

RECORD OF PUBLIC COMMENTS RECEIVED DEALING WITH PROPOSED CHANGES IN TITLE 7, CHAPTERS 105, 120, 145, AND 160 OF THE ALASKA ADMINISTRATIVE CODE, RELATING TO PHARMACY COVERAGE AND REIMBURSEMENT.

DATE: SEPTEMBER 17, 2013

NOTE: To conserve paper, only the sections (or subsections) that received comment are included.

Proposed Regulation	Comments Received From	Summary of Comments	Agency Decision After Review of Comments
COMMENTS BY SECTION OR SUBSECTION			
7 AAC 145.400	Angie LeBoeuf IVY Home Infusions	1-what medications are you targeting, list of drugs? 2-covered drug rates, current vs. proposed? 3-home infusion therapy drug rates, current vs. proposed? 4-what will be the maximum allowable cost or how will it change? 5-how will the estimated acquisition cost be changed? 6-How will coordination of benefits be improved?	1. The proposed changes will impact nearly all drugs. 2. The current and proposed rates are listed in the document accompanying the public notice. <u>Bold and underlined</u> text is added and [BRACKETED] text is deleted. 3. See #2 above. 4. The maximum allowable costs will vary from drug to drug and it could change frequently. The current maximum allowable costs are posed online at http://www.medicaidalaska.com/dnld/Rx_MAC_List.pdf 5. See #2 above; the proposed revision is for the estimated acquisition cost to be the wholesale acquisition cost plus 1%. 6. See #2 above; the payment by Medicaid as a secondary payer will be the lesser of the difference between the Medicaid allowed amount and the other payer amount or the remaining patient liability amount.
7 AAC 120 and 145	Barry Christensen Island Pharmacy	1. Opposes the elimination of coverage of the over the counter products. 2. Seeks clarification of whether a pharmacist elect to not fill a 90 day prescription for a medication on the 90 day list if prescribed for 90 days. 3. Opposes the proposed language for coordination of benefits. 4. Opposes the elimination of the	1. No change. Most of the products being eliminated could be obtained by a recipient without a prescription for roughly the same cost as a copay. Coverage of these items increases the cost to the department because a dispensing fee is paid on the claim. 2. The 90 day list is voluntary; however, if a prescriber specifically writes for a 90 day supply and the medication is on the 90 day list the pharmacy should document the approval from the prescriber to dispense a lesser amount than was prescribed. 3. No change. The department should not be paying more than the remaining recipient liability amount when other coverage exists. 4. No change; however, the appeal process will remain in effect unchanged. The

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		<p>language related to the appeal of a SMAC price.</p> <p>5. Opposes not paying home infusion and compounding pharmacies additional dispensing fees.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%; states this would be the lowest reimbursement of any state. Also opposes the use of the federal upper limit by Medicaid.</p> <p>7. Opposes out of state pharmacies continuing to receive WAC+1% reimbursement for drugs if in-state pharmacies receive WAC+1%.</p> <p>8. Supports the revision to allow a dispensing fee to pay every 22 days and the lower dispensing fee for out of state pharmacies.</p> <p>9. Opposes the restriction of only paying a mediset dispensing fee to a mediset pharmacy; suggests all pharmacies should be paid this fee.</p>	<p>Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>5. No change. Please note that the Department does not currently pay a dispensing fee for home infusion therapy claims for recipients outside of a long term care facility; the pharmacy is paid a “per diem” for the service.</p> <p>6. No change. The proposed dispensing fees are the highest in the country and several states, including AL, CO, IA, ID, and OR, have lower ingredient cost reimbursement rates. Alaska also must continue to use the federal upper limit to comply with 42 CFR 447.332.</p> <p>7. No change. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location.</p> <p>8. No change. The department agrees the revision is appropriate.</p> <p>9. No change; the proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Disensing_Survey_Report_2012.pdf</p>
7 AAC 105, 120, and 145	Dirk White	1. Opposes the proposed changes to the copays.	1. No change. The proposed copays were based on CMS program requirements at that time.

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		<p>2. Opposes capping postage payment amounts.</p> <p>3. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>4. Opposes the proposed language relating to providers not charging Medicaid more than their usual and customary price.</p> <p>5. Opposes Medicaid using the federal upper limit.</p> <p>6. Opposes the revisions to the dispensing fees.</p>	<p>2. No change. Without a limit on the upper limit for payment the program could be overpaying for postage claims. A limit is needed to ensure appropriate program oversight.</p> <p>3. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>4. No change. Medicaid should not pay more for a service than the provider charges to the general public.</p> <p>5. No change. 42 CFR 447.332 state Medicaid programs must pay on aggregate no more than the federal upper limit for drugs that have a federal upper limit assigned by CMS. The federal upper limit must be used unless the department uses another methodology that pays less than the aggregate federal upper limit amounts.</p> <p>6. No change; the proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p>
7 AAC 145	Jeffrey Sperry Providence Extended Care Center	<p>1. Suggests the dispensing fees for all pharmacies should be the same.</p> <p>2. Asks for clarification in this section regarding what constitutes a congregate living home.</p>	<p>1. No change. The dispensing fees are based on the 2012 Cost of Dispensing Survey. Pharmacies will have differing costs of dispensing based on a number of factors. The department has proposed using location on or off the road system as the primary in-state differentiating factor.</p> <p>2. Language clarifying this definition is being moved from 7 AAC 120 to 7 AAC 145 to clarify what constitutes a congregate living home.</p>
7 AAC 105, 120, and 145	Julie McDonald Whale Tail Pharmacy	1. The revision to the copay may confuse some patients but may motivate patients to use less expensive medications without harming patient care.	1. No change. The change may lead to some confusion but the department agrees it may lead to recipients seeking lower cost alternatives. The changes are also based on federal CMS program requirements at that time.

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		<p>2. Opposes the proposed changes to the coverage of over the counter products.</p> <p>3. Asks for clarification for what is needed for a “brand name medically necessary” designation on an electronic claim.</p> <p>4. Opposes the proposed changes to the freight shipping charges.</p> <p>5. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>6. Opposes the Department using the federal upper limit pricing.</p> <p>7. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>8. Opposes the increase in dispensing fee for out of state pharmacies.</p> <p>9. Approves of the increased dispensing fee to mediset pharmacies but suggests all pharmacies should be paid this fee.</p>	<p>2. No change. Most of the products being eliminated could be obtained by a recipient without a prescription for roughly the same cost as a copay. Coverage of these items increases the cost to the department because a dispensing fee is paid on the claim.</p> <p>3. No change. The requirement is the same for an electronic claim and a non-electronic claim. The information may also be submitted electronically or telephonically from the prescriber to the pharmacy but the prescriber must also document the information in the recipient’s record.</p> <p>4. No change. Without a cap on the postage or shipping costs the department has no mechanism to ensure program resources are being managed appropriately.</p> <p>5. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>6. No change. 42 CFR 447.332 state Medicaid programs must pay on aggregate no more than the federal upper limit for drugs that have a federal upper limit assigned by CMS. The federal upper limit must be used unless the department uses another methodology that pays less than the federal upper limit amounts.</p> <p>7. No change. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location.</p> <p>8. No change. The out of state dispensing fee rate was calculated using the average of lowest dispensing fee rates for other states using Average Acquisition Cost (AAC) pricing methodologies.</p> <p>9. No change; the proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispening_Survey_Report_2012.pdf</p>

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		<p>10. Opposes reducing reimbursement and suggests rewarding pharmacies that are engaged in their communities and with their patients to yield cost savings.</p>	<p>10. No change. Some pharmacies will see a net decrease in reimbursement but other pharmacies may see an increase. The impacts will be varied based on the old/new dispensing fees and the volume of single source prescription claims.</p>
7 AAC 105 and 145	Douglas Noaeill Great Land Infusion Pharmacy	<p>1. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%. Suggests using a survey cost method or paying chain and independent pharmacies a different rate.</p> <p>2. Opposes the proposed changes in dispensing fees and suggests it is not supported by the latest dispensing fee survey. Also opposes the Department limiting the number of times a dispensing fee is paid over a period of time.</p> <p>3. Opposes recipient cost sharing amounts being reduced from the Department's payment for services. Suggests pharmacies should be able to refuse services to Medicaid recipients that can't or won't pay a cost sharing amount (2 comments received on this topic).</p> <p>4. Opposes the elimination of the language related to the appeal of</p>	<p>1. No change. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The department has proposed using a single rate at the high end of this range to appropriately cover the costs for all pharmacies.</p> <p>2. No change; the proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Disensing_Survey_Report_2012.pdf</p> <p>3. No change. The department does not agree with the commenter that providers should be able to refuse service to recipients that are unable to pay the cost sharing amount. The cost sharing amount is the recipient's responsibility and unpaid amounts can be pursued as a debt if the recipient is unable or unwilling to pay the cost sharing amount at the time the service is rendered. As this amount is the responsibility of the recipient the department must reduce the total payment amount by the recipient's portion to prevent paying more than the department's portion of the claim.</p> <p>4. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The</p>

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7 AAC 145	Jennifer Heath Geneva Woods Pharmacy, Inc.	<p>a SMAC price.</p> <ol style="list-style-type: none"> 1. Opposes the proposed changes to the freight shipping language and suggests infusion pharmacies should be reimbursed the actual shipping charges. 2. Opposes the proposed changes to the state maximum allowable cost language and suggests pharmacies should be reimbursed an additional percentage increase. 3. Opposes the proposed changes to the payment for compounded prescriptions and states Geneva Woods will not offer compounded prescription services if the formula is implemented. 4. Opposes the proposed changes to the language related to home infusion therapy and states Geneva Woods will not offer home infusion therapy services if the formula is implemented. 	<p>removal of the language from regulation will not eliminate the appeal process.</p> <ol style="list-style-type: none"> 1. No change. Home infusion therapy claims are not currently eligible for postage or shipping reimbursement as this is part of the “per diem” payment. 2. No change. The ideal reimbursement methodology would reimburse providers exactly their acquisition cost and a dispensing fee sufficient to cover dispensing services. For a myriad of logistical reasons the department is proposing WAC+1% and a SMAC to pay as close to acquisition as possible without paying providers less than acquisition cost for the medication. 3. No change. The ingredient cost and dispensing fee proposed should adequately and appropriately reimburse providers for dispensing compounded prescriptions. 4. No change. Home infusion therapy claims are not currently eligible for a dispensing fee as this is part of the “per diem” payment. This is not a change from the current payment system, only a clarification of the language in the regulation.
7 AAC 120 and 145	Robin Cooke Alaska Pharmacists Association	<ol style="list-style-type: none"> 1. Opposes removing omeprazole from the covered over the counter drug list and suggests it is more cost effective than a prescription PPI. 2. Seeks clarification on what is needed for a “brand name medically necessary” designation 	<ol style="list-style-type: none"> 1. No change. The over the counter version of omeprazole is no longer more cost effective than the generic prescription omeprazole due to the state maximum allowable cost pricing. 2. No change. The requirement is the same for an electronic claim and a non-electronic claim. The information may also be submitted electronically or telephonically from the prescriber to the pharmacy but the prescriber must also document the information in the

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		<p>on an electronic claim.</p> <p>3. Opposes eliminating dispensing fees for home infusion therapy claims for recipients not in a long term care facility.</p> <p>4. Questions why any out of state pharmacies are reimbursed by Alaska Medicaid.</p> <p>5. Opposes only paying the mediset dispensing fee to mediset pharmacies.</p> <p>6. Questions whether tobacco cessation medications will be covered.</p> <p>7. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p>	<p>recipient's record.</p> <p>3. No change. This is not a change from the Department's current payment methodology and these claims do not currently receive a dispensing fee. Reimbursement for the dispensing services is included in the "per diem" payment.</p> <p>4. No change. Some services are not available to Alaska Medicaid recipients inside the state. While a recipient is outside of Alaska they often need access to other services, including pharmacy services, from out of state providers.</p> <p>5. No change; the proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>6. Yes; if the medications meet the criteria for coverage under 7 AAC 120.</p> <p>7. No change. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The department has proposed using a single rate at the high end of this range to appropriately cover the costs for all pharmacies.</p>
7 AAC 105, 120, 145, and 160	Trish White Whites and Harry Race Pharmacies	<p>1. Suggests the proposed changes to the copays may be confusing but could lead to an increased use of generic medications.</p> <p>2. Is confused by the revision to the list of covered over the counter products and suggests retaining a proton pump inhibitor.</p> <p>3. Opposes the criteria</p>	<p>1. No change. The change may lead to some confusion but the department agrees it may lead to recipients seeking lower cost alternatives. The changes are also based on federal CMS program requirements at that time.</p> <p>2. No change. Prescription proton pump inhibitors meeting the criteria for coverage would be eligible for coverage. The over the counter omeprazole is no longer more cost effective than the prescription generic omeprazole.</p> <p>3. No change; the proposed dispensing fees are based on the results of the 2012 cost of</p>

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		<p>established for a pharmacy to qualify as a mediset pharmacy.</p> <p>4. Seeks clarification on what is needed for a “brand name medically necessary” designation on an electronic claim.</p> <p>5. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>6. Opposes the Department using the federal upper limit pricing.</p> <p>7. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%; states this would be the lowest reimbursement in the nation.</p> <p>8. Supports the proposed revision on the limitation of dispensing fees to no more than once every 22 days.</p> <p>9. Questions whether the 90 day list is mandatory or optional.</p>	<p>dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>4. No change. The requirement is the same for an electronic claim and a non-electronic claim. The information may also be submitted electronically or telephonically from the prescriber to the pharmacy but the prescriber must also document the information in the recipient’s record.</p> <p>5. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>6. No change. 42 CFR 447.332 state Medicaid programs must pay on aggregate no more than the federal upper limit for drugs that have a federal upper limit assigned by CMS. The federal upper limit must be used unless the department uses another methodology that pays less than the federal upper limit amounts.</p> <p>7. No change. The proposed dispensing fees are the highest in the country and several states, including AL, CO, IA, ID, and OR, have lower ingredient cost reimbursement rates. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The department has proposed using a single rate at the high end of this range to appropriately cover the costs for all pharmacies.</p> <p>8. No change. The department agrees this is appropriate.</p> <p>9. Optional; however, if a 90 day supply is prescribed and the medication is on the 90 day list the pharmacy should document the prescriber’s approval to dispense less than the amount ordered.</p>
7 AAC 105, 120, and 145	Unknown sender Comment received	1. Opposes the proposed changes to the copays.	1. No change. The change may lead to some confusion but the department believes it may lead to recipients seeking lower cost alternatives. The changes are also based on

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	electronically from rexaloffice@gci.net	<p>2. Opposes the elimination of coverage for some over the counter medications.</p> <p>3. Believes the proposed language in 7 AAC 145.400 is ambiguous and open to a broad range of interpretations.</p> <p>4. Believes the proposed changes will cause providers to question their participation in Medicaid.</p>	<p>federal CMS program requirements at that time.</p> <p>2. Most of the products being eliminated could be obtained by a recipient without a prescription for roughly the same cost as a copay. Coverage of these items increases the cost to the department because a dispensing fee is paid on the claim.</p> <p>3. No change. It is unclear from the comment what language the commenter feels is ambiguous.</p> <p>4. The Department does not anticipate providers will terminate their participation in the Medicaid program due to the proposed changes.</p>
7 AAC 105, 120, 145, and 160	Katherine Gottlieb Southcentral Foundation	<p>1. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries resulting in poor health outcomes and increased costs.</p> <p>2. Believes the proposed regulations will lead to an increased cost to the state due to less services being provided by tribal providers that receive 100% federal funding.</p> <p>3. States the increased dispensing fee will not offset the changes in drug reimbursement.</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>2. See #1 above. The department believes the proposed rates will appropriate reimburse all providers, including tribal providers, for pharmacy services.</p> <p>3. No change. The dispensing fees reimburse providers for the costs associated with dispensing, not to offset a decrease in profit from a revision to the drug reimbursement. The department believes the proposed rate with the revision to WAC-20% for federal supply schedule will adequately and appropriately reimburse providers for pharmacy services.</p>

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		<p>4. Opposes the proposed changes in drug reimbursement rates.</p> <p>5. States the proposed language enabling a dispensing fee to be paid every 22 days may result in extra payments but would be inconvenient for recipients and pharmacies. Also opposes a limit on the number of dispensing fees paid over a given time.</p> <p>6. Opposes the proposed revisions to the shipping costs and states the pharmacies should receive reasonable reimbursement for their costs including labor and packing an order.</p> <p>7. Believes telepharmacy should be addressed in the regulations.</p>	<p>4. As noted in #1 above the drug reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>5. No change. Recipients are not required to refill their prescriptions every 22 days and should not be inconvenienced by the revision. The department believes the revision will allow providers and recipients more flexibility in refilling prescriptions and receiving a dispensing fee as the current limit is every 28 days.</p> <p>6. No change. Labor and packaging a prescription are part of the dispensing fee. If additional costs are incurred due to shipping a prescription the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>7. No change. This is beyond the scope of the regulations at this time.</p>
7 AAC 105, 120, 145, and 160	Robert Clark Bristol Bay Area Health Corporation	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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		<p>paid on the basis of their actual drug acquisition cost plus a dispensing fee. Suggests not using acquisition cost until CMS finalizes the NADAC.</p> <p>3. Believes pharmacies should be paid an adequate dispensing fee but suggests the proposed dispensing fees are not sufficient for tribal providers.</p> <p>4. Suggests tribal pharmacy rates should not be lower than other pharmacies.</p> <p>5. Supports the use of NADAC and suggests not adopting the regulations until CMS finalizes the NADAC.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>7. States there is no data to support the proposed dispensing fees, the fees are insufficient, and opposes linking the fees to location instead of annual prescription volume.</p>	<p>until the NADAC is finalized using WAC+1% plus a dispensing fee or WAC-20% plus a dispensing fee for federal supply schedule are as close to ideal as possible at this time. Future revisions may be considered when CMS finalizes the NADAC.</p> <p>3. No change; the department believes the proposed fees are adequate and appropriate. The proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>4. No change. There are no rates in the current or proposed regulations that single out tribal providers. Similarly situated tribal and non-tribal pharmacies obtaining medications through similar sources would be reimbursed the same rate.</p> <p>5. No change. See #2 above. If, or when, CMS finalizes the NADAC the department will evaluate revising the reimbursement methodology to incorporate NADAC.</p> <p>6. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>7. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p>

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RECORD OF PUBLIC COMMENTS RECEIVED DEALING WITH PROPOSED CHANGES IN TITLE 7, CHAPTERS 105, 120, 145, AND 160 OF THE ALASKA ADMINISTRATIVE CODE, RELATING TO PHARMACY COVERAGE AND REIMBURSEMENT.

DATE: SEPTEMBER 17, 2013

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Proposed Regulation	Comments Received From	Summary of Comments	Agency Decision After Review of Comments
		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	Lincoln Bean, Sr. Alaska Native Health Board	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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		<p>paid on the basis of their actual drug acquisition cost plus a dispensing fee. Suggests not using acquisition cost until CMS finalizes the NADAC.</p> <p>3. Believes pharmacies should be paid an adequate dispensing fee but suggests the proposed dispensing fees are not sufficient for tribal providers.</p> <p>4. Suggests tribal pharmacy rates should not be lower than other pharmacies.</p> <p>5. Supports the use of NADAC and suggests not adopting the regulations until CMS finalizes the NADAC.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>7. States there is no data to support the proposed dispensing fees, the fees are insufficient, and opposes linking the fees to location instead of annual prescription volume.</p>	<p>until the NADAC is finalized using WAC+1% plus a dispensing fee or WAC-20% plus a dispensing fee for federal supply schedule are as close to ideal as possible at this time. Future revisions may be considered when CMS finalizes the NADAC.</p> <p>3. No change; the department believes the proposed fees are adequate and appropriate. The proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>4. No change. There are no rates in the current or proposed regulations that single out tribal providers. Similarly situated tribal and non-tribal pharmacies obtaining medications through similar sources would be reimbursed the same rate.</p> <p>5. No change. See #2 above. If, or when, CMS finalizes the NADAC the department will evaluate revising the reimbursement methodology to incorporate NADAC.</p> <p>6. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>7. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p>

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		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	<p>Andy Tueber Alaska Native Tribal Health Consortium</p> <p>*duplicate letter received signed Mr. Tueber for the Kodiak</p>	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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	Area Native Association	<p>paid on the basis of their actual drug acquisition cost plus a dispensing fee. Suggests not using acquisition cost until CMS finalizes the NADAC.</p> <p>3. Believes pharmacies should be paid an adequate dispensing fee but suggests the proposed dispensing fees are not sufficient for tribal providers.</p> <p>4. Suggests tribal pharmacy rates should not be lower than other pharmacies.</p> <p>5. Supports the use of NADAC and suggests not adopting the regulations until CMS finalizes the NADAC.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>7. States there is no data to support the proposed dispensing fees, the fees are insufficient, and opposes linking the fees to location instead of annual prescription volume.</p>	<p>until the NADAC is finalized using WAC+1% plus a dispensing fee or WAC-20% plus a dispensing fee for federal supply schedule are as close to ideal as possible at this time. Future revisions may be considered when CMS finalizes the NADAC.</p> <p>3. No change; the department believes the proposed fees are adequate and appropriate. The proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispening_Survey_Report_2012.pdf</p> <p>4. No change. There are no rates in the current or proposed regulations that single out tribal providers. Similarly situated tribal and non-tribal pharmacies obtaining medications through similar sources would be reimbursed the same rate.</p> <p>5. No change. See #2 above. If, or when, CMS finalizes the NADAC the department will evaluate revising the reimbursement methodology to incorporate NADAC.</p> <p>6. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>7. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispening_Survey_Report_2012.pdf</p>

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		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	Glenn Schiff Chugachmiut Villages & NSHC Pharmacy	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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		<p>paid on the basis of their actual drug acquisition cost plus a dispensing fee. Suggests not using acquisition cost until CMS finalizes the NADAC.</p> <p>3. Believes pharmacies should be paid an adequate dispensing fee but suggests the proposed dispensing fees are not sufficient for tribal providers.</p> <p>4. Suggests tribal pharmacy rates should not be lower than other pharmacies.</p> <p>5. Supports the use of NADAC and suggests not adopting the regulations until CMS finalizes the NADAC.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>7. States there is no data to support the proposed dispensing fees, the fees are insufficient, and opposes linking the fees to location instead of annual prescription volume.</p>	<p>until the NADAC is finalized using WAC+1% plus a dispensing fee or WAC-20% plus a dispensing fee for federal supply schedule are as close to ideal as possible at this time. Future revisions may be considered when CMS finalizes the NADAC.</p> <p>3. No change; the department believes the proposed fees are adequate and appropriate. The proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>4. No change. There are no rates in the current or proposed regulations that single out tribal providers. Similarly situated tribal and non-tribal pharmacies obtaining medications through similar sources would be reimbursed the same rate.</p> <p>5. No change. See #2 above. If, or when, CMS finalizes the NADAC the department will evaluate revising the reimbursement methodology to incorporate NADAC.</p> <p>6. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>7. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p>

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		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	Angela Vanderpool Chugachmiut	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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		<p>paid on the basis of their actual drug acquisition cost plus a dispensing fee. Suggests not using acquisition cost until CMS finalizes the NADAC.</p> <p>3. Believes pharmacies should be paid an adequate dispensing fee but suggests the proposed dispensing fees are not sufficient for tribal providers.</p> <p>4. Suggests tribal pharmacy rates should not be lower than other pharmacies.</p> <p>5. Supports the use of NADAC and suggests not adopting the regulations until CMS finalizes the NADAC.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>7. States there is no data to support the proposed dispensing fees, the fees are insufficient, and opposes linking the fees to location instead of annual prescription volume.</p>	<p>until the NADAC is finalized using WAC+1% plus a dispensing fee or WAC-20% plus a dispensing fee for federal supply schedule are as close to ideal as possible at this time. Future revisions may be considered when CMS finalizes the NADAC.</p> <p>3. No change; the department believes the proposed fees are adequate and appropriate. The proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>4. No change. There are no rates in the current or proposed regulations that single out tribal providers. Similarly situated tribal and non-tribal pharmacies obtaining medications through similar sources would be reimbursed the same rate.</p> <p>5. No change. See #2 above. If, or when, CMS finalizes the NADAC the department will evaluate revising the reimbursement methodology to incorporate NADAC.</p> <p>6. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>7. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p>

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		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	Janet Mullen Ninilchik Village Traditional Council	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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DATE: SEPTEMBER 17, 2013

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		<p>paid on the basis of their actual drug acquisition cost plus a dispensing fee. Suggests not using acquisition cost until CMS finalizes the NADAC.</p> <p>3. Believes pharmacies should be paid an adequate dispensing fee but suggests the proposed dispensing fees are not sufficient for tribal providers.</p> <p>4. Suggests tribal pharmacy rates should not be lower than other pharmacies.</p> <p>5. Supports the use of NADAC and suggests not adopting the regulations until CMS finalizes the NADAC.</p> <p>6. Opposes the reduction in the estimated acquisition cost to WAC+1% from WAC+8%.</p> <p>7. States there is no data to support the proposed dispensing fees, the fees are insufficient, and opposes linking the fees to location instead of annual prescription volume.</p>	<p>until the NADAC is finalized using WAC+1% plus a dispensing fee or WAC-20% plus a dispensing fee for federal supply schedule are as close to ideal as possible at this time. Future revisions may be considered when CMS finalizes the NADAC.</p> <p>3. No change; the department believes the proposed fees are adequate and appropriate. The proposed dispensing fees are based on the results of the 2012 cost of dispensing survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p> <p>4. No change. There are no rates in the current or proposed regulations that single out tribal providers. Similarly situated tribal and non-tribal pharmacies obtaining medications through similar sources would be reimbursed the same rate.</p> <p>5. No change. See #2 above. If, or when, CMS finalizes the NADAC the department will evaluate revising the reimbursement methodology to incorporate NADAC.</p> <p>6. The October 18, 2011 OIG report on drug acquisition cost relative to benchmark prices (A-06-11-00002) identified the average range of acquisition cost of single source drugs for pharmacies to range between WAC-2% to WAC+0.5% based on ownership and rural/urban location. The proposed rate of WAC +1% should adequately and appropriately reimburse providers for the drug costs.</p> <p>7. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispatching_Survey_Report_2012.pdf</p>

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		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	Rachael Askren Annette Island Service Unit	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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		<p>8. States the proposed rates would lead to tribal pharmacies reducing services or no longer offer pharmacy services to tribal beneficiaries.</p> <p>9. Supports the proposed mediset dispensing fee.</p> <p>10. Opposes a cap on shipping costs.</p> <p>11. Opposes the elimination of the language related to the appeal of a SMAC price.</p> <p>12. Opposes the proposed change eliminating the 5% mark-up on 340B medications.</p> <p>13. Opposes using different time frames for the payment of different fees and suggests the time frames should be unified to the extent practical.</p>	<p>8. The drug cost and dispensing fees are intended to reimburse providers for the cost of the medication and the pharmacy dispensing services and the Department believes with this change providers, including tribal providers, would be adequately compensated to provide pharmacy services.</p> <p>9. No change. The proposed fees are based on the 2012 Cost of Dispensing Survey available online at: http://www.medicaidalaska.com/dnld/Rx_Cost_of_Dispensing_Survey_Report_2012.pdf</p> <p>10. No change; the department proposed capping the reimbursement to correspond to a large flat rate USPS box. Without a cap the department cannot appropriately ensure providers are using the most cost effective shipping mechanisms.</p> <p>11. No change; however, the appeal process will remain in effect unchanged. The Department agrees providers should have an appeal process for the SMAC prices. The removal of the language from regulation will not eliminate the appeal process.</p> <p>12. No change. The department believes the proposed dispensing fees will reimburse providers for their dispensing services and only the ingredient cost for medications obtained through the 340B program should be passed to the state as drug rebates are not available on these medications.</p> <p>13. No change. The time periods have been standardized as much as possible. The new 22 day limit on dispensing fees will correspond with the 75% early refill tolerance used in the pharmacy claims processing system. The department does not agree that a single time period would be appropriate or practical for all edits.</p>
7 AAC 105, 120, 145, and 160	Charles Clement SouthEast Alaska Regional Health Consortium	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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7 AAC 105, 120, 145, and 160	Melanie Gibson Yukon Kuskokwim Health Corporation	<p>1. Opposes the Department paying for drugs obtained through the federal supply schedule at the actual acquisition cost.</p> <p>2. Believes the ideal situation would be for all pharmacies to be</p>	<p>1. The reimbursement for drugs obtained through the federal supply schedule or drug discount programs other than the 340B program will be revised to the lesser of WAC – 20% instead of requiring providers to bill the acquisition cost.</p> <p>2. No change. The department agrees that the ideal scenario would be to reimburse all pharmacies their acquisition cost plus an adequate and appropriate dispensing fee but</p>

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