

STATE: MINNESOTA

ATTACHMENT 3.1-A

Effective: July 1, 2009

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TN: 09-23

Approved: **NOV 18 2009**

Supersedes: 05-09 (04-09, 03-36)

12.a. Prescribed drugs.

The following providers are eligible for payment for dispensing prescribed drugs:

- (1) A pharmacy that is licensed by the Minnesota Board of Pharmacy.
- (2) An out of state pharmacy that complies with the licensing and certification requirements of the state in which it is located.
- (3) A physician located in a local trade area where there is no Medicaid enrolled pharmacy. To be eligible for payment, the physician shall personally dispense the prescribed drug according to applicable Minnesota Statutes and shall adhere to the labeling requirements of the Minnesota Board of Pharmacy.
- (4) A physician, physician assistant or nurse practitioner employed by or under contract with a community health board, for the purposes of communicable disease control.

The following limitations apply to pharmacy services:

- (1) ~~With the exception noted below, the prescribed drug must be a drug or compounded prescription for which medical value has been established and that is made by a manufacturer that has a rebate with the Centers for Medicare & Medicaid Services (CMS) and included in the Minnesota Department of Human Services drug formulary. The formulary is established in accordance with §1927(d)(4) of the Social Security Act. See Drug Formulary.~~
 - ~~• A prescribed drug is covered if it has Investigational New Drug (IND) status with an IND number by the United States Food and Drug Administration (FDA), even though the manufacturer does not have a rebate with CMS. When the prescribed drug receives FDA approval, the manufacturer must have a rebate agreement for the drug in order for the drug to be covered.~~
- (2) A prescribed drug must be dispensed in the quantity specified on the prescription unless the pharmacy is using unit dose dispensing, the specified quantity is not available in the pharmacy when the prescription is dispensed, or the specified quantity exceeds a 34-day supply.

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STATE: MINNESOTA

ATTACHMENT 4.19-B

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12a. Prescribed Drugs

Payment is determined in accordance with 42 CFR §§447.331 to 447.333.

For drugs dispensed by a pharmacy, payment ~~for prescription drugs~~ is the lower of:

- (1) the actual acquisition costs of the drugs, plus a fixed dispensing fee;
- (2) the maximum allowable cost set by the State agency not to exceed in the aggregate the upper limits established under 42 CFR §447.332 for multiple source drugs, plus a fixed dispensing fee; or
- (3) the provider's usual and customary charge to the general public.

Effective ~~July 1, 2008~~ July 1, 2009, the State agency establishes the actual acquisition cost to equal ~~86%~~ 85% of the average wholesale price (wholesale price minus ~~14~~ 15 percent).

Payment for over-the-counter drugs follows the methodology for drugs dispensed by a pharmacy described above ~~is at the provider's usual and customary charge to the general public~~. If the pharmacy is not accessible to, or frequented by, the general public, or if the over-the-counter drug is not on display for sale to the general public, the usual and customary charge is the actual acquisition costs plus a 50 percent add-on based on the actual acquisition cost.