

TennCare Cost of Dispensing (COD) & Average Actual Acquisition Cost (AAAC) 2023 Survey Frequently Asked Questions

- What is the purpose of the COD survey and how often is it conducted?
 - The COD survey is conducted approximately every 3 years for the purpose of determining an accurate assessment of the cost to dispense covered outpatient drugs to TennCare patients.
- Are all pharmacies within the network required to complete the upcoming COD survey?
 - Yes, all pharmacy providers participating in the TennCare program are required to complete the COD survey.
- When and how will pharmacies find out if they were selected for both surveys?
 - Survey notifications will be sent by email on April 3rd; if your April 3rd communication references the AAAC survey as well, then you will also have to complete both the AAAC survey as well as the COD survey.
- Is there a penalty for failing to complete either of the upcoming surveys?
 - Yes. All network pharmacies are required to complete all reimbursement surveys referenced in their April 3rd communication. TennCare currently tracks pharmacies who repeatedly fail to respond to survey requests. Pharmacies who do not respond during the upcoming survey cycle will be at risk of receiving a reduced dispensing fee of \$5.

- Why is the AAAC survey only completed twice a year when prices fluctuate at a higher frequency?
 - Mercer completes weekly AAAC price adjustments to reflect marketplace movement. In addition, anytime a provider has a change in pricing, pharmacies can submit their invoices to TennCare for consideration for an adjustment.

- Can a pharmacy volunteer to complete the AAAC Survey?
 - Yes, if you'd like to be included you can email Lora at TennCare directly at lora.underwood@tn.gov

- Do pharmacies need to complete both surveys if they dispense a large quantity of specialty drugs?
 - If your pharmacy is considered specialty or if your pharmacy dispenses a large percentage of specialty medications, you will be asked to complete both the AAAC survey and the professional cost of dispensing fee survey.

- Who do I ask about regulatory questions?
 - Email mercerrxpassage@mercer.com for any questions.

- Most independent pharmacies pay higher prices than chain pharmacies, what can be done to factor in the higher AAAC of an independent?
 - The sample set for the AAAC survey is weighted heavier in favor of independent pharmacies versus chain pharmacies.

- How do I access the AAAC price list for Tennessee? How often are they updated?
 - Current and historical price lists on the Mercer website at <https://ghscapps.mercer.com/tenncarepharmacy/>. Price lists will be updated weekly.

- Will this survey be used for the Tennessee dispensing fee law that requires PBMs to pay a dispensing fee to the pharmacies for all insurance companies?
 - The COD survey is administered for the State of Tennessee Medicaid fee-for-service programs. For information on how the survey outcomes will impact Public Chapter 1070, please contact the Tennessee Department of Commerce and Insurance (TDCI) at Ask.TDCI@TN.Gov or (615) 741-2241.

- Should charity prescriptions be included in the number of prescriptions sold?
 - If the pharmacy was paid for the prescription, whether it be ingredient cost, dispensing fee, reimbursement at plan level, even paid by a party other than the member, then the prescription should be included in the applicable counts. Include details about the prescriptions in the comments.

- Do the AAAC prices include or exclude the DIR Fees that retail pharmacies get charged?
 - The AAAC survey does not include DIR fees. We will take the actual information on your invoice, therefore, it does not include any claw back or post-adjudication fees.

- Does one COD survey need to be filled out for each pharmacy?
 - Yes, there should be one survey completed for each NPI. The COD survey can be completed using an online survey tool, a small-chain excel version, or a large-chain excel version. The online version is ideal for needing to complete 1-2 surveys, the small-chain excel is ideal for 2-8, and the large chain excel is ideal for eight or more. To properly allocate costs, the data is needed on an NPI level.

- Do shipping/courier expenses factor into Other Pharmacy Expenses?
 - Yes, a delivery expenses (prescription related) line is included in the Financial Direct section.

- Who does owner wages apply to?
 - It is the combined salary of the owner and pharmacy manager. This may be one or more than one person.

- Exactly what area is included in the pharmacy square footage, does it include the meeting rooms?
 - We defer to your best judgement on whether you include it in your pharmacy area or not. If it is used primarily for pharmacy staff and functions, it is appropriate to include.

- When do the new dispensing fees go into effect, and will a communication be sent out?

Updates to the professional dispensing fee are expected to go into effect late summer/early fall 2023, and we will notify all network pharmacies of the any upcoming changes.

- When and how will the communication be sent that the survey is open?

- The surveys open and will be sent by email on April 3rd, if the email fails the communication will be faxed. Every pharmacy will have to complete the COD survey; if your April 3rd communication references the AAAC survey as well, then you will also have to complete the AAAC survey.

- Are there any special requirements for 340B?

- Not for the COD survey. For AAAC, do not submit your 340B invoice costs.

- Do I need to complete the COD survey if my pharmacy was not open the whole year?

- Yes, but you will only need to complete questions 1-15. In the excel versions you will also need to complete the electronic signature verification.