



Date: 10/14/11

Pharmacy Announcement

AWP Benchmark Replaced by WAC

Effective October 13, 2011, the Nevada Division of Health Care Financing and Policy (DHCFP) will reimburse pharmacy-dispensed and physician-administered drugs and supplies according to a new methodology; the current Average Wholesale Price (AWP) benchmark will be replaced by a Wholesale Acquisition Cost (WAC) benchmark. Please note that pharmacy dispensing fees are not affected by this change (dispensing fees do not apply to physician-administered drugs).

All drugs and supplies (except diabetic supplies) will be paid according to the following lowest cost algorithm:

- Wholesale Acquisition Cost (WAC) + 2% + dispensing fee
- Federal Upper Limit + dispensing fee
- Maximum Allowable Cost (MAC) + dispensing fee
- Department of Justice (DOJ) - 15% + dispensing fee
- Gross Amount Due (Field 430-DU) (submitted)
- Usual and Customary (Field 425-DQ) (submitted)

Diabetic supplies will be paid using the lowest cost algorithm listed below:

- Wholesale Acquisition Cost (WAC) + 8% + dispensing fee
- Gross Amount Due (Field 430-DU)
- Usual and Customary (Field 425-DQ)