

Application for

Section 1915(b) (4) Waiver

Fee-for-Service

Selective Contracting Program

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Application for Section 1915(b) (4) Waiver Fee-for-Service (FFS) Selective Contracting Program

Facesheet

The **State** of District of Columbia requests a waiver/amendment under the authority of section 1915(b) of the Act. The Medicaid agency will directly operate the waiver.

The **name of the waiver program** is Medicaid 1915(b)(4) Distribution and Dispensing of Anti-Retroviral and other HIV-related Medications Program Waiver.

(List each program name if the waiver authorizes more than one program.)

Type of request. This is:

- an initial request for new waiver. All sections are filled.
- a request to amend an existing waiver, which modifies Section/Part _____
- a renewal request

Section A is:

- replaced in full
- carried over with no changes
- changes noted in **BOLD.**

Section B is:

- replaced in full
- changes noted in **BOLD.**

Effective Dates: This waiver/is requested for a period of two (2) years beginning 11/01/15 and ending 11/01/2017. **Contact:** The State contact person for this waiver is Diane Fields and can be reached by telephone at (202) 442-9073, or fax at (202) 535-1215, or e-mail at Diane.Fields@dc.gov

Section A – Waiver Program Description

Part I: Program Overview

Tribal Consultation:

Describe the efforts the State has made to ensure that Federally-recognized tribes in the State are aware of and have had the opportunity to comment on this waiver proposal.

The District of Columbia does not have Federally-recognized tribes under its jurisdiction.

Program Description:

Provide a brief description of the proposed selective contracting program or, if this is a request to amend an existing selective contracting waiver, the history of and changes requested to the existing program. Please include the estimated number of beneficiaries served throughout the waiver.

The Medicaid 1915(b) (4) Distribution and Dispensing of Anti-Retroviral and other HIV-related Medications Program Waiver (HIV Waiver program) allows the Medicaid program to reimburse selected pharmacies contracted through the District Department of Health (DOH) for dispensing anti-retroviral and HIV-related medications. DOH currently purchases these medications directly via a contract with the United States Department of Defense (DOD). The HIV Waiver program will enable all Medicaid beneficiaries, both Fee-for-Service and Managed Care, to access their anti-retroviral and HIV related medications. The selected pharmacies are reimbursed through an inventory replenishment model for dispensing these medications plus an enhanced dispensing fee of ten dollars and fifty cents (\$10.50).

The HIV/AIDS Pharmacy Network – the DC Pharmacy Provider Network (DCPPN) - features a minimum of fifteen (15) pharmacies. There are currently twenty-two (22) participating DCPPN pharmacies. These pharmacies meet various reimbursement, quality and utilization standards. All pharmacies must maintain provider agreements, licenses, and insurance and required federal and District approvals to dispense approved medications to eligible beneficiaries. The required licenses and certifications shall include at a minimum the following: a current District pharmacy and controlled substance registration; a Drug Enforcement Administration (DEA) controlled substance registration; and pharmacy malpractice insurance. Additionally all pharmacies must enroll as a pharmacy provider in the District Medicaid program; complete and sign the Medicaid provider agreement; and enter into a Human Care Agreement with the DOH.

The utilization standard which must be adhered to, include performing prospective drug utilization reviews before dispensing each prescription. This standard shall include, but not limited to, the following screenings: therapeutic duplication; drug-disease contraindications; drug interactions; incorrect dosage indication; drug allergies; and abuse or misuse.

Quality measures are assured through the District's quality management plan that has evolved from retrospective quality assurance programs to include quality management activities and

performance monitoring of the pharmacy providers' delivery systems. The District's quality plan focuses on improving access and eliminating racial, gender-based, and geographic disparities in health outcomes for the District's HIV/AIDS positive population enrolled in the waiver. These quality standards involve multiple tasks requiring the participation and collaboration between DHCF, DOH, and the pharmacy providers. These tasks include maintaining infrastructures and successful systems to track and report indicators that will support the District's quality assurance efforts which include data reports, pharmacy site visits, focus groups, and provider and client satisfaction surveys.

DHCF estimates at least 5,000 beneficiaries will be served under the HIV Waiver Program.

Waiver Services:

Please list all existing State Plan services the State will provide through this selective contracting waiver.

A. Statutory Authority

1. **Waiver Authority.** The State is seeking authority under the following subsection of 1915(b):

 x **1915(b) (4) - FFS Selective Contracting program**

2. **Sections Waived.** The State requests a waiver of these sections of 1902 of the Social Security Act:

a. **Section 1902(a) (1) – Statewideness**

b. **Section 1902(a) (10) (B) - Comparability of Services**

c. x **Section 1902(a) (23) - Freedom of Choice**

d. **Other Sections of 1902 – (please specify)**

B. Delivery Systems

1. **Reimbursement.** Payment for the selective contracting program is:

 the same as stipulated in the State Plan

 x is different than stipulated in the State Plan (please describe)

FFS Selective Contracting Program

Attachment 4.19 b (d) in the District’s State Plan stipulates “Pharmacy claims for a retail pharmacy provider shall be reimbursed at the lower of the following: (a) The allowable cost as established by DHCF reimbursement methodology, plus a dispensing fee of four dollars and fifty cents (\$4.50) per prescription; or (b) The pharmacy's usual customary charge to the general public. However, through the HIV Waiver program pharmacies in the DCPPN are reimbursed through an inventory replenishment model for dispensing these medications, plus an enhanced dispensing fee of ten dollars and fifty cents (\$10.50), to offset reduced opportunity for profit due to the replenishment model.

2. **Procurement.** The State will select the contractor in the following manner:

- Competitive** procurement
- Open** cooperative procurement
- Sole source** procurement
- Other** (please describe)

C. Restriction of Freedom of Choice

1. **Provider Limitations.**

- will be limited to a single provider in their service area.
- will be given a choice of providers in their service area.

(NOTE: Please indicate the area(s) of the State where the waiver program will be implemented)

Medicaid Fee-for-Service (FFS) and Managed Care (MCO) program beneficiaries enrolled in the HIV Waiver program will be limited to a single provider network, the DCPPN. This network features a minimum of fifteen (15) pharmacies located throughout the eight (8) wards in the District of Columbia (District). The DCPPN includes one (1) pharmacy in each ward and at least two (2) pharmacies in wards with the highest prevalence of HIV/AIDS (wards 7 and 8). All FFS and MCO program beneficiaries diagnosed with HIV or AIDS can receive anti-retroviral and other HIV- related medications through the waiver.

2. **State Standards.**

Detail any difference between the state standards that will be applied under this waiver and those detailed in the State Plan coverage or reimbursement documents.

In accordance with Section 3.1, of the District’s State Plan for Medical Assistance (State Plan) beneficiaries may obtain medications from any provider of their choice. By waiving participation in Section 1902(a) (23), the District's HIV waiver will be exempt from Section 1902(a) (23) of the Social Security Act, which requires a Medicaid State plan to permit all individuals eligible for Medicaid to obtain medical assistance from any qualified provider in the State. The HIV Waiver program will permit all beneficiaries in the waiver to obtain services only from the

DCPPN. FFS and MCO Medicaid program beneficiaries living with an HIV or AIDS diagnosis will utilize the DCPPN to access all of their anti-retroviral and HIV-related drugs.

D. Populations Affected by Waiver

(May be modified as needed to fit the State's specific circumstances)

1. **Included Populations.** The following populations are included in the waiver:

Any individual enrolled in the Medicaid program, Fee-for-Service or Managed Care, who has been diagnosed with HIV or AIDS

2. **Excluded Populations.** Indicate if any of the following populations are excluded from participating in the waiver:

Dual Eligibles

Poverty Level Pregnant Women

Individuals with other insurance

Individuals residing in a nursing facility or ICF/MR

Individuals enrolled in a managed care program

Individuals participating in a HCBS Waiver program

American Indians/Alaskan Natives

Special Needs Children (State Defined). Please provide this definition.

Individuals receiving retroactive eligibility

Other (Please define):

Part II: Access, Provider Capacity and Utilization Standards

A. Timely Access Standards

Describe the standard that the State will adopt (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has adopted) defining timely Medicaid beneficiary access to the contracted services, *i.e.*, what constitutes timely access to the service?

The District will adopt several standards to ensure timely access to anti-retroviral and HIV-related medications to beneficiaries. These include maintaining widespread geographical availability of pharmacies in the DCPPN with some pharmacies remaining open 7 days a week; mail-order services; foreign language capabilities; and sufficient inventory to fill any "on demand" requests for medications.

The District consists of eight (8) wards spread over 69 square miles. The DCPPN features a minimum of fifteen (15) pharmacies with a minimum of one pharmacy per Ward. At least two (2) pharmacies will be located in Wards with the highest incidence rates of HIV (Wards 7 and 8). The broad geographical availability of our pharmacies will ensure that all of the District's residents living with an HIV or AIDS diagnosis will have at least one pharmacy in their Ward to access drugs. Half of the participating pharmacies also provide drug delivery services to the

beneficiary's home or office within the District of Columbia at no charge to the beneficiary. Additionally DCPPN participating pharmacies shall also maintain an inventory of their own stock of anti-retroviral and medications to dispense for "on demand" requests for these medications at least ninety-five percent (95%) of the time. All of these criteria shall ensure timely access to anti-retroviral and HIV- related medications through the HIV Waiver program.

1. How does the State measure (or propose to measure) the timeliness of Medicaid beneficiary access to the services covered under the selective contracting program?

The DOH's pharmaceutical team conducts ongoing annual monitoring to ensure an adequate access to the DCPPN. Specifically, the annual monitoring plans assure that the beneficiaries have access to their anti-retroviral and HIV- related medications by verifying that there is at least one (1) pharmacy per Ward in the DCPPN. DHCF also conducts ad- hoc reviews of data and dispensing patterns.

2. Describe the remedies the State has or will put in place in the event that Medicaid Beneficiary is unable to access the contracted service in a timely fashion.

DHCF provides has several remedies in place, in the event that a Medicaid beneficiary cannot access the contracted service. Fee-for-Service (FFS) Medicaid beneficiaries can also receive the remaining full complement of State Plan services from any District Medicaid provider. Managed Care (MCO) beneficiaries can receive all other covered services through the Managed Care plan in which they are enrolled. MCO beneficiaries diagnosed with an HIV or AIDS diagnosis shall opt out of Managed Care and receive service via the FFS program. Along the same lines, beneficiaries have access to the State Plan's emergency services without prior authorization. Specifically, if any of the antiretroviral and HIV-related drugs covered under the waiver require prior authorization, and the prescription claim is rejected by Medicaid, the beneficiary shall be provided with an emergency three (3) day temporary supply. This emergency period affords all of the stakeholders an opportunity to solve the access related issue.

B. Provider Capacity Standards

Describe how the State will ensure (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State has ensured) that its selective contracting program provides a sufficient supply of contracted providers to meet Medicaid's needs.

In order to ensure that its selective contracting program provides sufficient supply of the contracted providers to meet Medicaid's needs, the 1915 (b) (4) Waiver program shall feature a minimum of fifteen (15) pharmacies under the HIV program throughout the District's eight (8) Wards. Each Ward shall have a minimum of one pharmacy and the Ward with the highest HIV prevalence (Wards 7 and 8) shall have at least two (2) pharmacies in the HIV program.

Furthermore, DOH plans to seek out and enroll additional pharmacies in the DCPN in order to increase capacity and improve access for beneficiaries.

- 1. Provide a detailed capacity analysis of the number of providers (e.g., by type, or number of beds for facility-based programs), or vehicles (by type, per contractor for non-emergency transportation programs), needed per location or region to assure sufficient capacity under the selective contracting program.**

The DCPN consists of twenty-two (22) participating pharmacies distributed geographically throughout the eight (8) wards of the District. In order to improve capacity to meet the needs of the beneficiaries, the DCPN remains open to more than 100 pharmacies that could join the network in the future. The Active Medicaid Pharmacy Providers, by Ward as of March 31, 2015 include:

Ward 1: 12 pharmacies
Ward 2: 45 "
Ward 3: 17 "
Ward 4: 12 "
Ward 5: 14 "
Ward 6: 16 "
Ward 7: 6 "
Ward 8: 6 "

- 2. Describe how the State will evaluate and ensure on an ongoing basis that providers are appropriately distributed throughout the geographic regions covered by the selective contracting program so that Medicaid have sufficient and timely access throughout the regions affected by the program.**

DOH's Office of Contracting and Procurement will continue to maintain the composition and integrity of the DCPN to ensure that participating pharmacies are appropriately distributed throughout the eight (8) wards of the District, to remain in compliance with the federal grant requirements of the AIDS Drug Assistance Program (ADAP) established under Part B of the Ryan White HIV/Aids Treatment Extension Act of 2009 Public Law 111-87. The District Pharmacy Provider Network is composed of those same pharmacies providing pharmaceutical services to ADAP members.

C. Utilization Standards

Describe the State's utilization standards specific to the selective contracting program.

The State's utilization standard features performing prospective drug utilization reviews before dispensing each prescription, which shall include screenings for but not limited to the following: therapeutic duplication; drug-disease contraindications; drug interactions; incorrect dosage indication; drug allergies; and abuse or misuse. Furthermore, all participating pharmacies must maintain provider agreements, licenses, insurance and required Federal and District approvals to

dispense approved medications to eligible beneficiaries. The required licenses and certifications shall include at a minimum the following: a current District of Columbia Pharmacy and Controlled Substance Registration; a Drug Enforcement Administration (DEA) controlled substance registration; and pharmacy malpractice insurance. Additionally all pharmacies must complete and sign the Medicaid provider agreement.

How will the State (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State) regularly monitor(s) the selective contracting program to determine appropriate Medicaid beneficiary utilization, as defined by the utilization standard described above?

The District will employ several quality and performance measurement standards to determine appropriate Medicaid beneficiary utilization. Selected patient profiles will be reviewed for medication usage patterns and therapeutic appropriateness by the District's Drug Utilization Review Board at least quarterly as part of its monitoring oversight function. Additionally, pharmacy claims analysis, conducted by Clinical Pharmacy Associates (CPA) on a weekly basis, help identify possible inappropriate medication usage patterns or inadequate therapeutic regimens. CPA will then reach out to the beneficiary's pharmacy provider for clarification and follow-up. Program quality will also be monitored through routine site visits and customer satisfaction surveys. Calls will be monitored and recorded, and randomly audited for integrity and quality to assure efficient and timely services.

1. Describe the remedies the State has or will put in place in the event that Medicaid beneficiary utilization falls below the utilization standards described above.

A participating pharmacy found to be non-compliant with beneficiary utilization standards will receive written notification of the area(s) of concern and will be required to submit a Corrective Action Plan (CAP) to address the area(s) of non-compliance. The DOH pharmaceutical team will determine the appropriateness of the CAP to resolve the deficiency and to prevent its recurrence.

Part III: Quality

A. Quality Standards and Contract Monitoring

Describe the State's quality measurement standards specific to the selective contracting program.

Quality will be assured through the District's quality management plan that has evolved from retrospective quality assurance programs to include quality management activities and performance monitoring of the pharmacy providers' delivery systems. The District's quality plan focuses on improving access and eliminating racial, gender-based, and geographic disparities in health outcomes for the District's HIV and AIDS population enrolled in the waiver. These quality standards shall involve multiple tasks requiring the participation and collaboration between the District's entities (DHCF and DOH) and the pharmacy providers. These tasks

include maintaining infrastructures and successful systems to track and report indicators that will support the District's quality assurance efforts which include data reports, pharmacy site visits, focus groups, and provider and client satisfaction surveys.

The Department of Health Care Finance (DHCF) Pharmacy management staff will collaborate with DOH Pharmaceutical Services Bureau to oversee the quality assurance (QA) program in order to promote medication safety and prevent errors. The QA program is designed to develop new procedures and more systematic processes for oversight.

a. Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

i. Regularly monitor(s) the contracted providers to determine compliance with the State's quality standards for the selective contracting program.

The District will regularly monitor the contracted providers to determine compliance with the State's quality standards for the selected selective contracting program by ensuring have trained pharmacists who specialize in HIV/AIDS treatment, as well as use prospective drug utilization review before dispensing each prescription to check for: therapeutic duplication; drug-disease contraindications; drug interactions; incorrect dosage indication/duration; allergies, abuse or misuse. Along the same lines, a required emergency access component will allow access to a three-day temporary supply when an override is required for prior authorization for antiretroviral and HIV related medications. The pharmacy provider must perform federally required counseling at each dispensing. The beneficiary will be counseled on major side effects, dosing, food-drug interactions, and patient compliance with the HIV/AIDS regimen. Program quality will also be monitored through routine site visits and customer satisfaction surveys. A forum will be provided for service providers to discuss relevant program concerns. An existing telephone hotline will be used to address point of sale concerns directly with our PBM provider. Calls will be monitored and recorded, and randomly audited for integrity and quality to assure efficient and timely services. A detailed QI plan will be implemented by DHCF to define the duties of the PBM contractor to ensure a timely response to patient and provider complaints.

The Department of Health (DOH) has contracted with Clinical Pharmacy Associates, Inc. (CPA) to provide specific program measures, quality assurance goals and on-going training to pharmacists participating in the DC Pharmacy Provider Network. CPA provides consulting services designed to satisfy critical pharmacy, formulary and patient outcome needs and address operational, technological and regulatory issues facing pharmacists who manage the complex needs of patients living with HIV/AIDS. CPA operates the Pharmacy and Therapeutics Committee that serves as an advisory board for HAHSTA on ADAP formulary decisions. Clinical pharmacists employed by CPA analyze pharmacy claims data to detect possible medication errors, conduct outreach to pharmacists and provide technical assistance and/or training to help resolve clinical issues involving HIV medication therapies.

ii. Take(s) corrective action if there is a failure to comply

In the event that a participating pharmacy fails to comply with the State's quality standards for the selective contracting program, it is referred to Clinical Pharmacy Associates (CPA) to work

on a corrective action plan. CPA will partner with individual pharmacies that are identified through weekly pharmacy claims analysis as having inappropriate medication usage patterns or therapeutic regimens. CPA assists the pharmacists with prescriber outreach, prescription clarification and patient monitoring done with the goal of aligning medication therapy with recognized clinical guidelines for HIV/AIDS treatment.

Describe the State’s contract monitoring process specific to the selective contracting program.

Each pharmacy will be evaluated using multiple selection criteria including: licensing and regulatory compliance; geographic location/distribution; hours of operation; delivery services options; and other quality and performance measures. A number of pharmacy providers have delivery services available for home-bound beneficiaries with an HIV or AIDS diagnosis. In order to comply with the District monitoring process, providers must maintain a provider agreement, adequate malpractice insurance and federal and District licensure to dispense medications. Providers further must comply with all Medicaid regulations and complete a DC Medicaid Provider agreement. Pharmacy providers must agree to an inventory replenishment model for non-controlled substances and to accept a dispensing fee in lieu of reimbursement. This joint pharmacy monitoring team (PMT) has developed quality improvement (CQI) guidelines focusing on contractual QA requirements and nationally recognized best practice standards in the pharmacy industry. The team will meet quarterly to review standard monthly reports prepared by the Medicaid Fee-for-Service (FFS) Pharmacy Benefits Manager (PBM) focusing on utilization patterns of individual and Network pharmacies.

Describe how the State will (or if this is a renewal or amendment of an existing selective contracting waiver, provide evidence that the State):

- i. **Regularly monitor(s) the contracted providers to determine compliance with the contractual requirements of the selective contracting program.**

Each of the DCPN undergoes annual on-site reviews by DOH’s pharmaceutical services team to ensure compliance with the following Network participation criteria: 1) HIV/AIDS client counseling; 2) refill compliance (steps to increase timely refills and to identify and respond to late refills); 3) HIV adherence counseling; and 4) drug utilization review and data entry requirements to ensure that pharmacies enter current and accurate physicians’ names, Drug Enforcement Agency (DEA) number and National Provider Identification (NPI) numbers for every prescription. The onsite reviews ensure compliance with the Network participant criteria. The results of the annual review are to be provided to the pharmacist in charge of the waiver.

Additionally, pharmacy claims analysis, conducted by Clinical Pharmacy Associates (CPA) on a weekly basis, help identify possible inappropriate medication usage patterns or inadequate therapeutic regimens. CPA will then reach out to the beneficiary’s pharmacy provider for clarification and follow-up.

- ii. **Take(s) corrective action if there is a failure to comply.**

A participating pharmacy found to be non-compliant with annual on-site review criteria will receive written notification of the deficiency and will be required to submit a Corrective Action Plan (CAP) to address the area(s) of non-compliance. The DOH pharmaceutical team will determine the appropriateness of the CAP to resolve the deficiency and to prevent its recurrence. Subsequent referral of a participating pharmacy to CPA for consultative services and/or targeted education may be made when warranted.

B. Coordination and Continuity of Care Standards

Describe how the State assures that coordination and continuity of care is not negatively impacted by the selective contracting program.

Continuity of services and coordination of care will be guaranteed in multiple ways including the retention of the majority providers in the DCPN. Most of the FFS and Managed Care beneficiaries with an HIV or AIDS diagnosis continue to get their antiretroviral and HIV related prescription drugs through pharmacies that they have already been utilizing to access their non-antiretroviral and HIV related prescription drug benefits. Continuity and coordination of care for Managed Care (MCO) beneficiaries is not negatively impacted by access to the DCPN. Essentially, the only significant change for obtaining these medications is the funding source. The MCOs currently contract with many of the same pharmacies that exist within the new Network. They continue to have access to facilities already utilized for their medication, thereby facilitating continued adherence to the medication regime.

Outreach is conducted by the MCOs. They are responsible for alerting beneficiaries of the location of designated pharmacies where HIV and or AIDS related medications can be obtained. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) compliant outreach initiatives were performed to alert of the change, with specific instructions on effective dates and processes for transferring prior and/or new prescriptions.

Part IV: Program Operations

A. Beneficiary Information

Describe how beneficiaries will get information about the selective contracting program.

The Department of Health (DOH) use notices to disseminate information to potential beneficiaries through DCPN participating pharmacies, as well Medicaid participating pharmacies. These notices ensure that new beneficiaries have relevant information about the DCPN. The DCPN uses current pharmacies to distribute fliers and laminated cards to inform beneficiaries and potential beneficiaries when new pharmacies join the DCPN. Additional outreach activities to prescribing physicians further enforced awareness of the available pharmacies. District-approved notifications mailed to beneficiaries containing information about new pharmacies and DCPN are included in MCO newsletters and posted on MCO websites.

Providing information about the DC Pharmacy Provider Network's accessibility under the waiver remains an ongoing responsibility for DHCF and DOH since the antiretroviral and other HIV related drugs program continues to be a benefit the District provides. Specifically, DHCF and DOH cooperate to publicize this program as a major new, improved, and expanded initiative for the HIV and AIDS population of the District. The District continues to promote the DCPN beneficiary services that are provided by DCPN, and enhanced services for the beneficiary authorized under the Medicaid State Plan.

At the waiver program's inception, all of the managed care plans mailed letters to their individual members and providers concerning the new requirement to obtain antiretroviral and other HIV related drugs from DCPN. The listing of participating pharmacies with locations, business hours and phone numbers was included in the initial mailing. Updated pharmacy network information continues to be available via each Managed Care plan's member handbook, website and member service call center.

B. Individuals with Special Needs.

- The State has special processes in place for persons with special needs (Please provide detail).
N/A, no special processes are in place for persons with special needs.

Section B – Waiver Cost-Effectiveness & Efficiency

Efficient and economic provision of covered care and services:

1. Provide a description of the State’s efficient and economic provision of covered care and services.

As described above, distribution and dispensing of anti-retroviral and other HIV-related medications provides a valuable benefit to beneficiaries, and as detailed below leads to significant savings for the District and CMS.

Staff from the DC Department of Health provided a list of anti-retroviral and other HIV-related medications and the Suggested Wholesale Price (SWP) by National Drug Code (NDC). DHCF’s state plan calls for the reimbursement of the ingredient cost of prescription drugs at the Wholesale Acquisition Cost (WAC) plus 3%. To make the link between SWP and WAC, DHCF pharmacy staff contacted CMS pharmacy experts, who advised that a reasonable rule-of-thumb for making estimates was to assume that WAC equals SWP minus 20%.

From MMIS, we pulled all claims drugs dispensed through the DCPPN with dates of payment ranging from November 1, 2012 to October 31, 2014, capturing the two most recent comparable years. With this data, we had the amounts actually paid for the ingredient cost pursuant to the terms of DOH’S contract with DOD, and were able to determine what DHCF would have paid for drugs using the WAC+3% price using the information from DOH and CMS discussed above. *(NOTE: any claims with an NDC that did not match to an NDC in the DOH Warehouse SWP file were taken out of the data, since a comparison would be impossible without a corresponding SWP-- however, these claims represent only 0.48% of the total number of claims, which is inconsequential.)* From this data, we observed that the amounts paid increased from November 1, 2012 – October 31, 2013 period to the November 1, 2013 – October 31, 2014 period by 29%. Assuming that the growth in the actual payment amounts is a close approximation of the growth rate for the SWP/WAC, we applied the 29% growth rate to project both pre and post waiver costs for years 1 and 2 below.

2. Project the waiver expenditures for the upcoming waiver period.

Year 1 from: 11/1/2015 to 10/31/2016

Trend rate from current expenditures (or historical figures): 29%

Projected pre-waiver cost	161,424,987.38
Projected Waiver cost	80,085,944.28
Difference:	81,339,043.10

Year 2 from: 11/1/2016 to 10/31/2017

Trend rate from current expenditures (or historical figures): 29%

Projected pre-waiver cost	208,735,183.14
Projected Waiver cost	103,557,413.99
Difference:	105,177,769.15
