

Notice of MaineCare Reimbursement Methodology Change

AGENCY: Department of Health and Human Services, Office of MaineCare Services

AFFECTED SERVICES: Chapter 101, MaineCare Benefits Manual, Chapter II, Section 80, Pharmacy Services

NATURE OF PROPOSED CHANGES: This State Plan Amendment describes the reimbursement methodology of various covered outpatient drugs, as described below:

(1) Reimbursement for Retail Pharmacy Providers

- a. **Generic Drugs:** The reimbursement rate for covered generic drugs shall be the lowest of the following:
 - i. National Average Drug Acquisition Cost (NADAC) plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
 - ii. The Federal Upper Limit (FUL) unless the Department meets the FUL in aggregate; or
 - iii. The Wholesale Acquisition Cost (WAC) plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
 - iv. The Maine maximum allowable cost plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee, except as otherwise noted below; or
 - v. The Submitted Ingredient Cost plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
 - vi. The usual and customary charge; or
 - vii. Gross Amount Due (GAD); or
 - viii. The Average Wholesale Price (AWP) minus sixteen point sixty seven percent (16.67%), plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee, except as otherwise noted below.
- b. **Brand-name Drugs:** The reimbursement rate for covered brand-name drugs shall be the lowest of the following:
 - i. NADAC plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
 - ii. The WAC plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
 - iii. The Maine maximum allowable cost plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee, except as otherwise noted below; or
 - iv. The Submitted Ingredient Cost plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
 - v. The usual and customary charge; or
 - vi. GAD; or
 - vii. The AWP minus sixteen percent (16%) plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee, except as otherwise noted below.

(2) Reimbursement for Specialty Pharmacy Providers: The reimbursement rate for Specialty Pharmacy Providers shall be the lowest of the following:

- a. NADAC plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
- b. The FUL unless the Department meets the FUL in aggregate; or
- c. The WAC plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or

Notice of MaineCare Reimbursement Methodology Change

- d. The Maine maximum allowable cost plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee, except as otherwise noted below; or
- e. The Submitted Ingredient Cost plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee; or
- f. The usual and customary charge; or
- g. GAD; or
- h. The AWP minus sixteen point sixty seven (16.67%) plus an eleven dollar and eighty-nine cent (\$11.89) dispensing fee, except as otherwise noted below.

(3) Reimbursement for Mail Order Pharmacy Providers

- a. Generic Drugs: The reimbursement rate for covered generic drugs obtained through mail order pharmacy providers shall be the lowest of the following:
 - i. The FUL unless the Department meets the FUL in aggregate or the Maine maximum allowable cost plus a two-dollar and fifty cent (\$2.50) dispensing fee, except as otherwise noted below; or
 - ii. The usual and customary charge; or
 - iii. The AWP minus sixty percent (60%), plus a two-dollar and fifty cent (\$2.50) dispensing fee, except as otherwise noted below.
- b. Brand Name Drugs: The reimbursement rate for covered brand name drugs obtained through mail order pharmacy providers shall be the lowest of the following:
 - i. The usual and customary charge; or
 - ii. The AWP minus twenty percent (20%), plus a two-dollar and fifty cent (\$2.50) dispensing fee, except as otherwise noted below.

(4) Reimbursement for Compounded Drugs for Retail Pharmacy Providers. The ingredient cost is the sum of the cost of the defined ingredients contained in the compounded drug. Dispensing fees for compound drugs are as follows:

- a. Eleven dollars and eighty-nine cents (\$11.89), except for filling insulin syringes.
- b. Twelve dollars and fifty cents (\$12.50) for filling insulin syringes, per fourteen (14) day supply.

(5) Reimbursement for Physician Administered Drugs. MaineCare determines drug fee schedules for these drugs as ninety five percent (95%) of AWP as set by Medicare Part B for Maine area "99." MaineCare will reimburse the lower of:

- a. The fee schedule rate (when the AWP is available), or
- b. The provider's acquisition cost only, excluding shipping and handling.

(6) Drugs not distributed by a retail community pharmacy, such as in a long-term care facility, will be paid utilizing generic, brand, or specialty pricing, as appropriate;

(7) Over-the-counter drugs will be paid utilizing generic or brand pricing, as appropriate;

(8) MaineCare does not use a specific reimbursement for drugs acquired at nominal price;

(9) MaineCare does not cover investigational drugs;

(10) MaineCare does not cover drugs acquired at the Federal Supply Schedule (FSS); and,

(11) MaineCare does not currently cover 340B pharmacies.

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REASON FOR PROPOSED CHANGES: To align MaineCare policy with the CMS Covered Outpatient Drug Final Rule (CMS-2345-FC), provide updated reimbursement methodologies, increase the professional dispensing fee, and clarify existing pharmacy coverage parameters.

ESTIMATE OF ANY EXPECTED INCREASE OR DECREASE IN ANNUAL AGGREGATE EXPENDITURES: The Department anticipates that this will result in an increase of \$215,524 in Federal Fiscal Year 2017, including \$76,770 in state funds and \$2,586,292 in Federal Fiscal Year 2018, including \$922,272 in state funds.

ACCESS TO PROPOSED CHANGES AND COMMENTS TO PROPOSED CHANGES: The public may review the proposed methodology changes and written comments at any Maine DHHS office in every Maine county. To find out where the Maine DHHS offices are located, call 1-800-452-1926.

CONTACT INFORMATION

FOR RECEIPT OF COMMENTS:

Olivia Alford Olivia.Alford@maine.gov

AGENCY NAME:

Office of MaineCare Services

ADDRESS:

242 State Street, 11 State House Station
Augusta, Maine 04333-0011

TELEPHONE:

(207) 624-4034 FAX: (207) 287-1864
TTY: 711 Maine Relay (Deaf or Hard of Hearing)

See <http://www.maine.gov/dhhs/oms/rules/index.shtml> for rules and related rulemaking documents.