

---

METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL CARE  
(Continued)

12. a. Prescribed Drugs (continued)

The 340B Professional Dispensing Fee for non-FQHC pharmacies is \$11.13

The 340B Professional Dispensing Fee for FQHC pharmacies is \$15.00

Drugs acquired through the federal 340B drug price program and dispensed by 340B contract pharmacies are not covered.

8. Facilities purchasing drugs through the Federal Supply Schedule (FSS) or the drug pricing program under 38 U.S.C. 1826, 42 U.S.C. 256b, or 42 U.S.C. 1396-8, other than the 340B drug pricing program will be reimbursed no more than the actual acquisition cost for the drug plus a \$11.13 professional dispensing fee.

9. Investigational drugs are not a covered service under the DVHA pharmacy program.

10. Effective February 1, 2016 rates for all Physician Administered Drug prices will be at 93% of Medicare's Average Sales Price (ASP) +6%. Rates for Physician Administered Drugs will be updated every six months using the latest version of Medicare's ASP pricing file. Medicaid reimbursement for Physician Administered Drugs may not exceed the amount that Medicare recognizes for such services. All rates are published at [www.dvha.vermont.gov/for-providers](http://www.dvha.vermont.gov/for-providers)

The State Maximum Allowable Cost (SMAC) represents a pricing benchmark for the dispensing of a specific dose and formulation of a brand or generic medication. For generics, this benchmark is established by establishing a maximum reimbursement for a drug that is available from multiple manufacturers. For a brand, this benchmark is established when DVHA is able to estimate the actual acquisition cost of a drug for which a NADAC is not available.

~~'MAC' is a commonly utilized acronym in prescription drug management, translating to 'maximum allowable cost'. MAC represents the highest price a pharmacy will be reimbursed for the dispensing of a specific dose and formulation of a generic medication when that medication is available from multiple manufacturers. The goal of MAC pricing is to establish a fair and equitable level of reimbursement for all pharmacies, while simultaneously assuring that our clients are paying the lowest possible cost for such drug products. For a MAC price to be established on any given product, there needs to be a minimum of three suppliers. This generally consists of the originator brand and at least two generic sources. MAC pricing is established through an in-depth review of the prices paid by a typical pharmacy for the generic sources of the product. From there, a MAC price is established using a formula that ensures an adequate balance of low cost to our clients, yet a reasonable profit for the dispensing pharmacy.~~

~~Our MAC list is fully updated on a quarterly basis, with mid-quarter changes routinely taking place when significant pricing changes arise or when new generics enter the market from multiple generic manufacturers. We also commit to a more expeditious and aggressive updating of our MAC list when the generic exclusivity period expires on key products. This helps to avoid any substantial lost savings opportunity that may result from delays in MAC list updating.~~

~~Limited Distribution Pharmacies dispense medications that may have special requirements for dosing or close lab monitoring. Because of these special requirements, drug manufacturers sometimes choose to limit the distribution of their drugs to only one or a few select pharmacies or, as part of the drug approval process, the Food and Drug Administration (FDA) may recommend this type of distribution. This type of restricted distribution allows the manufacturer to properly control the inventory of the drug; educating dispensing pharmacists about appropriate patient education and monitoring required; and ensure that any risks associated with the medication are minimized.~~

TN# ~~11-023-B17-0005~~

Supersedes

TN# ~~None~~ 11-023-B

Effective Date: ~~07/01/11~~ 04/01/17

Approval Date: 04/26/12

DRAFT