

Mississippi Secretary of State
700 North Street P. O. Box 136, Jackson, MS 39205-0136

ADMINISTRATIVE PROCEDURES NOTICE FILING

AGENCY NAME Division Of Medicaid		CONTACT PERSON Emily Thompson	TELEPHONE NUMBER 601-359-4122	
ADDRESS 550 High Street, Suite 1000		CITY Jackson	STATE MS	ZIP 39201
EMAIL Emily.thompson@medicaid.ms.gov	SUBMIT DATE 6/7/10	Name or number of rule(s): 2010-024		

Short explanation of rule/amendment/repeal and reason(s) for proposing rule/amendment/repeal: _____

No Deficit is projected at this time

Specific legal authority authorizing the promulgation of rule: Miss. Code Ann. §43-13-121(1972), as amended §43-13-117

List all rules repealed, amended, or suspended by the proposed rule: State Plan Attachment 4.19-B, Page 12a

ORAL PROCEEDING:

An oral proceeding is scheduled for this rule on Date: _____ Time: _____ Place: _____

Presently, an oral proceeding is not scheduled on this rule.

If an oral proceeding is not scheduled, an oral proceeding must be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) or more persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address, email address, and telephone number of the person(s) making the request; and, if you are an agent or attorney, the name, address, email address, and telephone number of the party or parties you represent. At any time within the twenty-five (25) day public comment period, written submissions including arguments, data, and views on the proposed rule/amendment/repeal may be submitted to the filing agency.

ECONOMIC IMPACT STATEMENT:

Economic impact statement not required for this rule. Concise summary of economic impact statement attached.

TEMPORARY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
<input type="checkbox"/> Original filing <input type="checkbox"/> Renewal of effectiveness To be in effect in _____ days Effective date: <input type="checkbox"/> Immediately upon filing <input type="checkbox"/> Other (specify): _____	Action proposed: <input type="checkbox"/> New rule(s) <input type="checkbox"/> Amendment to existing rule(s) <input type="checkbox"/> Repeal of existing rule(s) <input type="checkbox"/> Adoption by reference Proposed final effective date: <input type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____	Date Proposed Rule Filed: _____ Action taken: <input type="checkbox"/> Adopted with no changes in text <input type="checkbox"/> Adopted with changes <input type="checkbox"/> Adopted by reference <input checked="" type="checkbox"/> Withdrawn <input type="checkbox"/> Repeal adopted as proposed Effective date: <input type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____

Printed name and Title of person authorized to file rules: Robert Robinson

Signature of person authorized to file rules: _____

OFFICIAL FILING STAMP <div style="border: 1px solid black; height: 100px; width: 100%;"></div> Accepted for filing by _____	DO NOT WRITE BELOW THIS LINE OFFICIAL FILING STAMP <div style="border: 1px solid black; height: 100px; width: 100%;"></div> Accepted for filing by _____	OFFICIAL FILING STAMP <div style="border: 1px solid black; padding: 10px;"> <p align="center">FILED</p> <p align="center">JUN 07 2010</p> <p align="center">MISSISSIPPI SECRETARY OF STATE</p> </div> Accepted for filing by <u>by</u>
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The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

State of Mississippi

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –OTHER TYPES OF CARE

Prescribed Drugs

Medicaid pays for certain legend and non-legend drugs prescribed by a physician or other prescribing provider licensed to prescribe drugs as authorized under the program and dispensed by a licensed pharmacist in accordance with Federal and State laws.

The Mississippi Medicaid Prescription Drug Program conforms to the Medicaid Prudent Pharmaceutical Purchasing Program as set forth in the Omnibus Budget Reconciliation Act of 1990 (OBRA'90).

For beneficiaries under age 21, special exceptions for the use of non-covered drug items may be made in unusual circumstances when prior authorization is given by Medicaid.

1. Reimbursement Methodology

EAC (Estimated Acquisition Cost) is defined as the Division's estimate of the price generally paid by pharmacies for pharmaceutical products. EAC may be based on the Average Wholesale Price (AWP) or the Wholesale Acquisition Cost (WAC).

A. Brand Name Drugs (single source, innovator multiple-source) – In reimbursing for brand name drugs Medicaid shall pay:

- 1) The lesser of:
 - a) The provider's usual and customary charge; or
 - b) The EAC for brand name drugs which is defined as the lesser of :
 - i) AWP minus 15% plus a dispensing fee of \$3.91; or
 - ii) WAC plus 6% plus a dispensing fee of \$3.91.
- 2) Less the applicable co-payment.

B. Multiple Source Generic Drugs - In reimbursing for multiple-source generic drugs Medicaid shall pay:

- 1) The lesser of:
 - a) The provider's usual and customary charge; or
 - b) The Federal Upper Limit (FUL), if applicable, plus a dispensing fee of \$4.91*; or
 - c) The EAC for multiple source drugs which is defined as AWP minus 35% plus a dispensing fee of \$4.91; or
 - d) The EAC for multiple source drugs with 3 or more manufacturers is defined as AWP minus 50%, plus a dispensing fee of \$4.91*.
- 2) Less the applicable co-payment.

* The dispensing fee for prescriptions to beneficiaries in long-term care facilities for multi-source generic drugs is limited to \$3.91.

State of Mississippi

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –OTHER TYPES OF CARE

C. Other Drugs

1. Reimbursement for covered drugs other than the multiple-source drugs with CMS upper limits shall not exceed the lesser of:
 - a) The provider's usual and customary charge; or
 - b) The EAC for other than multiple-source drugs which is defined as the lesser of :
 - i) AWP minus 15% plus a dispensing fee of \$3.91; or
 - ii) WAC plus 6% plus a dispensing fee of \$3.91.
 - c) Less the applicable co-payment

2. Reimbursement for covered non-legend products or over-the-counter products is the lesser of:
 - a) The provider's usual and customary charge; or
 - b) The EAC for multiple source drugs which is defined as AWP minus 25% plus a dispensing fee of \$3.91 or
 - c) Less the applicable co-payment

2. Dispensing Fee

Dispensing fees are determined on the basis of surveys that are conducted periodically by the Division of Medicaid and take into account various pharmacy operational costs. Between surveys, the dispensing fee may be adjusted based on various factors (i.e., CPT, etc.). The dispensing fee of \$3.91 for sole source drugs and \$4.91 for multi-source drugs is paid for non-institutionalized beneficiaries. The dispensing fee paid for institutionalized beneficiaries is \$3.91.

3. Usual and Customary Charge

The provider's usual and customary charge is defined as the charge to the non-Medicaid patient. The state agency obtains the provider's usual and customary charge from the pharmacy invoice. The accuracy of the usual and customary charge is validated by Division staff in the field who conducts on-site audits. Audits of prescription files and usual and customary fee schedules will be the means by which compliance with this stipulation is assured.

4. EPSDT

Prescribed drugs for EPSDT beneficiaries, if medically necessary, that exceed the limitations and scope for Medicaid beneficiaries, as covered in this Plan, are reimbursed according to the methodology in the paragraphs above.