**New State SPAs Reimburse 340B Covered Entities at Actual Acquisition Cost:**

**Creates Disincentives For 340B Entities to Choose the Lowest Cost Drugs**

**August 25, 2020**

**(43 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) event 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 customary (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 *(no PDF[[1]](#footnote-1))* | 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 |
| 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- maximum allowable cost (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%. (*no PDF)* | 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 WAC, the State Upper Limit which is established at the State Actual Acquisition Cost (SAAC), or the FUL. | 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. | PADs, including specialty drugs, purchased through the340B 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 *(no PDF).* | Drugs purchased through the 340B pricing program and  dispensed by 340B contract pharmacies are not covered | (outside of 340B or FSS) reimbursed by their AAC | Brand and Non-preferred Brand = $9.00  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. *(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 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 submitted ingredient cost. If AAC is not available lesser of WAC or ingredient cost.  AAC is the actual acquisition cost for like drugs. | their actual acquisition cost plus PDF | Covered  entities using drugs purchased at 340B prices for Medicaid members must bill the 340B purchase price. *(No PDF)* | Drugs acquired through 340B and dispensed by contract pharmacies are not covered | outside FSS or 340B shall be reimbursed at their actual acquisition cost plus PDF | <60k total prescriptions filled =$13.40;  60k-90k scripts: $11.49; 90k-110k scripts=$10.25; >110k scripts: $9.31 |
| 6 | Connecticut  CT-17-0015  CT-18-0020 | 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.~~  Amended: PADs are priced using the Medicare ASP Drug Pricing File. PADs File and for “unclassified,” the drug is priced at the lowest of U&C, NADAC, ACA FUL, or WAC+0% when no NADAC is available | 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 reimbursed at the 340B actual invoice price, plus the PDF. | Their actual acquisition cost,  plus the PDF. | $10.75 |
| 7 | DelawareDE-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  “Drugs not dispensed by retail pharmacy” are: NADAC or WAC, whichever is lower, plus PDF | 340B purchased Drug:  AAC for dispensed drugs + PDF;  Entities must request permission to use 340B drugs for all DMAP patients including Medicaid FFS and MCO | 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 |
| 8 | District of Columbia  DC-17-002 | Payment for brand name drugs is the lesser of U&C or AAC plus PDF.  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%  Payment for multiple source drugs is the lesser of FUL, NADAC, WAX, U&C, DC-MAC + PDF. | Carve-in – 340B AAC plus PDF  Carve-out – lesser of U&C, AAC, FUL, NADAC, WAC+0%, District’s MAC | PADs purchased through 340b, reimbursement shall be the 340B AAC, but no more than ceiling price *(no PDF).* | 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 3408 drugs  administered in an outpatient facility at an amount not to exceed the 340B ceiling price. (*no PDF)* | Actual purchased drug price which cannot exceed the 340B ceiling price + PDF | Actual purchased rug price +PDF | $10.24 |
| 10 | 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 | Not addressed in this SPA. | 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 |
| 11 | Hawaii  HI-19-003 | Lowest of: Ingredient cost + PDF; U&C; WAC +PDF; NADAC+PDF | Reimbursed at the 340B submitted ingredient cost, but no more than the340B ceiling price, +PDF | Not specified in this SPA. | Drugs acquired through 340B and dispensed by contract pharmacies are not covered, unless the contract pharmacy requests and receives approval to use these drugs for Medicaid benes | AAC+PDF | $10.76 |
| 12 | 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 |
| 13 | 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, WAC) | (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 |
| 14 | Illinois  IL-17-0006 | NADAC, WAC minus 4.4% or state UPL | AAC or 340B ceiling price | Payment to 340B providers will be the 340B actual acquisition cost for the drug, plus a $12.00 administration fee | Drugs acquired through the 340B drug pricing program and dispensed by 340B contract  pharmacies are not covered. | Nominal Price (outside of 340B or FSS) will be reimbursed at their actual acquisition cost, plus the professional dispensing fee. | Critical access pharmacies[[2]](#footnote-2): $15.55; all others $8.85; $12 for 340B |
| 15 | 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 *(no PDF)* | 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) |
| 16 | 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%. *(no PDF)* | 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 |
| 17 | Kentucky KY-17-001 | Reimbursed at lowest of NADAC, WAC, FUL, KY-MAC, U&C  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 | 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.  Carve out: reimbursed by the lowest logic (to the left) plus PDFs. | Covered entities using PAD purchased under 340B must bill no more than their AAC. *(no PDF)* | 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. |
| 18 | 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). *(no PDF)* | 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 |
| 19 | 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 |
| 20 | 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 |
| 21 | 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. |
| 22 | Minnesota | Lower of AAC, state established maximum allowable cost, U&C; plus PDF | Acquisition cost of drugs acquired through the federal 340B drug pricing program are the 340B ceiling price | For drugs administered in the outpatient setting under 340B, payment is equal to 71.4% of the lower of U&C, 106% of ASP or state MAC. | Covers drugs purchased through 340B when dispensed by contract pharmacies owned by the covered entity when the contract pharmacy receives approval from state. Other contract pharmacies not covered. | AAC+PDF | $10.48 |
| 23 | Mississippi  MS-17-0002 | Lesser of NADAC+PDF, WAC+0%, rate set by state’s rate-setting vendor or U&C | No more than the 340B AAC defined as the price at which the covered entity has paid the wholesaler or manufacturer for the covered outpatient drug + PDF | For PADs under 340B, providers bill at AAC +PDF (MS-18-0011) | 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) – Ingredient cost based on AA+PDFC | $11.29 |
| 24 | Montana MT-16-0006  (*amendment MT-17-0022, amendment 18-0048)* | 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 available: WAC *~~minus 2.99%~~,* ACA 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 | 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 drugs purchased under 340B, submitted ingredient cost means the actual 340B purchase price.~~ Reimbusred using logic in previous cell. 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~~ $15.00 for pharmacies with an annual prescription volume between 0 and 39,999 prescriptions;  $ ~~13.00~~ ~~12.61~~ $13.00 for volume between 40k - 69,999; or  $ ~~11.00~~ ~~10.67~~ $11.00 for >70k |
| 25 | 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. *(no PDF)* | 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 |
| 26 | 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 3408 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. *(no PDF)* | 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 |
| 27 | 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 |
|  | 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 |
| 28 | New Mexico  NM-17-003 | Lowest of FUL or NADAC + PDF; WAC+6%+PDF; reported ingredient cost; or U&C+ P | 340B AAC plus PDF, not to exceed pharmacy’s U&C | The SPA does not address PAD under 340B specifically. PADs are reimbursed at the ASP determined by CMS, no PDF. Only includes administration fee for Vaccine for Children program | Not addressed in this SPA. | Not addressed in this SPA. | $10.30 |
| 29 | 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 |
| 30 | North Dakota  ND-19-0004 | Brand name: U&C, ND MAC, NADAC, or WAC. | No more than AAC plus PDF |  | Not covered unless state approves an exception |  | $12.46 |
| 31 | 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 PDF. | < 49,999 prescriptions per year = $13.64; 50k-74,999 scripts = $10.80; 75-99,999 scripts = $9.5; >100k scripts = $8.30 |
| 33 | Oklahoma  OK-16-30 | Ingredient Cost + PDF  Brand name: NADAC or WAC;  Generic: SMA, NADAC or WAC  High-investment drugs ([www.okhca.org/rx](http://www.okhca.org/rx)) are reimbursed under a methodology which carves them out of inpatient or outpatient hospital claims with prior authorization. (OK-20-0014) | Ceiling process +PDF | 340B covered entities are allowed to submit their usual and customary cost and are paid at the regular Medicaid allowable rate. At the end of the quarter, the URA is recouped from the covered entity to keep the state whole based on net cost after rebate. | Ceiling process +PDF | Drugs acquired at nominal price, (outside of 340B or FSS) will be paid at the actual  acquisition cost, plus the PDF. | $10.55 |
| 34 | 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 |
| 35 | 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. |
| 36 | South Carolina  SC-19-0009 | (Not addressed in this SPA, inc. for record). Lowest of SC-MAC, SC Estimated Acq Cost (AWP less 16% discount or WAC plus 0.8%), or U&C | Provider’s AAC +PDF | Not addressed in this SPA. | Prohibit coverage of 340B drugs dispensed by contract pharmacies | Not addressed in this SPA. | $10.50 |
| 37 | 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 $15.40 when dispensing 340B drugs. Tiered as to the right otherwise. | Not addressed in this SPA. | Drugs acquired through the 340B drug pricing program and dispensed by 340B contract  pharmacies are not covered. | No more than actual acquisition cost plus PDF | <65K prescription volume =$ 10.09; >65K volume =$8.33  $15.40 for drugs obtained through 340B |
| 38 | Texas  TX-17-0011 | Lesser of AAC +PDF or U&C.  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 | 340B AAC, up to the 340B ceiling price, plus PDF.  340B AAC is:  New drug: WAC minus 23.1%  Brand/Generic: WAC minus 57% | 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). | 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. | AAC plus PDF per prescription. | 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 incentive[[3]](#footnote-3). The total professional dispensing fee shall not exceed $200 per prescription |
| 39 | Utah UT-17-0002 | The lesser of UT-Estimated Acquisition Cost (which is WAC), FUL, UT-MAC (which is NADAC where available), or ingredient cost submitted  Those not dispensed by a retail pharmacy are reimbursed in the same manner. | Covered entities required to submit the 340B acquisition cost on the claim.  Carve in: the lesser of 340B AAC plus PDF or the billed charges.  Carve out: submitted and reimbursement in accordance with the reimbursement rules under this section. (340B AAC or billed charges) | 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)* | 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 |
| 40 | 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. |
| 41 | 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 *(no PDF)* | 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 |
| 42 | 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 |
| 43 | 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*. (no 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. | $10.65 |

1. “No PDF” means that no Professional Dispensing Fee was mentioned in the provision on physician/practitioner administered drugs. [↑](#footnote-ref-1)
2. Critical Access Pharmacies are defined as pharmacies physically located within Illinois in counties with less than 50,000 residents; and whose owner(s) do not have ownership or control interest in ten (10) or more pharmacies; and which are brick and mortar, meaning the pharmacy location is open to the public, recipients present at the pharmacy to fill prescriptions, and the majority of the pharmacy's business is not mail order based or through delivery to a residential facility and which is not owned/operated by a hospital or located within a hospital. [↑](#footnote-ref-2)
3. 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). [↑](#footnote-ref-3)