

WSR 24-01-140

PROPOSED RULES

HEALTH CARE AUTHORITY

[Filed December 20, 2023, 8:25 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 23-22-075.

Title of Rule and Other Identifying Information: WAC 182-530-7050 Reimbursement—Dispensing fee.

Hearing Location(s): On January 23, 2024, at 10:00 a.m. The health care authority (HCA) holds public hearings virtually without a physical meeting place. To attend the virtual public hearing, you must register in advance https://us02web.zoom.us/webinar/register/WN_8kNmW0cKTCailCLWrP2uKQ. If the link above opens with an error message, please try using a different browser. After registering, you will receive a confirmation email containing information about joining the public hearing.

Date of Intended Adoption: January 24, 2024.

Submit Written Comments to: HCA Rules Coordinator, P.O. Box 42716, Olympia, WA 98504-2716, email arc@hca.wa.gov, fax 360-586-9727, by January 23, 2024, by 11:59 p.m.

Assistance for Persons with Disabilities: Contact Johanna Larson, phone 360-725-1349, fax 360-586-9727, telecommunication[s] relay service 711, email Johanna.larson@hca.wa.gov, by January 12, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: HCA is revising this rule in accordance with the settlement agreement in the case of *National Association of Chain Drug Stores, et al., v. Washington State Health Care Authority, et al.* (Case No. 51489-3-II) and for the purpose of ensuring the continuation of federal medicaid funding. HCA also filed an emergency rule-making order under WSR 23-22-074, while the permanent rule-making process is being completed.

Reasons Supporting Proposal: See purpose.

Statutory Authority for Adoption: RCW 41.05.021, 41.05.160.

Statute Being Implemented: RCW 41.05.021, 41.05.160.

Rule is necessary because of state court decision, *National Association of Chain Drug Stores, et al., v. Washington State Health Care Authority, et al.* (Case No. 51489-3-II).

Name of Proponent: HCA, governmental.

Name of Agency Personnel Responsible for Drafting: Valerie Freudenstein, P.O. Box 42716, Olympia, WA 98504-2716, 360-725-1344; Implementation and Enforcement: Wendy Steffens, P.O. Box 45510, Olympia, WA 98504-5510, 360-725-5145.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 does not apply to HCA rules unless requested by the joint administrative rules review committee or applied voluntarily.

Scope of exemption for rule proposal from Regulatory Fairness Act requirements:

Is not exempt.

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The proposed rules do not impose more-than-minor costs on small businesses and are being made in accordance with the settlement agreement in the case of *National Association of Chain Drug Stores, et al., v. Washington State Health Care Authority, et al.*

(Case No. 51489-3-II) and for the purpose of ensuring the continuation of federal medicaid funding.

December 20, 2023
Wendy Barcus
Rules Coordinator

OTS-5053.2

AMENDATORY SECTION (Amending WSR 17-07-001, filed 3/1/17, effective 4/1/17)

WAC 182-530-7050 Reimbursement—Dispensing fee determination.

(1) Subject to the provisions of WAC 182-530-7000 and the exceptions permitted in WAC 182-530-2000, the medicaid agency pays a dispensing fee for each covered, prescribed drug.

(2) The agency does not pay a dispensing fee for:

- (a) Nondrug items, devices, or drug-related supplies; or
- (b) Drugs administered by a health care professional.

(3) The agency periodically examines the sufficiency of pharmacy dispensing fees and may adjust the dispensing fee by considering factors including, but not limited to:

- (a) Legislative appropriations for vendor rates;
- (b) Input from provider and advocacy groups;
- (c) Input from state-employed or contracted actuaries; and
- (d) Dispensing fees paid by other third-party payers including,

but not limited to, health care plans and other states' medicaid agencies.

(4) The agency uses a tiered dispensing fee system which pays higher volume pharmacies at a lower fee and lower volume pharmacies at a higher fee.

(5) The agency uses total annual prescription volume (both medicaid and nonmedicaid) reported to the agency to determine each pharmacy's dispensing fee tier. The following tier levels are effective for dates of service on and after July 1, 2023:

(a) A pharmacy which fills (~~more than thirty-five thousand~~) 70,000 or more prescriptions annually is a high-volume pharmacy. The agency considers hospital-based pharmacies that serve both inpatient and outpatient clients as high-volume pharmacies.

(b) A pharmacy which fills between (~~fifteen thousand one and thirty-five thousand~~) 30,000 and 69,999 prescriptions annually is a mid-volume pharmacy.

(c) A pharmacy which fills (~~fifteen thousand or fewer~~) less than 30,000 prescriptions annually is a low-volume pharmacy.

(6) The agency determines a pharmacy's annual total prescription volume as follows:

(a) The agency sends out a prescription volume survey form to pharmacy providers during the first quarter of the calendar year;

(b) Pharmacies return completed prescription volume surveys to the agency each year. Pharmacy providers not responding to the survey by the specified date are assigned to the high volume category;

(c) Pharmacies must include all prescriptions dispensed from the same physical location in the pharmacy's total prescription count;

(d) The agency considers prescriptions dispensed to nursing facility clients as outpatient prescriptions; and

(e) Assignment to a new dispensing fee tier is effective on the first of the month, following the date specified by the agency.

(7) A pharmacy may request a change in dispensing fee tier during the interval between the annual prescription volume surveys. The pharmacy must substantiate such a request with documentation showing that the pharmacy's most recent six-month dispensing data, annualized, would qualify the pharmacy for the new tier. If the agency receives the documentation by the twentieth of the month, assignment to a new dispensing fee tier is effective on the first of the following month.

(8) The agency grants general dispensing fee rate increases only when authorized by the legislature. Amounts authorized for dispensing fee increases may be distributed nonuniformly (e.g., tiered dispensing fee based upon volume).

(9) The agency may pay true unit dose pharmacies at a different rate for unit dose dispensing.