



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

**December 15, 2017  
(31 State SPAs)**

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)
Iowa — IA-17-001	Lowest of FUL; total submitted charge; U&C (U&C); or AAC (determined from biannual surveys of Iowa	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> <sup>1</sup> )	Drugs acquired through the federal 340B drug pricing program and dispensed by 340B	Acquired at nominal price and excluded from “best price”	\$10.02

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

State SPAs Reimburse 340B Covered Entities at AAC

Simon&Co

Page 2

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)
	<p>Medicaid enrolled pharmacies. If no state AAC is available, the AAC will be defined as WAC)</p> <p>Reimbursement of specialty drugs not dispensed by retail community pharmacy is the lowest of: AAC FUL, submitted charges, U&amp;C.</p>			contract pharmacies are not covered.	calculation, reimbursed at provider’s AAC (not to exceed Nominal Price), plus PDF	
Delaware DE-17-002	<p>The lower of U&amp;C, NADAC, WAC, DE-MAC, AAC.</p> <p>AAC or AAC for drug reimbursement is derived using the mythology in next cell</p> <p>“Drugs not dispensed by retail pharmacy” are: NADAC or WAC, whichever is lower, plus PDF</p>	<p>340B purchased Drug: AAC for dispensed drugs + PDF;</p> <p>Entities must request permission to use 340B drugs for all DMAP patients including Medicaid FFS and MCO</p>	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
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	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

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)
			340B AAC and no more than the ceiling price. <i>(no PDF)</i>			
Kentucky KY-17-001	<p>Reimbursed at lowest of NADAC, WAC, FUL, KY-MAC, U&amp;C</p> <p>Drug pricing resources that may be used to compare AAC for multiple source drugs include NADAC, WAC, manufacturer’s price list, AMP for5i, pharmacy providers, wholesalers</p>	<p>Carve in: 340B AAC or the amount determined by the lowest logic (cell to the left) which shall include the 340B ceiling price, plus PDF.</p> <p>Carve out: reimbursed by the lowest logic (to the left) plus PDFs.</p>	Covered entities using PAD purchased under 340B must bill no more than their AAC. <i>(no PDF)</i>	Contract pharmacy drugs not covered.	When purchased outside of 340B or FSS, reimbursed by their AAC plus PDF	\$10.64 PDF per drug per month.
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 place 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

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)
Montana MT-16-0006	<p>Reimbursement for brand and generic prescribed drugs shall not exceed the lowest of: U&amp;C or allowed ingredient cost (defined as the lower of AAC or submitted ingredient cost. If AAC is not available: WAC, FUL or submitted ingredient cost)</p> <p>AAC is calculated average drug ingredient cost per drug determined by direct pharmacy survey, wholesale survey, and other relevant cost information</p>	<p>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.</p> <p>For drugs purchased under 340B, submitted ingredient cost means the actual 340B purchase price.</p>	<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></p>		<p>When acquired at a nominal price (outside of 340B or FSS) reimbursed by their AAC plus PDF</p>	<p>\$ 15.00 for pharmacies with an annual prescription volume between 0 and 39,999 prescriptions;                      \$ 13.00 for volume between 40k - 69,999; or                      \$ 11.00 for &gt;70k</p>
Arkansas AR-16-003	<p>AAC is NADAC plus a PDF. When the NADAC is not available, reimbursement shall be the lesser of the WAC, the State Upper Limit which is established at the State Actual Acquisition Cost (SAAC), or the FUL.</p>	<p>340B actual Invoice Price but no more than the 340B ceiling price [provided or calculated by AMP minus Unit Rebate Amount (URA)] plus the established PDF.</p>	<p>PADs, including specialty drugs, purchased through the 340B Program will be reimbursed at the 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>].</p>	<p>Drugs purchased through the 340B pricing program and dispensed by 340B contract pharmacies are not covered</p>	<p>(outside of 340B or FSS) reimbursed by their AAC</p>	<p>Brand and Non-preferred Brand = \$9.00</p> <p>Brand Preferred and Generic Medication drug = \$10.50</p>

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)
District of Columbia DC-17-002	<p>Payment for brand name drugs is the lesser of U&amp;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&amp;C, DC-MAC + PDF.</p>	<p>Carve-in – 340B AAC plus PDF</p> <p>Carve-out – lesser of U&amp;C, AAC, FUL, NADAC, WAC+0%, District’s MAC</p>	<p>PADs purchased through 340b, reimbursement shall be the 340B AAC, but no more than ceiling price (<i>no PDF</i>).</p>	<p>Not covered</p>	<p>Reimbursed at their actual acquisition cost, plus PDF</p>	<p>\$11.15 per prescription</p>
Wisconsin WI-17-0001	<p>Brand and generics will receive ingredient cost based on AAC plus PDF.</p> <p>AAC is the lesser of NADAC or U&amp;C. If NADAC is unavailable, lesser of WAC, S-MAC or U&amp;C.</p>	<p>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;</p> <p>Carve out—AAC plus PDF</p>		<p>Drugs acquired through the federal 340B drug price program and dispenses by contract pharmacies are not covered</p>	<p>Drugs acquired at nominal price will be reimbursed based on AAC plus PDF</p>	<p>\$15.69 for less than 34,999 prescriptions per year or \$10.51 for 35,000 or more prescriptions per year</p>

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)
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
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
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. If covered entity is unable to purchase 340B drug, may dispense drug	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. (No PDF)	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	(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

State SPAs Reimburse 340B Covered Entities at AAC

Simon&Co

Page 7

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		purchased at regular drug wholesale rates to Medi-Cal.		discounts.  Reimbursement will not exceed the covered entity's actual acquisition cost + PDF		Medicaid prescription claims
West Virginia WV-17-0001	lowest of either NADAC, WAC, FUL, State Maximum Allowable Cost (SMAC), 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
Alabama AL-17-0001	The lowest of: AL-AAC; WAC when AL-AAC not available; FUL or U&C charge.	Payment shall not exceed the entity's actual acquisition cost plus a professional dispensing fee of \$10.64.	For PADs administered by 340B entities, payment shall not exceed the entity's AAC for the drug ( <i>no PDF</i> )	340B eligible entities (including 340B contract pharmacies) not listed on the HRSA 340B Drug Pricing Program Database receive AL-AAC; WAC when AL-AAC not available; FUL or U&C charge.	payment shall not exceed the entity's actual acquisition cost for the drug, plus a PDF	\$10.64
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	(PADs are considered a physician service under Indiana Medicaid; as such, information regarding PADs is contained in the physician services	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	\$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)
		PDF.  Carve out: or drugs purchased outside the 340B program, reimbursement is as listed in previous cell (NADAC, SMAC, FUL, WAC)	section of the state plan. Please refer to Attachment 4.19-B page 1f.)		more than the actual acquisition cost plus the PDF.	
Kansas KS-17-004	Lowest of NADAC, WAC, FUL, SMAC, 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
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, plus PDF.	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
Colorado	Based on the lower of	their actual acquisition	Covered	Drugs acquired	outside FSS or	<60k total



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)
CO-17-0004	U&C or allowed ingredient cost plus PDF. The ingredient cost is the lesser of CO-AAC or submitted ingredient cost. If AAC is not available lesser of WAC or ingredient cost. AAC is the actual acquisition cost for like drugs.	cost plus PDF	entities using drugs purchased at 340B prices for Medicaid members must bill the 340B purchase price. No PDF is applied.	through 340B and dispensed by contract pharmacies are not covered	340B shall be reimbursed at their actual acquisition cost plus PDF	prescriptions filled = \$13.40; 60k-90k scripts: \$11.49; 90k-110k scripts = \$10.25; >110k scripts: \$9.31
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. <i>(No PDF)</i>	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
Georgia GA-17-0001	Not exceed the lowest of: 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.	Reimbursed no more than 340B ceiling price. 340B Actual Acquisition Drug Pricing is the submitted ingredient cost 340B purchase price plus PDF		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.	\$10.63
Wyoming WY-17-0002	Drug ingredient cost shall be lowest of: NADAC (or WAC+%	Entities must request in writing to use these drugs for WY Medicaid	covered entities using drugs purchased at the prices authorized	Drugs acquired through the 340B drug pricing	Drugs acquired at nominal price (outside	\$10.65

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)
	when no NADAC or AWP minus 11%); FUL, State-MAC; ingredient cost submitted; Gross Amount Due or U&C	clients; Shall bill no more than their actual acquisition cost plus PDF	under Section 340B of the Public Health Services Act for Medicaid members must bill Medicaid their AAC. <i>(no pdf)</i>	program and dispensed by 340B contract pharmacies are not covered.	of 340B or FSS) will be reimbursed at no more than the actual acquisition cost plus PDF.	
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
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 otherwise.		Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.	No more than actual acquisition cost plus PDF	<65K prescription volume =\$ 10.09; >65K volume =\$8.33  \$15.40 for drugs obtained through 340B
Ohio OH-17-023	AAC +PDF or U&C  AAC is the lesser of NADAC + PDF or U&C; If	340B AAC+PDF		Drugs acquired through the federal 340B drug price program and	Drugs acquired at nominal price, (outside of 340B or FSS)	< 49,999 prescriptions per year = \$13.64;

State SPAs Reimburse 340B Covered Entities at AAC

Simon&Co

Page 11

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)
	NADAC not available: WAC+0%, State MAC, U&C			dispensed by 340B contract pharmacies are not covered.	will be paid at the actual acquisition cost, plus the professional dispensing fee.	50k-74,999 scripts = \$10.80; 75-99,999 scripts = \$9.5; >100k scripts = \$8.30
Florida FL-17-005	The lesser of AAC (or NADAC when no AAC which is WAC); WAC; 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 rug price +PDF	\$10.24
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 Physician Administered Drugs 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
Texas TX-17-0011	Lesser of AAC +PDF or U&C.  AAC is Texas Retail pharmacy acquisition cost (NADAC or WAC	340B AAC, up to the 340B ceiling price, plus PDF.  340B AAC is: New drug: WAC minus	Physician-administered drugs purchased under the 340B Drug Program are reimbursed as described under this	A contracted pharmacy that fill prescriptions for Medicaid recipients with drugs under 340B will be	AAC plus PDF per prescription.	PDF =AAC + fixed component (\$7.93) divided by (1 – the

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)
	minus 2%) long-term care pharmacy acquisition cost; specialty pharmacy acquisition cos; or 340B price	23.1% Brand/Generic: WAC minus 57%	section of the state plan. Drugs and infusion drugs, may be reimbursed at an amount equal to 106 percent of the average sales price (ASP). Additional information related to physician reimbursement may be found in Attachment 4.19-B, pages 1a to 1a.3 of the Texas Medicaid State Plan.	reimbursed at AAC, up to the 340B ceiling price, plus the PDF.		percentage used to calculate the variable component of 1.96%) - AAC) + delivery incentive + preferred generic incentive <sup>2</sup> . The total professional dispensing fee shall not exceed \$200 per prescription

<sup>2</sup> 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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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.
Oregon OR-17-0007	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.	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

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)
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. <i>(no pdf)</i>	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.
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% without a professional dispensing fee.	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.