



Pharmacy Reminder: SMAC Price Research Requests and NYRx Reimbursement

Centers for Medicaid and Medicare Services (CMS) recently updated the methodology they use to calculate NADAC pricing. The changes were published by CMS:

<https://www.medicaid.gov/media/25391>. This is affecting pharmacy reimbursement and resulting in inappropriate submission of SMAC Price Research Requests. Prices that are set by CMS cannot be changed by NYRx.

Inappropriate submission of SMAC Price Research Requests delays the response and creates a backlog. Please refer to the information below for guidance on NYRx pharmacy reimbursement and when to submit a SMAC Price Research Request.

How to Determine Claim Payment Methodology

To determine what methodology was used for pharmacy claim payment providers should refer to NCDPD field "522-FM Basis of Reimbursement Determination". One of the following values will be present:

- 0- Not Specified- (Priced using Manual Price).
- 3- Ingredient Cost Reduced to AWP Less X% Pricing- (Priced using AWP).
- 4- Usual & Customary Paid as Submitted- (Priced using Total Charge Amount)
- 5- Lower of U&C- (Calculated price by FMAC, then SMAC, Otherwise E)
- 13- WAC (Wholesale Acquisition Cost)- (Priced using WAC)
- 14- Other Payer- Patient Responsibility Amount- (Priced using Medicare or Other Insurance Requested Amount).
- 17- Special Patient Reimbursement- (Priced using PA Excess Amount)
- 19- State Fee Schedule (SFS) Reimbursement- (Priced using SMAC)
- 20- National Average Drug Acquisition Cost (NADAC)- (Priced using NADACB or NADACG)
- 24- Federal Upper Limit (FUL)- (Priced using FMAC)
- 26- Federal Supply Schedule- (Priced using Procedure Price)

Note:

- The Basis of Reimbursement Determination will be set to "0"- (not specified) for compound claims.

SMAC Price Research Requests

Claims utilizing SMAC as the basis of cost will return value **19-State Fee Schedule (SFS) Reimbursement** in field 522-FM. **NYRx pharmacy providers may request a SMAC price review if reimbursed below acquisition cost and the claim is reimbursed using SMAC. A SMAC price review is not appropriate if any other value is returned in field 522-FM.**

To request a SMAC price review pharmacy providers should submit a SMAC Price Research Request Form

https://newyork.fhsc.com/downloads/providers/NYRx_SMAC_Price_Research_Request_Form.pdf along with a copy of the invoice listing the current acquisition cost for the product(s) in question via fax (888) 656-1951 or email StateMACProgram@primetherapeutics.com.

Additional SMAC information: <https://newyork.fhsc.com/providers/smacinfo.asp>

NADAC and FUL

NYRx cannot adjust NADAC (522-FM = 20) or FUL (522-FM = 24).

Additional information about NADAC: <https://www.medicaid.gov/medicaid/prescription-drugs/retail-price-survey/index.html>.

Additional information about FUL: <https://www.medicaid.gov/medicaid/prescription-drugs/federal-upper-limit/index.html>. For questions or issues pharmacy providers should contact these programs directly.

- NADAC: info@mslcrps.com, call (855) 457-5264 or Fax (844) 860-0236
- FUL: FUL@cms.hhs.gov

NYRx Reimbursement Methodology

NYRx Pharmacy reimbursement for covered outpatient drugs under the New York State Medicaid Program is established in Social Services Law 367-A. The pricing methodology is systematically determined as follows:

Drug Type	If NADAC is available reimburse at:	If NADAC is unavailable, reimburse at:	Professional Dispensing Fee*
Generics	Lower of NADAC, FUL, SMAC or U&C	Lower of WAC – 17.5%, FUL, SMAC, or U&C	\$10.18
Brands	Lower of NADAC or U&C	Lower of WAC – 3.3%, or U&C	\$10.18
OTCs	Lower of NADAC, FUL, SMAC or U&C	Lower of WAC, FUL, SMAC, or U&C	\$10.18

* Professional Dispensing Fee applies if the drug meets the definition of a covered outpatient drug (COD) and is not paid at usual and customary price(U&C).

Note:

- Claims will pay at the pharmacy's U&C price if lower than drug ingredient cost plus dispensing fee.
- Medicaid payment must be accepted as payment in full.
- NYRx pricing is imported from First Data Bank (FDB) on a weekly basis. Additional information and updates from FDB, including temporary delay in pricing updates: interactive.fdbhealth.com/CC20240624/EditorialUpdates-617VT-2440RZ.html?utm_campaign=CC_20240624&utm_medium=email&utm_source=Eloqua

Federal Upper Limit (FUL) is a price ceiling determined by the Secretary of Health and Human Services used by CMS to control price paid to pharmacies for certain medications.

National Average Drug Acquisition Cost (NADAC) is an average of drug acquisition cost determined by a federal survey of retail pharmacies.

State Maximum Acquisition Cost (SMAC) is a maximum reimbursement limit applied to multisource generic drugs. Magellan Medicaid Administration determines the SMAC for NYRx.

Usual and Customary Cost (U&C) is the lowest net charge to the general public/cash customers on the date of provision of service, not to exceed the lower sale price, if any, in effect on that date.

Wholesaler Acquisition Cost (WAC) is an estimate of the manufacturer's list price for a drug to wholesalers or other direct purchasers, not including discounts or rebates. The price is defined by federal law.

Questions and Additional Information

- NYRx claim questions should be directed to the eMedNY Call Center at (800) 343-9000.
- NYRx Pharmacy coverage and policy questions should be directed to the NYRx policy unit at (518) 486-3209 or email NYRx@health.ny.gov