



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES**

Matthew G. Bevin
Governor


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Adam M. Meier
Secretary

Carol H. Steckel, MPH
Commissioner

MEMORANDUM

TO: Community Mental Health Services (PT 30 / PL #A-111)
Physician Services (PT 64 / PL #A-387)
Physician Group (PT 659 / PL #A-43)
Advanced Registered Nurse Services (PT 78 / PL #A-107)
Advanced Registered Nurse Group (PT 789 / PL #A-6)
Primary Care with a Specialty of Medical Clinic (PT 31 with a specialty of 082 / PL #A-388)
Physician Assistant (PT 95 / PL # A-101)

FROM: Jessin Joseph, PharmD, MBA 
Pharmacy Director

DATE: July 1, 2019 (2nd Notice)

RE: Drug Cost Reimbursement for Physician Administered Drugs (PAD)

The Cabinet for Health and Family Services, Department for Medicaid Services (DMS) is sending this letter to inform you of approved changes of covered outpatient drug reimbursement to Medicaid fee-for-service recipients who are not enrolled with a Medicaid managed care organization. The Centers for Medicare & Medicaid Services (CMS) has approved a reimbursement model for Physician Administered covered outpatient drugs, billed through the medical benefit, from Average Wholesale Price (AWP) minus 10% to the following lowest of:

- National Average Drug Acquisition Cost (NADAC)
- Federal upper limit (FUL)
- Wholesale acquisition cost (WAC)
- State maximum allowable cost (MAC)
- Usual and customary charge
- 340B ceiling price
- Average sales price (ASP) plus 6.0%

This methodology will take effect on August 1, 2019.

PLEASE NOTE Our claims processing agent, DXC, will be offering a webinar, **Tuesday, September 10th 2:00pm-3:00pm and Thursday, September 12th 11:30am-12:30pm**, on billing instructions for all providers interested in the upcoming changes in reimbursement and other processing modifications.

To register please go to www.kymmis.com.