

Medicaid Covered Outpatient Prescription Drug Reimbursement Information by State

Quarter Ending September 2012

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| ASP=average sale price, AWP=average wholesale price, WAC=wholesaler acquisition cost, FFS=fee for service, U/C=Usual and Customary, State MAC=State Maximum Allowance Cost, FUL=Federal upper limit, 340B=prices charged to covered entities under the Public Health Services Act and AAC=actual acquisition cost |
| NH=nursing home, FQHC=Federally Qualified Health Centers |
| *CMS Approved State Plans or State Source |
| Revised – 11/20/2012 |

Copayment information has been deleted from this reimbursement chart. You can locate general copayment information at <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Cost-Sharing/Cost-Sharing.html>.

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|---------------------|---|--|---------------|
| State of Alabama | Ingredient cost is AAC or if not available WAC plus 9.2%, or U/C; blood clotting factors: ASP +6% | Dispensing fee is \$10.64; \$10.00 (tablet splitting); \$10.00 (long term drug maintenance) | STATE MAC Yes |
| State of Alaska | Ingredient cost is AWP minus 5% | Dispensing fee is \$3.45 to \$11.46 (based on pharmacy/Medicaid volume) | STATE MAC No |
| State of Arizona | Ingredient cost is AWP minus 15%; FQHCs and FQHC Look-alikes at the lesser of billed charges or the 340B ceiling price | Dispensing fee is \$2.00 (FFS only); \$8.75 (FQHCs and FQHC Look-alikes) | STATE MAC No |
| State of Arkansas | Ingredient cost is AWP minus 20% (generic); AWP minus 14% (brand) | Dispensing fee is \$5.51 | STATE MAC Yes |
| State of California | Ingredient cost is AWP minus 17%; ASP plus 6% (physician administered drugs) | Dispensing fee is \$7.25; \$8.00 (legend drugs dispensed to residents in skilled nursing facilities or intermediate care facilities) | STATE MAC Yes |
| State of Colorado | Ingredient cost is based on the AAC of the pharmaceutical service, or where there is no AAC reimbursement is the lesser of the adjusted WAC or the submitted drug ingredient cost | Dispensing fee is \$4.00 (retail pharmacy); \$1.89 (institutional pharmacy) | STATE MAC Yes |

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|----------------------|---|--|---------------|
| State of Connecticut | Ingredient cost is AWP minus 72% to step down tiers through AWP minus 20 percent based on meeting specific invoice pricing criteria (selected multi-source brand and generic); AWP minus 16% (brand) | Dispensing fee is \$2.00* | STATE MAC Yes |
| State of Delaware | Ingredient cost is AWP minus 14% (traditional, retail independent & retail chain pharmacies); AWP minus 16% (non-traditional, long term care & specialty pharmacies) | Dispensing fee is \$3.65 | STATE MAC Yes |
| District of Columbia | Ingredient cost is WAC plus 3% | Dispensing fee is \$4.50 | STATE MAC Yes |
| State of Florida | Ingredient cost is lower of AWP minus 16.4% or WAC plus 1.5% | Dispensing fee is \$3.73 (for non-340B billed drugs); \$7.50 (340B billed drugs) | STATE MAC Yes |
| State of Georgia | <p>Ingredient cost is AWP minus 11%; Select Specialty Pharmacy Rate for certain disease states that are rare and/or complex with a reimbursement methodology determined by wholesaler/manufacturer data, a comparison to other State agencies' reimbursement information, and publicly available drug prices from other payers;</p> <p>Maximum allowable reimbursement for an injectable drug administered by a provider or their designee in an outpatient setting is ASP plus 6% as determined on January 1st of the applicable year;</p> <p>Most Favored Nations rate submitted by the provider and accepted by the State</p> | Dispensing fee is \$4.63 (for-profit pharmacy); \$4.33 (not-for-profit) | STATE MAC Yes |
| State of Hawaii | Ingredient cost is AWP minus 10.5% | Dispensing fee is \$5.00 | STATE MAC Yes |

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|--------------------|---|--|------------------|
| State of Idaho | Ingredient cost is average AAC, or where there is no average AAC reimbursement is WAC | Tiered dispensing fees: Less than 39,999 claims a year = \$15.11 Between 40,000 and 69,999 claims per year = \$12.35 70,000 or more claims per year = \$11.51 | STATE MAC Yes |
| State of Illinois | Ingredient cost is WAC plus 1% (multiple source legend); WAC plus 1% (single source legend); WAC plus 25% (over-the-counter drugs) | Dispensing fee is \$6.35 (multiple source); \$3.40 (single source) | STATE MAC Yes |
| State of Indiana | Ingredient cost is AWP minus 16% (brand); AWP minus 20% (generic); Reimbursement for physician administered drugs is WAC plus 5% or ASP plus 6% for those drugs without a published WAC | Dispensing fee is \$3.00 | STATE MAC Yes |
| State of Iowa | Ingredient cost is AWP minus 12% | Dispensing fee is \$6.20 | STATE MAC Yes |
| State of Kansas | Ingredient cost is WAC minus 8.6% (generic); WAC plus 4.6% (brand); Invoice pricing for drugs without WAC or SMAC | Dispensing fee is \$3.40 | STATE MAC Yes |
| State of Kentucky | Ingredient cost is WAC plus 3.2% (generic); WAC plus 2% ; or if WAC is not available, the provider will be required to contact the manufacturer for WAC or produce an invoice price. | Dispensing fee is \$5.00 (generic); \$4.50 (brand) | STATE MAC Yes |
| State of Louisiana | Ingredient cost is AWP minus 13.5% (independent pharmacies); AWP minus 15% (chain pharmacies) Reimbursement for Cost of the Influenza Vaccine at: \$17.37 for intramuscular injected influenza vaccine - preservative free, \$13.22 for intramuscular injected influenza vaccine, and \$22.03 for intranasal influenza vaccine or billed charges, whichever is the lesser amount | Dispensing fee is \$5.77* | STATE MAC Yes |

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|------------------------|---|---|------------------|
| State of Maine | Ingredient cost is AWP minus 15%; AWP minus 17% (direct supply); AWP minus 20% (mail order) | Dispensing fee is \$3.35; \$1.00 (mail order); \$4.35 and \$5.35 (compounding); \$12.50 (filling insulin syringe) | STATE MAC Yes |
| State of Maryland | Ingredient cost is lower of AWP minus 12%, WAC plus 8%, direct price plus 8% or distributor price when available | Dispensing fee is \$3.51(generic); \$2.56(brand); \$4.46 (generic to NH); \$3.51 (brand to NH); \$6.89 (home IV therapy) | STATE MAC Yes |
| State of Massachusetts | Ingredient cost is WAC plus 5% (all drugs except 340B billed drugs); actual acquisition cost (340B billed drugs) | Dispensing fee is \$3.00 (all drugs except 340B billed drugs); \$10 (340B billed drugs) | STATE MAC Yes |
| State of Michigan | Ingredient cost is AWP minus 13.5 % or WAC plus 3.80 % (independent pharmacy (and chain pharmacies fewer than 5 stores); AWP minus 15.1% or WAC plus 1.88% (chain pharmacies and pharmacies serving nursing facilities) | Dispensing fee is \$3.00 (long term care); \$2.75 all other providers; \$6.00 (cream, emulsion, nasal drops, ointments or optic drugs); \$10.00 (compounded capsules, powders or suppositories) | STATE MAC Yes |
| State of Minnesota | Ingredient cost is WAC plus 2%; Ingredient cost is WAC plus 4% (independently owned pharmacies located in a small rural or isolated rural location) | Dispensing fee is \$3.65 (plus \$0.30 for legend unit dose drugs) | STATE MAC Yes |
| State of Mississippi | Ingredient cost is lower of AWP minus 12% or WAC plus 9% (brand); AWP minus 25% (generic) | Dispensing fee is \$3.91 (brand); \$4.91 (generic) | STATE MAC No |
| State of Missouri | Ingredient cost is lower of AWP minus 10.43% or WAC plus 10% | Dispensing fee is \$4.09 | STATE MAC Yes |
| State of Montana | Ingredient cost is WAC plus 2% | Dispensing fee is \$6.40; \$12.50 to \$22.50 (compounding) | STATE MAC Yes |
| State of Nebraska | Ingredient cost is AWP minus 11% | Dispensing fee is \$3.27 to \$5.00 (based on service delivery, unit dosage or 3 rd party payors)* | STATE MAC Yes |

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|-------------------------|--|---|------------------|
| State of Nevada | Ingredient cost is WAC plus 2% | Dispensing fee is \$4.76; \$22.40 daily (home IV therapy); \$16.80 daily (nursing facility IV therapy) | STATE MAC No |
| State of New Hampshire | Ingredient cost is AWP minus 16% or WAC plus 0.8% | Dispensing fee is \$1.75; Compound dispensing fee is \$1.75 | STATE MAC Yes |
| State of New Jersey | Ingredient cost is AWP minus 17.5% | Dispensing fee is \$3.73 up to \$3.99 (twenty-four hour emergency service and impact area location)* | STATE MAC Yes |
| State of New Mexico | Ingredient cost is lower of AWP minus 14%; WAC as submitted to State; manufacturer price as submitted to State; pharmacy invoice price as obtained through audits | Dispensing fee is \$2.50 except in the instances when pharmacist uses product selection, in which case it is \$3.65 | STATE MAC Yes |
| State of New York | Ingredient cost is AWP minus 17% (brand); AWP minus 25% (generic) | Dispensing fee is \$3.50 (generic); \$3.50 (brand) | STATE MAC Yes |
| State of North Carolina | Ingredient cost is WAC plus 6% or AWP minus 11.67% (if WAC is not available); ASP plus 6% or AWP minus 10% (physician administered drugs and for the contraceptive drugs Implanon and Mirena); WAC plus 6% | Dispensing fee is \$4.00 (brand); 4 Tiered dispensing fees (generic): 80% or more claims per quarter = \$9.00 Between 75% and 79.9% claims per quarter = \$6.50 Between 70% and 74.9% claims per quarter = \$4.40 69.9% and below claims per quarter = \$4.00 | STATE MAC Yes |
| State of North Dakota | Ingredient cost is lower of AWP minus 10% or WAC plus 12.5% | Dispensing fee is \$5.60 (generic legend drugs); \$4.60 (brand legend drugs); 1.5 times the allowed amount (EAC, FUL, or MAC) up to a maximum of \$4.60 (non-legend drugs that are prescribed; plus \$0.15 per pill (pill splitting) | STATE MAC Yes |
| State of Ohio | Ingredient cost is WAC plus 7%; AWP minus 14.4% (if WAC cannot be determined) | Dispensing fee is \$1.80 | STATE MAC Yes |

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|-------------------------|---|---|------------------|
| State of Oklahoma | Ingredient cost is lower of AWP minus 12%; WAC + 5.6% (if AWP is not available); ASP +6% (injectable drugs) | Dispensing fee is \$4.02 | STATE MAC Yes |
| State of Oregon | Ingredient cost for single source and multiple source drugs is AAC or where there is no AAC reimbursement is WAC | Dispensing fee varies by claims volume; less than 30,000 claims a year is \$14.01; between 30,000 and 49,999 claims per year is \$10.14; 50,000 or more claims per year is \$9.68 | STATE MAC No |
| State of Pennsylvania | Ingredient cost WAC + 3.2% (brand) and WAC (generic) | Dispensing fee is \$4.00; \$5.00 (compounding) | STATE MAC Yes |
| State of Rhode Island | Ingredient cost is WAC | Dispensing fee is \$3.40 (outpatient), \$2.85 (long term care) | STATE MAC No |
| State of South Carolina | Ingredient cost is lower of AWP minus 16% or WAC plus 0.8% | Dispensing fee is \$3.00 (independent pharmacy); \$3.00 (institutional pharmacies) | STATE MAC Yes |
| State of South Dakota | Ingredient cost is AWP minus 15% | Dispensing fee is \$4.30; \$5.55 (unit dose) | STATE MAC Yes |
| State of Tennessee | Ingredient cost is lower of AWP minus 13%, MAC or FUL for TennCare Pharmacy Network; Specialty Pharmacy Rates are set separately | Dispensing fee for TennCare Pharmacy Network is \$2.50 (brand); \$3.00 (generic); \$5.00 (brand nursing home) \$6.00 (generic nursing home); \$25 (compound prescriptions) | STATE MAC Yes |
| State of Texas | Estimated acquisition cost (EAC) is the lower of: AWP minus 15%; Net cost to wholesaler plus 12%; Average Direct Chain Contract Price; or MAC | Dispensing fee is \$6.50 | STATE MAC Yes |
| State of Utah | Ingredient cost is AWP minus 17.4% | Dispensing fee is \$3.90 (urban); \$4.40 (rural) | STATE MAC Yes |
| State of Vermont | Ingredient cost is AWP minus 14.2% (multiple and single source); AWP minus 16.5% (large volume out-of-state mail order specialty pharmacies) | Dispensing fee \$4.75 (In-State); \$2.50 (Out-of-State); \$19.75 (compound drug fee in-state); \$17.50 (compound drug fee out-of-state) | STATE MAC Yes |
| State of Virginia | Ingredient cost is AWP minus 13.1% | Dispensing fee is \$3.75; \$5.00 (unit dose drugs) | STATE MAC Yes |

| STATE | INGREDIENT COST | DISPENSING FEE | STATE MAC |
|------------------------|---|---|------------------|
| State of Washington | Ingredient cost is AWP minus 16% (single source drugs); AWP minus 16% (multi-source drugs with four or fewer manufacturers/labelers); AWP minus 50% (multi-source drugs with five or more manufacturers/labelers and no MAC or FUL) | Dispensing fee is \$4.24 to \$5.25 (based on 3-tiered pharmacy volume) | STATE MAC Yes |
| State of West Virginia | Ingredient cost is AWP minus 15% (brand); AWP minus 30% (generic) | Dispensing fee is \$2.50 (brand); \$5.30 (generic); \$8.25 (340B billed drugs) | STATE MAC Yes |
| State of Wisconsin | Ingredient cost is WAC plus 2% (single source drugs); WAC minus 3.8% (multi-source drugs) | Dispensing fee is \$3.44 (brand); \$3.94 (generic); \$0.015 per unit (for repackaging); \$9.45 to \$22.16 (compound drug fee); \$9.45 to \$40.11 (pharmaceutical care dispensing fee) | STATE MAC Yes |
| State of Wyoming | Ingredient cost is AWP minus 11% | Dispensing fee is \$5.00 | STATE MAC No |