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Covered Outpatient Drugs



As a result of the Covered Outpatient Drugs final rule, which was published on February 1, 2016, Nevada will be submitting a State Plan Amendment (SPA) to address the new requirements. The SPA will include key changes in determining reimbursement methodologies and requirements for the 340B entities, 340B contract pharmacies, Indian Health Services (IHS), Tribal, and Urban Indian Organization pharmacies (I/T/U).



The Division of Health Care Financing and Policy (DHCFP) submitted a SPA in 2014 that addressed the preliminary recommendations contained in the proposed rule for covered outpatient drugs, dated February 2, 2012.

- Replaced estimated acquisition cost (EAC) with actual acquisition cost (AAC). This was necessary as it represents a more accurate reference price to be used by states to reimburse providers for drugs.
- Replaced “dispensing fee” with “professional dispensing fee” to reflect the pharmacist’s professional services and costs.
- Increased the professional dispensing fee from \$4.76 to \$10.17.
- Included the use of National Average Drug Acquisition Cost (NADAC) in the definition of AAC.



As a result of the final rule for covered outpatient drugs, the SPA for needs to contain the following information for pharmacy reimbursement to meet CMS-2345-FC requirements:

- Ingredient cost methodology in accordance with AAC for:
 - Brand-name and generic drugs.
 - 340B-purchased drugs – Ingredient cost should be no more than the 340B ceiling price/AAC/Professional dispensing fee.
 - Drugs purchased outside of the 340B program by covered entities.
 - Drugs acquired via the Federal Supply Schedule (FSS).
 - Drugs acquired at nominal price.



Covered Outpatient Drugs SPA contents - *continued*

- Reimbursement for these drugs do not need to meet the AAC definition:
 - Drugs dispensed by IHS/Tribal facilities paid using encounter rates.
 - Specialty drugs not dispensed by a retail community pharmacy and dispensed primarily through the mail.
 - Drugs not dispensed by retail community pharmacy (e.g., institutional or long term care pharmacy when not included as part of an inpatient stay).
 - Physician-administered drugs.
 - Clotting factor from specialty pharmacies, Hemophilia Treatment Centers (HTCs), Centers of Excellence.
 - Investigational drugs.



Maintenance Medications

- The DHCFP will begin requiring refills be dispensed as a 3-month (up to 100 day) supply for maintenance medications.
- This includes the following drug classes:
 - Antianginals;
 - Antiarrhythmics;
 - Antidiabetics;
 - Antihypertensives;
 - Cardiac Glycosides;
 - Diuretics;
 - Estrogens;
 - Progesterone;
 - Oral/Topical Contraceptives
- This policy does not include skilled nursing facility pharmacies.
- Initial fills can be dispensed as a 34 day supply.



Questions?
Comments?