

Drug Reimbursement Information

This section provides an overview of Federal Medicaid prescription drug policies that directly influence states' reimbursement of prescription drugs, including an in-depth look into each State's coverage and reimbursement methodologies as provided in the state's Medicaid plan. We also highlight those states with supplemental drug rebate agreements and provide a list of state pharmaceutical assistance programs (SPAP) that currently meet our criteria for exemption from the manufacturers' calculations of best price.

**Related Resources**

- [Federal Policy Guidance-9/9/2004](#) (PDF 72.34 KB)
- [Federal Policy Guidance-9/18/2002](#) (PDF 94.57 KB)

### Physician Administered Drugs

The Deficit Reduction Act of 2005 (DRA) requires states to collect Medicaid rebates for certain physician-administered drugs. Beginning January 1, 2006, States must collect utilization data for single source, physician-administered drugs in order to secure rebates for such drugs. Effective January 1, 2007, states must also collect National Drug Codes (NDC) for the 20 multiple source physician-administered drugs with the highest dollar volume in Medicaid. Beginning January 1, 2008, the DRA provides that states not collecting NDCs on these 20 drugs will not receive Federal matching payments for the drugs unless they receive a hardship waiver. For further information on this part of the DRA, please see the [SMD letter on physician-administered drugs](#) (PDF 75.61 KB).

The Centers for Medicare & Medicaid Services (CMS) previously published a listing of the top 20 multiple source physician-administered drugs. However, after a thorough search of the limited highest dollar volume Medicaid multiple source drugs, we proposed to stop publishing the list after we found that most of the drugs were low-cost products and would not effectively represent a benefit to the states in rebate collection. Further, we believe the impact on states in removing the top 20 listing was minimal, because virtually all states do not limit NDC numbers on claims for only these drugs, but require NDC submission for all physician-administered drugs.

**PRA Disclosure Statement:** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1026 (Expires: TBD). The time required to complete this information collection of National Drug Codes (NDC) for physician-administered drugs is estimated to average 0.78 hours annually per each physician's office. If you have comments concerning the accuracy of the time estimate or suggestions for improving this form, please write to CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

### State Medicaid Reimbursement Information

The Medicaid reimbursement chart outlines the methodologies and co-payment amounts utilized by states.

