TO: New Hampshire Medicaid Pharmacy Providers  
FROM: New Hampshire Department of Health and Human Services (DHHS)  
DATE: March 19, 2017  
SUBJECT: Change in reimbursement methodology and increased dispensing fee.

State Medicaid agencies have been directed by the federal Centers for Medicare and Medicaid Services (CMS) to adopt fee-for-service pharmacy payment policies designed to reimburse pharmacies for the actual acquisition cost (AAC) of drugs plus a reasonable dispensing fee with an implementation date of 4/1/2017. To comply, DHHS is changing its payment for pharmaceuticals to be:

Reimbursed at the lesser of the following:

a. The AAC using National Average Drug Acquisition Cost (NADAC) files when available, plus the dispensing fee;

b. The wholesale average cost (WAC), when a NADAC is unavailable, plus the dispensing fee;

c. The usual and customary charge to the general public;

d. The New Hampshire maximum allowable cost (NHMAC) plus the dispensing fee; or

e. The Federal upper limit (FUL) plus the dispensing fee

A pharmacy cost of dispensing survey was performed to analyze the cost of dispensing prescription medications to N.H. Medicaid recipients. Per the survey, the median cost of dispensing was $10.47 per prescription. Effective 4/1/2017, the dispensing fee will increase from $1.75 to $10.47.

Emergency Drug Coverage
Pharmacies are reminded that federal statute requires Medicaid programs (Fee-for-Service and managed care) provide payment for dispensing of at least a 72-hour supply for any drugs requiring prior authorizations if prior authorization cannot be obtained outside of Medicaid business hours. (Section 1927 of the Social Security Act. Codified as Section 1396r-8 of Title 42.(d)(5) (B))

Pharmacies must request payment for the 72-hour supply from the client’s prescription plan, either Fee-For-Service or the appropriate Medicaid MCO.

Important Reminder
Medicaid providers are not permitted to require Medicaid recipients to pay copayments as a condition for receiving services. However, the consequences for a recipient who does not pay the copayment is that the provider (a) may request the copayment each time a recipient needs an item or service; (b) may ask a recipient for outstanding copayments the next time the recipient comes in for an item or service, (c) may send the recipient bills.