

PUBLIC NOTICE

Pursuant to 42 C.F.R. § 447.205, the Georgia Department of Community Health is required to give public notice of any significant proposed change in its methods and standards for setting payment rates for services.

Update to Covered Outpatient Drugs Reimbursement

On February 1, 2016, CMS published the finalized Covered Outpatient Drugs Rule (CMS-2345-F), with an effective date of April 1, 2017. The rule proposed to replace Estimated Acquisition Cost (EAC) with actual acquisition cost as the basis for State Medicaid pharmacy ingredient reimbursement.

Pending Centers for Medicare and Medicaid Services (CMS) approval, the Department proposes to align its State Plan with the Centers for Medicare & Medicaid Services (CMS) Covered Outpatient Drugs final rule released on January 21, 2016, and effective in April of 2017.

To make Medicaid drug payment more reflective of actual prices paid, CMS now requires states to use “actual acquisition cost” with the flexibility to use various methods to determine AAC such as CMS’ survey based National Average Drug Acquisition Cost (NADAC) data. Georgia Medicaid has elected to use NADAC which is a pricing reference file published weekly by the Centers for Medicare & Medicaid Services (CMS) that is based upon average actual acquisition costs of covered outpatient drugs collected from a monthly survey of retail community pharmacies across the United States.

Additionally, CMS finalized the proposal to change the “dispensing fee” to a “professional dispensing fee” to reinforce CMS’ position that the dispensing fee should reflect the pharmacist’s professional services and costs to dispense the drug product to a Medicaid beneficiary. The Final Rule allows a state to use the dispensing fee of a surrounding state while a dispensing fee survey is being developed. Georgia Medicaid proposes to use to a professional dispensing fee of \$10.64 while developing its own professional dispensing fee.

The Department estimates that the financial impact will be:

Summary for Public Notice			
SFY 2017			
	Total	Federal	State
Aged, Blind and Disabled Medicaid	\$ 45,285	\$ 30,744	\$ 14,541
Low Income Medicaid	\$ 4,500	\$ 3,055	\$ 1,445
Peachcare for Kids	\$ 215	\$ 215	\$ -
Total	\$ 50,000	\$ 34,014	\$ 15,986
SFY 2018			
	Total	Federal	State
Aged, Blind and Disabled Medicaid	\$ 181,140	\$ 122,663	\$ 58,477
Low Income Medicaid	\$ 18,000	\$ 12,189	\$ 5,811
Peachcare for Kids	\$ 860	\$ 860	\$ -
Total	\$ 200,000	\$ 135,713	\$ 64,287

This public notice is available for review at each county Division of Family and Children Services office. An opportunity for public comment will be held on **November 17, 2016** at 10:30 a.m. at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room. Individuals who are disabled and need assistance to participate during this meeting should call (404) 656-4479. Citizens wishing to comment in writing on any of the proposed changes should do so on or before **November 24, 2016**, to the Board of Community Health, Post Office Box 1966, Atlanta, Georgia 30301-1966. You may also email comments to Danisha Williams, danwilliams@dch.ga.gov or fax to 404-651-6880.

Comments submitted will be available for review by submitting a request via email to Danisha Williams, danwilliams@dch.ga.gov. Comments from written and public testimony will be provided to the Board of Community Health prior to the **December 8, 2016** Board meeting. The Board will vote on the proposed changes at the Board meeting to be held at 10:30 a.m. at the Department of Community Health (2 Peachtree Street, N.W., Atlanta, Georgia 30303) in the 5th Floor Board Room.

NOTICE IS HEREBY GIVEN THIS 10th DAY OF NOVEMBER, 2016
Clyde L. Reese III, Esq., Commissioner