

Explanation for multiple Actual Acquisition Costs (AACs) within the same calendar quarter for calculating the State Rebate per unit (State RPU) for a Medi-Cal Net Cost Supplemental Drug Rebate Agreement.¹

Reminder: The NADAC published by CMS is the default AAC for Medi-Cal's Fee-for-service (FFS) pharmacy reimbursement; if no NADAC is available, WAC plus 0% (WAC) becomes the basis for AAC for FFS pharmacy reimbursement.

However, in accordance with Section 2.1 of the Medi-Cal Net Cost Supplemental Drug Rebate Agreement, **the highest AAC during the calendar quarter** corresponding to the Medi-Cal utilization will be used to calculate the **State RPU**.

Example 1: A calendar quarter has multiple NADACs as the AACs for a drug.

Result: The State RPU will be calculated using the highest AAC during the calendar quarter, in this case the highest NADAC.

Example 2: A calendar quarter has first a NADAC as the AAC and then subsequently a WAC as the AAC. An example of this could be a drug that initially had a published NADAC from CMS; but subsequently in the middle of the calendar quarter, CMS stops publishing the NADAC. Any time during a calendar quarter when there is no available NADAC to serve as the AAC, the WAC becomes the AAC on the date the NADAC is no longer reported by CMS. The WAC will remain the basis for AAC as long as the NADAC remains unpublished by CMS.

Result: The State RPU will be calculated using the highest AAC during the calendar quarter, in this case the higher of NADAC and WAC.

Example 3: A calendar quarter has multiple WACs as the AACs for a drug (CMS did not publish a NADAC at any time during the calendar quarter).

Result: The State RPU will be calculated using the highest AAC during the calendar quarter, in this case the highest WAC.

Example 4: A calendar quarter has first a WAC as the AAC and then subsequently a NADAC as the AAC. An example of this could be a new drug that initially had no published NADAC from CMS; but subsequently in the middle of the calendar quarter, CMS begins publishing the NADAC. The NADAC becomes the AAC beginning the effective date as reported by CMS.

Result: The State RPU will be calculated using the highest AAC during the calendar quarter, in this case the higher of NADAC and WAC.

¹ For utilization data starting calendar quarter 2Q17 and thereafter.