

Alabama Medicaid

Pharmacy Stakeholder Questions and Medicaid Answers

WAC Reimbursement Change

November 13, 2019

On September 26, 2019, Alabama Medicaid Pharmacy staff held a meeting with the pharmacy stakeholders and discussed a potential reimbursement change. Comments from the stakeholder meeting were solicited; below is a summary of the comments received along with the Alabama Medicaid Pharmacy Division response:

Question 1:	One commenter requested applying the NADAC to the reimbursement logic before WAC – 4%.
Medicaid Answer:	NADAC is calculated on an NDC level, while AAC is based on generic grouping; a change to use NADAC would require extensive coding and policy changes outside the scope of this project. However, upon this comment/recommendation, NADAC can be used by Myers & Stauffer when determining drug pricing during provider appeal. Therefore, NADAC alone will not be used as solely as a backup reimbursement methodology at this time, although it can be used during provider appeal.
Question 2:	One commenter thanked the Agency for allowing stakeholders to comment and requested to “allow the pharmacies the possibility to submit invoices for correct pricing”.
Medicaid Answer:	Currently, providers can submit invoices for any product for a review at any time; this same process to submit invoices will be in place with the reimbursement change.
Question 3:	One commenter stated/requested: A. the dispensing of higher cost specialty products exceeds the current dispensing fee. B. a request for a list of current brand drugs that could be impacted by this change and an implementation timeline of the potential change. C. for effective date of potential pricing methodology change be written with an effective date after the SPA is approved to prevent retroactive rate adjustments.
Medicaid Answer:	A. This state plan change only impacts ingredient cost and does not address dispensing fee changes. A dispensing fee modification is outside the scope of this project. B. The list was provided to the commenter, as well as a tentative timeline. C. The change will be effective once/after the SPA is approved.
Question 4:	One commenter requested to consider moving forward with a change to WAC minus 2 percent rather than the proposed 4 percent change.
Medicaid Answer:	AAC is defined in the Code of Federal Regulations (CFR) §447.502 as the agency’s determination of the pharmacy providers’ actual prices paid to acquire drugs marketed or sold by specific manufacturers. The federal government’s published aggregate mean discount for brand legend drug NADAC rates is equivalent to WAC – 4%, not WAC – 2%.