



NYRx Pharmacy Reminder: SMAC Price Research Requests and NYRx Reimbursement

Centers for Medicaid and Medicare Services (CMS) recently updated their methodology to calculate National Average Drug Acquisition Cost (NADAC) pricing. The changes were published by CMS: [Methodology for Calculating the National Average Drug Acquisition Cost \(NADAC\) for Medicaid Covered Outpatient Drugs](#). This is affecting pharmacy reimbursement and resulting in the inappropriate submission of State Maximum Acquisition Cost (SMAC) Price Research Requests. Prices that are set by CMS cannot be changed by NYRx.

Inappropriate submission of SMAC Price Research Requests delays the response and creates a backlog. Please refer to the information below for guidance on NYRx pharmacy reimbursement and when to submit a SMAC Price Research Request.

How to Determine Claim Payment Methodology

To determine what methodology was used for pharmacy claim payment providers should refer to the NCDPD field "522-FM Basis of Reimbursement Determination." One of the following values will be present:

- 0- Not Specified- (Priced using Manual Price)
- 3- Ingredient Cost Reduced to AWP Less X% Pricing- (Priced using AWP)
- 4- Usual & Customary Paid as Submitted- (Priced using Total Charge Amount)
- 5- Lower of U&C- (Calculated price by FMAC, then SMAC, Otherwise E)
- 13- WAC (Wholesale Acquisition Cost)- (Priced using WAC)
- 14- Other Payer- Patient Responsibility Amount- (Priced using Medicare or Other Insurance Requested Amount)
- 17- Special Patient Reimbursement- (Priced using PA Excess Amount)
- 19- State Fee Schedule (SFS) Reimbursement- (Priced using SMAC)
- 20- National Average Drug Acquisition Cost (NADAC)- (Priced using NADACB or NADACG)
- 24- Federal Upper Limit (FUL)- (Priced using FMAC)
- 26- Federal Supply Schedule- (Priced using Procedure Price)

Note: The Basis of Reimbursement Determination will be set to "0- Not Specified" for compound claims.



SMAC Price Research Requests

Claims utilizing SMAC as the basis of cost will return the value of "19-State Fee Schedule (SFS) Reimbursement" in the "522-FM" field. NYRx pharmacy providers may request a SMAC price review if reimbursed below acquisition cost and the claim is reimbursed using SMAC. A SMAC price review is not appropriate if any other value is returned in the "522-FM" field. To request a SMAC price review, pharmacy providers should submit a [SMAC Price Research Request Form](#) along with a copy of the invoice listing the current acquisition cost for the product(s) in question via fax at 1-888-656-1951 or by email at StateMACProgram@primetherapeutics.com. For additional SMAC information, see [Information for Pharmacists – SMAC Program](#).

NADAC and FUL

- NYRx cannot adjust NADAC (522-FM = 20) or FUL (522-FM = 24).
- For additional information about NADAC, see [Retail Price Survey](#).
- For additional information about the Federal Upper Limit (FUL), see [Affordable Care Act – Federal Upper Limit](#).
- For questions or issues pharmacy providers should, contact these programs directly:
 - NADAC – email info@mslcrps.com, call 1-855-457-5264, or fax 1-844-860-0236
 - FUL – email FUL@cms.hhs.gov

NYRx Reimbursement Methodology

NYRx pharmacy reimbursement for covered outpatient drugs under the New York State Medicaid Program is established in Social Services Law 367-A. The pricing methodology is systematically determined as follows:

Drug Type	If NADAC is Available Reimburse At	If NADAC is Unavailable, Reimburse At	Professional Dispensing Fee*
Generics	Lower of NADAC, FUL, SMAC, or U&C	Lower of WAC -17.5%, FUL, SMAC, or U&C	\$10.18
Brands	Lower of NADAC or U&C	Lower of WAC – 3.3%, or U&C	\$10.18
OTCs	Lower of NADAC, FUL, SMAC, or U&C	Lower of WAC, FUL, SMAC, or U&C	\$10.18

*Professional Dispensing Fee applies if the drug meets the definition of a covered outpatient drug (COD) and is not paid at the usual and customary price (U&C).



Notes:

- Claims will pay at the pharmacy's U&C price if lower than the drug ingredient cost plus the dispensing fee.
- Medicaid payment must be accepted as payment in full.
- NYRx pricing is imported from First Data Bank (FDB) on a weekly basis. Additional information and updates from FDB, including [Temporary Delay in NADAC Price Updates](#).
- Federal Upper Limit (FUL) is a price ceiling determined by the Secretary of Health and Human Services and used by CMS to control the price paid to pharmacies for certain medications.
- National Average Drug Acquisition Cost (NADAC) is an average of drug acquisition cost determined by a federal survey of retail pharmacies.
- State Maximum Acquisition Cost (SMAC) is a maximum reimbursement limit applied to multisource generic drugs. Magellan Medicaid Administration determines the SMAC for NYRx.
- Usual and Customary Cost (U&C) is the lowest net charge to the general public/cash customers on the date of provision of service, not to exceed the lower sale price, if any, in effect on that date.
- Wholesaler Acquisition Cost (WAC) is an estimate of the manufacturer's list price for a drug to wholesalers or other direct purchasers, not including discounts or rebates. The price is defined by federal law.

Questions and Additional Information

- NYRx claim questions should be directed to the eMedNY Call Center at 1-800-343-9000.
- NYRx pharmacy coverage and policy questions should be directed to the NYRx policy unit at 1-518-486-3209 or NYRx@health.ny.gov.