

Notice of Change in Medicaid State Plan

The Commissioner of the Tennessee Department of Finance and Administration is providing official notification, pursuant to 42 CFR § 447.205, of intent to file an amendment to the Medicaid State Plan. This amendment will be filed with the Centers for Medicare and Medicaid Services (CMS).

The subject of this amendment is a change in the professional dispensing fees paid to pharmacies for providing services to TennCare enrollees. Periodically, the State conducts a survey of all pharmacy providers participating in the TennCare program to determine the costs associated with professional dispensing of prescription drugs. Provider participation in the survey is mandatory, as the accurate calculation of pharmacy reimbursement rates depends on comprehensive, transparent input from the State's network of providers. The most recent survey was conducted in 2019, and its findings are the basis for the new dispensing fees identified in this notice.

Effective May 1, 2020, the following modifications will be made to the professional dispensing fees (PDFs) paid to pharmacies participating in the TennCare program:

- The PDF for ambulatory pharmacies with volume of less than 65,000 prescriptions per year will change from \$10.09 to \$11.98.
- The PDF for ambulatory pharmacies with volume of 65,000 prescriptions or more per year will change from \$8.33 to \$8.37.
- The PDF for ambulatory pharmacies that opened within one year of the of the survey will be \$11.98.
- The PDF for 340B pharmacies will be based on the type of claim being submitted. For claims submitted as 340B claims, the PDF will remain \$15.40. For claims submitted as non-340B claims, the PDF will change from a tiered approach based on annual prescription volume to a single rate of \$11.98.
- The PDF for long-term care pharmacies will change from \$12.15 to \$11.98.
- The PDF for specialty pharmacies will change from \$10.09 to \$11.98.
- The PDF for specialty drugs—regardless of which type of pharmacy dispenses the drug—will be \$45.94.
- The PDF for blood clotting factors and other blood products—regardless of which type of pharmacy dispenses the product—will change from \$153.54 to \$172.69.
- The PDF for compounded prescriptions that are prepared in 15 minutes or less will be tiered according to claims volume. For pharmacies with volume of less than 65,000 prescriptions per year, the PDF will change from \$10.09 to \$11.98. For pharmacies with volume of 65,000 prescriptions or more per year, the PDF will change from \$10.09 to \$10.00. (The PDFs for compounded prescriptions that require more than 15 minutes to prepare are not changing.)
- A PDF of \$11.98 will be paid to out-of-state pharmacies that have a volume of less than 65,000 prescriptions per year and that are located in border areas closer to TennCare

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members than Tennessee pharmacies are. The PDF for all other out-of-state pharmacies serving TennCare members will be \$8.37.

- Effective May 1, 2020, the PDF for pharmacies that did not provide a useable response to the State's 2019 Cost of Dispensing Survey will be \$8.37. For pharmacies that did not provide a useable response to the 2019 Cost of Dispensing Survey and then fail to provide a useable response to a future mandatory pharmacy reimbursement survey (whether related to the costs of dispensing, average actual acquisition cost, or any other aspect of pharmacy reimbursement), the PDF will be \$5.00. The PDF for pharmacies that do not provide a useable response to any two of the State's future mandatory pharmacy reimbursement surveys will be \$5.00.

The proposed effective date of the amendment is May 1, 2020. The amendment is expected to result in an increase of approximately \$5.4 million in annual aggregate expenditures under the TennCare program.

Copies of this notice will be available in each county office of the Tennessee Department of Health. Written comments concerning the amendment may be submitted by email to public.notice.tennCare@tn.gov or may be mailed to

Mr. Aaron Butler, Director of Policy
Division of TennCare
310 Great Circle Road
Nashville, Tennessee 37243.

Persons wishing to review copies of written comments received may submit their requests to the same email and/or physical address.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-855-259-0701 (TTY: 1-800-848-0298).

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