

Average Actual Acquisition Cost (AAAC) Questions and Answers

The Oregon Health Authority (OHA) received federal approval from the Centers for Medicare & Medicaid Services to implement AAAC reimbursement methodology for prescription products dispensed to Oregon Health Plan (OHP) members on a fee-for-service basis. This method more accurately reflects the true acquisition cost for drugs and the cost of dispensing.

This document provides answers to questions pharmacies may have about AAAC reimbursement methodology.

- [Questions about Average Actual Acquisition Cost \(AAAC\) rates](#)
- [Questions about Acquisition Cost and Claim Volume surveys](#)
- [Questions about reimbursement changes](#)

If you have questions not answered here about AAAC pricing methodology and reimbursement rates, contact [Myers and Stauffer](#) (800-591-1183).

If you have questions about the OHA policies that support AAAC, email the [Pharmacy Program](#).

Average Actual Acquisition Cost (AAAC) rates

What is AAAC?

AAAC stands for Average Actual Acquisition Cost. This is the average of all rates collected in Acquisition Cost Surveys and will serve as the reimbursement rate. The state's contractor, Myers and Stauffer, LC, collects the rates through an Acquisition Cost Survey process.

Who maintains the AAAC rates?

Myers and Stauffer assists OHA in establishing, evaluating, maintaining, and updating the AAAC rates.

How are AAAC rates updated?

Myers and Stauffer collects and reviews acquisition cost data provided by enrolled OHP pharmacies through the survey process to ensure AAAC rates reflect current pharmaceutical market conditions. To respond to changes in the pharmaceutical market that may affect the price and/or availability of drug products, Myers and Stauffer will adjust AAAC rates weekly.

What if I have questions or concerns about reimbursement rates for a particular drug product?

Providers may contact Myers and Stauffer in writing by email, regular mail, fax or toll-free telephone.

Myers and Stauffer, LC
Pharmacy Unit
9265 Counselors Row, Suite 200
Indianapolis, IN 46240

Phone: 800-591-1183

Fax: 317-571-8481

Email: pharmacy@mslc.com

For information on the Reimbursement Rate Review, [please visit the Myers and Stauffer Rate Review web page](#).

Providers initiating requests for review of AAAC rates or other issues may be contacted to request supporting documentation or other information. Myers and Stauffer will evaluate the inquiry and respond to all submitted requests.

Acquisition Cost and Claim Volume surveys

Are all pharmacy types surveyed? Including Specialty Pharmacies?

Yes, all Medicaid enrolled pharmacies with an Oregon Medicaid provider agreement (including retail, specialty, LTC, or compounding pharmacy), regardless of their designation: independent, chain, LTC, specialty, compounding - are surveyed for both invoiced costs and for claims volume. Participation is required once every 18 to 24 months. Additional AAAC survey responses requested within the same 18-to-24-month period are optional.

How often will I need to respond to acquisition cost surveys?

Pursuant to Oregon Administrative Rule (OAR) 410-121-0155 in the [Pharmaceutical Services rules](#), all enrolled pharmacy providers will only be required to participate in a rolling survey process once every 18- to 24-month period.

For what time period will my pharmacy be asked to provide acquisition cost data?

All enrolled Oregon Medicaid pharmacy providers are eligible for selection to provide drug purchase information. When a pharmacy receives a request for ingredient cost information, the pharmacy should submit cost data for the most recent 30-day period.

How often will I need to respond to volume surveys?

Pursuant to OAR 410-121-0160 in the [Pharmaceutical Services rules](#), all enrolled Oregon Medicaid pharmacy providers must participate in an annual claims volume survey.

Who within my company should complete the surveys?

Anyone in the pharmacy or in the corporate office may fill out the survey. For the letter of attestation:

- For independent pharmacies, the store owner or majority owner must sign the letter.
- For chain pharmacies, the pharmacy or store manager or corporate officer must sign the letter.

Chain stores may ask Myers and Stauffer to send surveys to their corporate office rather than individual stores.

Will my information be shared with anyone other than OHA and Myers and Stauffer?

No. All purchase price information submitted for this project will remain strictly confidential and is protected pursuant to Oregon Revised Statute (ORS) 192.502 and federal laws, including 45 CFR Sections 160.100-164.534. If your pharmacy requires a non-disclosure agreement with OHA, [follow these instructions](#).

Reimbursement changes

How will OHA reimburse my claims?

The AAAC replaced the Oregon Maximum Allowable Cost (OMAC) for reimbursement. OHA no longer reimburses based on Average Wholesale Price (AWP). See OAR 410-121-0155 in the [Pharmaceutical Services rules](#) for more specific information on reimbursement methodology.

How is my dispensing fee calculated under AAAC methodology?

Dispensing fees are based on your pharmacy's total annual claims volume, as determined by the claims volume survey process. Dispensing fee tiers are as follows:

- Less than 29,999 claims a year = \$14.01
- Between 30,000 and 49,999 claims per year = \$10.14
- 50,000 or more claims per year = \$9.68

If my pharmacy is enrolled in the 340B Program, what is my reimbursement?

Federal guidelines require 340B entities to bill at 340B costs. Your dispensing fee will be based on annual claims volume. You no longer need to enter "09" (Other/340B) in field 423-DN of the Pricing Segment as listed in [Oregon Medicaid Pharmacy Payer Sheet](#) to receive correct reimbursement.

*Please note: if your point of sale system is configured to automatically enter this information, you do not need to change it. Reimbursement is not affected by this information.

If my pharmacy is a Long Term Care pharmacy, what is my reimbursement?

Your pharmacy is in the AAAC Program like any other pharmacy. You will no longer be required to enter value 04 (Long Term/Extended Care) in field 307-C7 of the Patient Segment as listed in [Oregon Medicaid Pharmacy Payer Sheet](#) to receive correct reimbursement.

*Please note: if your point of sale system is configured to automatically enter this information, you do not need to change it. Reimbursement is not affected by this information.

If my POS system is configured to automatically populate fields the AAAC Program does not require, do I need to change my system?

No. OHA will not look at data in those fields for reimbursement rates.