

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE****Payment for Prescribed Drugs**

- (a) Reimbursement – Reimbursement for pharmacy claims is based on the sum of the ingredient cost plus a ~~\$10.87~~ \$11.41 professional dispensing fee. If the provider's usual and customary charge to the general public is lower than the calculated allowable ingredient cost, the reimbursement will be equal to the provider's usual and customary charge to the general public.
- (b) Ingredient Cost Methodology and Professional Dispensing fee of ~~\$10.87~~ \$11.41 – The ingredient cost is set by one of the following methods:
- (1) **Brand Name Drugs** – Ingredient cost based on Actual Acquisition Cost shall be set as the lower of National Average Drug Acquisition Cost (NADAC) or Wholesale Acquisition Cost (WAC), plus professional dispensing fee of ~~\$10.87~~ \$11.41.
 - (2) **Generic Drugs** – Ingredient cost based on Actual Acquisition Cost shall be set as the lower of the State Maximum Allowable Cost (SMAC), NADAC, or WAC plus professional dispensing fee of ~~\$10.87~~ \$11.41.
 - (3) **State Maximum Allowable Cost (SMAC)** – is established for certain products which have a Food and Drug Administration (FDA) approved generic equivalent. The SMAC is calculated using prices from pharmaceutical wholesalers who supply these products to pharmacy providers in Oklahoma. Pharmacies may challenge a specific product's SMAC price by providing a current invoice that reflects a net cost higher than the calculated SMAC price and by certifying that there is not another product available to them which is generically equivalent to the higher priced product.
 - (4) **340B-Purchased Drugs** – For both, covered entity pharmacies and contract pharmacies, the reimbursement to the pharmacy will be the 340B ceiling price plus professional dispensing fee of ~~\$10.87~~ \$11.41.
 - (5) **Federal Supply Schedule Drugs** – For drugs purchased under the Federal Supply Schedule, other than by Indian Health Service/Tribal/Urban Indian Clinic pharmacies, the provider will submit and be reimbursed their actual acquisition cost plus professional dispensing fee of ~~\$10.87~~ \$11.41.
 - (6) **Drugs Acquired at Nominal Price (Outside of 340B or Federal Supply Schedule)** – For drugs acquired at nominal price outside of the 340B program or the Federal Supply Schedule, the provider will submit and be reimbursed their actual acquisition cost plus professional dispensing fee of ~~\$10.87~~ \$11.41.

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Payment for Prescribed Drugs (*continued*)

(b) Ingredient Cost Methodology (*continued*):

- (7) Indian Health Service/Tribal/Urban Indian Clinic Facilities are reimbursed at the OMB encounter rate. This is limited to one pharmacy encounter fee per member per facility per day.
- (8) Specialty drugs are reimbursed at the lower of NADAC, WAC, or Specialty Pharmaceutical Allowable Cost (SPAC). The factors included in the SPAC calculation are Medicare Part B pricing, (Average Sales Price plus 6%), WAC, and NADAC plus professional dispensing fee of ~~\$40.87~~ \$11.41.
- (9) Prescriptions for members residing in long-term care facilities are reimbursed as the lower of NADAC, WAC, SPAC, or SMAC plus the Professional Dispensing Fee of ~~\$40.87~~ \$11.41.
- (10) Clotting factor from specialty pharmacies, Hemophilia Treatment Centers (HTCs), and Centers of Excellence –
Is reimbursed at the SPAC rate plus the professional dispensing fee of ~~\$40.87~~ \$11.41 for hemophilia clotting factors.
- When a Hemophilia Treatment Center which is a 340B covered entity provides clotting factor to Medicaid members whether the pharmacy is owned by the covered entity or has a contract pharmacy arrangement, the procedure for 340B pharmacies listed on Attachment 4.19-B, page 7, section (b)(4) will apply.
- (11) Investigational drugs are not covered; including FDA approved drugs being used in post-marketing studies.
- (12) The Professional Dispensing Fee is ~~\$40.87~~ \$11.41 per prescription.

- (c) Physician Administered Drugs – are reimbursed at a price equivalent to Medicare Part B, ASP + 6%. When ASP is not available, an equivalent price is calculated using WAC.

340B covered entities are allowed to submit their usual and customary cost and are paid at the regular Medicaid allowable rate. At the end of the quarter, the URA is recouped from the covered entity to keep the state whole based on net cost after rebate.

- (d) Meeting the Federal Upper Limits (FUL) in the aggregate – By using the lower of NADAC, WAC or SMAC, the FUL will always be met since NADAC is the floor for the FUL.

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