

ForwardHealth Covered Outpatient Drug Reimbursement

	Current Reimbursement	Proposed Reimbursement	Estimated Fiscal
Brand Drugs — Ingredient Pricing Methodology	Wholesale Acquisition Cost (WAC) +2%	National Average Drug Acquisition Cost (NADAC), WAC +0%, State Maximum Allowable Cost (SMAC)	-\$60,300,000
Generic Drugs — Ingredient Pricing Methodology	WAC -3.8% or SMAC	NADAC, WAC +0%, SMAC	
Professional Dispensing Fee	<ul style="list-style-type: none"> Brand: \$3.44 Generic: \$3.94 	Tiered by annual prescription volume (all payers) of the pharmacy: <ul style="list-style-type: none"> 0–34,999: \$15.69 35,000 or more: \$10.51 	\$88,300,000
Specialty Drugs — Ingredient Pricing Methodology	WAC +/-% rate set by market prices. Updated monthly.	Same methodology for most drugs. Some drugs will move to NADAC as a result of an updated specialty definition. WAC +/-% rate set by market prices.	The fiscal impact is included above in the overall NADAC ingredient pricing impact.
Specialty Drugs — Dispensing Fee	<ul style="list-style-type: none"> Brand: \$3.44 Generic: \$3.94 	Tiered by annual prescription volume (all payers) of the pharmacy: <ul style="list-style-type: none"> 0–34,999: \$15.69 35,000 or more: \$10.51 	\$700,000
340B Drug Pricing Program (340B)-Covered Entities Using 340B Stock for Medicaid (Carve-In) — Ingredient Pricing Methodology	Bill Usual and Customary (U/C) cost or Average Acquisition Cost (AAC)	Lower of ceiling price or submitted cost, WAC -50%	The fiscal impact is included above in the overall NADAC ingredient pricing impact.
340B — Dispensing Fee	<ul style="list-style-type: none"> Brand: \$3.44 Generic: \$3.94 	Tiered by annual prescription volume (all payers) of the pharmacy: <ul style="list-style-type: none"> 0–34,999: \$15.69 35,000 or more: \$10.51 	The fiscal impact is included above in the professional dispensing fee impact.
Repackaging Allowance	\$.015 per unit	\$.015 per unit	\$0

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Compound Drugs — Ingredient Pricing	Brand: \$3.44	NADAC, WAC +0%, SMAC	-\$600,000
Compound Drugs — Dispensing Fee	\$9.45–\$22.16	Tiered by annual prescription volume (all payers) of the pharmacy: <ul style="list-style-type: none"> 0–34,999: \$15.69 35,000 or more: \$10.51 Plus a compounding add-on of \$7.79	\$400,000
Medication Therapy Management (MTM) Intervention-Based Services (Early Refill, Dose Changes)	\$10.00 or \$30.00	Included in tiered professional dispensing fee	-\$800,000
MTM Comprehensive Medication Review and Assessments (CMR/A)	<ul style="list-style-type: none"> Initial CMR/A: \$75.00 Follow-up CMR/A: \$35.00 	<ul style="list-style-type: none"> Initial CMR/A: \$85.00 Follow-up CMR/A: \$40.00 	\$40,000
Diabetic Supplies — Ingredient Pricing Methodology	WAC +2% (preferred products)	WAC +2% (preferred products)	\$0
Diabetic Supplies — Dispensing Fee	<ul style="list-style-type: none"> Brand: \$3.44 Generic: \$3.94 	<ul style="list-style-type: none"> Brand: \$3.44 Generic: \$3.94 	
Provider-Administered Drugs	Average sales price (ASP) +6%	ASP +6%	\$0
Administration Fee	Medical billing	Medical billing	
Total Estimated Fiscal Impact: \$27,740,000			

