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Public notice

Notice of intent — OHA proposes to amend the Medicaid State Plan to increase the professional dispensing fees paid to pharmacies.

Date: July 18, 2024

Contact: Jesse Anderson, State Plan Manager

Comments due: 5 p.m. Friday, August 16, 2024

The Oregon Health Authority (OHA) intends to submit a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS). The SPA would amend the Medicaid State Plan to increase the fee-for-service professional dispensing fees paid to chain and non-chain retail pharmacies effective October 1, 2024, pending approval from CMS.

OHA will adjust the total annual prescription volume for each fee tier and increase the dispensing fee for each tier as follows. Currently all chain pharmacies are paid the lowest fee, regardless of volume.

Current fee tier	New fee tier	Current fee	New fee
Less than 30,000 prescriptions	Less than 40,000 prescriptions	\$14.30	\$16.87
30,000 to 69,999 prescriptions	40,000 to 79,000 prescriptions	\$11.91	\$11.93
70,000 or greater prescriptions	80,000 or greater prescriptions	\$9.80	\$9.99
340B covered entities	-	\$14.30	\$20.86

The annual Total Fund estimate for this increase is \$3,535,474.

Background

Oregon Revised Statute 414.765 requires OHA to survey Oregon Medicaid pharmacies every three years about the cost of dispensing prescription drugs. OHA contracted with Myers and Stauffer LC, a national certified public accounting firm, to conduct the latest survey. OHA is updating the fee tiers and increasing dispensing fees based on [results from this survey](#).

SPA language:

The next page shows edits to existing State Plan language in the proposed SPA. You can also view the full State Plan, approved SPAs and proposed SPAs on [the OHA website](#).

How to comment:

OHA welcomes public review and input. Please send written comments by 5 p.m. Friday, August 16, 2024, to jesse.anderson@oha.oregon.gov.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

12. Prescribed Drugs (continued)

L. Professional Dispensing Fees

(1) The Authority establishes professional dispensing fee payments based on the survey results of pharmacies. The professional dispensing fee structure for non-340B pharmacies will be one of 3 rate tiers. A separate fee will apply to 340B pharmacies. The Authority or its designated representative will conduct an annual survey of every Enrolled pharmacy to determine which tier the pharmacy will be paid.

(2) Based upon the annual volume of the enrolled pharmacy, the professional dispensing fee for non-340B pharmacies will be as follows:

- Low volume pharmacies (Less than 430,000 claims a year) = \$~~14.30~~16.87
- Mid volume pharmacies- (430,000 and 769,999 claims per year) = \$~~11.91~~11.93
- High volume pharmacies (870,000 or more claims per year) = \$ ~~9.80~~9.99

(3) Notwithstanding subsection (2) of this state plan, a Critical Access Pharmacy (CAP) as defined in OAR 431-121-2000(4) shall be reimbursed at the lowest volume tier regardless of volume.

(4) (8) All 340B pharmacies operated by a 340B covered entity shall be reimbursed at \$~~20.86~~the lowest volume tier regardless of volume.

(5) Pharmacies other than IHS or Tribal 638 pharmacies that fail to respond to the annual survey will default to the highest volume tier dispensing fee.

(6) Pharmacies dispensing through a unit dose or 30-day card system must bill OHA only one dispensing fee per medication dispensed in a 30-day period.

(7) Professional dispensing fee tiers are applicable to all pharmacies: retail independent, Institutional, mail order, compounding and 340B programs.

(7) Independently owned pharmacies in communities that are the only enrolled pharmacy within a fifteen (15) mile radius from another pharmacy shall be reimbursed at the lowest volume tier regardless of volume.

~~(8) All 340B pharmacies operated by a 340B covered entity shall be reimbursed at the lowest volume tier regardless of volume.~~

TN No. 17-0012

Approval Date: 2/5/18

Effective Date: 10/1/24

Supersedes TN No. 17-000127

DRAFT