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Department of Health and Human Services

Physician-Administered Drugs (PADs) Pricing

Division of Health Care Financing and Policy
Pharmacy Services Unit

06/13/2023



Department of Health and Human Services

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Agenda

1. Welcome & Introductions
2. Presentation
3. Questions
4. Adjournment



Objective

- The proposed changes seek to revise the approved PAD fee reimbursement logic.
- Payment for PADs shall be the lessor of the Nevada Medicaid PAD fee schedule or the Medicare Part B Fee Schedule.
- If the drug is not found in either Nevada Medicaid PAD Fee Schedule or Medicare Part B Fee Schedule, reimbursement will be determined based on the lesser of the National Average Drug Acquisition Cost (NADAC) or the Wholesale Acquisition Cost (WAC).
- If neither NADAC nor WAC is available, reimbursement will be based on the Actual Acquisition Cost (AAC).



Pricing Table

Tier	Pricing
1	Lesser of NV Medicaid Fee Schedule or Medicare Part B Fee Schedule
2	Lesser of NADAC or WAC
3	ACC

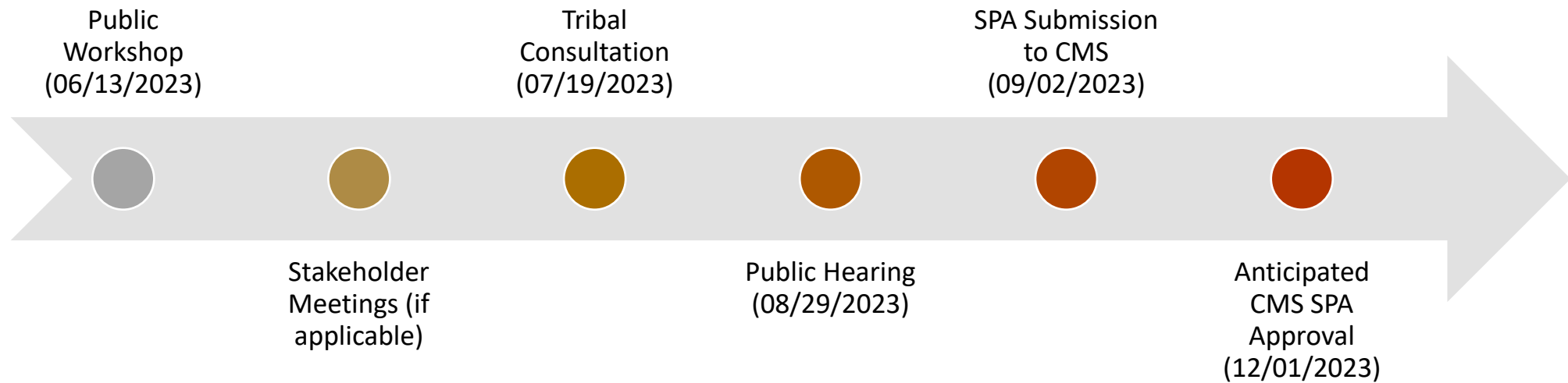


Who is Impacted?

Providers billing PADs under the medical pharmacy benefit for Nevada Medicaid & Nevada Check Up Fee-for-Service (FFS) recipients.



Project Timeline





STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Nevada

Attachment 4.19-B

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Approved Language
Effective July 1, 2023

9. For drugs acquired at a nominal price (outside of 340B or FSS), the ingredient cost reimbursement is based on AAC plus a professional dispensing fee of \$10.17 per prescription.
10. Providers that are approved to be reimbursed through an encounter rate(s) meet AAC requirements.
11. For drugs (such as specialty drugs) not distributed by a retail community pharmacy, and distributed primarily through the mail, the ingredient cost reimbursement is based on AAC plus a professional dispensing fee of \$10.17 per prescription.
12. For drugs (such as a long-term care facility drugs) not distributed by a retail community pharmacy, the ingredient cost reimbursement will be based on AAC plus a professional dispensing fee of \$10.17 per prescription.
13. Payment for Physician-Administered Drugs (PADs) is limited to the lesser of the current outpatient drug reimbursement logic or Nevada Medicaid's PAD fee schedule.
 - a. No dispensing fee is paid for a PAD.
 - b. For 340B PADs, the ingredient cost reimbursement will be the lowest of (a) AAC or (b) 340B ceiling price.
14. For clotting factor drugs, ingredient cost reimbursement will be the lowest of AAC plus a professional dispensing fee of \$10.17 per prescription, or the pharmacist's usual and customary charge.
 - a. For clotting factor drugs provided by 340B entities, the ingredient cost reimbursement will be the lowest of (a) AAC, or (b) 340B ceiling price, plus a professional dispensing fee of \$10.17 per prescription.
15. Out-of-state providers will be reimbursed a professional dispensing fee of \$10.17 per prescription.
16. The state of Nevada does not cover investigational drugs.



Proposed Language
Redlined Version



9. For drugs acquired at a nominal price (outside of 340B or FSS), the ingredient cost reimbursement is based on AAC plus a professional dispensing fee of \$10.17 per prescription.
10. Providers that are approved to be reimbursed through an encounter rate(s) meet AAC requirements.
11. For drugs (such as specialty drugs) not distributed by a retail community pharmacy, and distributed primarily through the mail, the ingredient cost reimbursement is based on AAC plus a professional dispensing fee of \$10.17 per prescription.
12. For drugs (such as a long-term care facility drugs) not distributed by a retail community pharmacy, the ingredient cost reimbursement will be based on AAC plus a professional dispensing fee of \$10.17 per prescription.
13. Payment for Physician-Administered Drugs (PADs) is limited to the lesser of ~~the current outpatient drug reimbursement logic or~~ Nevada Medicaid's PAD fee schedule or Medicare Part B fee schedule. If there is no value available from either fee schedule, pricing is determined based on the lesser of the WAC or NADAC. If neither NADAC nor WAC price is available, reimbursement will be paid at AAC. -
 - a. No dispensing fee is paid for a PAD.
 - b. For 340B PADs, the ingredient cost reimbursement will be the lowest of (a) AAC or (b) 340B ceiling price.
14. For clotting factor drugs, ingredient cost reimbursement will be the lowest of AAC plus a professional dispensing fee of \$10.17 per prescription, or the pharmacist's usual and customary charge.
 - a. For clotting factor drugs provided by 340B entities, the ingredient cost reimbursement will be the lowest of (a) AAC, or (b) 340B ceiling price, plus a professional dispensing fee of \$10.17 per prescription.
15. Out-of-state providers will be reimbursed a professional dispensing fee of \$10.17 per prescription.
16. The state of Nevada does not cover investigational drugs.



Helpful Links

- CMS Physician Fee Schedule:

<https://www.cms.gov/medicare/medicare-part-b-drug-average-sales-price/2023-asp-drug-pricing-files>

- State of Nevada Rates Analysis and Development:

<https://dhcfp.nv.gov/Resources/Rates/RATESMAIN/>



Questions?



Contact Information

Provider can submit any questions to Pharmacy Services at:
rxinfo@dhcftp.nv.gov



Definitions

- DHCFP – Division of Healthcare Financing Policy
- PAD – Physician Administered Drug
- NADAC – National Average Drug Acquisition Cost
- WAC – Wholesale Acquisition Cost
- AAC – Actual Acquisition Cost
- FFS – Fee-For-Service
- CMS - Centers for Medicare & Medicaid Services
- SPA – State Plan Amendment