



Announcement of Upcoming Changes to Fee-For-Service Pharmacy Reimbursement

In this Newsletter:

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The Centers for Medicare and Medicaid Services (CMS) has granted the Department approval to move forward with the following fee-for-service pharmacy reimbursement changes that were enacted in the 2011-2012 NYS Executive Budget:

- Change reimbursement rates for brand name drugs from AWP less 16.25% to AWP less 17%;
- reduce dispensing fees paid for generic drugs from \$4.50 to \$3.50; and
- discontinue the specialized HIV pharmacy reimbursement rate.

All changes are retroactive to April 1, 2011. Reimbursement and dispensing fee changes will be updated in the claims processing system effective August 25, 2011.

Retroactive adjustments for dates of service from April 1, 2011 through August 24, 2011 will be spread out over remittance cycles through March 31, 2012, using the following process:

- Data will be pulled for enrolled pharmacies with claims for service dates 4/1/2011-8/24/2011;
- claims for brand drugs that were paid at AWP-16.25% will be recalculated at AWP-17%;
- dispensing fees paid for generic prescriptions will be recalculated to \$3.50;
- a total amount to be recouped from future remittances will be identified for each pharmacy; and
- that amount will be divided by the remaining number of remittances and deducted evenly through the end of the State fiscal year.

The Department will notify providers of the beginning date for implementation of retroactive adjustments in a future email.

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