

- c. Methods for determining costs of **single source drugs** are:
- (1) Costs for prescribed drugs shall not exceed the wholesale acquisition cost (WAC), plus three percent (3%), if available. Drugs that do not have a WAC, will be priced based on the direct price benchmark plus three percent (3%) as evaluated by DHCF using a national standard database.
 - (2) The WAC shall be the price, at the time of service, obtained from nationally recognized comprehensive data files maintained by a vendor under contract with DHCF.
- d. Methods established for determining prescription reimbursement are:
- (1) Pharmacy claims for a retail pharmacy provider shall be reimbursed at the lower of the following:
 - (a) The allowable cost, established pursuant to sections 5b, 5c, or 5e of this Attachment, as appropriate, plus a dispensing fee of four dollars and fifty cents (\$4.50) per prescription; or
 - (b) The pharmacy's usual and customary charge to the general public.
 - (2) Pharmacy claims for a nursing home pharmacy provider shall be reimbursed at the lower of the following:
 - (a) The allowable cost, established pursuant to section 5b, 5c, 5d.3 or 5e, as appropriate, plus a dispensing fee of four dollars and fifty cents (\$4.50) per non-IV (intravenous) prescription or seven dollars and twenty-five cents (\$7.25) for cassette, TPN (total parenteral nutrition) or container-related prescriptions); or
 - (b) The pharmacy's usual and customary charge to the general public.
 - (3) The allowable cost for drugs purchased by a nursing home pharmacy provider who is also a federally approved 340-B (Public Health Service) provider for Medicaid shall not exceed the actual acquisition cost for each 340-B purchased drug. Pharmacy claims for 340-B providers shall be excluded from any manufacturer's rebate.
 - (4) Drugs covered by Medicare for persons who are dually eligible for Medicare and Medicaid shall be billed to Medicare under the Medicare Prescription Drug Benefit Part D, effective January 1, 2006.

-
- (5) An additional supply of medications may be dispensed for use by a nursing facility resident during a short-term medically approved trip away from the facility during holidays or family trips.
- (6) Prescribed drugs for purposes of nursing homes pharmacy reimbursement shall not include over-the-counter medications, syringes for diabetic preparations, geriatric vitamin formulations and senna extract.
- e. Payment for the cost of multiple source drugs shall be the lesser of:
- (1) The Federal Upper Limit (FUL) of the drug for multiple source drugs other than those brand name drugs for which a prescriber has certified in writing as "Medically Necessary" or "Brand Necessary";
- (2) The Maximum Allowable Cost (MAC). A MAC may be established for any drug for which two or more A-rated therapeutically equivalent, multiple source drugs with a significant cost difference exist. The MAC will be determined taking into account drug price status (non-rebatable, rebatable), marketplace status (obsolete, regional availability), equivalency rating (A-rated), and relative comparable pricing. Other factors considered are clinical indications of generic substitution, utilization and availability in the marketplace. The source of comparable drug prices will be nationally recognized comprehensive data files maintained by a vendor under contract with the Department of Health Care Finance. Data accessed to determine MAC may include the Average Wholesale Price, and the Wholesale Acquisition Cost (WAC), when available, or any current equivalent pricing benchmark, applying necessary multipliers to ensure reasonable access by providers to the drug at or below the MAC rate.
- (a) Multiple drug pricing resources are utilized to determine the estimated acquisition cost for the generic drugs. These resources include pharmacy providers, wholesalers, drug file vendors such as First Data Bank, and pharmaceutical manufacturers.
- (b) The estimated acquisition cost for each product is maintained in a MAC pricing file database.
- (c) Products are then sorted into drug groups by Generic Code Sequence Number (GSN), which denotes the same generic name, strength, and dosage form.
- (d) A filter is applied to remove all drug products that are obsolete, are not therapeutically equivalent, or are not available in the marketplace.