



# Medi-Cal Rx

## Topic: Maximum Allowable Ingredient Cost Survey

September 16, 2020



# Agenda

- Welcome and Introductions
- Background
- Maximum Allowable Ingredient Cost (MAIC) Survey
- Questions & Answers



# Background

Effective January 1, 2021, DHCS is carving out the Medi-Cal pharmacy benefit from managed care plans and transitioning to a fee-for-service (FFS) program. The standard basis of payment for FFS pharmacy benefit will be the lowest of:

- The National Drug Acquisition Cost (NADAC), or the Wholesale Acquisition Cost (WAC) + 0% when NADAC is not available, plus a pharmacy specific professional dispensing fee (PDF) of \$10.05 or \$13.20<sup>1</sup>.
- The Federal Upper Limit (FUL) plus a pharmacy specific PDF of \$10.05 or \$13.20<sup>1</sup>.
- The Maximum Allowable Ingredient Cost (MAIC) plus a pharmacy specific PDF of \$10.05 or \$13.20<sup>1</sup>.
- The Usual and Customary (U&C) charge to the general public.

This MAIC survey process ensures the continuing commitment of Medi-Cal in its effort to provide cost effective health services to California citizens by routinely evaluating provider payments.

<sup>1</sup>The PDF is determined by the total annual Medicaid and non-Medicaid claim volume reported in the Attestation Survey from the previous year. Pharmacies reporting less than 90,000 claims in the previous year receive a PDF of \$13.20 for every Medi-Cal prescription dispensed. Other pharmacies receive a PDF of \$10.05 for every Medi-Cal prescription dispensed.



# MAIC Survey

## Why

- A prescription drug purchase price survey will establish MAIC reimbursement rates for multisource generic drugs.

## Who

- A statistically valid sample of Medi-Cal participating outpatient pharmacies will be surveyed.

## How

- Mercer will:
  - Administer MAIC survey.
  - Conduct statistical analysis.
  - Produce MAIC rates for Medi-Cal.

## What

- Results from quarterly Medi-Cal MAIC surveys are used to establish and adjust MAIC rates to reflect the current marketplace.

*This survey is not affiliated with Centers for Medicare & Medicaid Services (CMS) National Average Drug Acquisition Cost (NADAC) survey conducted by Myers and Stauffer.*



# MAIC Survey

## When

- The survey collection period is: October 1-13

## How

- Mercer's survey email box:  
[CAMAICsurvey@mercer.com](mailto:CAMAICsurvey@mercer.com)



# MAIC Survey: Purpose

- Establish and maintain an MAIC program for multisource generic drug products encouraging efficient purchasing while being responsive to drug pricing fluctuations.
- MAIC survey results will be used to establish and adjust California MAIC rates to reflect the current marketplace conditions.
- MAIC rates will be published no later than December 1, 2020 and effective January 1, 2021.



# MAIC Survey: Notification Process

- The MAIC survey will be sent to a statistically valid sample of California pharmacies enrolled in the Medi-Cal program:
  - If you do not receive a notification, **you do not need to take any action for the MAIC survey.**
- Chain pharmacy owners with more than one location being surveyed:
  - Complete an MAIC survey for each Medi-Cal pharmacy location that receives a survey.
- Please submit copies of drug purchase price invoice data for the month of September 2020:
  - Provider participation and timely response is crucial:
    - Survey information must be received by October 13, 2020.
  - Exclude or flag any purchases your pharmacy made under a 340B contract.
  - Required information should be submitted in an Excel (xls) format:
    - Electronic invoices can be emailed to Mercer at [CAMAICsurvey@mercer.com](mailto:CAMAICsurvey@mercer.com).



# MAIC Survey: Frequency

## The MAIC survey will occur on a quarterly frequency

- A new representative survey sample of Medi-Cal enrolled pharmacies will be used each quarter.
- Each pharmacy location should be surveyed no more than once every two years.
  - The surveys are based on unique NPIs. For chain pharmacy owners with more than one location, a different location could be surveyed within the two year time period.





# Electronic Invoice Submission Process

- September 2020 drug purchase invoice information must be submitted in Excel (xls) format with the fields listed and titled, in this order:
  - Pharmacy National Provider Identifier (NPI)
  - Purchase Date
  - National Drug Code (NDC)
  - Item Description
  - Package Size
  - Unit of Measure
  - Package Price
  - Net Quantity Filled
  - Extended Price
- Please contact your wholesaler for assistance. Alternatively, if your internal system allows you to report on your own invoice activity, please provide in the above order.
- Please email your invoices to [CAMAICsurvey@mercer.com](mailto:CAMAICsurvey@mercer.com).



# Excel Sample

	A	B	C	D	E	F	G	H	I
1	NPI (10 digits)	Purchase Date	NDC (11 digits, no dashes or spaces)	Item Description (Drug Name/Strength)	Package Size (quantity within package -- 100, 90, etc.)	Unit of Measure (ml, gm, ea)	Package Price	Net Quantity Filled (Number of Packages Delivered)	Extended Price (Package Price * Net Quantity Filled)
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
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# Questions



Email questions to [CAMAICsurvey@mercer.com](mailto:CAMAICsurvey@mercer.com)