

ATTACHMENT 4-19-B  
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES12a. Prescription Drugs

The State agency will reimburse prescription drugs at the lowest of the following

- 1 The pharmacy's usual and customary charge to the general public for the drug,
- 2 The Federal upper limit for the drug,
- 3 The Consolidated Price for the drug, less 13 percent. Consolidated Price is a replacement for Average Wholesale Price and is calculated as follows: Wholesale Acquisition Cost (WAC) multiplied by 1.2, if no WAC then Direct Price multiplied by 1.2, or
- 4 The price for the drug, as shown on the agency's published list of drugs with a State Maximum Allowable Cost (SMAC). SMAC items are those drugs widely and consistently available to South Dakota pharmacies at a price that is significantly less than Consolidated Price. The agency employs a third party contractor whose proprietary research determines prices for drugs from multiple sources. The vendor posts the prices to the website <https://sd.providerportal.sxc.com/providerportal/faces/PreLogin.jsp>, and updates the list monthly
- 5 Calculation of items 2, 3, and 4 also includes a dispensing fee when applicable. The dispensing fee is \$4.30 plus an additional \$ .80 for unit dose dispensing. The methodology used to develop the dispensing fee utilized information from participating pharmacies relative to their operating costs and the volume of prescriptions dispensed.

TN # 12-6  
SUPERSEDES  
TN # 11-7

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