



# MARYLAND MEDICAID PHARMACY PROGRAM

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## ADVISORY

*In an effort to give timely notice to the pharmacy community concerning important pharmacy topics, the Department of Health and Mental Hygiene's (DHMH) Maryland Medicaid Pharmacy Program (MMPP) has developed the Maryland Medicaid Pharmacy Program Advisory. To expedite information timely to the pharmacy and prescriber communities, an email network has been established which incorporates the email lists of the Maryland Pharmacists Association, EPIC, CARE, Long Term Care Consultants, headquarters of all chain drugstores and prescriber associations and organizations. It is our hope that the information is disseminated to all interested parties. If you have not received this email through any of the previously noted parties or via DHMH, please contact the MMPP representative at 410-767-1455.*

### **Change in Pharmacy Reimbursement Methodology Effective: April 1, 2017**

Dear Pharmacy Provider:

The Covered Outpatient Drugs final rule with comment (CMS-2345-FC) published on February 1, 2016, addressed key areas of Medicaid drug reimbursement required by the Affordable Care Act. This final rule creates a reimbursement system for Medicaid programs and pharmacies that more accurately reflects drug cost and the cost of dispensing. The final rule is designed to ensure pharmacy reimbursement is aligned with the acquisition cost of drugs and the states pay a professional dispensing fee. The final rule establishes Actual Acquisition Cost (AAC) as the basis by which states should determine their ingredient cost reimbursement, so payments are based on an accurate average of the prices available in the marketplace, while still ensuring sufficient participant access. Furthermore, the rule implements the use of the term "professional dispensing fee" to ensure the dispensing fee paid to pharmacies reflects the cost of the pharmacist's professional services and cost to dispense the drug product to a Medicaid participant. State Medicaid programs must comply with the requirements of this rule by implementing AAC based reimbursement methodology no later than April 1, 2017.

As required by final rule, the Department is changing the pharmacy provider reimbursement methodology from an Estimated Acquisition Cost (EAC) to an AAC, starting April 1, 2017. The new reimbursement methodology was shared at the Pharmacy Stakeholder meeting on January 9, 2017, and is available on the Department of Health and Mental Hygiene, Medicaid Pharmacy Program website at:

<https://mmcp.dhmh.maryland.gov/pap/docs/Presentation%20Slides%20from%20January%209th%20Pharmacy%20Stakeholders%20Meeting.pdf>