## HEALTH & WELFARE

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## **MEDICAID INFORMATION RELEASE MA11-24**

To: All Pharmacy Providers

From: Maul J. heary, Administrator

Subject: Pharmacy Reimbursement Changes

Beginning September 28, 2011, Idaho Medicaid is changing pharmacy reimbursement to the average actual acquisition cost (AAAC) after obtaining cost information through a pharmacy survey process. Idaho Medicaid is also changing the dispensing fee by using a tiered dispensing fee structure.

Based on the annual volume of the pharmacy provider, the dispensing fee will be as follows:

- Less than 39,999 claims a year = \$15.11
- Between 40,000 and 69,999 claims per year = \$12.35
- 70,000 or more claims per year = \$11.51

Beginning September 28, 2011, drugs dispensed by retail pharmacies to Idaho Medicaid recipients will be reimbursed at the lower of:

- The usual and customary cost defined as the lowest charge by the provider to the general public.
- The average actual acquisition cost (AAAC) for single-source drugs, plus a dispensing fee. The wholesale acquisition cost (WAC) will be used when no AAAC is available.
- The state maximum allowable cost for multi-source drugs, plus a dispensing fee.
- The federal upper limit, plus a dispensing fee.

Idaho Medicaid is implementing this reimbursement change to comply with requirements in House Bill 260, passed by the 2011 Idaho Legislature.

If you have questions, please contact the senior financial specialist for the Office of Reimbursement in the Division of Medicaid at (208) 364-1994.

PJL/rs