

**PROPOSED CHANGES IN METHODS AND STANDARDS
FOR ESTABLISHING MEDICAL ASSISTANCE PAYMENT RATES**

**STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
CLARIFICATION**

This notice provides additional information to the original public notice issued on March 31, 2017 and the clarification issued on June 30, 2017. The Illinois Department of Healthcare and Family Services (HFS) is proposing a change in the methods and standards in order to comply with the Covered Outpatient Drug Rule (CMS-2345-FC). The Rule directs states to implement certain changes to pharmacy claim reimbursement.

The Rule requires states to use Actual Acquisition Cost (AAC) for Medicaid drug payment. CMS has created the National Average Drug Acquisition Cost (NADAC) and recommends but does not require states to use NADAC to reach AAC in their reimbursement logic. Effective with dates of service July 15, 2019, and after, the Department will begin using the lower of NADAC, Wholesale Acquisition Cost (WAC), State Maximum Allowable Cost (SMAC), the pharmacy's usual and customary charge and the federal upper limit (FUL) to reimburse pharmacies.

In addition, the Rule requires states to change from a "dispensing fee" to a "professional dispensing fee" in order to reflect the pharmacist's professional service and cost to dispense the drug to a Medicaid beneficiary. Effective with dates of service July 15, 2019, and after, the professional dispensing fee for Illinois-based Critical Access Pharmacies will be \$15.55 for both single source and multiple source drugs. For all other pharmacies, the professional dispensing fee will be \$8.85 for both single source and multiple source drugs

The reimbursement changes will apply to pharmacy services. These proposed changes will increase expenditures by approximately \$10 million based on current utilization patterns.

Any interested party may submit questions or comments concerning these proposed changes in reimbursement methods and standards. All questions or comments must be submitted in writing within thirty (30) days of the publication date of this notice and addressed to:

Bureau of Program and Policy Coordination
Division of Medical Programs
Healthcare and Family Services
201 South Grand Avenue East
Springfield, IL 62763-0001
E-mail address: HFS.bpra@illinois.gov

This notice may be viewed at the DHS local offices (except in Cook County). In Cook County, the notice may be reviewed at the Office of the Director, Illinois Department of Healthcare and Family Services, 401 South Clinton Street, 1st Floor, Chicago, Illinois. Comments received regarding this notice shall be published on the HFS web site at <http://www.illinois.gov/hfs/info/legal/PublicNotices/Pages/>.

This notice is being provided in accordance with federal requirements found at 42 *CFR* 447.205.