

PHARMACY REIMBURSEMENT CHANGES EFFECTIVE SEPTEMBER 28, 2011

FREQUENTLY ASKED QUESTIONS

Question	Answer
<p>How does Idaho Medicaid reimburse pharmacies for drugs?</p>	<p>Federal Medicaid law requires that providers of outpatient prescription drugs be reimbursed for the actual ingredient cost of the drug plus a dispensing fee to cover the non-ingredient costs to the pharmacy associated with providing the prescription to the patient.</p> <p>Beginning September 28, 2011, drugs dispensed by retail pharmacies to Idaho Medicaid recipients will be reimbursed at the lower of:</p> <ul style="list-style-type: none"> • Usual and customary cost defined as the lowest charge by the provider to the general public. • Estimated Acquisition Cost is defined as Average Actual Acquisition Cost (AAAC), plus a dispensing fee. Wholesale Acquisition Cost (WAC) will be used when no AAAC is available. • State Maximum Allowable Cost for multi-source drugs, plus a dispensing fee. • Federal Upper Limit (FUL), plus a dispensing fee. <p>Professional dispensing fees per prescription for allowable services will be based on a providing pharmacy's total annual claims volume:</p> <ul style="list-style-type: none"> • Less than 40,000 claims a year = \$15.11 • 40,000 to 69,999 claims a year = \$12.35 • Greater than or equal to 70,000 claims a year = \$11.51
<p>How did the department determine the average actual acquisition cost?</p>	<p>Idaho Medicaid has contracted with Myers and Stauffer, LC, a national consulting firm, to help establish, evaluate, maintain, and update the AAAC rates. The AAAC for single-source drugs and the SMAC for multi-source drugs was calculated based on the average cost of pharmacies participating in the acquisition cost survey.</p>

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<p>How will the AAAC and SMAC be updated and how often?</p>	<p>Baseline AAAC and SMAC rates reflect the current pharmaceutical market conditions based on survey data provided by enrolled Idaho Medicaid pharmacies. To respond to changes in the pharmaceutical market that may impact the price and/or availability of drug products, adjustments to the AAAC program will be made accordingly. Myers and Stauffer will look at baseline AAAC at least annually and monitor the market periodically for intermittent changes.</p>
<p>What if my cost goes up, but the reimbursement rate has not?</p>	<p>You should contact Myers and Stauffer. Be prepared to furnish actual purchasing documentation such as an invoice to provide them with actual cost information. Myers and Stauffer will evaluate the inquiry and respond to all submitted requests.</p> <p>Providers can contact Myers and Stauffer by e-mail, regular mail, fax, a toll-free telephone number, or online.</p> <p>Myers and Stauffer, LC Pharmacy Unit 9265 Counselors Row, Suite 200 Indianapolis, IN 46240</p> <p>Phone: (800) 591-1183 Fax: (317) 571-8481 Email: ldpharmacy@mslc.com Website: http://id.mslc.com</p>
<p>What if my cost is higher than the average acquisition cost?</p>	<p>The SMAC and AAAC rates are based on the average acquisition cost of pharmacy providers. There is not a guarantee that 100% of acquisition costs will be covered by the reimbursement rate. Adjustments will be made to the SMAC and AAAC rates when the overall average has increased. If your acquisition costs have increased, you may contact Myers and Stauffer as outlined above to report your concerns and request a rate review. You may also want to check with your wholesaler to see if there is a less costly NDC from an alternate manufacturer.</p>
<p>How do I report concerns about product availability?</p>	<p>If availability issues have resulted in an increase in acquisition costs, please contact Myers and Stauffer as outlined above to report the availability issue and request a rate review. Myers and Stauffer will research the issue to help the state determine whether or not the rate is eligible for an increase in reimbursement until the availability issue is resolved.</p>

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What if my drug cost is more than the FUL?	The Federal Upper Limit is established by CMS and states are required to pay at that rate in order to maintain their federal funding. Providers should contact CMS if they feel the rate is not a fair representation of the current market rate.
I didn't respond to the survey so Medicaid doesn't have my claims volume, what's my dispensing fee?	Providers who didn't respond to the Idaho Medicaid survey will receive the default dispensing fee which is the lowest dispensing fee rate.
Can my dispensing fee rate be adjusted if my claims volume changes?	Idaho Medicaid will request claims volume numbers from providers annually. Dispensing fees set at those numbers will remain until the next year's survey of claim's volume.