



# Stakeholder Outreach Session #5

The Pharmacy Reimbursement Project  
PDF & AAC Survey Results and Selected  
Alternatives

January 31, 2017



# Today's Agenda

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## Session #5 – PDF and AAC Survey Results and Selected Alternatives

- A. Welcome & Introductions – Trudi
- B. Opening Remarks & Background – Harry
- C. Professional Dispensing Fee Survey – Jim & Scott
- D. Actual Acquisition Cost Survey – Jim
- E. Selected Alternatives & Considerations – Trudi & Harry
- F. Updated Roadmap – Trudi
- G. Open Q & A



# Opening Remarks & Background

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- Some Background
- Today's Purpose
- Your Survey Participation
- Moving Forward



# Professional Dispensing Fee Survey

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- **Survey Objective**

- To collect provider data necessary to calculate the average cost of dispensing a prescription to Medi-Cal beneficiaries, utilizing allowable costs defined by CMS

- **Participation Statistics**

- DHCS invited and encouraged all FFS Medi-Cal pharmacies that dispense outpatient prescriptions to participate
- Of the 5,644 in the study population, 2,783 responded with 2,562 being usable

- **Noteworthy Findings**

- Costs of dispensing per prescription were lower with pharmacies having higher script volume
- There were insufficient number of responses to develop specialty dispensing fees



# Actual Acquisition Cost Survey

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- **Survey Objective**

- To collector provider purchase prices for brand and generic drugs so they can be analyzed and compared to other Average Acquisition Cost aligned methodologies

- **Participation Statistics**

- Random sample size of 600 selected based upon:
  - Medi-Cal prescription volume in a 12-month period
  - Medi-Cal reimbursement amount in a 12-month period
  - Chain or non-chain status
  - Rural or urban setting
- 372 pharmacies of the randomized sample of 600 contributed data (response rate of 62%)

- **Noteworthy Findings**

- NADAC analysis concluded 10% of drug claims in the study period did not have a NADAC, so a backup benchmark would be required for these instances.
- AAC would pay similar to the NADAC for brand (0.1% less), but 38.2% less for generics



# Selected Alternatives & Considerations

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- **PDF Alternatives**

- **Single Professional Dispensing Fee of \$12.29**
- **(Selected) 2-Tier Professional Dispensing Fee by total claim volume\***
  - \$13.20 < 90,000 yearly
  - \$10.05 ≥ 90,000 yearly
- **4-Tier Professional Dispensing Fee by total claim volume\***
  - \$14.93 < 40,000 yearly
  - \$13.21 ≥ 40,000 but < 65,000 yearly
  - \$11.63 ≥ 65,000 but < 90,000 yearly
  - \$10.05 ≥ 90,000 yearly

**\*Requires Provider Self-Attestation to total claim volume**

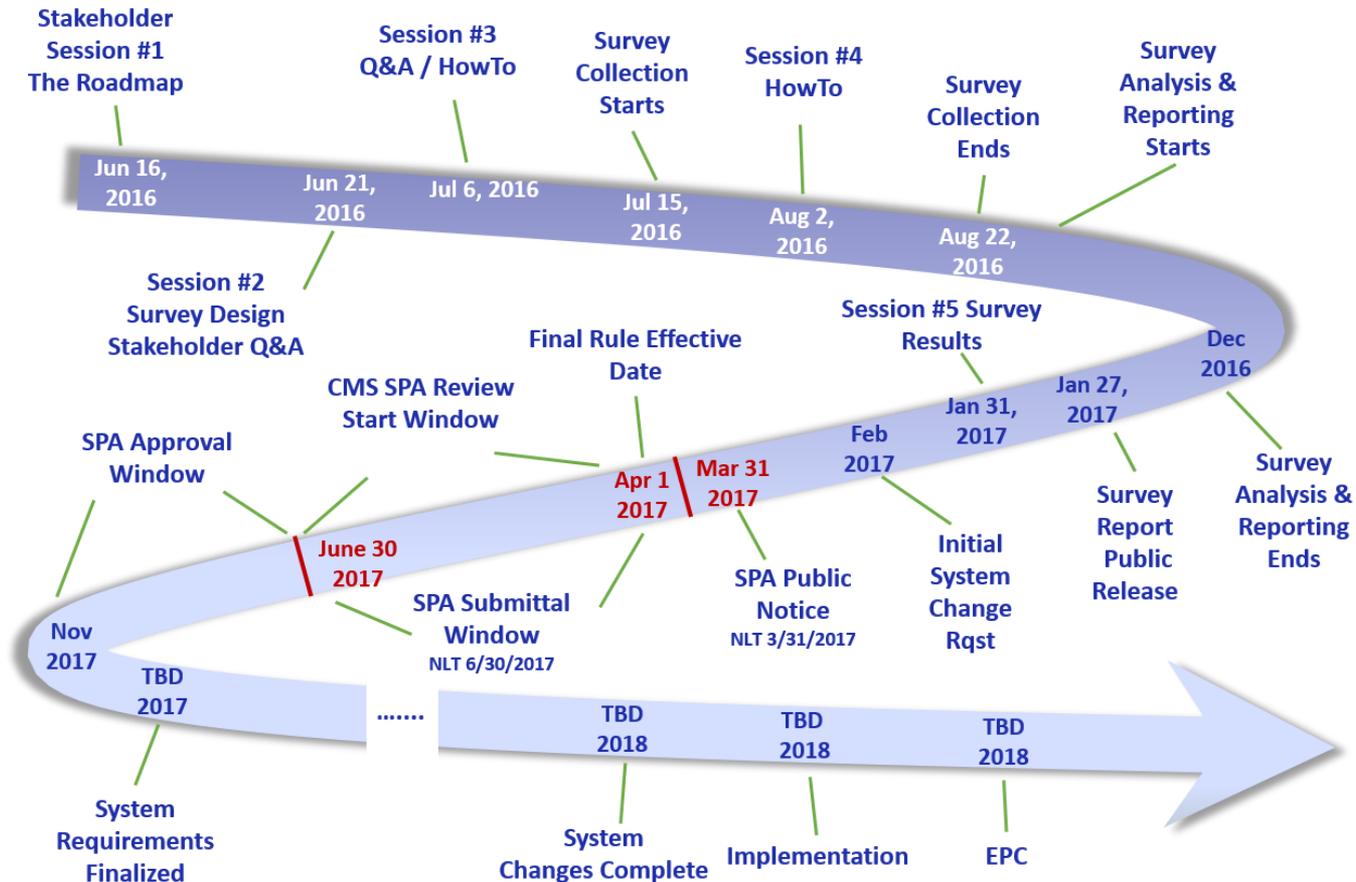
- **AAC Alternatives**

- **(Selected)** Adopt NADAC, and WAC plus 0% where NADAC does not exist, for both brand and generic products
- Adopt California-specific AAC for brand and generic products
- Adopt NADAC for brand products, and NADAC effective discount for generic products

- **Considerations Included:**

- Fiscal Impacts, Provider Impact, Start Up, DHCS Ongoing Operations, System Impact, Access Impact, and Passing CMS Review

# The Roadmap Forward





# Open Questions and Answers

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- Enter the Moderator Questions and Answers Queue



# Thank You!

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Please Refer Questions to:  
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Continue to visit the [project website](#) for updates