NEW YORK STATE OF OPPORTUNITY. Department of Health

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Pharmacy Pricing Policy
Submission of Usual and Customary (U&C) Price for Pharmacy Claims

Attention Pharmacy Providers: In accordance with 42 C.F.R. § 447.512(b), pharmacies must provide a Usual and Customary (U&C) price when submitting pharmacy claims for prescription and over-the-counter (non-prescription) items. The U&C price is the price charged to the general public, including applicable discounts (e.g. promotional discounts and discounted prices associated with loyalty programs) and is used to calculate the item's Medicaid reimbursement per N.Y. State Soc. Serv. § 367-a.

Inaccurate U&C prices may result in incorrect Medicaid reimbursements. Knowingly submitting inaccurate U&C pricing may be considered fraudulent billing and can result in a civil penalty and damages under 31 U.S.C.S. § 3729(a)(1) and N.Y. State Fin. Law § 189(1), and exclusion from the Medicaid program under 42 U.S.C.S § 1320a-7(b)(6)(A).

Medicaid Fee-for-Service (FFS) payment methodology, which includes U&C price, can be found here:
https://health.ny.gov/health_care/medicaid/program/docs/pharmacy_reimbursement.pdf

The U&C should be submitted in NCPDP field 426-DQ.
https://www.emedny.org/HIPAA/5010/transactions/NCPDP_D.0_Companion_Guide.pdf

Any questions related to this policy can be addressed to ppno@health.ny.gov