely because the pharmacy files a complaint, grievance or appeal with any entity. A pharmacy benefits manager shall not imply or state that it may or will take action to cancel or limit a pharmacy's participation in a pharmacy benefits manager's provider network solely because the pharmacy files a complaint, grievance or appeal with any entity.

c. A pharmacy shall not be terminated from the network or suspended by a pharmacy benefits manager due to any disagreement with a decision of the pharmacy benefits manager to deny or limit benefits to covered individuals or due to any assistance provided to covered individuals by the pharmacy in obtaining reconsideration of a decision of the pharmacy benefits manager.

d. The pharmacy may request an independent third-party review of the final decision to terminate or suspend the contract between the pharmacy benefits manager and the pharmacy by filing with the pharmacy benefits manager a written request for an independent third-party review of the decision. This

written request must be filed with the pharmacy benefits manager within 30 days of receipt of the final termination or suspension decision.

e. Any request by a pharmacy for an independent third-party review of a termination or suspension decision shall be considered a complaint and included in the report required by subrule 59.7(2).

f. If a pharmacy requests an independent third-party review of a termination or suspension decision and the termination is found to be substantiated, the cost of the third-party review shall be paid by the pharmacy. If a pharmacy requests an independent third-party review of a termination or suspension decision and the termination is found to be unsubstantiated, the cost of the third-party review shall be paid by the pharmacy benefits manager.

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.6(510B) Price change. For purposes of Iowa Code section 510B.7(3), a pharmacy benefits manager may meet the requirements of having to adjust its payment to the pharmacy network provider consistent with a price increase within three business days of the price increase notification by a manufacturer or supplier by keeping a list of current prescription drugs and current maximum reimbursement amounts and by updating that list at least every three business days with any price increases. This list shall be made available to pharmacies and pharmacy network providers through a readily accessible and easily usable online format, or in some other readily accessible and easily usable format.

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.7(510B) Complaints.

59.7(1) Each pharmacy benefits manager shall develop an internal system to record and report complaints. This system shall include but not be limited to the following information regarding each complaint from any pharmacy:

a. The reason for the complaint and factual documentation to support the complaint;

b. Contact name, address and telephone number of the pharmacy;

c. Prescription number;

d. Prescription reimbursement amount for any disputed claim;

e. Any disputed prescription claim payment date;

f. Covered entity benefits certificate; and

g. The final determination and outcome of the complaint.

59.7(2) A summary of all complaints received by the pharmacy benefits manager each calendar quarter shall be submitted to the commissioner within 30 days after the calendar quarter has ended. The summary shall include the following:

a. Name, address, telephone number and e-mail address for a contact person for the pharmacy benefits manager;

b. A summary of the information listed in paragraph 59.7(1)*"a,"* excluding documentation; and

c. The information listed in paragraphs 59.7(1)*"b," "d," "e,"* and *"g."*

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.8(510,510B) Duty to notify commissioner of fraud. A covered entity that contracts with a pharmacy benefits manager to perform the covered entity's services shall require the pharmacy benefits manager to follow Iowa Code section 507E.6 in notifying the commissioner of any detection of fraud, including but not limited to prescription drug diversion activity. "Prescription drug diversion activity," for purposes of this rule, means the diversion of prescription drugs from legal and medically necessary uses to uses that are illegal and not medically authorized or necessary. A pharmacy benefits manager shall follow the fraud detection protocol developed by the covered entity or shall allow the covered entity to review and agree to the pharmacy benefits manager's protocol.

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.9(507,510,510B) Commissioner examinations of pharmacy benefits managers.

59.9(1) Pharmacy benefits managers shall cooperate with the commissioner for the commissioner's administration of Iowa Code chapters 507, 510, and 510B and this chapter.

59.9(2) Pharmacy benefits managers shall maintain for five years the records necessary to demonstrate to the commissioner compliance with this chapter. Pharmacy benefits managers shall provide the commissioner easy accessibility to records for examination, audit and inspection to verify compliance with this chapter.

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

191—59.10(505,507,507B,510,510B,514L) Failure to comply. Failure to comply with the provisions of this chapter or with Iowa Code chapters 510 and 510B, or failure to comply with 191—Chapters 58 and 78 or Iowa Code chapters 507 and 514L as they are relevant to the administration of this chapter or of Iowa Code chapters 510 and 510B, shall subject the pharmacy benefits manager to the penalties of Iowa Code chapter 507B.

[**ARC 1466C**, IAB 5/28/14, effective 7/2/14]

These rules are intended to implement Iowa Code chapters 17A, 505, 507, 510, 510B and 514L.

[Filed 7/25/08, Notice 5/7/08—published 8/13/08, effective 9/17/08]*

[Editorial change: IAC Supplement 9/24/08]

[Editorial change: IAC Supplement 11/5/08]

[Filed ARC 1466C (Notice ARC 1412C, IAB 4/2/14), IAB 5/28/14, effective 7/2/14]

*The September 17, 2008, effective date of subrules 59.6(3), 59.6(5) and 59.7(6) was delayed for 70 days by the Administrative Rules Review Committee at its meeting held September 9, 2008. At its meeting held October 14, 2008, the Committee voted to lift the delay, effective October 15, 2008.

REAL ESTATE APPRAISER EXAMINING BOARD[193F]

CHAPTER 1
ORGANIZATION AND ADMINISTRATION

CHAPTER 2
DEFINITIONS

CHAPTER 3
GENERAL PROVISIONS FOR EXAMINATIONS

CHAPTER 4
ASSOCIATE REAL PROPERTY APPRAISER

CHAPTER 5
CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

CHAPTER 10
RECIPROCITY

CHAPTER 11
CONTINUING EDUCATION

CHAPTER 12
FEES

CHAPTERS 13 and 14
Reserved

CHAPTER 15
SUPERVISOR RESPONSIBILITIES

CHAPTER 16
ENFORCEMENT PROCEEDINGS AGAINST NONLICENSEES

CHAPTER 1
ORGANIZATION AND ADMINISTRATION

[Prior to 2/20/02, see 193F—Chapters 2, 9 and 11]

193F—1.1(543D) Description.

1.1(1) The purpose of the real estate appraiser examining board is to administer and enforce the provisions of Iowa Code chapter 543D (Iowa Voluntary Appraisal Standards and Appraiser Certification Law of 1989) with regard to the appraisal of real property in the state of Iowa, including the examination of candidates and issuance of certificates and registrations; investigation of alleged violations and infractions of the appraisal standards and appraiser certification law; and the disciplining of appraisers. The importance of the role of the appraiser places ethical and professional standards on those who serve in this capacity. To this end, the board has promulgated these rules and has adopted the Uniform Standards of Professional Appraisal Practice (USPAP) to clarify the board's intent and procedures and to promote and maintain a high level of public trust in professional appraisal practice.

1.1(2) All official communications, including submissions and requests, should be addressed to the board at its official address, 200 E. Grand Avenue, Suite 350, Des Moines, Iowa 50309.

[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.2(543D) Administrative committees.

1.2(1) The board may appoint administrative committees for the purpose of making recommendations on matters specified by the board.

1.2(2) An administrative committee may be appointed to make recommendations to the board concerning the board's responsibilities as to examinations, certifications, continuing education, professional conduct, discipline and other board matters.

[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.3(543D) Annual meeting. The annual meeting of the board shall be the first meeting scheduled after April 30. At this time, the chairperson and vice chairperson shall be elected to serve until their successors are elected.

[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.4(543D) Other meetings. In addition to the annual meeting, and in addition to other meetings, the time and place of which may be fixed by resolution of the board, any meeting may be called by the chairperson of the board or by joint call of a majority of its members.

[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.5(543D) Executive officer's duties.

1.5(1) The executive officer shall cause complete records to be kept of applications for examination and registration, certificates and permits granted, and all necessary information in regard thereto.

1.5(2) The executive officer shall determine when the legal requirements for certification and registration have been satisfied with regard to issuance of certificates or registrations, and the executive officer shall submit to the board any questionable application.

1.5(3) The executive officer shall keep accurate minutes of the meetings of the board. The executive officer shall keep a list of the names of persons issued certificates as certified general real property appraisers, certified residential real property appraisers and associate real property appraisers.

193F—1.6(543D) Records, filings, and requests for public information. Unless otherwise specified by the rules of the department of commerce or the professional licensing and regulation division, the board is the principal custodian of its own agency orders, statements of law or policy issued by the board, legal documents, and other public documents on file with the board.

1.6(1) Any person may examine public records promulgated or maintained by the board at its office during regular business hours as provided in 193—Chapter 13.

1.6(2) Records, documents and other information may be gathered, stored, and available in electronic format. Information, various forms, documents, and the law and rules may be reviewed or obtained anytime by the public from the board's Internet Web site located at http://www.state.ia.us/iapp.

1.6(3) Deadlines. Unless the context requires otherwise, any deadline for filing a document shall be extended to the next working day when the deadline falls on a Saturday, Sunday, or official state holiday.
[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.7(543D) Adoption, amendment or repeal of administrative rules.

1.7(1) The board shall adopt, amend or repeal its administrative rules in accordance with the provisions of Iowa Code section 17A.4. Prior to the adoption, amendment or repeal of any rule of the board, any interested person, as described in Iowa Code section 17A.4(1)*"b,"* may submit any data, views, or arguments in writing concerning such rule or may request to make an oral presentation concerning such rule. Such written comments or requests to make oral presentations shall be filed with the board at its official address and shall clearly state:

a. The name, address, and telephone number of the person or agency authoring the comment or request;

b. The number and title of the proposed rule, which is the subject of the comment or request as given in the Notice of Intended Action;

c. The general content of the oral presentation. A separate comment or request to make an oral presentation shall be made for each proposed rule to which remarks are to be asserted.

1.7(2) The receipt and acceptance for consideration of written comments and requests to make oral presentations shall be acknowledged by the board.

1.7(3) Written comments received after the deadline set forth in the Notice of Intended Action may be accepted by the board although their consideration is not assured. Requests to make an oral presentation received after the deadline shall not be accepted and shall be returned to the requester.

193F—1.8(22) Public records and fair information practices. Board rules on public records and fair information practices may be found in the uniform rules for the division of professional licensing and regulation at 193 IAC 13.

193F—1.9(68B) Sales of goods and services. Board rules on the sale of goods and services by board members may be found in the uniform rules for the division of professional licensing and regulation at 193 IAC 11.

193F—1.10(17A) Petitions for rule making. Persons wishing to file a petition for rule making should consult the uniform rules for the division of professional licensing and regulation at 193 IAC 9.

193F—1.11(17A) Declaratory orders. Persons wishing to seek a declaratory order from the board should consult the uniform rules for the division of professional licensing and regulation at 193 IAC 10.

193F—1.12(252J,261) Denial of issuance or renewal of license for nonpayment of child support or student loan. Board rules on the denial of the issuance or renewal of a license based on nonpayment of child support or student loan obligations may be found in the uniform rules for the division of professional licensing and regulation at 193 IAC 8.

193F—1.13(17A) Waivers and variances.

1.13(1) Persons who wish to seek waivers or variances from board rules should consult the uniform rules for the division of professional licensing and regulation at 193 IAC 5.

1.13(2) In addition to the provisions of 193 IAC 5, the following shall apply for interim rulings:

a. The board chairperson, or vice chairperson if the chairperson is not available, may rule on a petition for waiver or variance when it would not be timely to wait for the next regularly scheduled board meeting for a ruling from the board.

b. The executive officer shall, upon receipt of a petition that meets all applicable criteria established in 193 IAC 5, present the request to the board chairperson or vice chairperson along with all pertinent information regarding established precedent for granting or denying such requests.

c. The chairperson or vice chairperson shall reserve the right to hold an electronic meeting of the board when prior board precedent does not clearly resolve the request, input of the board is deemed required and the practical result of waiting until the next regularly scheduled meeting would be a denial of the request due to timing issues.

d. A waiver report shall be placed on the agenda of the next regularly scheduled board meeting and recorded in the minutes of the meeting.

e. This subrule on interim rulings does not apply if the waiver or variance was filed in a contested case.

193F—1.14(543D,17A,272C) Investigations and investigatory subpoenas. Board rules regarding investigations and investigatory subpoenas may be found at 193F IAC 8 and in the uniform rules for the division of professional licensing and regulation at 193 IAC 6.

193F—1.15(543D,17A,272C) Contested case procedures. Board rules on contested case procedures may be found at 193F IAC 8 and in the uniform rules for the division of professional licensing and regulation at 193 IAC 7.

193F—1.16(272C) Impaired licensees. Board rules governing impaired licensee committees may be found in the uniform rules for the division of professional licensing and regulation at 193 IAC 13.

193F—1.17(543D) Types of appraiser classifications. There are three types of appraiser classifications:

1. Associate real property appraiser. This classification consists of those persons who meet the requirements of 193F—Chapter 4.
2. Certified residential real property appraiser. This classification consists of those persons who meet the requirements of 193F—Chapter 5.
3. Certified general real property appraiser. This classification consists of those persons who meet the requirements of 193F—Chapter 6.

[**ARC 7774B**, IAB 5/20/09, effective 6/24/09]

193F—1.18(543D) Qualified state appraiser certifying agency.

1.18(1) The real estate appraiser examining board is a state appraiser certifying agency in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). As a result, persons who are issued certificates by the board to practice as certified real estate appraisers are authorized under federal law to perform appraisal services for federally related transactions and are identified as such in the National Registry maintained by the Appraisal Subcommittee (ASC).

1.18(2) The board must adhere to the criteria established by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation when registering associate appraisers or certifying certified appraisers under Iowa Code chapter 543D.

[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.19(543D) January 1, 2015, criteria.

1.19(1) Effective on and after January 1, 2015, the AQB has changed the criteria for eligibility for registration as an associate appraiser and certification as a certified appraiser. No person may be registered as an associate appraiser or certified as a certified appraiser on or after January 1, 2015, unless the person is eligible under the revised criteria.

1.19(2) The January 1, 2015, criteria were adopted by the AQB in 2011 and have been widely disseminated, including on the board's Web site at: http://www.state.ia.us/government/com/prof/appraiser/home.html.

a. For associate appraisers, the revised criteria place a five-year restriction on the time period in which qualifying education must be completed prior to the submission of an application for associate appraiser registration and require completion of supervisory appraiser/associate coursework by both the supervisory appraiser and the associate appraiser applicant.

b. For certified appraisers, the revised criteria modify the conditions under which applicants for certification are eligible to take the required examinations and require a bachelor's degree for all certified appraisers, including residential appraisers.

[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.20(543D) Application and work product deadlines.

1.20(1) *December 31, 2014, application deadline.* In order to be considered for registration as an associate appraiser or certification as a certified appraiser under the criteria in effect prior to January 1, 2015, an applicant must submit an original, fully completed application to the board office for the board's actual receipt no later than December 31, 2014, at 4:30 p.m.

1.20(2) *Deadline for associate appraiser applicants.* The associate appraiser and supervisory appraiser provisions are more fully set out in 193F—Chapters 4 and 15, respectively. Before submitting an application for registration with the board, a person seeking registration as an associate appraiser must complete 75 hours of appraisal education and secure a qualified supervisory appraiser. An associate appraiser applicant who submits an application to the board office after December 31, 2014, at 4:30 p.m. shall be subject to the January 1, 2015, criteria and will accordingly be subject to the five-year restriction on qualifying education and the supervisory appraiser/associate coursework.

1.20(3) *Summary of certification requirements before January 1, 2015.* As more fully set out in 193F—Chapters 3, 5, and 6, a person who is in the process of completing the education, experience, and examination required for certification as a certified appraiser may not submit an application for certification to the board until all prerequisites have been satisfactorily completed. The prerequisites include the following: qualifying college and core criteria appraiser education, qualifying examination, 2,500 hours of qualifying experience in a minimum of 24 months for residential appraisers or 3,000 hours of qualifying experience in a minimum of 30 months for general appraisers, and work product review. Work product review requires numerous steps, as provided in 193F—5.6(543D) and 193F—6.6(543D). The work product review process includes the applicant's submission of a work product experience log to the board; the board's selection of three appraisals to review; communication of the selected appraisals to the applicant; the applicant's submission of the three appraisals and associated work files to the board in electronic and paper formats; review of the appraisals and work files by a reviewer retained by the board; the reviewer's submission of review reports to the board; a meeting between the applicant and the board's work product review committee; a formal board vote at a board meeting; and communication of approval, denial, or deferral to the applicant. All of these steps must be completed before an applicant with approved work product can submit an application for certification to the board office.

1.20(4) *October 1, 2014, deadline for submission of appraisals and work files.*

a. As a result of the minimum periods of time needed to accomplish all work product review steps summarized in 1.20(3), an applicant for certification as a certified appraiser must fully submit to the board office the three appraisals and associated work files for work product review, as provided in 193F—5.6(543D) and 193F—6.6(543D), no later than October 1, 2014.

b. To allow sufficient time for board selection of three appraisals from the work product review experience log, board communication of the selected appraisals to the applicant, and applicant submission of the appraisals and work files to the board office by October 1, 2014, applicants for residential certification should submit their work product experience log to the board by September 1, 2014, and applicants for general certification should submit their work product experience log to the board by August 1, 2014.

c. Applicants for certification as residential or general certified appraisers who submit appraisals and work files for work product review on or after October 2, 2014, shall be considered for certification under the January 1, 2015, criteria. If an applicant submitting appraisals and work files for work product

review on or after October 2, 2014, has previously passed the required examination, the examination results will remain valid for the 24-month period of validity, as described in 193F—Chapter 3.
[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.21(543D) National criminal history check. Effective January 1, 2017, all applicants for any of the classifications listed in 193F—1.17(543D) must satisfactorily complete a national criminal history check as provided in Iowa Code section 543D.22 as a condition of registration as an associate real property appraiser or certification as a residential or general real property appraiser.
[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

193F—1.22(272C,543D) Process for board review of eligibility.

1.22(1) Before applying for registration as an associate appraiser or certification as a certified appraiser, a person with a criminal history or other background matters that may impair registration or certification may request that the board evaluate the prospective applicant's criminal history or other background matters by submitting a written request to the board. Upon receiving such a request, the board may request additional supporting materials.

1.22(2) Requests will be processed under the same standards as applications for registration or certification in order to inform the prospective applicant whether any of the disclosed information is or may be a bar to future registration or certification. In responding to a request, the board shall address only the offenses or matters listed in the request. The board's response will be based upon the laws, rules, and guidelines in effect at the time of the board's response, including the guidelines and policies promulgated by the AQB or ASC.

1.22(3) If the information supplied is not accurate or is incomplete, or if applicable laws, rules, or guidelines change or are impacted by intervening board orders or case law, the board's response shall not be binding on a future board.
[**ARC 1467C**, IAB 5/28/14, effective 7/2/14]

These rules are intended to implement Iowa Code sections 543D.4, 543D.5, 543D.7, 543D.17, 543D.20 and 543D.22 and chapter 272C.

[Filed 8/1/91, Notice 5/29/91—published 8/21/91, effective 9/25/91]
[Filed emergency 4/9/93—published 4/28/93, effective 4/9/93]
[Filed 12/12/95, Notice 10/25/95—published 1/3/96, effective 2/7/96]
[Filed 2/28/96, Notice 1/3/96—published 3/27/96, effective 5/1/96]
[Filed 4/30/99, Notice 3/24/99—published 5/19/99, effective 6/23/99]
[Filed 2/1/02, Notice 11/28/01—published 2/20/02, effective 3/27/02]
[Filed 9/26/02, Notice 8/21/02—published 10/16/02, effective 11/20/02]
[Filed 2/22/07, Notice 1/17/07—published 3/14/07, effective 4/18/07]
[Filed ARC 7774B (Notice ARC 7595B, IAB 2/25/09), IAB 5/20/09, effective 6/24/09]
[Filed ARC 1467C (Notice ARC 1410C, IAB 4/2/14), IAB 5/28/14, effective 7/2/14]

VETERINARY MEDICINE BOARD [811]

Rules renumbered and transferred from agency number[842] to [811] to conform with the reorganization numbering scheme in general.

CHAPTER 13
COLLECTION PROCEDURES

CHAPTER 14
WAIVER OR VARIANCE OF RULES

CHAPTER 1
DESCRIPTION OF ORGANIZATION AND DEFINITIONS

[Prior to 2/8/89, Veterinary Medicine, Board of[842] Ch 1]

811—1.1(17A,169) Organization and duties. The board of veterinary medicine shall consist of five members, three of whom shall be licensed veterinarians and two of whom shall not be licensed veterinarians and who shall represent the general public. One public member may be a graduate of an AVMA-accredited school of veterinary technology and be credentialed in Iowa as a veterinary technician. The state veterinarian shall serve as secretary. The board may administer examinations to applicants for a license or temporary permit to practice veterinary medicine and to applicants for licenses or certificates for auxiliary personnel. The board shall investigate and discipline, as necessary, persons for whom credentials have been issued or who are engaged in an activity regulated by the board.

811—1.2(17A,169) Headquarters of the board. The official mailing address of the board is: Iowa Board of Veterinary Medicine, Iowa Department of Agriculture and Land Stewardship, Wallace State Office Building, 502 E. 9th Street, Des Moines, Iowa 50319-0053.

811—1.3(17A,169) Meetings. The board shall meet once a year at its headquarters and shall hold additional meetings as necessary for the purpose of administering examinations and conducting its duties. The organizational meeting shall be the first board meeting of the fiscal year. The fiscal year begins July 1. Three members shall constitute a quorum authorized to act in the name of the board.

811—1.4(17A,169) Definitions. As used in these rules, unless the context otherwise requires:

"AAVSB" means the American Association of Veterinary State Boards.

"AVMA" means the American Veterinary Medical Association.

"AVMA-accredited" means colleges in the United States and foreign colleges evaluated by the AVMA Council on Education and found to meet accreditation standards as published.

"AVMA-listed" means a foreign college recognized by the World Health Organization or the government of its own country whose graduates are eligible to practice veterinary medicine in that country and whose graduates may qualify for entrance in the ECFVG certification program.

"Board" means the Iowa board of veterinary medicine.

"Certificate" means a credential issued by the board to practice on an animal as a certified veterinary student pursuant to 811—subrule 6.6(3).

"Certificate holder" means a person issued a certificate by the board.

"Client" means the patient's owner, owner's designee, or other person responsible for the patient.

"Client consent" requires that the licensed veterinarian inform the client of the reasonable and usual diagnostic and treatment options available and provide an assessment of the risks and benefits of such choices, the prognosis and an estimate of the fees expected for the provision of services. The consent of the client shall be provided in verbal or written form prior to initiation of diagnostic and treatment procedures and shall be documented in the medical record by the licensed veterinarian or staff. The client shall indicate that the client's questions have been answered to the client's satisfaction and that the client consents to the recommended treatments or procedures.

"Credential" means, as applicable, a certificate, license, or permit issued by the board.

"Credential holder" means a person who holds a certificate, license, or permit issued by the board.

"Department" means the Iowa department of agriculture and land stewardship.

"Direct supervision" means that a licensed veterinarian is on the premises and is readily available.

"ECFVG" means the Educational Commission for Foreign Veterinary Graduates.

"License" means a credential issued by the board that permits a person to practice veterinary medicine.

"Licensee" means a person holding a license issued by the board.

"NAVLE" means the North American Veterinary Licensing Examination.

"NBVME" means the National Board of Veterinary Medical Examiners.

"Patient" means an animal or group of animals examined or treated by a licensed veterinarian.

"PAVE" means the Program for the Assessment of Veterinary Education Equivalence.

"Permit" means a temporary educational permit or a temporary in-state practice permit issued by the board pursuant to rule 811—9.1(169).

"Permit holder" means a person holding a permit issued by the board.

"RACE" means the Registry of Approved Continuing Education, which is the national clearinghouse for approval of continuing education providers and their programs. All RACE-approved continuing education providers and programs are listed on the American Association of Veterinary State Boards Web site.

"Veterinarian" means a person who has received a doctor of veterinary medicine degree or its equivalent from an AVMA-accredited, -approved or -listed college of veterinary medicine.

"VTNE" means the Veterinary Technician National Examination.

[**ARC 1465C**, IAB 5/28/14, effective 7/2/14]

These rules are intended to implement Iowa Code section 17A.3 and chapter 169.

[Filed 3/2/78, Notice 9/21/77—published 3/22/78, effective 4/26/78]
[Filed 4/10/81, Notice 3/4/81—published 4/29/81, effective 6/3/81]
[Filed 12/2/83, Notice 10/26/83—published 12/21/83, effective 1/25/84]
[Filed 11/13/87, Notice 10/7/87—published 12/2/87, effective 1/6/88]
[Filed 1/20/89, Notice 11/16/88—published 2/8/89, effective 3/15/89]
[Filed 9/4/08, Notices 4/23/08, 6/18/08—published 9/24/08, effective 10/29/08]
[Filed ARC 1465C (Notice ARC 1377C, IAB 3/19/14), IAB 5/28/14, effective 7/2/14]

CHAPTER 12
STANDARDS OF PRACTICE
[Prior to 2/8/89, Veterinary Medicine, Board of[842] Ch 9]

811—12.1(169) Veterinarian/client/patient relationships.

12.1(1) The board shall determine, on a case-by-case basis, if a valid veterinarian/client/patient relationship exists. This relationship shall be deemed to exist when all of the following criteria have been met:

a. The licensed veterinarian has assumed the responsibility for making medical judgments regarding the health of the patient and the need for medical treatment, and the client has agreed to follow the instructions of the licensed veterinarian;

b. The licensed veterinarian has sufficient knowledge of the patient to initiate at least a general or preliminary diagnosis of the medical condition of the patient. Sufficient knowledge means that the licensed veterinarian has recently seen or is personally acquainted with the care of the patient by virtue of an examination of the patient or by medically appropriate and timely visits to the premises where the patient is kept; and

c. The licensed veterinarian is readily available or provides for follow-up in case of adverse reactions or failure of the regimen of therapy.

12.1(2) A valid veterinarian/client/patient relationship cannot be established by contact solely based on a telephonic or electronic communication.

12.1(3) Both the licensed veterinarian and the client have the right to establish or decline a valid veterinarian/client/patient relationship. Once the licensed veterinarian and the client have agreed and entered into a relationship, and the licensed veterinarian has begun patient care, the licensed veterinarian may not neglect the patient and must continue to provide professional services related to the patient's injury or illness within the previously agreed limits. As subsequent needs and costs for patient care are identified, the licensed veterinarian and the client must confer and reach agreement on the continued care and responsibility for fees. If the informed client declines future care or declines to assume responsibility for the fees, the relationship may be terminated by either party.

12.1(4) If no ongoing medical condition exists, a licensed veterinarian may terminate a valid veterinarian/client/patient relationship by notifying the client that the licensed veterinarian no longer wishes to serve that patient and client. However, if an ongoing medical or surgical condition exists, the patient should be referred to another licensed veterinarian for diagnosis, care, and treatment and the former attending licensed veterinarian should continue to provide care as needed during the transition.

12.1(5) Concerns about licensed veterinarian or staff safety may result in immediate termination of the veterinarian/client/patient relationship.

[**ARC 1465C**, IAB 5/28/14, effective 7/2/14]

811—12.2(169) Controlled substances, drugs, prescription medications and restricted immunization products. When state or federal law restricts a drug, medication or immunization product intended for use by or on the order of a licensed veterinarian, the licensed veterinarian shall sell, distribute, or order the drug or medication only in the course of the licensed veterinarian's professional practice. A prescription veterinary drug, medication or immunization product shall not be deemed to be used "in the course of the licensed veterinarian's professional practice" unless a valid veterinarian/client/patient relationship exists.

12.2(1) *Prescriptions.* The order for all such drugs, medications or immunization products shall be accompanied by the licensed veterinarian's original prescription that shows the following:

a. Licensed veterinarian's name, address and telephone number;

b. Client's name;

c. Patient's name or identification;

d. Date issued;

e. Drug, medication or product name, strength, and quantity;

f. Directions for use;

g. Number of times the prescription may be refilled;

h. Expiration date of the drug, medication or product; and

i. Applicable withdrawal period (paragraph 12.2(2)*"d"*) for livestock and poultry.

12.2(2) *Extra-label use of veterinary drugs, medications, and immunization products.* Any extra-label use of veterinary drugs, medications or immunization products shall be by or under the order of a licensed veterinarian only and shall be subject to the following criteria:

a. There shall be a veterinarian/client/patient relationship as defined in subrule 12.1(1).

b. For drugs or medications used in patients not intended for food, one of the following applies:

(1) There are no marketed drugs, medications and immunization products specifically labeled for the condition(s) diagnosed;

(2) The approved product is clinically ineffective; or

(3) In the licensed veterinarian's clinical judgment, the labeled dosage is inappropriate for the condition or the extra-label use should result in a better outcome for the patient.

c. The health of the treated patient is immediately threatened, or suffering or death would result from a failure to treat the affected patient.

d. Appropriate withdrawal period shall be specified when the drugs, medications or immunization products are used in animals intended as food. Extra-label drug use in food-producing animals must follow Food and Drug Administration - Animal Medicinal Drug Use Clarification Act regulations (21 Code of Federal Regulations 530). Licensed veterinarians are encouraged to consult the Food Animal Residue Avoidance Databank (FARAD) or public peer-reviewed documents when determining appropriate withdrawal period.

[**ARC 1465C**, IAB 5/28/14, effective 7/2/14]

811—12.3(169) Prescription drug or medication labeling and packaging. A licensed veterinarian shall comply with all of the following requirements for the storage, handling, dispensing, and administering of a drug or medication.

12.3(1) All prescription drugs, medications and controlled substances must be purchased, maintained, handled, prescribed and dispensed in compliance with state and federal requirements including but not limited to the requirements of the Iowa board of pharmacy, the U.S. Occupational Safety and Health Administration, the U.S. Department of Agriculture, the U.S. Food and Drug Administration, the U.S. Environmental Protection Agency and the U.S. Drug Enforcement Administration. A valid veterinarian/client/patient relationship must be established before prescription drugs or medications may be dispensed or a prescription released. All drugs or medications administered, prescribed or dispensed must be documented in the patient's medical record. The sale of veterinary prescription drugs or medications or the extra-label use of any drug, medication or product by a licensed veterinarian without a valid veterinarian/client/patient relationship is not permissible.

12.3(2) All drugs or medications dispensed shall be labeled with the following information:

a. Name, telephone number, and address of the veterinary clinic, hospital, or service facility.

b. Name of the prescribing licensed veterinarian.

c. Date on which the prescription is dispensed.

d. Directions for use, including any cautionary statements and withdrawal times when appropriate.

e. Species of the patient.

f. Name, or identification, or location of the patient.

g. Name of the owner.

h. Name, strength, and dosage form of the drug or medication. If the drug or medication is a compounded product, all active ingredients must be listed on the label, with corresponding strengths or concentrations of each ingredient.

i. Number of units dispensed.

j. Expiration date. If the drug or medication is a compounded product with no assigned expiration date, the licensed veterinarian shall determine a beyond-use date as supported by the literature or by the licensed veterinarian's professional judgment when no such supportive information exists.

k. Appropriate withdrawal period for livestock or poultry, when the patient or its product is intended as food.

12.3(3) All drugs or medications dispensed in the original container shall retain the original label and, in addition, shall be labeled with the same information as required in subrule 12.3(2).

12.3(4) All drugs or medications that are dispensed in a container other than the original container shall be placed in a tamper-resistant container unless otherwise requested by the owner or unless the drug or medication is in a form or size that cannot be easily dispensed in a tamper-resistant container.

12.3(5) Drugs or medications which have expired shall be removed from current inventory and shall not be dispensed or sold. Expired drugs or medications shall be disposed of in accordance with local, state and federal regulations.

12.3(6) Drugs or medications shall be dispensed only for specific animals and for specific veterinary medical therapies with the exception of groups of similar animals and other groups such as pet fish, kennels, and catteries for which dispensing shall be done judiciously within a valid veterinarian/client/patient relationship.

[**ARC 1465C**, IAB 5/28/14, effective 7/2/14]

811—12.4(169) Veterinary medical records.

12.4(1) *Controlled substances records.* The licensed veterinarian must maintain a controlled substance log which contains complete, accurate and readily retrievable records of all controlled substances possessed, administered, or dispensed.

a. Each record of a controlled substance which is dispensed must meet all U.S. Drug Enforcement Administration and Iowa board of pharmacy regulations for the controlled substances log.

b. Each log record must include the following information:

(1) Name or identification of the patient.

(2) Client's name and address, if not readily available from the licensed veterinarian's records.

(3) Name, strength and quantity of the controlled substance dispensed.

(4) Date on which the controlled substance was dispensed.

(5) Initials of the dispensing licensed veterinarian or authorized auxiliary.

(6) Name of the prescribing licensed veterinarian.

c. All controlled substances must be kept in a locked storage area, and access to the storage area must be restricted pursuant to state and federal laws and regulations.

d. Each package or container in which a controlled substance is stored or dispensed must be clearly labeled pursuant to the requirements set forth in state and federal laws and regulations.

e. Each package or container in which a controlled substance is stored or dispensed must comply with all state and federal packaging requirements and with rule 811—12.2(169).

12.4(2) *Patient records.* Veterinary medical records are an integral part of veterinary care. Medical records are the property of the veterinary practice. Each licensed veterinarian shall maintain for at least five years an easily retrievable record for each patient that receives veterinary services. The record must be available for inspection by the client during normal business hours. The information within veterinary medical records is privileged and confidential and shall not be released except by court order, a public health emergency or consent of the client. The licensed veterinarian in charge shall provide a copy of the complete record to the client not later than two business days after the licensed veterinarian or practice receives from the client a request for the record. A licensed veterinarian or veterinary practice may have an additional three business days to provide a copy of nondigital diagnostic images. The licensed veterinarian may charge reasonable and customary fees for the copying of records.

a. Records required for patients defined as "livestock" in Iowa Code section 717.1(4) include the following:

(1) Name, address and telephone number of the client.

(2) Name or identity of the patient, pen, herd, flock, or group, including the identification number, if any.

(3) Date of service.

(4) Documentation of client consent.

(5) Diagnosis or condition at the beginning of treatment of the patient, including results of tests.

(6) Procedures/indications.

(7) Name of drug or medication and treatment administered indicating dosage, frequency and route of administration.

(8) Withdrawal period.

(9) Record of diagnostic images taken.

(10) Name of attending licensed veterinarian.

b. Records required for other patients include the following:

(1) Name, address and telephone number of the client.

(2) Name and identity of the patient, including the identification number, if any.

(3) Date of birth (or estimated age), sex, species and breed of patient.

(4) Dates of care, custody or treatment of the patient.

(5) A history of the patient's condition as it pertains to the patient's medical status.

(6) Documentation of client consent.

(7) Diagnosis or condition at the beginning of treatment of the patient, including results of tests and body weight.

(8) Surgery record, including preanesthesia medication, anesthesia, and the procedure performed.

(9) Name of drug or medication and treatment administered indicating dosage, frequency and route of administration.

(10) Progress and disposition of the case.

(11) Record of diagnostic images taken.

(12) Name of attending licensed veterinarian.

12.4(3) *Stored diagnostic images.*

a. Each stored diagnostic image must be identified with the following information:

(1) The name of the licensed veterinarian or facility that took the diagnostic image.

(2) The name or identifying number, or both, of the patient.

(3) The name of the client.

(4) The date on which the diagnostic image was taken.

(5) The anatomical orientation depicted by the diagnostic image.

b. Stored diagnostic images must be retained for at least five years.

c. A stored diagnostic image of the patient or a copy must be released, upon the written or verbal request, to another licensed veterinarian who has the authorization of the client. Original diagnostic images shall be returned in a reasonable time.

12.4(4) *General anesthesia.* General anesthesia is a condition caused by the administration of a drug or combination of drugs sufficient to produce a state of unconsciousness or dissociation and blocked response to a given pain or alarming stimulus. The following standards relating to general anesthesia must be adhered to:

a. Within 12 hours prior to the administration of a general anesthetic, the patient must receive a physical examination, with the results noted in the patient's medical records.

b. The patient under general anesthesia must be under observation for a length of time appropriate to the species for the patient's safe recovery.

c. The licensed veterinarian must provide a method of respiratory monitoring that may include observing the patient's chest movements, observing the rebreathing bag, or using a respirometer.

d. The licensed veterinarian must provide a method of cardiac monitoring which may include the use of a stethoscope or electrocardiograph monitor.

[**ARC 1465C**, IAB 5/28/14, effective 7/2/14]

811—12.5(169) Veterinary facilities.

12.5(1) *Facility standards.* The following standards shall apply to all facilities used by a licensed veterinarian to provide veterinary services.

a. Facilities for treatment or hospitalization. In a facility where patients are examined and retained for treatment or hospitalization, the following must be provided:

(1) An examination room, separate from the reception room or office, with sufficient size to accommodate the licensed veterinarian, assistant, patient and client.

(2) Nonporous tabletops, countertops and floor coverings which can be adequately cleaned and disinfected.

(3) The ability to house patients separately and maintain sanitary conditions.

(4) Appropriate separation of patients with known or suspected infectious and contagious diseases from patients not known to have such diseases in a manner that reasonably guards against transmission of disease.

(5) Provision for daily exercise of patients unless the primary enclosure is of sufficient size to provide exercise.

(6) Exercise areas that are cleaned a minimum of once in each 24-hour period and more frequently as may be necessary to reduce disease hazards and odors.

(7) A sanitary area for performing surgeries under sterile conditions. If sterile surgical procedures are performed on the premises, the licensed veterinarian must maintain the following at all times:

1. Appropriate sterile surgical packs including drapes, sponges and instrumentation for use in each procedure.

2. For each sterile surgical procedure, equipment sterilized and surgical packs properly prepared for sterilization sufficient to kill microorganisms.

3. Clean attire, masks, and gloves for use in any sterile procedure.

(8) Oxygen and equipment necessary to administer oxygen to the types of patients treated in the facility.

(9) Capability to provide diagnostic radiological images in the facility or through an outside facility.

(10) Provision for laboratory and pharmaceutical services in the facility or through another commercial facility.

b. Facilities for services. Veterinary service facilities where patients are only examined or provided vaccinations must provide the following:

(1) An examination room, separate from the reception room or office, with sufficient size to accommodate the licensed veterinarian, assistant, patient and client.

(2) Nonporous tabletops, countertops and floor coverings which can be adequately cleaned and disinfected.

(3) A secure and sanitary area for the storage of instruments, drugs and medications.

(4) Cooling/heating equipment for the storage of drugs, medications and immunization products.

(5) Capability to provide diagnostic radiological images in the facility or through an outside facility.

(6) Provision for laboratory and pharmaceutical services in the facility or through another commercial facility.

c. Mobile clinics. Mobile clinics are self-contained units for small animal, nonlivestock or nonpoultry patients and shall be equipped with the following:

(1) Hot and cold water.

(2) Nonporous tabletops, countertops and floor coverings which can be adequately cleaned and disinfected.

(3) An adequate power source for diagnostic equipment.

(4) A collecting tank for disposal of waste materials.

(5) Adequate lighting.

(6) Adequate heating, cooling and ventilation.

(7) Sterile instrumentation which meets the requirements of the level of surgery to be performed.

(8) Separate compartments for the transportation or holding of patients.

(9) A secure and sanitary area for the storage of instruments, drugs and medications.

(10) Cooling/heating equipment for the storage of drugs, medications and immunization products.

d. House/farm call units. House/farm call units are not self-contained units and must be equipped with or have access to all of the following:

(1) Water.

(2) Cooling/heating equipment for the storage of drugs, medications and immunization products.

(3) A secure and sanitary area for the storage of instruments, drugs and medications.

e. *Emergency veterinary hospitals.* "Emergency veterinary hospital" means an animal hospital which provides emergency treatment to an ill or injured patient. Any facility advertising as an emergency facility shall have a licensed veterinarian and appropriate support staff on the premises during the hours of operation. Any facility which advertises using phrases similar or identical to "24-hour emergency veterinary hospital," "Emergency," "Open 24 hours," or "Day or night care" must have treatment services continuously available.

12.5(2) *Safety and sanitation standards.* A veterinary facility must have a safe and sanitary environment that:

a. Protects the health of the patients and guards against the transmission of infection.

b. Provides for proper routine disposal of waste materials in compliance with all applicable local, state, and federal laws and regulations and for proper disposal of hypodermic devices, sharps and biomedical waste. Any person who is authorized to use hypodermic devices and sharps shall dispose of them in accordance with applicable local, state and federal regulations. Biomedical waste should be disposed of in accordance with applicable local, state and federal regulations.

c. Provides for proper sterilization or sanitation of all equipment used in diagnosis, treatment or surgery.

d. Ensures the maintenance of proper temperature and ventilation of the indoor facility.

e. Provides adequate lighting appropriate for the task being performed.

f. Includes legal and sanitary methods for the disposal or storage of deceased patients.

g. Meets the standards for radiological procedures as set by the Iowa department of public health.

12.5(3) *Resources.* A library of current journals or textbooks, or Internet access which provides readily accessible reference materials shall be available.

[**ARC 1465C**, IAB 5/28/14, effective 7/2/14]

These rules are intended to implement Iowa Code chapter 169.

[Filed 9/21/84, Notice 8/15/84—published 10/10/84, effective 11/14/84]
[Filed emergency 9/4/85—published 9/25/85, effective 9/4/85]
[Filed 11/1/85, Notice 9/25/85—published 11/20/85, effective 12/25/85]
[Filed 1/20/89, Notice 11/16/88—published 2/8/89, effective 3/15/89]
[Filed 9/4/08, Notices 4/23/08, 6/18/08—published 9/24/08, effective 10/29/08]
[Filed ARC 1465C (Notice ARC 1377C, IAB 3/19/14), IAB 5/28/14, effective 7/2/14]