

PHARMACY REIMBURSEMENT

Pharmacy reimbursement for prescription drugs under the New York State Medicaid program is established in law. Reimbursement for drugs dispensed by pharmacies is as follows: The lower of the federal upper limit (FUL) for a multiple source prescription drug or the estimated acquisition cost (EAC) of a drug to pharmacies, or the dispensing pharmacy's usual and customary price charged to the general public will be applied.

For **Sole or Multi-Source Brand Drugs**, the estimated acquisition cost (EAC) is the average wholesale price (AWP) of the prescription product minus seventeen (17) percent. State and federal requirements for the dispensing of brand-name drugs must be met.

For **Multi-Source Generic Drugs**, the estimated acquisition cost (EAC) is the lower of the average wholesale price (AWP) minus twenty-five (25) percent or the State based maximum acquisition cost (SMAC), when established by the NYS Commissioner of Health.

State Maximum Acquisition Cost (SMAC) prices may be applied when determining the estimated acquisition cost of multi-source generic drugs. For questions concerning the validity of a SMAC price, providers may complete a SMAC Research Request Form, available at: http://www.emedny.org/ProviderManuals/Pharmacy/PDFS/SMAC_Research_Request_Form_7-14-2010.pdf

DISPENSING FEE

In addition to the reimbursement amounts paid to pharmacies for prescription drugs, the department pays a pharmacy dispensing fee of \$3.50 for each such prescription drug dispensed.