

STATE: MINNESOTA

ATTACHMENT 4.19-B

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Page 37

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12a. Prescribed Drugs

Payment is determined in accordance with 42 CFR §§447.512-518.

For drugs dispensed by a pharmacy, payment is the lower of:

- (1) the estimated actual acquisition costs of the drugs or the maximum allowable cost set by the State agency, plus a fixed dispensing fee; or
- (2) the provider's usual and customary charge to the general public.

The maximum allowable cost set by the State agency for multiple source drugs will not exceed, in the aggregate, the upper limits established under 42 CFR §447.512.

Effective September 1, 2011, the State agency establishes the actual acquisition cost to equal ~~104%~~ ~~102%~~ of the wholesale acquisition cost (wholesale acquisition cost plus ~~four~~ ~~two~~ percent) for independently owned pharmacies located in a small rural or isolated rural Minnesota location, and 102% of the wholesale acquisition cost (wholesale acquisition cost plus two percent) for all other pharmacies. A pharmacy is considered independently owned if it is one of four or fewer stores under the same ownership nationally.

Payment for over-the-counter drugs follows the methodology for drugs dispensed by a pharmacy described above. If the pharmacy is not accessible to, or frequented by, the general public, or if the over-the-counter drug is not on display for sale to the general public, the usual and customary charge is the actual acquisition costs plus a 50 percent add-on based on the actual acquisition cost.