



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

Med-QUEST Division
Health Care Services Branch
P. O. Box 700190
Kapolei, Hawaii 96709-0190

April 25, 2013

MEMORANDUM

MEMO NO.
ACS M13-04

TO: Medicaid Pharmacies and Physicians

FROM: ^{Uet} Kenneth S. Fink, MD, MGA, MPH
Med-QUEST Division Administrator

SUBJECT: MEDICAID FEE-FOR-SERVICE PROGRAM PHARMACY
REIMBURSEMENT CHANGES

The Med-QUEST Division (MQD) is issuing this memorandum to notify Medicaid pharmacies and physicians who dispense medications of changes to the Medicaid Fee-For-Service (FFS) reimbursement methodology for medications effective June 1, 2013. These changes do not affect medication reimbursement from the QUEST or QUEST Expanded Access (QExA) health plans.

The major changes are to the ingredient estimated acquisition cost (EAC) and the dispensing fee. Ingredient EAC will change from average wholesale price (AWP) minus 10.5% to wholesale acquisition cost (WAC). Ingredient reimbursement will remain the lowest of submitted charge, EAC, federal upper limit (FUL) and State Maximum Allowable Cost (SMAC), as available. The pharmacy dispensing fee will increase from \$4.67 to \$5.00 per prescription, and the physician dispensing fee will continue to be \$0.50.

Details of the revised reimbursement for medications are provided at Hawaii Administrative Rule §17-1739.1.

Please contact Xerox at 877-439-0803 should you have any questions.