

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

- A. Actual Acquisition Cost (AAC) is defined as the price paid by pharmacies based on an average of actual acquisition costs determined by a survey of retail pharmacy providers. The National Average Drug Acquisition Cost (NADAC) pricing will be used for AAC when available.
- B. If NADAC is unavailable, then the AAC will be defined as either:
 - 1. Average Acquisition Cost as determined from surveys of Mississippi Medicaid enrolled pharmacies, or
 - 2. Wholesale Acquisition Cost (WAC), as published by pricing compendia.
- C. Payment for brand and generic legend and over the counter drugs will be calculated based on the lower of:
 - 1. AAC as defined above, plus a professional dispensing fee, or
 - 2. Provider's usual and customary charges to the general public.
- D. Blood Factor products, as identified by the Division, will be reimbursed using the Medicare rate of Average Sales Price (ASP) + 6%.

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2. Professional Dispensing Fee

Professional 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. This fee is reviewed periodically for reasonableness and, when deemed appropriate by Medicaid, may be adjusted. The professional dispensing fee will be maintained on a professional dispensing fee schedule located on the Division's website at <http://www.medicaid.ms.gov/FeeScheduleLists.aspx>.

3. Usual and Customary Charges

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 Beneficiaries

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

5. Federal Upper Limit (FUL)

In lieu of not utilizing the FUL rates for individual pharmacy claims, Mississippi Medicaid will calculate the FUL aggregate and submit the results to CMS on an annual basis.

6. Payment Limit for 340B Entities:

A. The 340B actual acquisition cost is defined as the price at which the covered entity has paid the wholesaler or manufacturer for the drug through the 340B program.

B. For entities enrolled as 340B providers and providing services as a covered entity, those drugs eligible for 340B pricing under the rules of the 340B program are reimbursed at the 340B actual acquisition cost, plus a reasonable dispensing fee.

C. Contract pharmacies will exclude Medicaid claims (i.e., carve out) from 340B claims submissions.