



# MARYLAND MEDICAID PHARMACY PROGRAM

No. 90  
Friday April 29, 2011

## 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.*

### Notification of Upcoming Dispensing Fee Survey

As you are aware, later this year, First DataBank will cease publication of the "Average Wholesale Price" or "AWP". It is anticipated that once AWP is no longer published, the Maryland Medicaid Pharmacy Program (MMPP) will begin to utilize in its provider reimbursement a new pricing benchmark, the Average Actual Acquisition Cost (AAAC) that will be provided by the Centers for Medicare and Medicaid Services (CMS). Along with this new pricing benchmark, the MMPP must also use a reasonable professional fee to appropriately reimburse pharmacy providers.

To determine the cost of dispensing, the MMPP will contract with a vendor to conduct a study of the Pharmacy Cost of Dispensing (PCD) to pharmacies that dispense prescription drugs to MMPP recipients. This survey will be mandatory and is expected to be available to pharmacy providers on or around June 7<sup>th</sup>. Providers will have 2-3 weeks to complete the survey.

The Department has recently mailed a transmittal to each pharmacy location. This Advisory should also be forwarded to the appropriate accounting staff within your organization to notify them about the survey and give them ample time to begin preparation and collection of the data needed for this **mandatory** survey.

The survey will collect data and financial information including personnel costs, store operations and overhead, pharmacy equipment and supplies, prescription volume, volume of Medicaid prescriptions, and all other relevant costs and data associated with operating a pharmacy and providing prescriptions to consumers.

**You should begin your preparations immediately in order to have all necessary information ready to enable you to complete the mandatory survey during the 2-3 week period beginning in early June 2011.**