



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #421

Eliminate SeniorCare Reimbursement Premium (DHS -- Medical Assistance -- General)

[LFB 2009-11 Budget Summary: Page 352, #2]

CURRENT LAW

SeniorCare is Wisconsin's prescription drug program for the elderly. Most Wisconsin residents age 65 and older with incomes not greater than 240% of the federal poverty level (FPL) are eligible to participate, unless they are also eligible for full medical assistance (MA) benefits. Seniors with income greater than 240% of the FPL can qualify for benefits if they incur prescription drug costs equal to the difference between their income and 240% of the FPL. SeniorCare participants are required to pay an annual enrollment fee of \$30, and are subject to deductibles and copayments based on their income.

SeniorCare expenditures in state fiscal year 2007-08 were \$127,054,900 (\$38,797,300 GPR, \$33,476,700 FED, and \$54,780,900 PR). The program revenue consists of rebates paid by drug manufacturers for the prescription drugs purchased under the program. As of March, 2009, approximately 87,900 people were enrolled in SeniorCare.

Under current law, pharmacies receive a 5% premium for the drugs they dispense to SeniorCare participants, relative to the reimbursement they receive for dispensing that same drug to MA recipients. Reimbursement amounts vary depending upon the type of drug dispensed. For most single-source brand name drugs, SeniorCare pays pharmacies the drug's average wholesale price (AWP) minus 14%, plus 5%, minus 50 cents. Pharmacies also receive a standard dispensing fee of \$3.44 for every prescription they fill for a brand name drug (although additional dispensing fees are paid in some circumstances, such as when the pharmacy has to repackage the medication).

For multi-source brand name drugs and generic drugs, the SeniorCare reimbursement rate is based on the drug's maximum allowable cost (MAC) as determined by the federal Department of Health and Human Services and the Wisconsin MA program, plus 5%, minus 50 cents. The

standard dispensing fee for generic drug prescriptions is \$3.94, but as with brand name drugs, an additional dispensing fee is paid in some circumstances.

GOVERNOR

Reduce funding for SeniorCare by \$3,955,600 (-\$2,056,900 GPR and -\$1,898,700 FED) annually to reflect the administration's estimate of the savings that would result from eliminating the 5% premium pharmacies currently receive (relative to the MA program's reimbursement rate) for prescription drugs dispensed under the SeniorCare program. The bill would also amend current law by deleting SeniorCare's 5% prescription drug reimbursement supplement.

DISCUSSION POINTS

1. The administration has indicated that the bill should be modified to better reflect the Governor's intent. In addition to eliminating the 5% supplement currently paid to pharmacies under the SeniorCare program, the Governor also recommends eliminating that portion of the SeniorCare drug reimbursement formula that subtracts 50 cents from the amount provided to pharmacies. The Governor's modified proposal would make the prescription drug reimbursement formulas for SeniorCare and MA identical (the 50-cent discount was eliminated from the MA prescription drug reimbursement formula in 2008). For single-source brand name drugs, the reimbursement rate for both programs would now be AWP-14%, plus a standard dispensing fee of \$3.44. For multi-source brand name drugs and generics, the reimbursement rate would be MAC, plus a standard dispensing fee of \$3.94.

2. Created as part of 2001 Wisconsin Act 16, Wisconsin's SeniorCare program began paying benefits in September 2002. When the SeniorCare statute was enacted, it included several provisions designed to ensure that Wisconsin pharmacies would participate in the program. One such provision requires that as a condition of participating in the state's MA program, pharmacies must also participate in SeniorCare. A second provision provides pharmacies a 5% supplement for the prescription drugs they dispense under SeniorCare, relative to the reimbursement they receive for dispensing that same drug under the state's MA program.

3. The SeniorCare statute also requires the Department of Health Services (DHS) to submit an annual report to the Legislature that, among other things, includes information on any pharmacies or pharmacists that discontinue participation as certified MA providers and the reasons given for such discontinuances. According to the most recent report, 94 new pharmacies were certified as MA providers in state fiscal year 2008, and 207 pharmacies' or pharmacists' MA certification ended that year. Of those 207, 58 were out-of-state pharmacies that were no longer certified as MA providers, 124 no longer met certification requirements, and eleven chose to discontinue their MA certification. Separately, DHS has indicated that as measured at a point in time in 2008, there were 1,283 licensed pharmacists certified as Wisconsin MA providers.

4. The Pharmacy Society of Wisconsin has expressed objections to the Governor's

proposal. Those objections are based primarily on what the Society characterizes as the inadequacy of the current prescription drug reimbursement rates paid to pharmacies under the state's MA and SeniorCare programs. For instance, the Society notes that the reimbursement formula for single-source brand name drugs under the Wisconsin MA program has been reduced on several occasions during the past decade, from AWP-10% in state fiscal year 2001, to AWP-14% effective November 2008. By virtue of the programs' respective reimbursement formulas, adjustments to MA reimbursement rates also impact the reimbursement pharmacies receive for single-source brand name drugs under SeniorCare (albeit currently with a 5% supplement).

5. The Society also contends that MA and SeniorCare reimbursement rates for multi-source brand name drugs and generic drugs (based on Wisconsin's MAC), and the dispensing fees associated with those prescriptions, are already low and further reductions to program reimbursement rates could affect the ability and willingness of Wisconsin pharmacies to provide MA and SeniorCare participants access to program benefits. Finally, the Society has expressed concerns about how this proposal's impact might be compounded if additional reimbursement rate cuts result from the other, currently unspecified MA funding reductions in the Governor's bill.

6. In establishing reimbursement rates for single-source brand name prescription drugs (which account for one-third of the number of SeniorCare prescriptions, but approximately 80% of the program's benefit expenditures), Wisconsin's MA and SeniorCare programs refer to the drug's average wholesale price, or AWP, as reported by commercial publishers. According to a January, 2007, report by the Congressional Budget Office (CBO) entitled Prescription Drug Pricing in the Private Sector, a drug's AWP "is a published list price for a drug sold by wholesalers to retail pharmacies and nonretail providers. However, in practice, the AWP is not what retail pharmacies and nonretail providers pay for drugs but instead, is often used as a basis for payment to retail pharmacies by, for example, the Medicaid program, PBMs, and health plans. Those organizations often pay pharmacies a price discounted off of the AWP." Lawsuits in Wisconsin and elsewhere have alleged that the publishers of AWP data, and/or certain drug manufacturers, deliberately reported inflated AWP's in order to overstate drug acquisition costs, and in a recently approved settlement agreement in two federal class actions, the defendants agreed to rollback published AWP's for a number of drugs. The precise impact, if any, to the Wisconsin MA and SeniorCare programs from this and other cases involving AWP reporting is not known at this time.

7. These concerns notwithstanding, most state MA programs continue to rely to some degree on published AWP's as a basis for establishing drug reimbursement rates. This is documented by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), which releases a quarterly report that summarizes the drug reimbursement rates paid by state MA programs. According to that report, 49 of the 51 surveyed plans (including the District of Columbia's) reference AWP when establishing brand name drug reimbursement rates. The CMS report, a copy of which is attached to this paper, also provides information on generic drug reimbursement rates and prescription drug dispensing fees. (Note that the CMS report does not reflect the November, 2008, adjustments to prescription drug reimbursement rates for the Wisconsin MA program which reduced the brand name reimbursement rate from AWP-13% to AWP-14%, and which adjusted the program's dispensing fees).

8. The CMS report suggests that the single-source brand name reimbursement rate paid by Wisconsin MA (AWP-14%) is comparable to the rates paid by other states' MA programs. For instance, of the states that incorporate AWP into their brand name prescription drug reimbursement formulas, approximately half apply a discount equal to or greater than the AWP-14% reduction used by Wisconsin MA. More relevant to the proposal at hand, the CMS report suggests that the current reimbursement rate for single-source brand name drugs under SeniorCare, which includes the 5% supplement, is somewhat higher than the brand name prescription drug reimbursement rate paid by most other states' MA plans.

9. The CMS report provides less information to compare generic drug reimbursement rates, in part because the SeniorCare reimbursement rate for generics is based on the state's MAC list, rather than AWP.

10. While the bill does not explicitly impact the prescription drug dispensing fees paid under SeniorCare, those fees are an element of the total reimbursement paid to pharmacies under the program. The Pharmacy Society has identified the inadequacy of SeniorCare's dispensing fees as a reason why it opposes the Governor's current proposal. The CMS report indicates that there is wide variation amount the state MA programs with respect to prescription drug dispensing fees, ranging from \$1.75 per filled prescription in New Hampshire to \$7.25 per filled prescription in California. The following table compares SeniorCare's prescription drug dispensing fees to the fees paid under several other Midwestern state's MA programs, as summarized in the CMS report:

<u>State</u>	<u>Dispensing Fee</u>
Illinois	\$4.60 (generic); \$3.40 (brand)
Indiana	\$4.90
Iowa	\$4.57
Kansas	\$3.40
Michigan	\$2.50; (\$2.75 for long-term care)
Minnesota	\$3.65 (+ 30 cents for legend unit drug doses)
Missouri	\$4.09
Wisconsin SeniorCare	\$3.94 (generic); \$3.44 (brand)

11. Information regarding the prescription drug reimbursement rates paid by commercial payers is less readily available. In conjunction with its November, 2008, prescription drug rate adjustment, DHS estimated that the average HMO brand drug reimbursement rate to pharmacies was AWP-15%, plus a \$2 dispensing fee. That estimate is similar to information contained in the 2007 CBO report, which cited a 2004 Novartis Pharmaceuticals Corporation report for the conclusion that "a [pharmacy benefit manager's] or health plan's 'typical' payment rate to a pharmacy for a single-source brand name drug in 2003 was the AWP minus 15 percent plus a \$2 dispensing fee."

12. The estimates in the CBO report also appear to be consistent with the discounts being realized by Medicare Part D plans. In testimony before a U.S. Congressional Committee dated July 24, 2008, the CMS Acting Administrator stated the following: "CMS actuaries now

estimate that Part D plans are achieving 29 percent savings off of Average Wholesale Price (AWP) through a combination of price discounts (22 percent) and rebates from manufacturers (7 percent). The average 22 percent discount has been corroborated by a CMS contractor, which found that the average discount off of AWP for certain Part D plans was 15 percent for brand-name products and 45 percent for generics."

13. As noted, the administration has modified its original proposal to also repeal the 50-cent discount that currently applies to SeniorCare prescription drug reimbursement rates. That modification is arguably required under current law, which identifies the 5% supplement as the only difference between the SeniorCare and MA prescription drug reimbursement rates. The re-estimated savings associated with the Governor's modified proposal are \$4,122,000 (-\$1,751,800 GPR and -\$2,370,200 FED) in 2009-10, and \$4,122,000 (-\$1,925,000 GPR and -\$2,197,000 FED) in 2010-11. This revised estimate reflects not only the Governor's proposed modification to the bill, but several other computational adjustments to the bill's original savings estimate, including an adjustment to reflect the temporarily enhanced FMAs under the American Recovery and Reinvestment Act of 2009. (Alternative 1)

14. There are several reasons why the Committee might accept the Governor's modified recommendations. The Committee could conclude, for instance, that eliminating the 5% SeniorCare supplement is reasonable based on the reports cited above that suggest the current SeniorCare reimbursement rate for single-source brand name prescription drugs (which account for approximately 80% of SeniorCare benefit expenditures) is somewhat higher than the rates paid by other states' MA programs, commercial payers, and Medicare Part D plans.

15. The Committee could also conclude that the 50-cent discount that currently applies to SeniorCare prescriptions should be eliminated because it will partially compensate pharmacies for elimination of the 5% supplement (especially as that 50-cent discount applies to the relatively large volume of lower-priced generic prescriptions filled under the program). Furthermore, eliminating the 50-cent discount is arguably required to bring the program's reimbursement rates into conformity with current law which identifies the 5% supplement as the only difference between MA and SeniorCare prescription drug reimbursement rates.

16. Alternatively, the Committee could delete the item, based on the Pharmacy Society's concerns regarding the adequacy of SeniorCare's prescription drug reimbursement rates and the potential impact the Governor's proposal might have on the ability and/or willingness of Wisconsin pharmacies to continue providing covered services to MA and SeniorCare recipients. The Committee could also decide that any action on prescription drug reimbursement rates should await further information from the administration as to how it intends to implement the other, currently unspecified MA funding reductions in the bill.

ALTERNATIVES

1. Accept the Governor's bill, as modified, to eliminate the 5% supplement that

currently applies to prescription drug reimbursement rates under SeniorCare, and to eliminate the 50-cent discount that also currently applies to those reimbursement rates. Decrease funding in the bill by \$166,400 (\$305,100 GPR and -\$471,500 FED) in 2009-10 and by \$166,400 (\$131,900 GPR and -\$298,300 FED) in 2010-11.

ALT 1	Change to Bill Funding
GPR	\$437,000
FED	<u>- 769,800</u>
Total	- \$332,800

2. Delete the provision. Increase funding in the bill by \$3,955,600 (\$2,056,900 GPR and \$1,898,700 FED) annually.

ALT 2	Change to Bill Funding
GPR	\$4,113,800
FED	<u>3,797,400</u>
Total	\$7,911,200

Prepared by: Eric Peck
Attachment

ATTACHMENT

Medicaid Prescription Reimbursement Information by State – Quarter Ending December 2008

ASP=average sale price, AWP=average wholesale price, WAC=wholesaler acquisition cost, NH=nursing home, FFS=fee for service
 SMAC=State maximum allowance cost and FUL=federal upper limit.

* Co-pay varies by cost of prescription.

Source: CMS Approved State Plans or State Source if marked **

Revised 12/09/2008

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Alabama	Ingredient cost is lower of WAC plus 9.2% or AWP minus 10%	Dispensing fee is \$5.40	Co-payment is \$0.50 to \$3.00 *	STATE MAC Yes
State of Alaska	Ingredient cost is AWP minus 5%	Dispensing fee is \$3.45 to \$11.46 (based on pharmacy/Medicaid volume)	Co-payment is \$2.00	STATE MAC No
State of Arizona	Ingredient cost is AWP minus 15%	Dispensing fee is \$2.00 (FFS only)	No co-payment	STATE MAC No
State of Arkansas	Ingredient cost is AWP minus 20% (generic); AWP minus 14% (brand)	Dispensing fee is \$5.51	Co-payment is \$0.50 to \$3.00 *	STATE MAC Yes
State of California	Ingredient cost is AWP minus 17%	Dispensing fee is \$7.25; \$8.00 (legend drugs dispensed to residents in skilled nursing facilities or intermediate care facilities)	Co-payment is \$1.00	STATE MAC Yes
State of Colorado	Ingredient cost is AWP minus 35% (generic); AWP minus 13.5% (brand)	Dispensing fee is \$4.00 (retail pharmacy); \$1.89 (institutional pharmacy)	Co-payment is \$1.00 (generic); \$3.00 (brand)	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Connecticut	Ingredient cost is AWP minus 40% (selected multi-source brand and generic); AWP minus 14% (brand)	Dispensing fee is \$3.15**	No co-payment	STATE MAC Yes
State of Delaware	Ingredient cost is AWP minus 14% (traditional, retail independent & retail chain pharmacies); AWP minus 16% (non-traditional, long term care & specialty pharmacies)	Dispensing fee is \$3.65	No co-payment	STATE MAC Yes
District of Columbia	Ingredient cost is AWP minus 10%	Dispensing fee is \$4.50	Co-payment is \$1.00	STATE MAC No
State of Florida	Ingredient cost is lower of AWP minus 16.4% or WAC plus 4.75%	Dispensing fee is \$4.23 (for non 340B billed drugs); \$7.50 (340B billed drugs)	Co-payment for certain beneficiaries is 2.5% of payment up to \$300, capped at 5% of total family income	STATE MAC YES
State of Georgia	Ingredient cost is AWP minus 11%	Dispensing fee is \$4.63 (for profit pharmacy); \$4.33 (not for profit)	Co-payment is \$0.50 to \$3.00	STATE MAC Yes
State of Hawaii	Ingredient cost is AWP minus 10.5%	Dispensing fee is \$4.67	No co-payment	STATE MAC Yes
State of Idaho	Ingredient cost is AWP minus 12%	Dispensing fee is \$4.94; \$5.54 (unit dose)	No co-payment	STATE MAC Yes
State of Illinois	Ingredient cost is AWP minus 25% (generic); AWP minus 12% (brand)	Dispensing fee is \$4.60 (generic); \$3.40 (brand)	Co-payment is \$3.00 (brand only)	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Indiana	Ingredient cost is AWP minus 16% (brand); AWP minus 20% (generic)	Dispensing fee is \$4.90	Co-payment is \$3.00	STATE MAC Yes
State of Iowa	Ingredient cost is AWP minus 12%	Dispensing fee is \$4.57	Co-payment is \$1.00 (non-preferred brand) (no more than \$25.00), \$2.00 (non-preferred brand) (between \$25.01 and \$50.00), \$3.00 (non-preferred brand) (\$50.01 or more)	STATE MAC Yes
State of Kansas	Ingredient cost is AWP minus 27% (generic); AWP minus 13% (brand)	Dispensing fee is \$3.40	Co-payment is \$3.00	STATE MAC Yes
State of Kentucky	Ingredient cost is AWP minus 14% (generic); AWP minus 15% (brand)	Dispensing fee is \$5.00 (generic); \$4.50 (brand)	Co-payment is \$1.00 (generic or atypical anti-psychotic); \$2.00 (brand without generic equivalent); \$3.00 (non-preferred brand); cap \$225 per year per recipient	STATE MAC Yes
State of Louisiana	Ingredient cost is AWP minus 13.5% (independent pharmacies); (AWP minus 15% (chain pharmacies)	Dispensing fee is \$5.77**	Co-payment is \$0.50 to \$3.00 *	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Maine	Ingredient cost is AWP minus 15%; AWP minus 17% (on direct supply); AWP minus 20% (mail order)	Dispensing fee is \$3.35; \$1.00 (mail order); \$4.35 and \$5.35 (compounding); \$12.50 (insulin syringe)	Co-payment is \$3.00 (not to exceed \$30 per month) No co-payments for mail order	STATE MAC Yes
State of Maryland	Ingredient cost is lower of AWP minus 12%, WAC plus 8%, direct price plus 8% or distributor price when available	Dispensing fee is \$3.69 (generic); \$2.69 (brand); \$4.69 (generic to NH); \$3.69 (brand to NH); \$7.25 (home IV therapy)	Co-payment is \$1.00 (generic and preferred brand); \$3.00 (non-preferred brand)	STATE MAC Yes
State of Massachusetts	Ingredient cost is WAC plus 5% (all drugs except 340B billed drugs); actual acquisition cost (340B billed drugs)	Dispensing fee is \$3.00 (all drugs except 340B billed drugs); \$10 (340B billed drugs)	Co payment is \$1.00 (multiple source and OTC); \$3.00 (all other drugs)	STATE MAC Yes
State of Michigan	Ingredient cost is AWP minus 13.5% (independent pharmacy (1 to 4 stores); AWP minus 15.1% (chain pharmacies (5+ stores)	Dispensing fee is \$2.50; \$2.75 (long term care)	Co-payment is \$1.00 (generic); \$3.00 (brand)	STATE MAC Yes
State of Minnesota	Ingredient cost is AWP minus 12%	Dispensing fee is \$3.65 (+\$0.30 for legend unit dose drugs)	Co-payment is \$1.00 (generic); \$3.00 (brand)	STATE MAC Yes
State of Mississippi	Ingredient cost is lower of AWP minus 12% or WAC plus 9% (brand); AWP minus 25% (generic)	Dispensing fee is \$3.91 (brand); \$5.50 (generic)	Co-payment is \$3.00 (medically needy only)	STATE MAC Yes
State of Missouri	Ingredient cost is lower of AWP minus 10.43% or WAC plus 10%	Dispensing fee is \$4.09	Co-payment is \$0.50 to \$2.00 *	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Montana	Ingredient cost is AWP minus 15%	Dispensing fee is \$4.86; \$12.50 to \$22.50 (compounding)	Co-payment is \$1.00	STATE MAC No
State of Nebraska	Ingredient cost is AWP minus 11%	Dispensing fee is \$3.27 to \$5.00 (based on service delivery, unit dosage or 3 rd party payors)**	Co-payment is \$2.00	STATE MAC Yes
State of Nevada	Ingredient cost is AWP minus 15%	Dispensing fee is \$4.76; \$22.40 daily (home IV therapy); \$16.80 daily (nursing facility IV therapy)	No co-payment	STATE MAC No
State of New Hampshire	Ingredient cost is AWP minus 16%	Dispensing fee is \$1.75	Co-payment is \$1.00 (generic); \$2.00 (brand & compound)	STATE MAC Yes
State of New Jersey	Ingredient cost is AWP minus 12.5%	Dispensing fee is \$3.73 up to \$4.07 (twenty-four hour emergency service, patient consultation and impact area location)**	No co-payment	STATE MAC Yes
State of New Mexico	Ingredient cost is lower of AWP minus 14%; wholesaler average cost as submitted to State; manufacturer price as submitted to State; pharmacy invoice price as obtained through audits.	Dispensing fee is \$3.65	No co-payment **	STATE MAC Yes
State of New York	Ingredient cost is AWP minus 14% (brand); AWP minus 25% (generic); AWP minus 12% (specialized HIV pharmacies)	Dispensing fee is \$4.50 (generic); \$3.50 (brand)	Co-payment is \$1.00 (generic); \$3.00 (brand); \$.50 (OTC)	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of North Carolina	Ingredient cost is AWP minus 10%, ASP plus 6.7% (physician administered drugs)	Dispensing fee is \$5.60 (generic); \$4.00 (brand)	Co-payment is \$1.00 (generic); \$3.00 (brand)	STATE MAC Yes
State of North Dakota	Ingredient cost is lower of AWP minus 10% or WAC plus 12.5%	Dispensing fee is \$5.60 (generic); \$4.60 (brand); plus \$0.15 per pill (pill splitting)	Co-payment is \$3.00 (brand)	STATE MAC Yes
State of Ohio	Ingredient cost is WAC plus 7% or if WAC cannot be determined, ingredient cost is AWP minus 14.4%	Dispensing fee is \$3.70	Co-payment is \$3.00 (non preferred drugs); \$2.00 (preferred brand drugs)	STATE MAC Yes
State of Oklahoma	Ingredient cost is AWP minus 12%	Dispensing fee is \$4.15	Co payment is \$1.00 to \$2.00 *	STATE MAC Yes
State of Oregon	Ingredient cost for multiple source drugs is AWP minus 15%; AWP minus 11% (institutional); AWP minus 60% (mail order); Ingredient cost for single source drugs is AWP minus 15%; AWP minus 11% (institutional); AWP minus 21% (mail order)	Dispensing fee is \$3.50 (retail); \$3.91 (institutional)	Co-payment is \$1.00 (non preferred generic or generics costing \$10.00); No co-payment (preferred generic & brand); \$3.00 (all other brands)	STATE MAC Yes
State of Pennsylvania	Ingredient cost is lower of WAC plus 7% or AWP minus 14%	Dispensing fee is \$4.00; \$5.00 (compounding)	Co-payment is \$1.00	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Rhode Island	Ingredient cost is WAC	Dispensing fee is \$3.40 (outpatient), \$2.85 (long term care)	No co-payment	STATE MAC No
State of South Carolina	Ingredient cost is AWP minus 10%	Dispensing fee is \$4.05 (independent pharmacy); \$3.15 (institutional pharmacies)	Co-payment is \$3.00	STATE MAC Yes
State of South Dakota	Ingredient cost is AWP minus 10.5%	Dispensing fee is \$4.75; \$5.55 (unit dose)	Co-payment is \$3.00 (brand)	STATE MAC Yes
State of Tennessee	Ingredient cost is lower of AWP minus 16%, MAC or FUL for Pharmacy Benefit Management (PBM) National Network. Ingredient cost is lower of AWP minus 13%, MAC or FUL for TennCare Pharmacy Network. Special Pharmacy Rates are set separately	Dispensing fee for Pharmacy Benefit Management (PBM) National is \$1.50 Dispensing fee for TennCare Pharmacy Network is \$2.50 (brand); \$3.00 (generic); \$5.00 (brand nursing home) \$6.00 (generic nursing home); \$25 (compound prescriptions)	\$0 (generics) and (Categorically Needed) \$3.00 (Medically Needed)	STATE MAC Yes
State of Texas	Ingredient cost is lower of AWP minus 15% or WAC plus 12%	Dispensing fee is \$5.14 plus 1.95% of cost of drug	No co-payment **	STATE MAC Yes
State of Utah	Ingredient cost is AWP minus 15%	Dispensing fee is \$3.90 (urban); \$4.40 (rural)**	Co-payment is \$3.00 **	STATE MAC Yes
State of Vermont	Ingredient cost is AWP minus 11.9%	Dispensing fee \$4.75 (In-State) \$3.65 (Out-of-State)	Co-payment is \$1.00 to \$3.00 *	STATE MAC Yes

STATE	INGREDIENT COST	DISPENSING FEE	CO-PAYMENT	STATE MAC
State of Virginia	Ingredient cost is AWP minus 10.25%	Dispensing fee is \$4.00; \$5.00 (unit dose drugs)	Co-payment is \$1.00	STATE MAC Yes
State of Washington	Ingredient cost is AWP minus 14% (single source drugs); AWP minus 14% (multi-source drugs with four or fewer manufacturers/labelers); AWP minus 50% (multi-source drugs with five or more manufacturers/labelers and no MAC or FUL	Dispensing fee is \$4.20 to \$5.20 (based on 3-tiered pharmacy volume)	No co-payment	STATE MAC Yes
State of West Virginia	Ingredient cost is AWP minus 15% (brand); AWP minus 30% (generic)	Dispensing fee is \$2.50 (brand); \$5.30 (generic); \$8.25 (340B billed drugs)	Co-payment is \$0.50 to \$3.00 *	STATE MAC Yes
State of Wisconsin	Ingredient cost is AWP minus 13%	Dispensing fee is \$4.38; \$0.015 per unit (for repackaging); \$9.45 to \$22.16 (compound drug fee); \$9.45 to \$40.11 (pharmaceutical care dispensing fee)	Co-payment is \$0.50 (over-the-counter); \$3.00 (brand); \$1.00 (generic); cap \$12 per pharmacy per recipient per month	STATE MAC Yes
State of Wyoming	Ingredient cost is AWP minus 11%	Dispensing fee is \$5.00	Co-payment is \$2.00	STATE MAC Yes