



DEPARTMENT OF HEALTH

PUERTO RICO MEDICAID PROGRAM

October 16, 2023

Public Notice for Medicaid Pharmacy Reimbursement

Effective on January 1, 2023, Puerto Rico Medicaid Program (PRMP) joined the federal Medicaid Drug Rebate Program (MDRP). Puerto Rico does not reimburse drugs through a fee-for-service reimbursement method since it solely operates under a managed care model. However, as a requirement for joining MDRP, in its State Plan, Puerto Rico must provide a comprehensive description of what its fee-for-service reimbursement methodologies for prescription drugs would be if it were to implement a fee-for-service reimbursement method for any prescription drugs in the future.

The Puerto Rico Department of Health (PRDoH), through the Puerto Rico Medicaid Program, filed with the Centers for Medicare and Medicaid Services (CMS) an amendment to its State Plan to add this comprehensive description.

Joining the MDRP is expected to result in savings to PRMP and for the benefit of the Puerto Rico fiscal plan.

The proposed methodologies for fee-for-service prescription drugs are outlined below.

Puerto Rico Medicaid proposed to make the State Plan Amendment (SPA) effective on January 1, 2023, and submitted the SPA to CMS for review on March 29, 2023.

Any person or organization may file written comments on this amendment within thirty (30) calendar days of the publication of this Public Notice on the Medicaid Program website (<https://www.medicaid.pr.gov/>).

Proposed changes may be viewed at local PRMP offices.

- a. Comments by mail: Luz E. Cruz-Romero, Director of Operations/Policy and Procedures; Medicaid Program; PR Department of Health, P.O. Box 70184; San Juan, P.R. 00936-8184, and Milagros Soto Mejía, at Puerto Rico Health Insurance Administration; P.O. Box 195661, San Juan, PR 009119-5661.
- b. Comments by e-mail:
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The professional dispensing fee for all carved-out-fee-for-service classes of drugs is \$8.96. Unless otherwise specified, payment for carved-out-fee-for-service drugs is the lowest of:

1. the actual acquisition costs of the drugs plus a professional dispensing fee; or
2. the state-established maximum allowable cost (MAC), plus a professional dispensing fee.
3. the provider's usual and customary charge to the public.

Puerto Rico Medicaid establishes the actual acquisition cost to equal the National Average Drug Acquisition Cost (NADAC).

For multiple source drugs, the actual acquisition cost is the NADAC for the generic drug, but for multiple source drugs prescribed in accordance with 42 CFR §447.512(c) the acquisition cost will be NADAC for the brand drug.

Puerto Rico Medicaid will calculate the actual acquisition cost of multiple source drugs in conformity with the upper payment limits established under 42 C.F.R. §447.512.

For 340B purchased carved-out-fee-for-service drugs prescribed by an authorized prescriber, the maximum allowed to be billed is as follows:

- A covered entity described in section 1927(a)(5)(B) of the Act. (340B covered entity pharmacy) can bill no more than their actual acquisition cost plus the professional dispensing fee.
- A contracting pharmacy under contract with a 340B covered entity described in section 1927(a)(5)(B) of the Act can bill no more than their actual acquisition cost plus a professional dispensing fee.
- Carved-out, fee-for-service drugs purchased through the Federal Supply Schedule and carved-out, fee-for-service drugs purchased at nominal price (outside of the 340B program) are reimbursed at actual acquisition cost plus the professional dispensing fee.
- PRMP does not distribute drugs through mail order or long-term care facilities.
- Physician-administered drugs (PADs) in all settings will be reimbursed using the current MAC rate. PADs will be reimbursed using the Medicare fee schedule if no MAC is available. There is no professional dispensing fee. For provider-administered drugs purchased through the Federal Public Health Service's 340B Drug Pricing program, reimbursement shall be the 340B actual acquisition cost.

Investigational drugs are not a covered service.

End San Juan, Puerto Rico