

## II. Payment for Prescribed Drugs.

For the New Mexico Medicaid Fee-for-Service program,

### I. Payment:

Reimbursement for the drug ingredient cost shall be the lowest of:

- a. The Affordable Care Act Federal Upper Limit (FUL) plus the professional dispensing fee (PDF);
- b. The National Average Drug Acquisition Cost (NADAC) plus the PDF;
- c. The Wholesaler's Average Cost (WAC)+ 6% plus the PDF;
- d. The pharmacy's reported ingredient cost plus the PDF; or
- e. The usual and customary charge (U&C).

The PDF is \$10.30.

When the drug item is for a brand name drug that is also a multi-source drug, the Actual Acquisition Cost, (AAC) will be calculated using the generic equivalent of the brand name drug unless the prescriber has written in his or her own hand "brand medically necessary" on the prescription in which case reimbursement will be at the AAC of the NADAC for the brand name drug item plus a \$10.30 PDF, not to exceed the pharmacy's U&C.

### 2. Allowed Fees in Addition to the Professional Dispensing Fee (PDF)

Reimbursement for compounding fees is limited to the provider's usual additional charge for compounding not to exceed \$12.00.

### 3. Payment Provisions for Blood Clotting Factors

Reimbursement for clotting factors will be at the lower of the submitted ingredient cost or WAC plus 6%, plus a \$10.30 PDF, not to exceed the pharmacy's U&C.

### 4. Payment Provisions for 340B Drugs

Payment to 340B covered entities for drugs purchased at 340B prices authorized under Section 340B of the Public Health Services Act will be at the 340B actual acquisition cost plus a \$10.30 PDF, not to exceed the pharmacy's U&C.

### 5. Payment Provisions for Drugs Acquired under Federal Supply Schedule (FSS) Pricing

Payment for drugs purchased at FSS prices will be at the FSS actual acquisition cost of the drug plus a \$10.30 PDF, not to exceed the pharmacy's U&C.

### 6. Payment to Indian Health Service Pharmacies and Tribal 638 Healthcare Pharmacies

Payment to all Indian Health Service and Tribal 638 pharmacies shall be at the All-Inclusive Rate (AIR) published annually in the Federal Register. One AIR reimbursement shall be made for each pharmacy claim and is not limited to a certain number of prescriptions per day. Submission of a pharmacy claim means that the Medicaid recipient received at least one drug item dispensed from the pharmacy, whether a new item or a refill.

The applicable AIR shall be determined by the date of service submitted on the pharmacy claim. Pharmacies reimbursed using the AIR will not be eligible for a professional dispensing fee.

The AIR for pharmacy services may be billed in addition to the AIR for other outpatient facility medical or behavioral health services that are provided on the same day.