



Pharmacy Update

Pharmacy Help Desk Phone Numbers (405)522-6205 option 4 or (800)522-0114 option 4
Service Hours: Monday – Friday (8:30a – 7:00p); Saturday (9:00a – 5:00p); Sunday (11:00a – 5:00p)

Email: pharmacy@okhca.org OHCA Website: www.okhca.org

PA Criteria: www.okhca.org/providers/rx/pa PA forms: www.okhca.org/rx-forms

October 6, 2011

Changes to Drug Reimbursement Calculations

The Estimated Acquisition Cost (EAC) ingredient cost reimbursement rate is used for branded drugs and generic drugs to which State Maximum Allowable Cost (SMAC) and Federal Upper Limit (FUL) pricing do not apply. Historically, OHCA has calculated the EAC rate by subtracting 12% from the Average Wholesale Price (AWP) published by First DataBank. However, First DataBank is discontinuing publication of AWP, so it is necessary to modify the formula for calculating EAC.

The changes are scheduled to take effect the week of October 10, 2011. OHCA will calculate the EAC rate as the lower of the following values:

- 1) AWP minus 12 % (using AWP published by Medi-Span)
- 2) Wholesale Acquisition Cost (WAC) plus 5.6% (using WAC published by First DataBank)

OHCA has reviewed the Medi-Span AWP values and finds them to be virtually identical to the values published by First DataBank. Since the AWP and WAC formulas arrive at the same result, OHCA expects this change will have a minimal impact on reimbursement.

Example

WAC = \$1.00

AWP = WAC + 20% = \$1.20

EAC (AWP) = AWP – 12% = \$1.056

EAC (WAC) = WAC + 5.6% = \$1.056

The actual reimbursement rate will remain the lower of EAC, FUL, or SMAC, plus up to a \$4.02 dispensing fee. If a pharmacy's Usual and Customary price to the general public is lower than the OHCA allowable, the U&C price will be used to price the claim. U&C is a required field on the pharmacy claim and should always be submitted.

We appreciate the services you provide to Oklahomans insured by SoonerCare.