

NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES

GUIDANCE DOCUMENT

“This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Nebraska Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.”

Pursuant to
Neb. Rev. Stat. § 84-901.03



PROVIDER BULLETIN

No. 17-13

DATE: April 12, 2017

TO: All Providers Participating in Nebraska Medicaid Program

FROM: Calder Lynch, Director 
Division of Medicaid & Long-Term Care

BY: Shelly Nickerson, Pharm. D., Pharmacy Administrator

RE: Legend, Non-Legend and Compounded Prescriptions

Please share this information with administrative, clinical, and billing staff.

Pursuant to the Centers for Medicare & Medicaid Services (CMS) release of the Covered Outpatient Drugs final rule (CMS-2345-FC), the Nebraska Medicaid Drug Program will be implementing a new medication reimbursement methodology. This change does not apply to pharmacy claims processed by the three Heritage Health plans, which now account for most Medicaid pharmacy claims. Once CMS approval has been received, the following reimbursement policy will be retroactively effective beginning 04/01/2017.

All fee-for-service claims will be reimbursed based on the lesser of the following reimbursement, including an established professional dispensing fee of \$10.02 where indicated:

Legend, Non-legend Drugs and Compounded Prescriptions

- a. The usual and customary charge to the public, or;
- b. The National Average Drug Acquisition cost (NADAC), plus the established professional dispensing fee, or;
- c. The ACA Federal Upper Limit (FUL) plus the established professional dispensing fee, or;
- d. The calculated State Maximum Allowable Cost (SMAC) plus the established professional dispensing fee.

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Backup Ingredient Cost Benchmark

If NADAC is not available, the allowed ingredient cost shall be the lesser of:
Wholesale Acquisition Cost (WAC) +0%, State Maximum Allowable Cost (SMAC) or
ACA Federal Upper Limit plus the established professional dispensing fee.

340B Drug Pricing Program

Covered legend and non-legend drugs, including specialty drugs, purchased through the Federal Public Health Service's 340B Drug Pricing Program (340B) by covered entities that carve Medicaid into the 340B Drug Pricing Program, shall be reimbursed at the 340B actual acquisition cost, but no more than the 340B ceiling price, plus the established professional dispensing fee. A 340B contract pharmacy under contract with a 340B covered entity described in section 1927 (a)(5)(B) of the Act is not covered.

Physician Administered Drugs

- a. Practitioner administered injectable medications will be reimbursed at Average Sales Price + 6% (Medicare Drug Fee Schedule); injectable medications not available on the Medicare Drug Fee Schedule will be reimbursed at WAC + 6.8%.
- b. Practitioner administered injectable medications, including specialty drugs, purchased through the 340B Program will be reimbursed at the 340B actual acquisition cost and no more than the 340B ceiling price.

If you have questions regarding this bulletin, you may call Shelly Nickerson at 402-471-9379, or via email at Shelly.Nickerson@Nebraska.gov:

Medicaid Provider Bulletins, such as this one, are posted on the DHHS website at http://dhhs.ne.gov/medicaid/Pages/med_pb_index.aspx. The "Recent Web Updates" page will help you monitor changes to the Medicaid pages.