

STATE: MINNESOTA  
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The Department will calculate the actual acquisition cost of multiple course source drugs in conformity with the upper payment limits established under 42 C.F.R. § 447.512.

The State agency establishes the acquisition cost of drugs acquired through the federal 340B drug pricing program at the 340B ceiling price.

For drugs administered in an outpatient setting, payment for prescription drugs is the lower of the provider's usual and customary charge to the general public, 106% of the average sales price, or the maximum allowable cost set by the State Agency. If the average sales price is not available, payment will be the lower of the provider's usual and customary charge to the general public, the wholesale acquisition cost, or the maximum allowable cost set by the State Agency. For drugs acquired through the federal 340B drug pricing program, payment is equal to 71.4% of the payment amount calculated using the methodology described in this paragraph.

The rate for specialty pharmacy products is the maximum allowable cost set by the State Agency plus a professional dispensing fee of ~~\$10.77~~ \$11.55 per prescription. The rate used is dependent upon the actual acquisition cost for the product. Specialty pharmacy products are those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens.

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12a. Prescribed Drugs (continued):

With the following exceptions, the professional dispensing fee is ~~\$10.77~~ \$11.55 per prescription, for prescriptions filled using drugs that meet the definition of "covered outpatient drugs" according to 42 U.S.C. § 1396r-8(k)(2).

1) The professional dispensing fee for intravenous drugs that require mixing by the pharmacist is ~~\$10.77~~ \$11.55 per bag.

2) The professional dispensing fee for over-the-counter drugs is ~~\$10.77~~ \$11.55 for "outpatient prescription drugs" when dispensed in quantities equal to or greater than the manufacturer's package size. The dispensing fee is prorated based on the percent of the package dispensed when the pharmacy dispenses a quantity less than the manufacturer's package size.

3) The professional dispensing fee for prescribed over-the-counter drugs that are not "covered outpatient drugs" shall be \$3.65. The dispensing fee is prorated based on the percent of the package dispensed when the pharmacy dispenses a quantity less than the manufacturer's package size.

In addition, the State agency will receive a rebate for prescribed drugs in accordance with the manufacturer's contract with the Centers for Medicare & Medicaid Services.

The base rates as described in this item are adjusted by the following paragraph(s) of Supplement 2:

cc. Supplemental payment for medical education

d. MinnesotaCare Tax Adjustment (ingredient cost only)