

Jeanny Phillips, Deputy Administrator

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**Authorized Signature**

**Number:** DMAP IM-08-032

**Issue Date:** 03/20/2008

**Topic:** Medical Benefits

**Subject:** Provider announcement: Pharmacy Reimbursement Changes

**Applies to (check all that apply):**

- |  |   |
|--|---|
| <input type="checkbox"/> All DHS employees             | <input type="checkbox"/> County Mental Health Directors   |
| <input type="checkbox"/> Area Agencies on Aging        | <input type="checkbox"/> Health Services  |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Seniors and People with Disabilities   |
| <input type="checkbox"/> County DD Program Managers    | <input checked="" type="checkbox"/> Other (please specify): DHS staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |

**Message:** In March, DMAP will mail the following announcement to providers of pharmaceutical services regarding a reimbursement change.

*If you have any questions about this information, contact:*

<b>Contact(s):</b>	Sharon K. Hill, DMAP Policy Manager		
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<b>E-mail:</b>	<a href="mailto:sharon.k.hill@state.or.us">sharon.k.hill@state.or.us</a>		



# Oregon

Theodore R. Kulongoski, Governor

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March 19, 2008

**To:** Providers of Pharmaceutical Services

**From:** Jean Phillips, Deputy Administrator  
DMAP Policy and Planning Section

**Subject:** Changes in Pharmacy Reimbursement

Effective April 1, 2008, the Division of Medical Assistance Programs (DMAP) will reimburse all drug claims (including family planning and nutritional support) billed with National Drug Codes (NDC) at the lesser of:

- The billed amount, or
- The Estimated Acquisition Cost (EAC), minus applicable co-payments, plus a professional dispensing fee.

The EAC is the lesser of:

- Discounted Average Wholesale Price (AWP):
  - For retail pharmacies: 85% of AWP of the drug;
  - For institutional pharmacies: 89% of AWP for clients in a nursing facility or community based living facility;
  - For contracted mail order pharmacy: 79% of AWP for single-source drugs, 40% of AWP for multiple source drugs and 82% of AWP for inject-able drugs;
- The Centers for Medicare and Medicaid Services (CMS) federal upper limits (FUL)
- The Oregon Maximum Allowable Cost (OMAC)

This policy is found in OAR 410-121-0155; see the Pharmaceutical Services Rulebook for details. All Rulebooks are on the DMAP web page: <http://www.dhs.state.or.us/policy/healthplan/guides/main.html>

## Questions?

Contact Sharon Hill, DMAP Policy Manager (Phone) 503-945-6957 (Fax) 503-947-1119 (e-mail) [sharon.k.hill@state.or.us](mailto:sharon.k.hill@state.or.us)