



**New State SPAs Reimburse 340B Covered Entities at Actual Acquisition Cost:
Creates Disincentives For 340B Entities to Choose the Lowest Cost Drugs**

**October 24, 2018
(35 States and DC)**

On January 21, 2016, the Centers for Medicare & Medicaid Services (CMS) released the Covered Outpatient Drugs (COD) final rule that addresses key areas of Medicaid drug reimbursement and changes made to the Medicaid Drug Rebate Program by the Affordable Care Act.

The final rule requires states to reimburse 340B safety net outpatient clinics at actual acquisition cost (AAC) plus a state-set “professional” dispensing fee (PDF). However, the rule allows some flexibility and permits states to reimburse up to the 340B ceiling price (minimum 340B discount price) even if it exceeds AAC.

To allow for additional flexibility, the final rule permits states to establish an AAC reimbursement based on several different pricing benchmarks, including: national average drug acquisition cost (NADAC), average manufacturers price (AMP), wholesale acquisition cost (WAC).

Basing Medicaid reimbursement on the 340B ceiling prices allows 340B entities to retain savings obtained through sub-ceiling prices. These savings could be shared with the state. However, as outlined in the table below, most states submitting SPAs recently have defaulted to AAC to reimburse 340B eligible entities. This removes incentives for entities to use drugs that cost less than alternatives. Additionally, 340B AAC for some drugs could be higher than the 340B-ceiling price due to add-on costs from wholesalers and others. Purchasing those drugs would create a reimbursement loss for the 340B eligible entities.

To be in compliance with the final rule, states that did not have CMS approved 340B reimbursement policies were required to submit a State Plan Amendment (SPA) to detail how 340B covered entities will be reimbursed for drugs and drug device combinations by April 2017 (with a grace period to June 2017).

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
1	Alabama AL-17-0001	The lowest of: AL-AAC; WAC when AL-AAC not available; Federal Upper Limit (FUL) or usual and	Payment shall not exceed the entity’s actual acquisition cost plus a professional	For PADs administered by 340B entities, payment shall not exceed the entity’s	340B eligible entities (including 340B contract pharmacies) not	payment shall not exceed the entity's actual acquisition cost	\$10.64

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		customary (U&C) charge.	dispensing fee of \$10.64.	AAC for the drug (<i>no PDF</i> ¹)	listed on the HRSA 340B Drug Pricing Program Database receive AL-AAC; WAC when AL-AAC not available; FUL or U&C charge.	for the drug, plus a PDF	
2	Alaska AK-17-0005	Lowest of: gross amount due; U&C; submitted ingredient cost +PDF NADAC will be used at the state maximum allowable cost for both brand and generic drugs	Reimbursement for drugs will be the lowest of the submitted AAC WAC, state-MAC or the FUL	Physician administered drugs including those purchased through the 340 B program are reimbursed at the lower of the billed amount or WAC + 1%. (<i>no PDF</i>)	Drugs acquired by pharmacy under contract with a 340B covered entity will be reimbursed at the lowest of amount billed, WAC+1%, S-MAC or FUL. Drugs acquired through the 340B program and dispensed by contract pharmacies under contract with a 340B covered entity will not be reimbursed		\$13.36 for pharmacies located on the road system; \$21.28 for those not located on the road system, and \$10.76 for out-of-state pharmacies.
3	Arkansas AR-16-003	AAC is NADAC plus a PDF. When the NADAC is not available, reimbursement shall be the lesser of the	340B actual Invoice Price but no more than the 340B ceiling price [provided or calculated by AMP minus Unit	PADs, including specialty drugs, purchased through the 340B Program will be reimbursed at the	Drugs purchased through the 340B pricing program and dispensed by 340B contract pharmacies	(outside of 340B or FSS) reimbursed by their AAC	Brand and Non-preferred Brand = \$9.00

¹ “No PDF” means that no Professional Dispensing Fee was mentioned in the provision on physician/practitioner administered drugs.

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		WAC, the State Upper Limit which is established at the State Actual Acquisition Cost (SAAC), or the FUL.	Rebate Amount (URA)] plus the established PDF.	340B actual invoice price but no more than the 340B ceiling price [provided or calculated by AMP minus Unit Rebate Amount (<i>no PDF</i>).	are not covered		Brand Preferred and Generic Medication drug = \$10.50
4	California CA-17-002	Lower of the drug's ingredient cost plus a PDF, or the pharmacy's U&C charge. Drug's ingredient cost means the lowest of: NADAC, or when no NADAC is available, the WAC; FUL; or Maximum Allowable Ingredient Cost (MAIC)	Amount not to exceed the AAC for the drug, as charged by the manufacturer plus PDF. Carve in required: 340B eligible entities that purchase drugs through 340B are required to use 340B for their Medicaid patients. If covered entity is unable to purchase 340B drug, may dispense drug purchased at regular drug wholesale rates to Medi-Cal.	For physician administered drugs purchased under 340B program, a covered entity is required to bill and will be reimbursed an amount not to exceed the entity's AAC for the drug, as charged by the manufacturer. (<i>No PDF</i>)	Contract pharmacy may only use 340B drugs to dispense Medicaid prescriptions if the covered entity, the contract pharmacy, and the State Medicaid agency have established an arrangement to prevent duplicate discounts. Reimbursement will not exceed the covered entity's actual acquisition cost + PDF	(outside of 340B or FSS) reimbursed at no more than the AAC plus PDF Pharmacy providers purchasing drugs at nominal price: AAC+ PDF	\$13.20 for pharmacies with fewer than 90,00 annual Medicaid prescription claims; \$10.05 for pharmacies with more than 90,00 annual Medicaid prescription claims
5	Colorado CO-17-0004	Based on the lower of U&C or allowed ingredient cost plus PDF. The ingredient cost is the lesser of CO-AAC or	their actual acquisition cost plus PDF	Covered entities using drugs purchased at 340B prices for Medicaid members must bill the	Drugs acquired through 340B and dispensed by contract pharmacies are not covered	outside FSS or 340B shall be reimbursed at their actual acquisition cost	<60k total prescriptions filled =\$13.40; 60k-90k

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		submitted ingredient cost. If AAC is not available lesser of WAC or ingredient cost. AAC is the actual acquisition cost for like drugs.		340B purchase price. <i>(No PDF)</i>		plus PDF	scripts: \$11.49; 90k-110k scripts=\$10. 25; >110k scripts: \$9.31
6	Connecticut CT-17-0015	lowest of: U&C or pharmacy's actual submitted ingredient cost; NADAC; ACA FUL; or WAC plus zero percent when no NADAC is available for a specific drug	340B actual invoice price but no more than the 340B ceiling price plus the PDF of \$10.75	The SPA does not mention PADs purchased under 340B, but says all governmental and private providers are reimbursed for PADs according to the same fee schedules.	Pharmacies contracting with a 340B entity shall be reimbursed at the lesser of methodology, in the first cell, plus the PDF. The Department contracts with several 340B pharmacies, which are reimbursed at the 340B actual invoice price, plus the PDF.	Their actual acquisition cost, plus the PDF.	\$10.75
7	Delaware DE-17-002	The lower of U&C, NADAC, WAC, DE-MAC, AAC. AAC or AAC for drug reimbursement is derived using the mythology in next cell	340B purchased Drug: AAC for dispensed drugs + PDF; Entities must request permission to use 340B drugs for all DMAP patients including	AAC for PAD (\$0.00 PDF)	Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered	AAC plus PDF	\$10

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		“Drugs not dispensed by retail pharmacy” are: NADAC or WAC, whichever is lower, plus PDF	Medicaid FFS and MCO				
8	District of Columbia DC-17-002	<p>Payment for brand name drugs is the lesser of U&C or AAC plus PDF.</p> <p>AAC is defined as DHCF’s determination of pharmacy providers’ actual price paid to acquire drug products. AAC is based on the lesser of NADAC or WAC plus 0%</p> <p>Payment for multiple source drugs is the lesser of FUL, NADAC, WAX, U&C, DC-MAC + PDF.</p>	<p>Carve-in – 340B AAC plus PDF</p> <p>Carve-out – lesser of U&C, AAC, FUL, NADAC, WAC+0%, District’s MAC</p>	PADs purchased through 340b, reimbursement shall be the 340B AAC, but no more than ceiling price (<i>no PDF</i>).	Not covered	Reimbursed at their actual acquisition cost, plus PDF	\$11.15 per prescription
9	Florida FL-17-005	The lesser of AAC (or NADAC when no AAC which is WAC); WAC; State Maximum Allowable Cost (State MAC); U&C	Actual purchased drug price which cannot exceed the 340B ceiling price + PDF of \$10.24.	Florida Medicaid reimburses for covered 340B drugs administered in an outpatient facility at an amount not to exceed the 340B ceiling price. (<i>no PDF</i>)	Actual purchased drug price which cannot exceed the 340B ceiling price + PDF	Actual purchased drug price +PDF	\$10.24
10	Georgia	Not exceed the lowest of:	Reimbursed no more	Not addressed in this	Drugs acquired	Drugs acquired	\$10.63

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
	GA-17-0001	GA-MAC, GA estimated AAC, FUL, U&C, Select Specialty Pharmacy Rate. GA-MAC is NADAC; GA-estimated AAC is WAC as established by the state.	than 340B ceiling price. 340B Actual Acquisition Drug Pricing is the submitted ingredient cost 340B purchase price plus PDF	SPA.	through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	at nominal price (outside of 340B or FSS) will be reimbursed at no more than the actual acquisition cost plus PDF.	
11	Idaho ID- 17-0014	Lowest of: ID-AAC, WAC, State-MAC, FUL, U&C	Limited to actual 340B drug acquisition cost submitted plus PDF	PAD: payment to 340B providers will be the actual 340B acquisition cost submitted, not to exceed 340B ceiling price. (No PDF)	Drugs acquired through 340B and dispensed by contract pharmacies are not covered	Actual acquisition cost plus PDF	<40K claims = \$15.11; 40k-69,999 claims = \$12.35; >70K =\$11.51
12	Indiana IN-17-0002	The lowest of NADAC; State-MAC, FUL or WAC minus a % as determined though dispensing cost survey; or U&C charge.	Carve in: For drugs purchased through the 340B program, reimbursement will be at the provider's actual acquisition cost plus the professional PDF. Carve out: or drugs purchased outside the 340B program, reimbursement is as listed in previous cell (NADAC, SMAC, FUL,	(PADs are considered a physician service under Indiana Medicaid; as such, information regarding PADs is contained in the physician services section of the state plan. Please refer to Attachment 4.19-B page 1f.)	Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	If providers obtain drugs acquired at nominal cost, Indiana Medicaid will reimburse at no more than the actual acquisition cost plus the PDF.	\$10.48

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
			WAC)				
13	Iowa IA-17-001 IA-18-0018	Lowest of FUL; total submitted charge; U&C; or AAC (determined from biannual surveys of Iowa Medicaid enrolled pharmacies. If no state AAC is available, the AAC will be defined as WAC) Reimbursement of specialty drugs not dispensed by retail community pharmacy is the lowest of: AAC FUL, submitted charges, U&C.	The submitted 340B AAC (not to exceed 340 ceiling price) plus PDF.	Reimbursement for PAD purchased through 340B are reimbursed at 340B AAC (<i>no PDF</i>)	Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	Acquired at nominal price and excluded from “best price” calculation, reimbursed at provider’s AAC (not to exceed Nominal Price), plus PDF	\$10.02 \$10.07 (11.1.18)
14	Kansas KS-17-004	Lowest of NADAC, WAC, FUL, State MAC, submitted ingredient cost or U&C charge	Drugs purchased through the 340B program will be reimbursed no more than the 340B ceiling price plus dispensing fee of \$10.50.	PADS submitted under the medical benefit, including 340B program, will be reimbursed at the Medicare B rates of ASP + 6%. If a Medicare B rate is not on file, WAC + 0%. (<i>no PDF</i>)	Drugs dispensed by 340B contract pharmacies are precluded from reimbursement	(outside of 340B or FFS) will be reimbursed no more than the Nominal Price plus a PDF	\$10.50
15	Kentucky KY-17-001	Reimbursed at lowest of NADAC, WAC, FUL, KY-MAC, U&C	Carve in: 340B AAC or the amount determined by the lowest logic (cell to the left) which shall	Covered entities using PAD purchased under 340B must bill no more than their AAC.	Contract pharmacy drugs not covered.	When purchased outside of 340B or FSS,	\$10.64 PDF per drug per month.

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		Drug pricing resources that may be used to compare AAC for multiple source drugs include NADAC, WAC, manufacturer’s price list, AMP for st5i, pharmacy providers, wholesalers	include the 340B ceiling price, plus PDF. Carve out: reimbursed by the lowest logic (to the left) plus PDFs.	<i>(no PDF)</i>		reimbursed by their AAC plus PDF	
16	Louisiana LA-17-0008	Lower of: LA-AAC (or WAC when no AAC) or U&C. Generic also includes FUL.	340B acquisitions cost, but no more than 340B ceiling price	340B PAD Reimbursement is encompassed in the all-inclusive encounter rate for FQHCs and Rural Health Clinics (RHCs). <i>(no PDF)</i>	Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	Drugs acquired at Nominal Price (outside of 340B or FSS) will be reimbursed at their actual acquisition cost, plus the PDF.	\$10.41
17	Maryland MD-17-0004	Payment is lower of: U&C, NADAC (when NADAC not available: WAC, FUL, State Actual Acquisition Cost {defined as ingredient cost based on survey of provider’s actual prices})	Carved in: no more than AAC for the drug plus \$12.12 PDF Drugs acquired at nominal price will be reimbursed based on AAC plus PDF	PADs purchased at 340B prices and submitted by FQHCs under the medical benefit will be part of the all-inclusive payment rate.	SPA is silent	Drugs acquired at nominal price will be reimbursed based on AAC plus PDF	\$10.49

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
18	Massachusetts MA-17-00	Payment lowest of FUL+PDF, lowest price of survey of pharmacy cost or NADAC+PDF, WAC+PDF if no survey or NADAC, or U&C	340B AAC + PDF		Allowed, reimbursed 340B AAC+PDF	AAC + PDF	Most drugs: \$10.02; Compound drugs: \$17.52, \$20.02, or \$25.02
19	Michigan MI-17-0005	Based on lower of AAC, WAC, MAC or provider’s charge. AAC based on NADAC	AAC is based on actual invoice cost. Must indicate the AAC as their ingredient cost charge included in their U&C. Drugs purchased through the 340B program shall be reimbursed at no more than the 340B ceiling price.		Drugs purchased through the 340B program, and dispensed by 340B contract pharmacies will not be reimbursed by the state, unless the 340B covered entity, contract pharmacy and the department have established an arrangement to prevent duplicate discounts.	Drugs purchased at nominal prices shall be reimbursed at no more than the nominal price.	\$20.02 for specialty drugs; \$10.64 for drugs not on the PDL; \$9.00 for non-preferred drugs on the PDL; \$10.80 for preferred drugs on the PDL.
20	Montana MT-16-0006 (amendment MT-17-0022)	Reimbursement for brand and generic prescribed drugs shall not exceed the lowest of: U&C or allowed ingredient cost (defined as the lower of AAC or submitted ingredient cost. If AAC is not	340B providers are required to bill no more than their acquisition cost as their submitted ingredient amount and will be reimbursed no more than the 340B ceiling price.	For PADs, 340B providers are required to bill their actual acquisition cost, and these drugs will be reimbursed at no more than the 340B ceiling price. (no PDF)		When acquired at a nominal price (outside of 340B or FSS) reimbursed by their AAC plus PDF	\$ 15.00 14.55 for pharmacies with an annual prescription volume between 0 and 39,999

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		available: WAC <i>minus</i> 2.99%, FUL or submitted ingredient cost) AAC is calculated average drug ingredient cost per drug determined by direct pharmacy survey, wholesale survey, and other relevant cost information	For drugs purchased under 340B, submitted ingredient cost means the actual 340B purchase price.	PAD on Medicare B fee schedule, payment shall not exceed ASP+6%. For other drugs, payment shall not exceed provider's AAC as determined from the provider's invoice.			prescription s; \$ 13.00 12.61 for volume between 40k - 69,999; or \$ 11.00 10.67 for >70k
21	Nebraska NE-17-0003	The lower of U&C, NADAC, Affordable Care Act FUL, State-MAC	Carved in: the 340B AAC, but no more than the 340B ceiling price, plus PDF.	Practitioner administered injectable medication, including specialty drugs, purchased through the 340B program will be reimbursed at the 340B AAC and no more than the ceiling price. <i>(no PDF)</i>	a 340B contract pharmacy under contract with a 340B covered entity is not covered.	When purchased outside of 340B or FSS, reimbursed by their AAC plus PDF	\$ 10.02
22	Nevada NV-17-004	AAC is defined as actual prices paid by pharmacy providers to acquire drug products marked or sold by specific manufacturers and is based on the NADAC. WAC+ 0% will be offered for those drugs not available on NADAC,	Ingredient cost reimbursement for 340B covered entities shall be the lowest of AAC or the 340B ceiling price; +PDF	For 340B physician-administered drugs, the ingredient cost reimbursement will be the lowest of AAC or 340B ceiling price. <i>(no PDF)</i>	Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	(outside of 340B or FSS), the ingredient cost reimbursement is based on AAC plus a PDF	\$10.17

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		plus PDF.					
23	New Hampshire NH-17-0003	AAC is NADAC when available or WAC if NADAC not available	340B drugs purchased by 340B covered entities are not allowed to be billed to Medicaid. However, family planning providers are exempt from this billing prohibition because the NH has determined that it is more cost effective to allow family planning providers to bill 340B drugs; Drugs acquired by 340B covered entities will be reimbursed no more than AAC for drugs purchased through 340B	Not addressed in this SPA.	Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	Not addressed in this SPA.	\$10.47
24	New Jersey NJ-17-0002	AAC is NADAC. If NADAC not available: WAC less 2%. If no WAC, then use suggested wholesale price less 19%. Maximum allowable cost shall not exceed the lowest of AAC, FUL, or State Upper Limit or U&C.	No more than the 340B ceiling price plus PDF. In absence of ceiling price: WAC minus 25% for the NCD of the drug; plus PDF		Drugs acquired through the federal 340B drug price program and dispenses by contract pharmacies are not covered	(outside of 340B or FSS) reimbursed at no more than the AAC plus PDF	\$10.92
25	New Mexico NM-17-003	Lowest of FUL or NADAC + PDF; WAC+6%+PDF;	340B AAC plus PDF, not to exceed pharmacy's	The SPA does not address PAD under	Not addressed in this SPA.	Not addressed in this SPA.	\$10.30

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
		reported ingredient cost; or U&C+ P	U&C	340B specifically. PADs are reimbursed at the ASP determined by CMS, no PDF. Only includes administration fee for Vaccine for Children program			
26	New York NY-17-0005	Brand name: Lower of NADAC (or WAC minus 17.5% when no NADAC); U&C Generic: Lower of NADAC (or WAC minus 17.5% when no NADAC); FUL; State MAC; or U&C	actual acquisition cost plus PDF	PAD billed under the medical benefit are reimbursed as follows: drugs purchased by covered entities at the 340B prices must be billed at AAC. No PDF is paid.	actual acquisition cost plus PDF	actual acquisition cost plus PDF.	\$10.00
27	Ohio OH-17-023	AAC +PDF or U&C AAC is the lesser of NADAC + PDF or U&C; If NADAC not available: WAC+0%, State MAC, U&C	340B AAC+PDF	Not addressed in this SPA.	Drugs acquired through the federal 340B drug price program and dispensed by 340B contract pharmacies are not covered.	Drugs acquired at nominal price, (outside of 340B or FSS) will be paid at the actual acquisition cost, plus the professional dispensing fee.	< 49,999 prescriptions per year = \$13.64; 50k-74,999 scripts = \$10.80; 75-99,999 scripts = \$9.5; >100k scripts = \$8.30

	State -SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
28	Oregon OR-17-0007 (Amended PDF in OR-17-0012)	Lesser of U&C or AAC-PDF AAC is: OR-AAC established by rolling surveys of enrolled pharmacies; NADAC when no OR-ACC; WAC where no OR-AAC or NADAC	shall not exceed the entity's actual acquisition cost, plus PDF. Amended in SPA: All 340B pharmacies operated by a 340B covered entity shall be reimbursed at the lowest volume tier regardless of volume. Currently: < 30k claims per year = \$14.01	340B covered entities that bill for PADs and carve in for Medicaid, shall not exceed the entity's actual acquisition cost. (No PDF)	Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	Pharmacies who purchase drugs at Nominal Price (outside of 340B or FSS) will be reimbursed their AAC+PDF	Pharmacies with < 30k claims per year = \$14.01; 30k-49,999 = \$10.14; > 50k= \$9.68
29	Rhode Island RI-17-004	Lowest of: NADAC, WAC +0%, State MAC, First Data Bank Consolidated Price 2 minus 19%, submitted price or U&C	will be reimbursed at the actual acquisition cost for the drug plus a \$8.96 PDF	Covered entities using drugs purchased at the prices authorized under Section 340B for Medicaid members must bill Medicaid their AAC. (no PDF)	Drugs acquired by a covered entity under the 340B program and dispensed by the covered entity's contract pharmacy are not reimbursed	Pharmacies who purchase drugs at Nominal Price (outside of 340B or FSS) will be reimbursed their AAC+PDF	\$8.96 for those beneficiaries residing in the community and a \$7.90 PDF for those in institutional LTC facility.
30	Tennessee TN-17-0003	FUL; Average AAC; NADAC; WAC minus 3%; U&C	Lower of ceiling price + PDF or entities' acquisition cost + PDF; PDF is \$15.40 when dispensing 340B drugs. Tiered as to the right	Not addressed in this SPA.	Drugs acquired through the 340B drug pricing program and dispensed by 340B contract	No more than actual acquisition cost plus PDF	<65K prescription volume =\$ 10.09; >65K volume =\$8.33

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
			otherwise.		pharmacies are not covered.		\$15.40 for drugs obtained through 340B
31	Texas TX-17-0011	<p>Lesser of AAC +PDF or U&C.</p> <p>AAC is Texas Retail pharmacy acquisition cost (NADAC or WAC minus 2%) long-term care pharmacy acquisition cost; specialty pharmacy acquisition cos; or 340B price</p>	<p>340B AAC, up to the 340B ceiling price, plus PDF.</p> <p>340B AAC is: New drug: WAC minus 23.1% Brand/Generic: WAC minus 57%</p>	<p>PADs purchased under the 340B Drug Program are reimbursed the lesser of the billed amount, a % of the Medicare rate or 89.5% of AWP for new drugs/biologics, 85% of AWP for drugs or biologics not defined as new. Drugs and infusion drugs, may be reimbursed at an amount equal to 106 percent of ASP. (PDF not mentioned in this SPA).</p>	<p>A contracted pharmacy that fill prescriptions for Medicaid recipients with drugs under 340B will be reimbursed at AAC, up to the 340B ceiling price, plus the PDF.</p>	<p>AAC plus PDF per prescription.</p>	<p>PDF =AAC + fixed component (\$7.93) divided by (1 – the percentage used to calculate the variable component of 1.96%) - AAC) + delivery incentive + preferred generic incentive².</p>

² A delivery incentive shall be paid to approve providers who certify a form prescribed by HHSC or its designee that the delivery services meet minimum conditions for payment of the incentive. These conditions include: making deliveries to individuals rather than just to institutions, such as nursing homes; offering no-charge prescription delivery to all Medicaid recipients requesting delivery in the same manner as to the general public; and publicly displaying the availability of prescription delivery services at no charge. The delivery incentive is \$0.15 per prescription and is to be paid on all Medicaid prescriptions filled. This delivery incentive is not to be paid for over-the-counter drugs, which are prescribed as a benefit of this program. A preferred generic incentive of \$0.50 per prescription shall be paid on all Medicaid prescriptions filled for preferred generic drugs for which a manufacturer has agreed to pay a supplemental rebate. Preferred generic drugs are subject to the requirements for placement on the Preferred Drug List (PDL).

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							The total professional dispensing fee shall not exceed \$200 per prescription
32	Utah UT-17-0002	<p>The lesser of UT- Estimated Acquisition Cost (which is WAC), FUL, UT-MAC (which is NADAC where available), or ingredient cost submitted</p> <p>Those not dispensed by a retail pharmacy are reimbursed in the same manner.</p>	<p>Covered entities required to submit the 340B acquisition cost on the claim.</p> <p>Carve in: the lesser of 340B AAC plus PDF or the billed charges.</p> <p>Carve out: submitted and reimbursement in accordance with the reimbursement rules under this section. (340B AAC or billed charges)</p>	For PADs, 340B providers are required to bill their actual acquisition cost, and these drugs will be reimbursed at no more than the 340B ceiling price. <i>(no PDF)</i>	340B covered entities may not utilize contract pharmacies to bill Utah Medicaid unless there is a written agreement in pace to prevent duplicate discounts.	Reimbursed at the lesser of the nominal price acquisition cost plus PDF or the billed charges	PDF: \$9.99 urban, 10.15 rural
33	Vermont VT-17-0005 VT-18-0001	The lowest of: (NADAC) + PDF; WAC + 0% + PDF;SMAC + PDF; FUL + PDF; AWP-19% + PDF; Submitted Ingredient Cost + Submitted dispensing fee; U&C; or the Gross Amount Due (GAD)	340B AAC, not to exceed the 340B ceiling price + 340B PDF	340B AAC, not to exceed the 340B ceiling price	Drugs acquired through the federal 340B drug price program and dispensed by 340B contract pharmacies are not covered.	AAC + \$11.13 PDF	\$11.13 for non-specialty drugs, and a \$17.03 specialty drug. 340B PDFs are the same.

	State –SPA Number	Reimbursement for Pharmaceuticals	340B Reimbursement	Reimbursement for Physician Administered Drugs (PAD) Purchased under 340B	Contract pharmacies	Nominal Pricing	Professional Dispensing Fee (PDF)
34	West Virginia WV-17-0001	lowest of either NADAC, WAC, FUL, State MAC, submitted ingredient cost, or the provider’s U&C charge	Entity’s actual acquisition cost which shall not exceed the 340B ceiling price plus PDF	PAD: Covered entities using drugs purchased through 340B for Medicaid members must bill no more than their AAC (<i>no PDF</i>)	Drugs acquired through the federal 340B drug price program and dispensed by contract pharmacies are not covered	Reimbursed their actual acquisition cost, plus PDF	\$10.49
35	Wisconsin WI-17-0001	Brand and generics will receive ingredient cost based on AAC plus PDF. AAC is the lesser of NADAC or U&C. If NADAC is unavailable, lesser of WAC, State MAC or U&C.	Carved in: AAC ingredient cost that is no more than the state calculated 340B ceiling price plus PDF. If ceiling price not available, WAC minus 50%; plus PDF; Carve out—AAC plus PDF		Drugs acquired through the federal 340B drug price program and dispenses by contract pharmacies are not covered	Drugs acquired at nominal price will be reimbursed based on AAC plus PDF	\$15.69 for less than 34,999 prescriptions per year or \$10.51 for 35,000 or more prescriptions per year
36	Wyoming WY-17-0002	Drug ingredient cost shall be lowest of: NADAC (or WAC+% when no NADAC or AWP minus 11%); FUL, State MAC; ingredient cost submitted; Gross Amount Due or U&C	Entities must request in writing to use these drugs for WY Medicaid clients; Shall bill no more than their actual acquisition cost plus PDF	covered entities using drugs purchased at the prices authorized under Section 340B of the Public Health Services Act for Medicaid members must bill Medicaid their AAC. (<i>no pdf</i>)	Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	Drugs acquired at nominal price (outside of 340B or FSS) will be reimbursed at no more than the actual acquisition cost plus PDF.	\$10.65

