

PAP

PROVIDER BULLETIN

October 31, 2019

REVISED PAP Reimbursement Formula

The reimbursement formula for the Patient Assistance Programs (PAP) is being revised.

The change will be effective Saturday, November 30, 2019.

The PAP reimbursement formula will replace the current Average Wholesale Price (AWP) and Federal Upper Limits (FUL) pricing with either National Average Drug Acquisition Cost (NADAC) or Wholesale Acquisition Cost (WAC) as outlined below:

➤ **If the NADAC per unit is available,**

- the program payment shall be the lower of the following amounts:
 - ✓ the NADAC per unit with the addition of a professional dispensing fee of \$10.49 per prescription and the subtraction of the copayment;

OR

- ✓ the pharmacy's Usual and Customary (U&C) charge for the drug dispensed with the addition of a professional dispensing fee of \$10.49 per prescription and the subtraction of the copayment.

➤ **If the NADAC per unit is unavailable,**

- the program payment shall be the lower of the following amounts:
 - ✓ the WAC plus 3.2% with the addition of a professional dispensing fee of \$10.49 per prescription and the subtraction of the copayment;

OR

- ✓ the pharmacy's U&C charge for the drug dispensed with the addition of a professional dispensing fee of \$10.49 per prescription and the subtraction of the copayment.

➤ **The reimbursement formula for 340b claims will be the lower of the following amounts:**

- **For 340b Brand:**
 - ✓ the WAC minus 49% with the addition of the professional dispensing fee of \$10.49 per prescription and the subtraction of the copayment;

OR

- ✓ The pharmacy's U&C charge plus the dispensing fee of \$10.49 per prescription and the subtraction of the copayment.
- **For 340b generic:**
 - ✓ the WAC minus 49% with the addition of the professional dispensing fee of \$10.49 per prescription and the subtraction of the copayment;

OR

- ✓ FUL plus the dispensing fee of \$10.49 and the subtraction of the copayment;

OR

- ✓ The pharmacy's U&C charge plus the dispensing fee of \$10.49 per prescription and the subtraction of the copayment.

- The Dispensing Physician/ Certified Registered Nurse Practitioner dispensing fee exclusion remains.

Questions may be directed to Provider Services at 1-800-835-4080